



AACB 2011 Vin Barron IMEX Prize Application

Resiliency.

Why is it important for the business events industry?

And what skills does 'Gen Y' need to deal with it?

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Introduction

Given recent events, such as the Global Financial Crisis (GFC) and an unexpected plethora of natural disasters, the subject of resiliency has taken centre stage within many professional sectors. Perhaps this is because the meaning of the word 'resilience' has intensified. Resilience seems no longer to be only about the ability to recover from change or the effects of an uncharted obstacle; resilience has become a prerequisite. We now expect the unexpected and, through constant renewal and innovation, we minimise the effects of these events.

The GFC and resultant budget cuts (particularly in the area of incentive travel) mean the business events industry must be innovative to attract new clients and replace lost business in other segments. It has also been impressed upon us that association conference delegate numbers are under threat. Clients and stakeholders have been under greater pressure to make these events more successful and memorable – thus requiring more time and resources.

The business events industry is dynamic, but also relatively young, which presents its own set of challenges. This paper will demonstrate the importance of resiliency to the business events industry through three core topics:

- Making our case! ... To government and the wider community
- Business events ... Dynamic & highly competitive
- The ever-changing face of doing business

So is Gen Y well equipped, or not , to face the challenges of the business events industry?

Gen Y is often the subject of much frustration and curiosity from older generations, some of which is justified! However there are a number of ways that Gen Y surpasses by far other generations — in particular their ability to demonstrate natural resiliency. Gen Y is able to adapt to change, is technologically savvy and is naturally equipped to keep up with trends. Gen Y is often creative, which becomes a great marketing strength on which employers can draw .

It is, however, important to acknowledge that, like any generation, there are some aspects that require attention. Gen Y should not hide behind technology, and should also acknowledge the need to be proactive, efficient and to draw on the expertise of mentors.

So how does this all relate to resiliency in the business events industry? Patience, Gen Y... you're about to find out.

Making our case! ...To government and the wider community

Conveying key messages and assets of the business events industry has been challenging, particularly considering the GFC. It seems that those to whom the industry is attempting to lobby have undermined the value of business events. Client expenditure on business events (particularly corporate and government) was suddenly scrutinised and, at times, seen as an irresponsible use of funds. Some may argue that the way in which these sectors cut their spending to silence this scrutiny demonstrates their lack of understanding of the value of business events and the direct effect they have on driving innovation, and on research and economic and personal development.

Leigh Harry of the Melbourne Convention and Exhibition Centre (MCEC) said, 'The fact that meetings came into disrepute so quickly in the face of recession shows we have an image problem.'ⁱ Now, in the midst of recovery, it is important that the business events industry unite and display resiliency by compiling efforts to ensure it is seen as a 'must-have' rather than a 'value-add'. It is vital that we grow the image of an academic industry, and that the industry continues to move beyond tourism by leaving behind benefits and legacies for professional sectors and the business within.

It is imperative for Gen Y to take time to study and recognise potential links to be made between trade and industry (as cited in the Australian Association Project (AAP)). One must have resiliency to approach and develop relationships with these wider and more powerful sectors. This, in turn, may ultimately encourage greater motivation for obtaining input and support from a range of government departments and create stronger relevance to destination decision-makers. The success of this strategy was demonstrated during the Adelaide Convention Bureau's *World Aquaculture 2014* bid. This event was highly expensive, but

through lobbying and selling the professional and industry benefits to a range of both government and private stakeholders, the necessary commitment to secure the event was obtained.

To effectively build rapport with industry and government figureheads, Gen Y must step away from virtual communications. Although being technologically savvy has its advantages, it's important that Gen Y recognises that continued personal dialogue builds stronger and more resilient relationships. Email, social media et al, while useful in consolidating relationships and capturing particular points of discussion, should be used as helpful tools, rather than sole communication methods.

Business Events ... Dynamic and highly competitive

Today's business events climate is more competitive than ever. It has been said that you need to (constantly) look over your shoulder...anybody in our industry who stands still is going to go backwards'.ⁱⁱ There are a myriad of contributing factors: an increase in active destinations, subvention offers, new event infrastructure and longer decision times. The industry must be prepared for the challenges presented by these trends, by being innovative and encouraging constant renewal of strategies and developing forward-thinking business plans.

Seoul is a prime example of the importance of resiliency. Martin Sirk, ICCA's CEO, has described Seoul's meetings industry as both 'admired and feared'ⁱⁱⁱ. He attributes this to their aptitude for doing 'many innovative things'^{iv}. Seoul was one of the first societies to move into a 4G environment and its financial support pool and growing infrastructure makes it an attractive proposition for clients.

