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# the meeting PROFESSIONAL

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## Feature

### Powerful Partners

**Business is booming for destination management companies as planners learn to leverage their services.**

**By Angela Chiarello**

Some meeting planners can't live without them. Others aren't quite sure what they do. And still others don't even know they exist. In a similar fashion to the meetings industry, destination management companies (DMCs) have struggled to define a profession and create standards of service. But just like their meeting planner counterparts, DMCs are uniting, educating themselves and their clients and elevating their profession.

According to the Association of Destination Management Executives (ADME), a DMC is a professional services company possessing extensive local knowledge, expertise and resources, specializing in the design and implementation of events, activities, tours, transportation and program logistics.

But many DMCs have found that not all planners understand the true role—and, therefore, value—that they bring to the table. Some

planners feel guilty “outsourcing” their work.

“When I first started planning, I didn’t use DMCs,” said Laura Shelton, CMP, president of Fusion Meetings & Events in Alexandria, Va., and a member of the MPI Potomac Chapter. “I’m planning and don’t need someone to do that for me. Now I have a better understanding of the local expertise a DMC can provide.”

### **WHAT ARE DMCs?**

“In the early days of DMCs, most were owned and operated by stay-at-home women who worked from their kitchen tables,” said Pat Schaumann, CMP, CSEP, DMCP, president of MAC Meetings and Events in St. Louis and a member of the MPI St. Louis Area Chapter. “These pioneers were able to launch an industry that today boasts [huge] annual buying power.”

DMCs are fairly new. The rise of meetings and conventions in the 1970s created new service needs, and transportation companies saw an increase in requests for various types of vehicles (buses, limousines, etc.), as well as for additional services. The term “ground operator” made a lot of sense.

“When I started out, we were called ‘ground operators,’” said Stephan Block, a DMC veteran and president of Conference Travel DMC in Sedona, Ariz. “We basically did just that—provided and managed transportation for groups [on the] ground.

Very soon, however, planners began asking us to deliver more and different kinds of destination services—gifts, entertainment, offsite venues, catering and charter air travel. Along with this expanded level of service, planners began asking for creative ideas and themes to incorporate into their programs.”

Once ground operators began providing these new services, the term “destination management” emerged as a more accurate way of describing what DMCs were actually doing.

Today, DMCs pride themselves on local knowledge and helping their clients unlock the secrets of their respective cities—or destinations. Nicole Marsh, CMP, DMCP, likes to think of a DMC as a city’s concierge.

“Our role in this industry is to be experts in our destinations and know what our cities have to offer,” said Marsh, president and owner of The Arrangers, a Denver-based DMC. She is also a member of the MPI Rocky Mountain Chapter and the current ADME vice president of finance.

### **WORKING WITH DMCS**

How does this expertise help planners?

“In a complicated business where planners normally have just one chance to get it right, the use of a DMC is like an insurance policy for a successful meeting or event,” Block said. “Although planners know meetings, they often have no experience or knowledge of the intricacies of a particular destination, whereas a local DMC will have conducted dozens, if not hundreds, of programs there. This level of specialized local knowledge and expertise is critical, and the best planners know how to use it to their advantage.”

Many DMCs like to use an analogy attributed to Christopher H. Lee, DMCP, CEO of California-based ACCESS Destination Services and a member of the MPI San Diego Chapter: Very few people have the ability to build a house themselves, without the use of an architect and a general contractor. The same goes for meetings.

“If you were building a new house, would you do it completely on your own?” Schaumann asked. “Would you do the architectural design, order the materials, lay foundations, do the concrete work, etc.? Would you have all the tools you need to build that house? Once you realized that you were not a professional builder, you would have already invested—and lost—a great deal of money and time. Because you were not a professional, you made mistakes. Now you have to hire professionals to build the house and start all over again.”

Mike Lyons, president and CEO of GEP Philly and ADME director of marketing, puts it this way: “A general contractor’s job is to build your house on time and on budget. But that contractor doesn’t actually hammer the nails or act as a plumber or electrician. That contractor finds the best subcontractors and is on site every day. It’s the same thing with DMCs and events. When the meeting planner arrives on site, everything is there and set up. We didn’t drive the bus or arrange the flowers—we made it happen.”

At a time when planners are being asked to do more with less, DMCs can be an important weapon in planners’ arsenals.

“Look at the metrics,” Schaumann suggested. “Planners who do not use DMCs need to put a pencil to the time, money and effort spent on making the right logistical decisions for their meetings. DMCs know their cities inside and out—what streets are closed, what festivals or local events might disrupt the planner’s program, which restaurants and venues are best and which to avoid and many other local particulars. They are familiar with hospitals, pharmacies (for midnight emergencies), the police department and other pertinent emergency contacts.”

