



Turning Dark Days Into Profit Centers

IT'S WHAT'S **NOT** ON YOUR CALENDAR THAT MATTERS

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Introduction

Like many industries, the most recent economic downturn hit sports and entertainment venues hard. In addition to a decline in ticket sales, guests in attendance spent fewer dollars while attending sports and entertainment events, reducing overall income. In order to stabilize revenues, venues were forced to break with their traditional approach and get creative with facility utilization by supplementing their regular schedule with non-traditional events. Corporate meetings, trade shows, banquets, galas, fund raisers, graduations, non-traditional sporting or entertainment properties, even weddings, offered the opportunity to attract new audiences – and therefore new revenues.

The benefits of these types of events are multifaceted. First, they open the doors of the venue to new audiences, who may take an interest in attending more traditional events in the future. Secondly, each event has the potential to bring in additional non-traditional events, as guests for a corporate meeting may decide to book the venue for their next gala or personal event. Finally, for sports venues in particular, these non-traditional events offer an opportunity to increase revenue without having to share profits with a professional sports licensing organization.

There are some challenges as well. The spaces within the facility need to be assessed to understand which non-traditional events are best for the venue. Non-traditional event planning adds complexity with the same number of staff, requiring them to adopt a different skillset, as customers and their guests have vastly different expectations than concert-goers or sports fans. Marketing a venue to non-traditional audiences requires additional marketing activity. And finally, alternative utilization requires increased communication in order to avoid double booking and other calendar conflicts.

Evaluating Venue Usability

The International Special Events Society (ISES) recently released its Global Business Survey, with more than 75% of respondents predicting strong growth in the coming year (Source: specialevents.com). Many industry experts suggest that growth will come from smaller, cozier events versus large “mega” shows. This diversity adds complexity and requires new tools and ways of measuring business impact.

Today, many venues still use a combination of spreadsheets or simple online booking programs to manage their booking calendars. Once an organization decides to diversify their offerings, and subdivide the property to host a wider variety of events, they need tools to handle the added complexity. A professional booking and event management software package is built to address the needs of a wider variety of customers. Venues should evaluate the software’s ability to track multiple rooms, equipment usage, catering needs, and other amenities offered by the property – or details could get lost in the cracks. The information held within the booking calendar should be available in real-time to anyone responsible for booking space,

“Over the past 5 years there has been a 42% increase in space utilization from “other” events” (Source: 2013 *PricewaterhouseCoopers North America Trends and Outlook study*). These events are defined as activities that fall outside of the focus of the venue’s primary purpose. Although the scope of non-traditional events varies from one venue to another, there are similarities in the approach venues can take in order to seek out and market to new customers. The end result has been stabilizing revenues but with a higher number of more diverse events – complexity and volume that must be managed by the same number of staff.



to avoid the hassle, embarrassment and costs of double booked events.

Costs for non-negotiable items such as heating and cooling, electricity, equipment purchases or rentals, wear and tear on property and equipment, increased security and maintenance staffing, etc. must factor in to event budgets. A comprehensive event and venue management system takes these costs into account and can be reviewed within analytical reports in order for venues to ensure the non-traditional events are making a positive impact on the bottom line.

According to Jason Williams, Director of the Rawlings Sports Business Management Program at Maryville University, "Sports and entertainment facilities can't rely on die-hard fans for additional revenue streams because they're already spending their discretionary dollars at the venue. Smart organizations think about how they could bring the non-consumer into the fold. Non-traditional events are a way to attract untapped audiences through business or social events held at the venue."

Improving Employee Efficiency

Venues that have adapted to this new reality report that assigning a special events manager tasked with understanding customer needs for non-traditional

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"Today's venues have a desire to provide multifunctional spaces within the venue, promoting its use 365 days of the year, rather than just the 25 days of a sporting season."

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– Nick Lang, SKM Magazine

events is essential to success. Having a background in large and small special event planning and implementation helps these individuals evaluate and identify which events are appropriate for the venue.

Also, having the right infrastructure and processes in place is critical for tracking details and executing events within customer expectations. Many venues are now taking a fresh look at integrated event management systems that can put all non-traditional event details in one place. A more integrated system has the advantage of allowing an entire staff to have the most recent information at any time. A system that's integrated with customer relationship management and event specific financials increases efficiency by allowing users to enter data once – rather than jumping between software platforms to enter client and event information. Organizations that have chosen an integrated solution often report

How the Minutes Add Up

Significant time is used entering customer data into multiple systems (CRM, event management, orders and contracts, accounting, etc.). Each time data is entered, there is a chance for typographical errors that can lead to details being missed, event failures, and lost revenue.

Entering customer data across 3 data points

$$\begin{array}{rcl} & 2 & \text{minutes per entry} \\ \times & 100 & \text{customers per week} \\ & \times 3 & \text{data entry points} \\ \hline = & 600 & \text{minutes per week} \end{array}$$

Entering customer data into a closed-loop system with a shared database

$$\begin{array}{rcl} & 2 & \text{minutes per entry} \\ \times & 100 & \text{customers per week} \\ & \times 1 & \text{data entry point} \\ \hline = & 200 & \text{minutes per week} \end{array}$$

You save 400 minutes (or over 6 hours!) per week!

significant time savings – between three to 10 hours per week, per user – allowing them to dedicate more staff time to sales and event implementation and spend less time on data entry and tracking down event details.

