

1
00:00:32,500 --> 00:00:34,500
Hi everyone.

2
00:00:34,500 --> 00:00:35,250
It's Heather Reid here.

3
00:00:35,250 --> 00:00:36,483
My pronouns are she her.

4
00:00:37,016 --> 00:00:39,016
Thank you for being here with me today.

5
00:00:39,016 --> 00:00:43,016
I'm honoured that you've taken time to spend it with me.

6
00:00:43,016 --> 00:00:46,016
For those folks who are using accessibility

7
00:00:46,016 --> 00:00:50,216
technology, I'm a 60 year old white female sitting in

8
00:00:50,216 --> 00:00:53,750
my home office with Waldderall bookcases behind me.

9
00:00:53,750 --> 00:00:55,966
I'm wearing a navy blue blouse.

10
00:00:55,966 --> 00:00:59,266
I have ash colored hair and I'm wearing red glasses.

11
00:00:59,750 --> 00:01:02,750
So before we jump into today's topic, I have to

12
00:01:02,750 --> 00:01:05,083
give my usual two reminders.

13
00:01:05,099 --> 00:01:08,266

One, I need you to know that I am not legal

14

00:01:08,266 --> 00:01:11,916
counsel and our discussions today in no way is

15

00:01:11,933 --> 00:01:14,866
me providing or suggesting legal advice.

16

00:01:14,866 --> 00:01:17,916
And the second, I know and I hope

17

00:01:17,933 --> 00:01:20,083
that you will have some questions today.

18

00:01:20,400 --> 00:01:23,816
now or during the replays, so please don't hesitate

19

00:01:23,816 --> 00:01:26,983
to put them in the comments wherever and whenever you

20

00:01:27,000 --> 00:01:30,166
are viewing this, and we'll do our best to address them live

21

00:01:30,166 --> 00:01:32,733
online or in future episodes.

22

00:01:33,466 --> 00:01:36,633
So today we're talking about key tips and

23

00:01:36,650 --> 00:01:38,916
tactics for negotiating attrition.

24

00:01:38,933 --> 00:01:42,650
Attrition is not

25

00:01:42,650 --> 00:01:46,549
a four- letter word in our industry, rather, it

26
00:01:46,549 --> 00:01:49,833
is a revenue strategy used by an event's

27
00:01:49,849 --> 00:01:52,250
industry supplier partner

28
00:01:52,750 --> 00:01:56,333
to ensure that the event hosts are fulfilling

29
00:01:56,333 --> 00:01:59,799
their financial obligation to the event partner.

30
00:01:59,816 --> 00:02:03,833
Event partners are rightfully safeguarding

31
00:02:03,833 --> 00:02:07,599
their revenue in the case of event hosts not

32
00:02:07,616 --> 00:02:10,783
meeting their projected financial commitments.

33
00:02:11,250 --> 00:02:14,400
So attrition is a reasonable revenue.

34
00:02:14,400 --> 00:02:17,400
It's a reasonable revenue strategy,

35
00:02:17,400 --> 00:02:21,599
and it's used for when event hosts underperform.

36
00:02:22,550 --> 00:02:26,683
However, and it's a big, however, event

37
00:02:26,699 --> 00:02:30,349
hosts don't need to simply accept

38
00:02:30,349 --> 00:02:34,783

how the event partner calculates attrition.

39

00:02:35,516 --> 00:02:38,750

It is our responsibility as planners to know how

40

00:02:38,750 --> 00:02:42,099

to negotiate attrition, damages in

41

00:02:42,116 --> 00:02:46,316

an a strategic, in a thorough and in a balanced way.

42

00:02:47,750 --> 00:02:50,933

So attrition, as you may know, is used by event partners

43

00:02:50,933 --> 00:02:54,533

such as hotels, resorts, special event venues,

44

00:02:54,533 --> 00:02:59,150

conference centers, convention centers, a attrition

45

00:02:59,150 --> 00:03:02,449

is typically applied whenever there is an opportunity

46

00:03:02,449 --> 00:03:05,566

to measure revenue performance,

47

00:03:05,866 --> 00:03:09,033

such as sleeping rooms occupied food

48

00:03:09,050 --> 00:03:12,650

and beverage consumed or meeting spaces contracted.

49

00:03:12,650 --> 00:03:16,066

So while attrition damages are known

50

00:03:16,066 --> 00:03:19,483

after the event has been held,

51

00:03:20,250 --> 00:03:23,400
the opportunity to reduce your

52

00:03:23,400 --> 00:03:27,416
attrition damages truly comes before

53

00:03:27,416 --> 00:03:31,733
the event contract is signed, so attrition

54

00:03:31,733 --> 00:03:34,966
damages you'll know the full extent of them after the event,

55

00:03:35,449 --> 00:03:40,416
but you can reduce them strategically before the contract is even
signed.