Going one step further, DMCs see meeting planners as the meeting experts.

“Extension of the team is critical,” Marsh said. “[Planners] are working on so many other elements of the meeting. We can take off their plates the things that are right in our backyard. They can set it aside and know that it’s being done and done professionally.”

Marsh says the cumulative hours a planner can spend researching and finding vendors is unimaginable, while a single call to a DMC nets the best contacts in each city.

“Our job is to make a planner look good,” said Lyons, a member of the MPI Philadelphia Area Chapter. “Planners plan meetings. This includes the educational content, making sure speakers are lined up and objectives are met. The meeting planner should be focusing on those things in order to get the maximum value for the money they spend. We help the meeting planners deal with some of the logistics.”

Lyons likes the term “curb-side out.” He says meeting planners are in charge of everything inside the meeting facility and/or hotel—

rooms, audiovisual and more. But from the time the group leaves the curb of the hotel and ventures out into the city, that's where the DMCs can provide the most valuable service.

"It's amazing what you can learn from them, the hidden areas of every city they can show you," Shelton said. "When you visit a new city, it's always more fun when you have a local showing you around. Same with a DMC—that's what DMCs do."

## **STRATEGIC PARTNERS**

In addition to local expertise, DMCs are becoming strategic partners in helping planners meet their meeting objectives. In the same way that planners are continually being asked to step up and be more strategic, DMCs are also developing strategies to help planners—and themselves—move to the next level.

Laura Rednour, president of Carlsbad, Calif.-based PRA Destination Management Inc., knows how important strategic objectives are to planners and sees DMCs moving away from a primarily vendor role and becoming a partner.

"We look at it as not just back-end, but what are the meeting objectives and how can the city or destination meet those objectives," she explained. "It's good to get involved in the planning early because we may know things about the city that can help planners meet their objectives and suggest changes to the agenda in order to meet them. Historically, planners have wanted a more back-end role. But as their focus changes, they're looking at us as strategic partners and involving us early. There's a lot we can handle for them and that translates into big-time savings. We focus on optimizing their time and their budgets. This allows planners to focus on the strategic aspects of the meeting—marketing, registration, content, etc."

PRA's Vice President of Industry Relations Madelyn Marusa, DMCP, sees the potential for a higher-level and more valuable relationship as planners become more strategic and understand the true value of DMCs.

"We still have the challenge of the one-time planner who may not understand DMCs," said Marusa, a member of the MPI San Diego Chapter. "But we're creating successful, win-win partnerships with experienced planners who know our value."

## **WORKING WITH DMCs**

Planners seem to have almost as many DMC horror stories as success stories. What happens after planners grasp the value of DMCs but before a positive, rewarding relationship has been established? Getting your DMC relationship off the ground can be a difficult task.

DMCs have a few suggestions for making the most of the relationship. Most importantly, share as much information as possible—including the budget—and trust them to do their jobs.

“Get the DMC involved early because your options can be limited if you get DMCs involved too late,” Marusa recommended. “If you’re open about your budget and the meeting’s objective, we can offer help on how to plan, manage your budget and manage suppliers.”

Several DMCs mentioned planners’ unwillingness to share their budgets up front. They attribute this to two things. Some planners worry that if they give DMCs specific numbers, the DMCs will spend every penny. Other planners don’t want to reveal numbers because they’re afraid they’ll hamper DMC creativity. DMCs contend that neither of these is the case. The majority of DMCs want planners to get the most for their money. And, a good DMC can come up with a creative and exciting program no matter the budget.

“Share as much info as you can in the initial stages,” Rednour advised. “Eventually you’ll get to the budget and it will limit the program. Talk about it up front or provide a range—basic program and possible add-ons. Going into ranges will even help us. We need to know before getting started.”

Once you’ve selected your DMC, trust them.

“Very simply, the meeting planner has to recognize the value of a DMC,” Lyons said. “Place your trust and faith in a DMC to do the job you’ve hired them to do.”

Another reason to arm DMCs with as much information as possible: attendees.

“We’re out there,” Marsh said. “Often, we’re the ones meeting your attendees at the airport or assisting on the ground. The more knowledge a planner can give us, the better we can make [the planner] look. You’d be surprised at the number of times we’re asked questions about the program by attendees and it makes us and the client look great if we know, rather than saying, ‘I don’t know, go talk to the meeting planner.’ The meeting planner doesn’t have time and it makes us all look bad.”