Australia and its capital cities have identified that they cannot always compete on this stage. Take, for example, the Adelaide Convention Bureau's opportunity to bid for the *International Union for the Scientific Study of Population 2013 Conference*. The client required approximately AUD\$2 million in support for the conference. Seoul and a Canadian city were competitors. Canada, although a strong bidder, had hosted the conference twice before, which left Seoul. Seoul was able to source a support package to equal this value, placing Adelaide out of the equation.

Through resiliency and persistent national collaboration, programs such as the AAP have formed. 'We make it easier for associations to discover how the innovation happening in Australia can help them deliver events with content, which goes beyond the ordinary'^v. In a competitive industry it is imperative that Gen Y is proactive and can demonstrate initiative in order to support these programs. As destinations, such as Seoul, continue to set the pace, can we afford to be left behind?

A number of Australian destinations run programs with similar objects to AAP. The Adelaide Convention Bureau's *Conventions Adelaide Program* is designed to increase South Australia's ability to attract successful national and international conventions via a statewide cooperative approach from key industry contributors and beneficiaries. A fundamental aspect of this is the *Ambassador Program*, which involves sixty-five high profile industry leaders, who support and assist the development of leads and bid submissions to win conferences for the benefit of their specific sector and the state.^{vi} Perhaps of most value, is the possibility that hosting these conferences in their home city may create long-lasting legacies for their own research, programs and skills. To date Conventions Adelaide has secured 19 international and seven national events, which will contribute approximately \$70 million to the South Australian economy. In the face of adversity and resourced states, Australia must be innovative through programs such as this. In the long term, it is more effective to place resources into bids that partner with government and industry, and where a more intrinsic value — and commitment to memorable and quality service — can be offered.

The ability to integrate new ideas into long-term strategies, such as *Conventions Adelaide* is vital. 'To thrive in turbulent times, companies must become as efficient at renewal as they are at producing today's products and services. Renewal must be the natural consequence of an organisation's innate resilience.'^{vii} As Gen Y has seen phenomenal change in their lifetimes, from technological advances to constant career changes, they are often very adaptable and boast a broad skill set. It has been noted to find the 'people in your organisation who are plugged tightly in to the future.'^{viii} Gen Y can be critical drivers to adapt ideas, or create new initiatives to work into top line strategies.

The ever-changing face of doing business

'2011 is already shaping up to be a year of great drama. Our thoughts are with (our peers) caught up in the unprecedented flooding in Australia, Sri Lanka and Brazil, early indications that our planet's climate will be playing another big role over the coming 12 months.'^x Given the effects of unavoidable external influences including environmental issues, constantly improving technology, social media and increased subvention, resilience is essential to the business events industry.

Multiple unexpected natural disasters have occurred in recent times. 2010 was a particularly testing year for Europe, with air transport disruption due to the Icelandic volcano erupting. "How can you turn a volcanic eruption and a Europe-wide no-fly zone into a marketing success story?"^x Certainly it was a difficult feat! Through resiliency, the Iceland Convention and Incentive Bureau wowed an extensive audience 'by demonstrating how this disaster was turned into a nationwide, all-citizen, global marketing campaign, resulting in a tiny reduction in business compared to what had originally been expected.'^{xi} and won the *ICCA Best Marketing Awards* at the *49th ICCA Congress* in Hyderabad, India.

As a measure of resilience, the business events sector must continue to reinforce its points of difference and stay ahead of ever-changing trends. As a destination, Australia was one of the first countries to undertake a sustainability audit of its Business Events sector. Venues up to the challenge include the Adelaide Convention Centre: the first in Australia to achieve *EarthCheck Silver Certification* and the MCEC: the first in the world to be acknowledged as a *6 Star Green Star Convention Centre*.

The Business Events Industry Strategy Group noted an 'increasing expectation among event organisers and attendees of a high degree of technology sophistication within the Business Events industry'.^{xii} Resiliency is important to ensure that the significant impact of face-to-face meetings is still understood. Companies such as Cisco Systems are at the forefront of innovative technologies such as *TelePresence* (which allows people to connect via a simple video-conferencing style platform) and are trying to increase their share when it comes to meetings. Cisco's company's leaders have shown that using programs such as *TelePresence* can significantly decrease a company's bottom line. Their Australia

and New Zealand vice president publicised that his '\$4.5 million discretionary spending budget, some of which was allocated for staff travel for meetings, was reduced by three quarters by \$900,000 by using *TelePresence*.'^{xiii} For physical business events to evolve successfully alongside these technologies, we should incorporate and develop advances into our meetings to ensure they are modern and memorable.