56

00:03:40,433 --> 00:03:44,083
So today I want to share with you several strategies,

57

00:03:44,099 --> 00:03:47,933
negotiating tips and tactics to negotiate

58

00:03:47,933 --> 00:03:51,233
your attrition damages before that contract is signed.

59

00:03:52,000 --> 00:03:55,016
If you take notes, old school like I do,

60

00:03:55,016 --> 00:03:58,550
pen and paper or on your computer, if you want to create a note

61

00:03:58,550 --> 00:04:02,016
taking framework for yourself for today, I'm

62

00:04:02,033 --> 00:04:04,183
going to be sharing five tips

63

00:04:05,000 --> 00:04:08,150
and four of the nine tactics

64
00:04:08,150 --> 00:04:11,483
that I use and I will call them specifically tip

65
00:04:11,933 --> 00:04:15,233
number one tactic number two, etc.

66
00:04:15,233 --> 00:04:18,166
So here we start with tip number one.

67
00:04:19,000 --> 00:04:22,183
when we are negotiating a draft contract

68
00:04:22,183 --> 00:04:25,733
to address specifically a Tricion damages, we

69
00:04:26,383 --> 00:04:31,183
need to be aware that there are three perspectives that we need to

70
00:04:32,250 --> 00:04:35,399
remember, one negotiate the

71
00:04:35,399 --> 00:04:39,500
aspects of the draft attrition clause itself,

72
00:04:39,750 --> 00:04:42,116
if there is one, so that makes sense.

73
00:04:42,116 --> 00:04:44,633
We're going to focus in on the actual attrition clause.

74
00:04:45,500 --> 00:04:48,649
The second perspective is we need to negotiate

75
00:04:48,649 --> 00:04:52,550
the other clauses in a contract that

76

00:04:52,550 --> 00:04:56,383

do and or should relate in

77

00:04:56,399 --> 00:04:58,733

some way to attrition.

78

00:04:59,750 --> 00:05:02,750

and the third perspective is that we need to

79

00:05:02,750 --> 00:05:06,816

negotiate for clauses that aren't even included

80

00:05:06,833 --> 00:05:11,083

in the draft contract, but need to be there,

81

00:05:11,100 --> 00:05:16,433

and this one is so important so look at the big picture of the whole contract

82

00:05:17,000 --> 00:05:19,000

just around attrition.

83

00:05:19,000 --> 00:05:22,066

You're looking at the attricianuse itself,

84

00:05:22,066 --> 00:05:25,783

you're looking at other clauses that should address

85

00:05:25,800 --> 00:05:31,433

attrition, and you're also looking for ones that are missing from the contract.

86

00:05:31,433 --> 00:05:33,433

So that's my tip number one.

87

00:05:33,750 --> 00:05:37,133

We're to change over it to my first tactic to

88

00:05:37,133 --> 00:05:39,166
negotiate attrition damages.

89

00:05:39,166 --> 00:05:42,399
And this one seems obvious enough, but

90

00:05:42,416 --> 00:05:44,566
I think we need to be reminded all the time.

91

00:05:45,416 --> 00:05:50,516
negotiate the percentage of reduction that is permissible.

92

00:05:50,516 --> 00:05:53,683
If the draft contract says

93

00:05:53,699 --> 00:05:57,350
that we are allowed 10% slippage

94

00:05:57,350 --> 00:05:59,866
in guest rooms occupied,

95

00:06:01,000 --> 00:06:04,550
go ahead and ask for 20% slippage

96

00:06:04,550 --> 00:06:09,050
before having to pay attrition damages that number

97

00:06:09,050 --> 00:06:12,466
is an initial offer and you can go back and

98

00:06:12,466 --> 00:06:16,000
ask for a different number, so if you're

99

00:06:16,016 --> 00:06:20,449
able to reduce your minimum required threshold amount

100

00:06:20,866 --> 00:06:23,983
that's cash savings right off the top

101
00:06:24,500 --> 00:06:28,066
so that's my tactic number one look at the

102
00:06:28,066 --> 00:06:33,100
actual percentage of reduction permissible and increase it.

103
00:06:34,750 --> 00:06:38,449
My second tactic always read

104
00:06:38,449 --> 00:06:42,283
the terminology very carefully to determine

105
00:06:42,300 --> 00:06:45,716
if the attrition damages are calculated on

106
00:06:45,716 --> 00:06:50,866
a daily basis or a cumulative basis

107
00:06:51,750 --> 00:06:55,850
or if it has even been specified, daily

108
00:06:55,850 --> 00:07:01,666
performance is just as its name suggests every individual

109
00:07:01,666 --> 00:07:05,199
day of the event, the revenue

110
00:07:05,216 --> 00:07:11,566
generated will be measured against a minimum reduced spend for the day

111
00:07:13,000 --> 00:07:18,166
so every day they're going to take what did you actualize and what did you promise?