A shared database also reduces data entry errors, which can lead to minor mistakes like having a wrong or missed menu item, or embarrassing errors like overlapping and double booked events. Opting for a cloud-based solution that allows event team members to have event information in real time makes collaboration faster and more efficient because they can see last minute changes as they occur. Even orders taken on the day of an event can be input immediately, reducing the revenue leaks that come from last-minute changes not making it to the invoice.

Adapting Marketing to New Audiences

Research shows that nearly 97% of consumers go online to search for new products and services in their local area. With so many potential customers now looking online to gather information about their options, venues need a comprehensive marketing plan that will tap into a variety of potential event planners. New “responsive” websites that can effectively work on PCs, tablets, or smartphones have become a table stake. An intelligent user interface and intuitive back office functionality allows non-traditional customers to interact with a venue’s event management team in ways that are useful for both.

One benefit many stadiums, arenas and other venues have when they decide to branch into non-traditional events is a built-in customer base. In addition to fans, the venue’s contacts from corporate sponsors and on-premise advertisers can offer a warm introduction to event planners within their organizations. However, adding a new contact to an existing account adds increased complexity to customer relationship management.

A customer relationship management (CRM) platform purpose-built specifically for event venues helps segment customers into different categories, while



Many venues have a consumer base that they already interact with and can tap in to, their corporate sponsors, all the companies that buy billboards, banners and corporate boxes. They can reach out to those organizations and say, “Why don’t you have your corporate VIP event or meeting here; Why not have the opening reception to your global meeting on our field?”



– Jason Williams, Director, Rawlings Sport Business Management Program, Maryville University

maintaining overall account integrity. This allows venues to target the right customer with messages that will have the greatest impact, and schedule effective follow-up communications. A CRM that is completely integrated with the event management system allows venue special event managers to gain a true 360-degree view of their customer – from their overall venue sponsorship status, to all events they’ve hosted or attended in the past. This helps guide conversations as it shares full account history with whomever is speaking with a client contact.

Gaining Traction Through the “Second Experience” and Beyond

A large number of non-traditional events are one-time functions – business meetings, banquets, weddings, graduations, etc. However each brings new patrons through the doors who may become the next special event customer. Creating a memorable experience at each event is critical, and why a retention strategy in the non-traditional market doesn’t necessarily just involve the current customer.

When expanding into non-traditional events, creating an experience that makes a positive, lasting impression on all event guests builds a venue’s most effective marketing tool – word of mouth. IAVM’s Brad Mayne teaches a course focused on the “Second Experience” and venue branding philosophy.

The first experience is whatever the attendee is coming for: a sporting event, concert, performance,



corporate meeting, and so on. The second experience is everything else that positively affects the first experience. When hosting non-traditional events, this becomes about meeting those “unexpressed wishes,” or the things that reinforce a venue’s brand and helps customers develop an emotional connection that turns current guests into future customers.

Surveys are an effective tool to gauge whether the perception of a what a venue offers is changing in the marketplace. Post-event polls help event managers discover whether or not customers and attendees would recommend the facility to their peers. It’s highly likely that potential non-traditional event customers will seek out the opinions of their peers online before making a decision about where to hold their next event. In fact, one study cites that as many as 79% of consumers trust online reviews as much as personal recommendations.

“After seeing three years of significant and steady growth, officials at Fair Park in Dallas attribute the rise in attendance to new events. “New Events create new interest,” officials said.

Becoming smart about non-traditional events

Most venues are built with a target audience in mind and therefore have days that are booked with events well in advance – the sports franchise is playing, a large concert tour is coming through town, or a conference or trade show is returning. Dark days, which in the past were an accepted part of the venue business cycle, are now being utilized through non-traditional event bookings with great success for venues large and small. Today more and more event organizers look for non-traditional spaces to house their events in order to make an impact. This opens up opportunities for venues to turn under utilized days into profit centers.

Branching out into new markets causes a paradigm shift in facility, staffing, and marketing needs. The adoption of robust enterprise resource management

“One of my all-time favorite assignments is to discover non-traditional event venues. The challenges and opportunities to highlight or transform these sites can be great fun. What may be another chicken dinner in a ballroom could become an event to remember for a lifetime if hosted in a unique, non-traditional setting. I hardly recall any event hosted in a ballroom, but I remember every event ever attended in a unique venue.”

– Al Wynant, “Using Non-Traditional Event Venues,” eventinterface.com

style event management systems has traditionally lagged in stadiums and arenas simply because their level of complexity had not required it. However in the new reality of more diverse event portfolios – all executed with the same general staff load – event managers are starting to turn to broader software solutions that can save hours or even days of effort for staff each month. Even as the economy continues to recover, hosting non-traditional events has become the new normal – allowing venues of any size to open their doors to new audiences and new revenue streams.

The Changing Face of Events

With only a 2-3% estimated increase in space utilization year-over-year, non-traditional events are taking up the slack.

- Trending toward smaller “cozier” events
- Precipitous drop in “mega” trade shows

	1 million+ NSF (100,000 NSM)	500,000 - 999,999 NSF (50,000 NSM)*
2008	8	30
2010	3	20
2012	5	24

*Trade Show Executive

About Ungerboeck Software

Ungerboeck Software International delivers world-leading event and venue management software, including CRM purpose-built for business and entertainment venues, and complete financials, empowering over 40,000 users in more than 50 countries. Since its inception in 1985, Ungerboeck has taken a market-driven approach to product development, purposefully producing software designed specifically for the event venues. Thanks to its modularity and flexibility, Ungerboeck Software can easily be configured to meet your individual needs and ease your stress. You won't find any other event management software with all of the features packed into Ungerboeck.