## **TRENDS/FUTURE**

Looking ahead, there are changes afoot in the DMC industry—some exciting, others challenging. Just like other business sectors, more and more DMCs are finding strength in numbers. Whether through franchises, umbrella organizations or multiple offices in different destinations, DMCs that are part of larger structures find themselves better able to invest in technology infrastructure, offer more services to their clients and consolidate their buying power.

“We’re a franchise company,” PRA President Rednour explained. “We’re locally owned and operated and we can offer planners a level of standardization and consistency. Because compliance is tied into franchising, everyone delivers similar client experiences.

“We can also save a lot of re-learning because we use a centralized system for all client information and history. Everyone companywide knows how a specific planner works and what their groups like. We know history, what worked, what didn’t—we’re already ahead of the game when talking to a client.”

Marusa adds that PRA can deliver volume pricing and standardized contracts, which are things purchasing and procurement departments can appreciate.

These kinds of organizations or structures can also be a positive marketing measure. For example, Lyons' GEP Philly is a member of Global Events Partners (GEP).

"The vision of GEP Founder Chris White was to create a first-class, worldwide network of DMCs that would enable a meeting planner having a meeting anywhere to make one phone call because we have most of the major destinations worldwide covered," he explained. "The idea is that GEP partners with the best DMC in each location. Those DMCs have to meet certain criteria to become—and stay—a member of GEP."

For planner Laura Shelton, DMC selection is important.

"Most of the DMCs I use are part of GEP," she said. "I go through them because I know there is a review process in place."

Technology is playing a more prominent role in the business of DMCs as well.

"Clients expect Web-based applications," Schaumann said. "Sophisticated systems, security, networks, e-mail and instant messaging communication, online research tools and applications and industry software are just a few of the technology effects on DMCs."

PRA's Rednour concurs.

"Technology is playing a big part in our business," she said. "People are looking for 24/7 convenience."

She—along with several of her colleagues—mentions managing accounts online, tracking histories, submitting RFPs and accessing reports.

"But one crucial element of our business that high tech will never replace is high touch, both in terms of personally communicating and effectively understanding client needs, as well as connecting the realities of the destination as it fits those needs," Block said. "Destination [management is] the kind of knowledge industry that is outsource-proof."

Like the rest of the meetings industry, DMCs are optimistic about their current business and the future.

"Despite several years of declining business in the early 2000s, 2005 to 2007 look like banner years for DMCs," Schaumann said. "The recovery is overwhelming as witnessed by increased planner budgets and the increased booked business in [most] cities."

DMCs are using this time to elevate their profession and educate the industry on their true value. The more planners understand the role of DMCs, the more successful both sides can be. **TMP**

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### Sidebar 1: ADME and the DMC Industry

Much like MPI's focus on building—and elevating—the meetings profession, the Association of Destination Management Executives (ADME) has the same ambitions for DMCs. In 1995, the ADME was formed as an educational association focused on raising the level of professionalism, exploring the best ways of doing business and serving customers and educating those customers as to what they can expect from a DMC.

As meeting planners are well aware, one way to elevate an industry is by educating—and certifying—its members. Thus, ADME developed the Destination Management Certified Professional (DMCP) program.

“The DMCP is doing for DMCs what the CMP did for meeting professionals,” explained Nicole Marsh, CMP, DMCP, ADME vice president of finance, president and owner of Denver's The Arrangers and a member of the MPI Rocky Mountain Chapter. “It means an extra level of professionalism. The certified professional you're speaking with is legitimately involved in the industry and passionate about that.”

For more information, visit [www.adme.org](http://www.adme.org).

### Sidebar 2: Selecting the Right DMC

Knowing what DMCs do and why they're valuable is one thing. Finding the right one to partner with is another.

Start with the CVB. Every professional DMC will be listed with the CVB, but beware: many companies list themselves as DMCs even though they do not follow the strict definition of a DMC. Look for DMCs that are members of the Association of Destination Management Executives (ADME), which has membership criteria to ensure member reliability. Ask how many of the DMC's staff members are Destination Management Certified Professionals (DMCPs).

“Research DMCs the same way you would any other vendor,” suggested Eli Gorin, owner of gMeetings Inc. in Aventura, Fla., and a member of the MPI South Florida Chapter. “Ask around to fellow meeting planners. Look for positive and negative feedback on experiences with that DMC. Look at who else they have worked with and see if they have worked much with others in your specific industry segment. Ask as many questions as possible and get the facts.”

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