112
00:07:18,166 --> 00:07:21,633

Cumulative performance is

113

00:07:21,649 --> 00:07:26,083

also just as its name suggests over all

114

00:07:26,100 --> 00:07:28,616

of the days of the event combined

115

00:07:29,333 --> 00:07:32,750

the revenue generated will be added up and measured

116

00:07:32,750 --> 00:07:37,066

against a minimum reduced spend for the whole event.

117

00:07:38,449 --> 00:07:41,500

Now, traditionally, event partners were calculating

118

00:07:41,516 --> 00:07:45,833

attrition on a cumulative performance basis, but now

119

00:07:45,833 --> 00:07:48,050

that is the exception.

120

00:07:48,050 --> 00:07:50,050

It is not the rule.

121

00:07:50,050 --> 00:07:53,149

Daily performance, which is what is most

122

00:07:53,149 --> 00:07:56,866

likely being proposed in your draft contract,

123

00:07:57,250 --> 00:08:00,649

can actually be punitive to the event host.

124

00:08:00,649 --> 00:08:04,116

Some event days may exceed the

125

00:08:04,133 --> 00:08:07,550

minimum revenue, while other days may actually

126

00:08:07,550 --> 00:08:11,683

fall below the minimum required revenue, but added

127

00:08:11,699 --> 00:08:16,850

together, they balance out and meet that overall minimum revenue required.

128

00:08:17,500 --> 00:08:20,866

So please be very aware that you

129

00:08:20,866 --> 00:08:24,166

need to be looking for terminology, stating

130

00:08:24,166 --> 00:08:27,733

whether they are calculating nutrition based on daily or

131

00:08:28,316 --> 00:08:33,116

cumulative totals, and I would suggest really negotiating

132

00:08:33,116 --> 00:08:35,866

for cumulative, if at all possible.

133

00:08:37,750 --> 00:08:40,916

And then this leads me into the

134

00:08:40,916 --> 00:08:43,850

third and fourth tactics,

135

00:08:45,299 --> 00:08:48,766

knowing how the attrition damages are

136

00:08:48,766 --> 00:08:52,299

going to be calculated is also very

137

00:08:52,316 --> 00:08:54,716
important for the planter to understand.

138
00:08:56,000 --> 00:09:00,049
Damages are a mathematical calculation,

139
00:09:00,049 --> 00:09:04,183
and there is something that should be able to be explained
transparently

140
00:09:04,200 --> 00:09:10,433
and clearly by the event partner to the event host.

141
00:09:11,250 --> 00:09:14,450
It is incredibly frustrating that an

142
00:09:14,450 --> 00:09:17,799
event partner rarely openly discloses

143
00:09:17,816 --> 00:09:22,666
an actual dollar figure by category of

144
00:09:22,666 --> 00:09:26,083
their calculations for attricia damages, usually

145
00:09:26,100 --> 00:09:29,450
we're just given a number, a dollar value.

146
00:09:29,750 --> 00:09:32,799
and we're not able to verify or

147
00:09:32,816 --> 00:09:36,283
to defend and

148
00:09:36,299 --> 00:09:41,149
explain what that tally comes to if we don't have a breakdown.

149
00:09:41,149 --> 00:09:44,483

So that leads me into that third specific tactic.

150

00:09:45,350 --> 00:09:50,566

What sources of revenue are included

151

00:09:50,566 --> 00:09:53,983

in the calculation of attrition damages?

152

00:09:55,250 --> 00:09:58,549

measuring the event host's actualized

153

00:09:58,549 --> 00:10:02,750

revenues against a minimum threshold is the

154

00:10:02,750 --> 00:10:06,283

actual basis of attrition, so the event

155

00:10:06,299 --> 00:10:11,333

host needs to ensure that every single source

156

00:10:11,933 --> 00:10:15,100

of applicable revenue is actually

157

00:10:15,116 --> 00:10:18,049

included in the calculation.

158

00:10:18,049 --> 00:10:21,216

Don't leave inclusions to

159

00:10:21,233 --> 00:10:24,649

be assumed list them all out,

160

00:10:24,649 --> 00:10:29,266

put them in your RFP that you want credit for the following,

161

00:10:29,516 --> 00:10:32,933

and then look for that same language in the contract

162

00:10:32,933 --> 00:10:36,233
you are being credited for XY Z.

163

00:10:36,233 --> 00:10:40,233
So if I use the example of sleeping rooms, here

164

00:10:40,850 --> 00:10:47,233
we're talking about revenues that are coming from rooms consumed
within the room block.

165

00:10:49,250 --> 00:10:54,350
We're looking at rooms consumed outside of the room block.