As environmental and technology issues have become more prevalent, Gen Y has been consistently dealing with them. Both require Gen Y to capitalise on their creativity and innovation to come up with preventative methods and solutions to ensure business events continue to develop successfully. It is also important for Gen Y to stay on top of trends. Generally, Gen Y is good at this, considering access to information has simplified and they can generally sort through information faster than their predecessors. It could be suggested that more time needs to be spent gaining a full understanding of the industry's global context, rather than examining them only through work discussions and conferences.

As noted earlier, in the face of increased subvention and competitors' destinations, both convention bureaux and business event infrastructure are getting competitive. The common need for resiliency is seeing strategic alliances form between global competitors. Take the *Future Convention Cities Initiative* (FCCI). FCCI is an alliance that originally formed between the Seoul, Sydney and London convention bureaux to facilitate best practice and knowledge and foster innovation, in an effort to attract leading international business events. The FCCI has also engaged *Fast Future Research*, the company behind the *Convention 2020* study, to help implement this initiative, and has recently welcomed 4 new members. These types of alliances demonstrate the importance of resiliency in the industry, through a collaborative approach and pooling of research ideas and innovations, to continue moving forward.

Gen Y's aptitude to change will allow them to adjust to new strategies and new ways of doing business and, in turn, move beyond the strength an alliance can bring. The young people comprising Gen Y have a breadth of experience surrounding them, with previous generations having already made vast developments. Gen Y should capitalise on the insight mentors can provide. Alliances may open the door to a wider pool of mentors from which to draw

and give Gen Y the ability to move forward at a faster rate (which is often a high priority for Gen Y).

A marriage between resiliency, the business events industry and Gen Y

When all things are considered, it's apparent that a happy marriage between all three topics discussed is crucial. The need for constant renewal and innovation that defines resiliency is a running theme, and the crux of successful strategies and business plans. Australia cannot always compete with heavily resourced destinations, so it is important that we align with stronger sectors of trade and industry to continue to assertively bid for conferences that relate to national strengths in innovation. Gen Y cannot be pushed aside for its 'shortcomings' – in some areas, they have far more to offer than other generations. It is vital that the business events industry continues to foster the growth and development of this generation, as, one day, they will be the key decision-makers. The industry needs to collaborate with Gen Y now to produce solutions to these challenges and to continue to develop so that they are well equipped for their future advances. As the world moves ahead at a faster pace than ever before, it will also be significant to draw on their extraordinary ability to embrace change.

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- ⁱ Leigh Harry, November 2010, *When the pressure's off, keep up the pressure*, JMIC Paper, page 1
- ⁱⁱ MICE Seoul Monthly Webzine, MICE Industry Leaders Meet in Seoul to Discuss Future Trends December 2010 <http://www.miceseoul.com/webzine/201012/eng/php/issue.php?edm> (accessed 24/12/2010)
- ³ MICE Seoul Monthly Webzine, MICE Industry Leaders Meet in Seoul to Discuss Future Trends December 2010 <http://www.miceseoul.com/webzine/201012/eng/php/issue.php?edm> (accessed 24/12/2010)
- ^{iv} MICE Seoul Monthly Webzine, MICE Industry Leaders Meet in Seoul to Discuss Future Trends December 2010 <http://www.miceseoul.com/webzine/201012/eng/php/issue.php?edm> (accessed 24/12/2010)
- ^v Headquarters Magazine, Destination Report Australia, Julie Sheather
- ^{vi} Adelaide Convention Bureau, Conventions Adelaide, 2010, <http://www.adelaideconvention.com.au/acta-at-work/conventions-adelaide> (accessed 15/2/2011)
- ^{vii} Gary Hamel & Liisa Valikangas, September 2003, *The Quest for Resilience*, Harvard Business Review, page 2 of 13
- ^{viii} Gary Hamel & Liisa Valikangas, September 2003, *The Quest for Resilience*, Harvard Business Review, page 6 of 13
- ^{ix} ICCA, Presidential Message (Arnaldo Nardone), 17 January 2011, <http://www.iccaworld.com/newsarchives/archivedetails.cfm?id=2380> (accessed 15/2/2011)
- ^x ICCA, A volcano as a marketing tool: Iceland Convention and Incentive Bureau wins ICCA Best Marketing Award, <http://www.iccaworld.com/newsarchives/archivedetails.cfm?id=2309>
- ^{xi} ICCA, A volcano as a marketing tool: Iceland Convention and Incentive Bureau wins ICCA Best Marketing Award, <http://www.iccaworld.com/newsarchives/archivedetails.cfm?id=2309>
- ^{xii} BECA, National Business Events Strategy for Aus 2020, Prepared by Business Events Industry Strategy Group, http://www.busesseventscouncil.org.au/files/bes_ex_summary_nov08.pdf (accessed 7/3/2011)
- ^{xiii} Brad Foster, Feb/May 2011, *The Influencers*, Micenet Australia, page 19

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