166

00:10:56,033 --> 00:10:59,200
rooms consumed for both prevent

167

00:10:59,216 --> 00:11:02,450
and postevent night stays,

168

00:11:04,200 --> 00:11:07,966
dishonored room nights and room

169

00:11:07,966 --> 00:11:11,733
rates paid at the full group rate for

170

00:11:12,250 --> 00:11:16,316
early departure or cancellations or no shows,

171

00:11:17,250 --> 00:11:20,266
so as you can see, I think I've given you one two

172

00:11:20,266 --> 00:11:23,683
three four five six different examples

173

00:11:23,700 --> 00:11:27,166
of revenue sources that should be

174

00:11:27,166 --> 00:11:31,000
included in the calculation of revenue that's

175
00:11:31,016 --> 00:11:33,166
been actualized by you the event

176
00:11:33,833 --> 00:11:37,366
towards your sleeping room requirements.

177
00:11:37,366 --> 00:11:40,366
So make sure that you list

178
00:11:40,366 --> 00:11:43,966
out those and ask them to put those in the

179
00:11:43,966 --> 00:11:47,683
attrition or sorry the revenue for sleeping rooms will include

180
00:11:47,700 --> 00:11:50,266
revenue from the following sources.

181
00:11:52,250 --> 00:11:55,616
The fourth tactic is kind of the opposite

182
00:11:55,616 --> 00:11:59,566
of that, so it is what is excluded

183
00:11:59,566 --> 00:12:03,283
when calculating attrition damages.

184
00:12:04,016 --> 00:12:07,916
Now, I want to just back up for a second because when you're

185
00:12:07,916 --> 00:12:11,866
including revenue sources, you can think about sleeping rooms

186
00:12:11,866 --> 00:12:15,333
that we just discussed, but you can also apply that same

187

00:12:15,350 --> 00:12:18,649

principle to food and beverage, for example.

188

00:12:19,250 --> 00:12:22,850

If you have your food and beverage event, then you have insiliary

189

00:12:22,850 --> 00:12:26,200

events or auxiliary events hosted alongside of your main

190

00:12:26,216 --> 00:12:30,466

event, bringing those all together as cumulative

191

00:12:30,466 --> 00:12:33,333

revenue brought to the property.

192

00:12:34,250 --> 00:12:37,366

The fourth tactic is what's excluded,

193

00:12:37,366 --> 00:12:41,316

and as far as I can figure out, I think it only applies

194

00:12:41,333 --> 00:12:44,633

to sleeping rooms, but because attrition

195

00:12:44,633 --> 00:12:49,299

a lot of the times does focus on sleeping rooms, I really want to highlight this one.

196

00:12:49,750 --> 00:12:53,450

So this tactic is negotiating

197

00:12:53,450 --> 00:12:58,783

what is excluded when calculating attrition damages.

198

00:12:58,799 --> 00:13:02,333

Quite often the event partner

199

00:13:02,333 --> 00:13:06,350

will indicate that the event host will be relieved

200

00:13:06,350 --> 00:13:09,649

of attrition damages if they are, let's

201

00:13:09,649 --> 00:13:11,799

say at 100% occupancy.

202

00:13:12,750 --> 00:13:16,250

However, that is rarely realistic, and

203

00:13:16,250 --> 00:13:20,016

it does not account for sleeping room inventory that

204

00:13:20,033 --> 00:13:25,783

should not be included in the calculation in the first place.

205

00:13:26,750 --> 00:13:29,933

So if we're thinking about sleeping rooms, let's

206

00:13:29,933 --> 00:13:33,100

think about rooms that are off market and

207

00:13:33,116 --> 00:13:35,983

not even able to be sold for various reasons

208

00:13:37,366 --> 00:13:41,433

that we should not be having to you know, the full inventory.

209

00:13:41,450 --> 00:13:44,616

What about sleeping rooms held in blocks

210

00:13:44,633 --> 00:13:49,966

for other groups, which we have no control over whether they are filled or not filled.

211

00:13:50,700 --> 00:13:53,700
Sleeping rooms held for the brand's preferred

212
00:13:53,700 --> 00:13:57,299
guest programs, sleeping rooms

213
00:13:57,299 --> 00:14:00,716
that are held for special negotiated groups such

214
00:14:00,716 --> 00:14:03,649
as airline crews or government employees,

215
00:14:04,500 --> 00:14:07,733
and suites that are not part of your block.

216
00:14:07,733 --> 00:14:11,033
So just like we had a list of

217
00:14:11,033 --> 00:14:15,883
inclusions, we want to also be very specific

218
00:14:15,899 --> 00:14:19,316
in what is excluded when the event

219
00:14:19,316 --> 00:14:24,233
partner actually calculates their inventory on which they then base

220
00:14:25,250 --> 00:14:27,250
your attrician damages.

221
00:14:27,250 --> 00:14:30,399
So ensuring that all of

222
00:14:30,416 --> 00:14:34,316
these inventory scenarios are excluded

223
00:14:34,316 --> 00:14:38,149
from the occupancy calculation helps

224

00:14:38,149 --> 00:14:43,299

your event host to minimize their potential attrition damages,

225

00:14:43,750 --> 00:14:46,916

and identifying those in writing in the

226

00:14:46,916 --> 00:14:50,933

contract is important, and I would say it should

227

00:14:50,933 --> 00:14:54,166

be an element of your RFP as well is

228

00:14:54,166 --> 00:14:57,633

that this is how we want to calculate attrition, what

229

00:14:57,649 --> 00:15:00,816

is included and what we expect to be excluded.

230

00:15:02,250 --> 00:15:06,600

So that leads me then, based on tactic three

231

00:15:06,600 --> 00:15:10,366

and four, I come to my tip number two,

232

00:15:11,566 --> 00:15:15,399

and that is, please negotiate language that

233

00:15:15,416 --> 00:15:19,433

requires the event partner to provide a

234

00:15:19,433 --> 00:15:23,483

post event written breakdown of

235

00:15:23,866 --> 00:15:26,799

the calculation of the attrition damages.

236

00:15:27,750 --> 00:15:31,500

As I said earlier, just a dollar value is insufficient.

237

00:15:32,000 --> 00:15:34,000

How can we verify that result?

238

00:15:34,000 --> 00:15:37,000

The actual breakdown should not

239

00:15:37,016 --> 00:15:40,733

be secretive and it's critical for us to to

240

00:15:40,733 --> 00:15:45,466

be able to understand our group data and our group performance.

241

00:15:46,250 --> 00:15:49,316

So here specificity is your friend

242

00:15:49,316 --> 00:15:53,816

when you are able to proactively negotiate how

243

00:15:53,816 --> 00:15:56,733

the attrition damages are going to be calculated.

244

00:15:57,250 --> 00:16:00,466

We need to be very specific about inclusions and

245

00:16:00,466 --> 00:16:02,983

equally specific about exclusions,

246

00:16:03,350 --> 00:16:06,983

and then have the post event documentation to prove it all.

247

00:16:08,250 --> 00:16:11,333

So I have planned this

248

00:16:11,333 --> 00:16:14,983

content to leave a few questions, so if you haven't already,

249

00:16:15,000 --> 00:16:18,533

please put any question that you have in the comments so

250

00:16:18,533 --> 00:16:22,250

that when I'm finished with these next last three tips,

251

00:16:22,549 --> 00:16:24,549

I can get to a few of them.

252

00:16:24,549 --> 00:16:26,866

So tip number three.

253

00:16:26,866 --> 00:16:30,033

It is disturbing to me and

254

00:16:30,049 --> 00:16:33,583

to so many others to see event contracts

255

00:16:33,600 --> 00:16:37,016

that I review for other planners, and I hear that

256

00:16:37,016 --> 00:16:41,683

other planners are encountering that draft contracts are now written

257

00:16:42,500 --> 00:16:45,500

to expect attrition damages to

258

00:16:45,950 --> 00:16:49,600

be paid in advance of the event dates,

259

00:16:49,616 --> 00:16:54,166

and a lot of them are based on at the time of the cut off date

260

00:16:55,000 --> 00:16:57,500

attrition damages will be calculated.

261

00:16:57,750 --> 00:17:00,899
Well to that I say WTH folks

262
00:17:00,899 --> 00:17:05,933
absolutely not attrition is

263
00:17:05,933 --> 00:17:08,633
a measure of performance,

264
00:17:09,250 --> 00:17:12,299
and performance happens both up to

265
00:17:12,299 --> 00:17:16,250
and during the event itself.

266
00:17:17,000 --> 00:17:20,400
So look carefully for this new

267
00:17:20,400 --> 00:17:24,116
twist, if you will, that attrition is being calculated at a

268
00:17:24,116 --> 00:17:27,650
specific time before the event dates

269
00:17:27,650 --> 00:17:29,983
to me that is not acceptable.

270
00:17:30,000 --> 00:17:34,616
It is not a true measure of the group's performance.

271
00:17:34,616 --> 00:17:36,616
Okay?

272
00:17:36,616 --> 00:17:37,216
Tip number three.

273
00:17:37,750 --> 00:17:40,200
Then we have tip number four.

274

00:17:40,200 --> 00:17:43,549

Please articulate to

275

00:17:43,549 --> 00:17:47,500

your event partner that you understand

276

00:17:47,516 --> 00:17:50,150

that attrition damages

277

00:17:51,000 --> 00:17:54,466

should not be applicable in the

278

00:17:54,466 --> 00:17:58,066

case of partial or reduced performance

279

00:17:58,066 --> 00:18:01,366

due to a forced mature event.

280

00:18:02,333 --> 00:18:05,633

They are very different scenarios where

281

00:18:05,633 --> 00:18:08,233

underperformance has been created.

282

00:18:09,000 --> 00:18:12,233

One is

one might say within

283

00:18:12,233 --> 00:18:15,650

the control, but it's a more natural response,

284

00:18:15,650 --> 00:18:19,483

but then there's under performance due to a burden

285

00:18:19,500 --> 00:18:22,733

that was beyond the event hosts control.

286

00:18:23,250 --> 00:18:26,750

So you think about the recent freak snowstorms

287

00:18:26,750 --> 00:18:30,466

in Florida that actually caused a great number

288

00:18:30,466 --> 00:18:33,883

of events to underperform and not

289

00:18:33,900 --> 00:18:37,250

meet their minimum revenue obligations.

290

00:18:38,033 --> 00:18:41,799

However, the cause of that under performance

291

00:18:41,816 --> 00:18:46,183

was not within the event host control, and

292

00:18:46,200 --> 00:18:49,250

thus the event host should not be penalized.

293

00:18:50,000 --> 00:18:53,266

However, to be assured that you're

294

00:18:53,266 --> 00:18:55,416

not going to have to have that discussion,

295

00:18:55,733 --> 00:18:59,383

the event host needs to proactively negotiate

296

00:18:59,400 --> 00:19:03,533

in the contract before it is signed that there

297

00:19:03,533 --> 00:19:07,133

is a difference between these two scenarios.

298

00:19:07,133 --> 00:19:10,366

So you have natural causes of like

299

00:19:10,366 --> 00:19:13,416

when I say natural business causes for underperformance.

300

00:19:13,433 --> 00:19:16,483

And then there are situations where uh

301

00:19:17,000 --> 00:19:22,066

events that have major performance burdensome, um more impracticable.

302

00:19:22,433 --> 00:19:25,549

those are two different scenarios and make

303

00:19:25,549 --> 00:19:29,150

sure that they are clearly identified in your contract so there's

304

00:19:29,150 --> 00:19:33,400

no question as to whether attrition damages are actually due.

305

00:19:34,316 --> 00:19:38,216

And then a final tip number five,

306

00:19:38,216 --> 00:19:42,883

please, and I've written note here three pleaseases

307

00:19:42,900 --> 00:19:46,250

please please please please do not sign a

308

00:19:46,250 --> 00:19:51,400

contract that does not specifically address attrition

309

00:19:52,000 --> 00:19:56,816

in reference to achieving minimum financial obligations.

310

00:19:56,816 --> 00:20:00,049

If a contract is silent

311
00:20:00,049 --> 00:20:04,116
about attrition, so in other words, there is no mention

312
00:20:04,133 --> 00:20:07,733
of attrition, which is incredibly rare,

313
00:20:08,750 --> 00:20:11,866
but if there is no mention of attrition in the contract,

314
00:20:11,866 --> 00:20:16,416
that means that the event host is responsible

315
00:20:16,433 --> 00:20:21,766
for the entire value of the financial obligations.

316
00:20:22,750 --> 00:20:26,566
If the contract is silent, or if

317
00:20:26,566 --> 00:20:30,099
in the rare case the event partner has waived attrition

318
00:20:30,116 --> 00:20:35,633
damages, the contract must specifically state that in writing.

319
00:20:36,299 --> 00:20:39,650
So if there's no attrition clauses or

320
00:20:39,650 --> 00:20:43,183
you've been able to negotiate out attrition damages,

321
00:20:43,200 --> 00:20:47,566
please make sure that there is specific reference still to

322
00:20:47,566 --> 00:20:51,583
attrition, but it has been waived or

323
00:20:52,750 --> 00:20:54,750

not applicable, okay?

324

00:20:54,750 --> 00:20:57,833

So I'm going to pass over to

325

00:20:57,833 --> 00:21:01,183

my team member now, Anthea, to discuss a free

326

00:21:01,200 --> 00:21:05,516

resource that we've created to help you negotiate one

327

00:21:05,516 --> 00:21:08,233

more tactic for attrition.

328

00:21:08,750 --> 00:21:10,750

Hi Anthea.

329

00:21:11,500 --> 00:21:13,500

Hi Heather, thanks so much.

330

00:21:13,500 --> 00:21:16,299

Oh my gosh, there's so much in there. your tactics and tips

331

00:21:16,316 --> 00:21:20,750

and it's really helpful to know all the things that planners can negotiate.

332

00:21:20,750 --> 00:21:23,799

So yeah, we're going to share with everyone a free primer we've

333

00:21:23,816 --> 00:21:26,983

created four planners that captures the single

334

00:21:27,000 --> 00:21:32,566

most impactful tactic that you teach about negotiating attrition damages.

335

00:21:32,566 --> 00:21:36,400

It's wild to think that you didn't even talk about it today, um, but there's so much.

336

00:21:37,000 --> 00:21:40,733

So specifically, this primer addresses negotiating

337

00:21:40,733 --> 00:21:46,133

attrition damages based on profit replacement rather than venue replacement.

338

00:21:46,133 --> 00:21:48,133

And I see someone asked about that in the comments.

339

00:21:48,133 --> 00:21:51,216

So we're going to put that link for that free

340

00:21:51,233 --> 00:21:55,133

download in the comments for you and you can head there and download that now.

341

00:21:55,433 --> 00:21:58,433

The key point about this primer is

342

00:21:58,433 --> 00:22:02,683

agreeing up front to profit versus revenue

343

00:22:02,700 --> 00:22:06,716

replacement and negotiating that amount based on industry

344

00:22:06,716 --> 00:22:10,066

standard profit margins could literally save you tens of thousands

345

00:22:10,066 --> 00:22:12,700

on your final invoice, so really critical

346

00:22:13,133 --> 00:22:15,133

insight for planners.

347

00:22:15,133 --> 00:22:17,566
So the primary again, it's called uh it's very

348
00:22:17,566 --> 00:22:19,966
catchyame, but it's very accurate.

349
00:22:19,966 --> 00:22:23,983
The single most impactful attrition damages, reduction tactic.

350
00:22:24,250 --> 00:22:27,900
So again, download your copy using the link in the comments.

351
00:22:27,900 --> 00:22:29,900
And

352
00:22:29,900 --> 00:22:33,033
to that point we have a couple minutes for questions and

353
00:22:33,049 --> 00:22:36,583
we've had a few good ones come up starting with

354
00:22:36,599 --> 00:22:41,333
E. Aaron Young asked about can pre and post dates

355
00:22:41,333 --> 00:22:46,599
not contracted B included in the cumulative

356
00:22:47,750 --> 00:22:52,733
question, yes, you

357
00:22:52,733 --> 00:22:55,966
it would require a couple of things.

358
00:22:55,966 --> 00:22:59,383
One, obviously negotiating the

359
00:22:59,400 --> 00:23:04,666
specific reference to pre-event and post-event dates that are nights

that are booked

360

00:23:04,966 --> 00:23:07,966
as being part of the revenue

361

00:23:07,966 --> 00:23:12,033
brought to the property. um it would

362

00:23:12,049 --> 00:23:15,583
also probably require an audit clause,

363

00:23:15,599 --> 00:23:19,966
being added to the contract, and that's another tactic.

364

00:23:19,966 --> 00:23:24,700
So great question. um the audit clause helps in a couple of respects.

365

00:23:24,716 --> 00:23:27,766
One, it captures folks that have booked outside

366

00:23:27,766 --> 00:23:29,983
of the block for various reasons,

367

00:23:30,500 --> 00:23:34,250
but it also then captures the full extent of uh,

368

00:23:34,500 --> 00:23:37,549
you know, pre-in post and within the room block.

369

00:23:37,549 --> 00:23:41,150
So yes, we've been able to negotiate that

370

00:23:42,049 --> 00:23:45,349
not contracted pre-event and post-event

371

00:23:45,349 --> 00:23:48,766
room nights can be included um because they

372

00:23:48,766 --> 00:23:51,883
have been actualized and brought to the property

373

00:23:51,900 --> 00:23:55,366
as revenue associated with your event.

374

00:23:55,366 --> 00:23:59,083
But to do that, let's be really specific

375

00:23:59,099 --> 00:24:03,166
up front so we make sure that we do get that uh credit.

376

00:24:05,000 --> 00:24:07,000
Okay.

377

00:24:07,000 --> 00:24:08,333
There's so many specific things to remember.

378

00:24:08,333 --> 00:24:11,866
I feel like the notes just keep adding up. And

379

00:24:11,866 --> 00:24:16,000
you mentioned something, the um dishonored

380

00:24:16,016 --> 00:24:22,066
roommates and rooms consumed outside the room block in terms of things
that be included.

381

00:24:22,066 --> 00:24:24,066
Can you,

382

00:24:24,066 --> 00:24:25,916
dig a little more to like explain more about that?

383

00:24:25,916 --> 00:24:27,916
Absolutely.

384

00:24:27,916 --> 00:24:30,883
So those sleeping rooms held in outside the

385
00:24:30,900 --> 00:24:33,233
room block, that is that audituse.

386
00:24:33,233 --> 00:24:36,466
So, you could say, here's tactic number six

387
00:24:36,466 --> 00:24:42,583
or whatever a number I given you five, that it is requested audit
clause.

388
00:24:43,733 --> 00:24:47,266
That audit clause should have a standalone section of

389
00:24:47,266 --> 00:24:51,633
language that speaks about when the audit is conducted.

390
00:24:51,650 --> 00:24:55,000
Is there a cost for the audit to be done?

391
00:24:55,016 --> 00:24:58,250
What is the, you know, the confidentiality

392
00:24:58,250 --> 00:25:00,400
related to conducting an audit?

393
00:25:00,416 --> 00:25:02,416
Who does the audit?

394
00:25:02,516 --> 00:25:05,933
So around what you're trying to achieve

395
00:25:05,933 --> 00:25:09,883
is to be given recognition for every possible

396
00:25:09,900 --> 00:25:15,900

source of revenue that you've brought to a partner with your attendees.

397

00:25:15,900 --> 00:25:17,900

So that's the purpose of an audit.

398

00:25:17,900 --> 00:25:21,583

An audit is not a guarantee unless

399

00:25:21,599 --> 00:25:24,000

you negotiate to have the

400

00:25:25,250 --> 00:25:28,500

benefit of an audit done, um and don't assume

401

00:25:28,500 --> 00:25:32,500

that I that the

402

00:25:33,250 --> 00:25:36,116

audit is free.

403

00:25:37,000 --> 00:25:41,099

I've seen up to \$250 charged for an audit.

404

00:25:41,099 --> 00:25:43,733

There's labor and time required.

405

00:25:43,733 --> 00:25:46,783

So be looking for that kind of a charge

406

00:25:46,799 --> 00:25:51,299

and use that perhaps as one of your um requested concessions.

407

00:25:51,299 --> 00:25:54,766

It is you want an audit conducted um on a complimentary basis.

408

00:25:55,250 --> 00:25:59,816

And then you also uh mentioned the

409

00:25:59,816 --> 00:26:02,266
sleep, oh, dishonoured reservations.

410

00:26:02,266 --> 00:26:05,433
So I call them dishonored reservations.

411

00:26:05,450 --> 00:26:08,566
One may think of them as walked or

412

00:26:08,566 --> 00:26:12,333
relocated rooms.

413

00:26:12,650 --> 00:26:16,000
So if a property has oversold for

414

00:26:16,016 --> 00:26:19,783
the night and some of your attendees are actually walked

415

00:26:19,799 --> 00:26:22,500
to or relocated to another property,

416

00:26:24,000 --> 00:26:27,049
those rooms don't show up on your list

417

00:26:27,049 --> 00:26:31,116
of revenue brought to the property, but they still are your

418

00:26:31,133 --> 00:26:34,599
group and you should be given credit for any room

419

00:26:34,616 --> 00:26:39,883
nights that were walked to a different property for your guests.

420

00:26:39,900 --> 00:26:41,900
So

421

00:26:41,900 --> 00:26:43,316
so, okay.

422
00:26:43,316 --> 00:26:45,316
Wow.

423
00:26:45,316 --> 00:26:47,983
I see some people are some people are saying in the so thanks.

424
00:26:48,000 --> 00:26:52,500
It's good to know, I mean, request the audit and then also request not to not to pay for the audit.

425
00:26:53,566 --> 00:26:55,566
and then some people are thinking of the comments.

426
00:26:55,566 --> 00:26:59,250
So apologies that the technology is being a bit funny.

427
00:27:00,250 --> 00:27:03,299
It looks like it's coming here on the email, but sorry if

428
00:27:03,299 --> 00:27:05,933
the immediate download isn't available.

429
00:27:05,933 --> 00:27:09,099
But yes, you should get in your email and we'll make sure everyone who's registered for

430
00:27:09,116 --> 00:27:12,950
this, live stream gets the the three download as well.

431
00:27:13,250 --> 00:27:16,366
And, yeah, as you can see in coming through

432
00:27:16,366 --> 00:27:19,966
in the comments too, uh the next month's event is

433

00:27:19,966 --> 00:27:23,500
on, I want to make sure I get the title right.

434
00:27:23,516 --> 00:27:26,633
March Yeah, it's March 19th

435
00:27:26,633 --> 00:27:30,400
and it's for using your preferred AV

436
00:27:30,416 --> 00:27:32,450
without paying punitive fees.

437
00:27:32,750 --> 00:27:37,116
And this is something we're seeing with venues having preferred AV
provider.

438
00:27:37,133 --> 00:27:40,183
So if you want to bring in your own, sometimes you're held over a
barrel

439
00:27:40,200 --> 00:27:46,433
for bringing in your own AV providers to how to negotiate that without
paying paying too much.

440
00:27:46,433 --> 00:27:48,833
So be sure to register for next month's event

441
00:27:49,500 --> 00:27:53,333
and thanks very much, everyone who participated and ask questions.

442
00:27:53,333 --> 00:27:55,333
We'll see you next month.

443
00:27:55,333 --> 00:27:56,416
Super.

444
00:27:56,416 --> 00:27:58,400
Thanks, Anthea.