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Agency considerations

- “ Demand**
 - . What will be the requirements – Olympic family and corporate?**
- “ Availability and rates**
 - . Location and nature of event**
 - . How much will you pay?**
- “ Broader picture**
 - . Travel/Transport**
 - . Security**
 - . Legacy**
- “ Advice for Buyers**

Demand – Olympic Family

“ Events

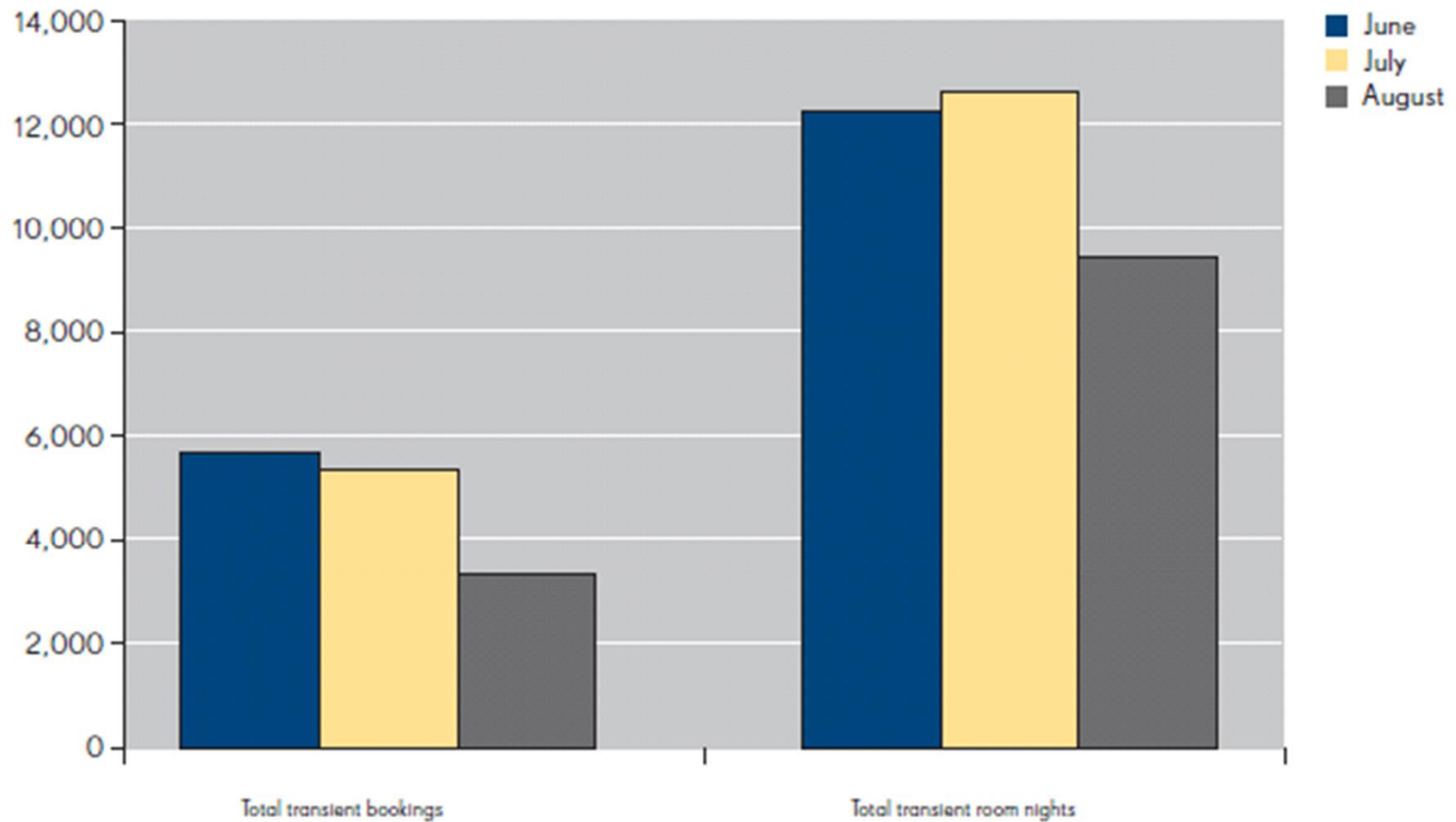
- . National Olympic Committees (NOCs)**
 - “ Japan - No. 4 Hamilton Place**
 - “ Swiss - Glaziers Hall as a base for fans**
 - “ Brazil – Somerset House**
 - “ Holland - Alexandra Palace**
 - “ Germany - Museum of London**
 - “ France - Old Billingsgate**
 - “ Up to 40 in total across London**
- . London wide events**
 - “ Live sites**

“ Rooms

- . 58,000 hotels rooms – 48% London capacity**

Corporate Demand: June/July/August

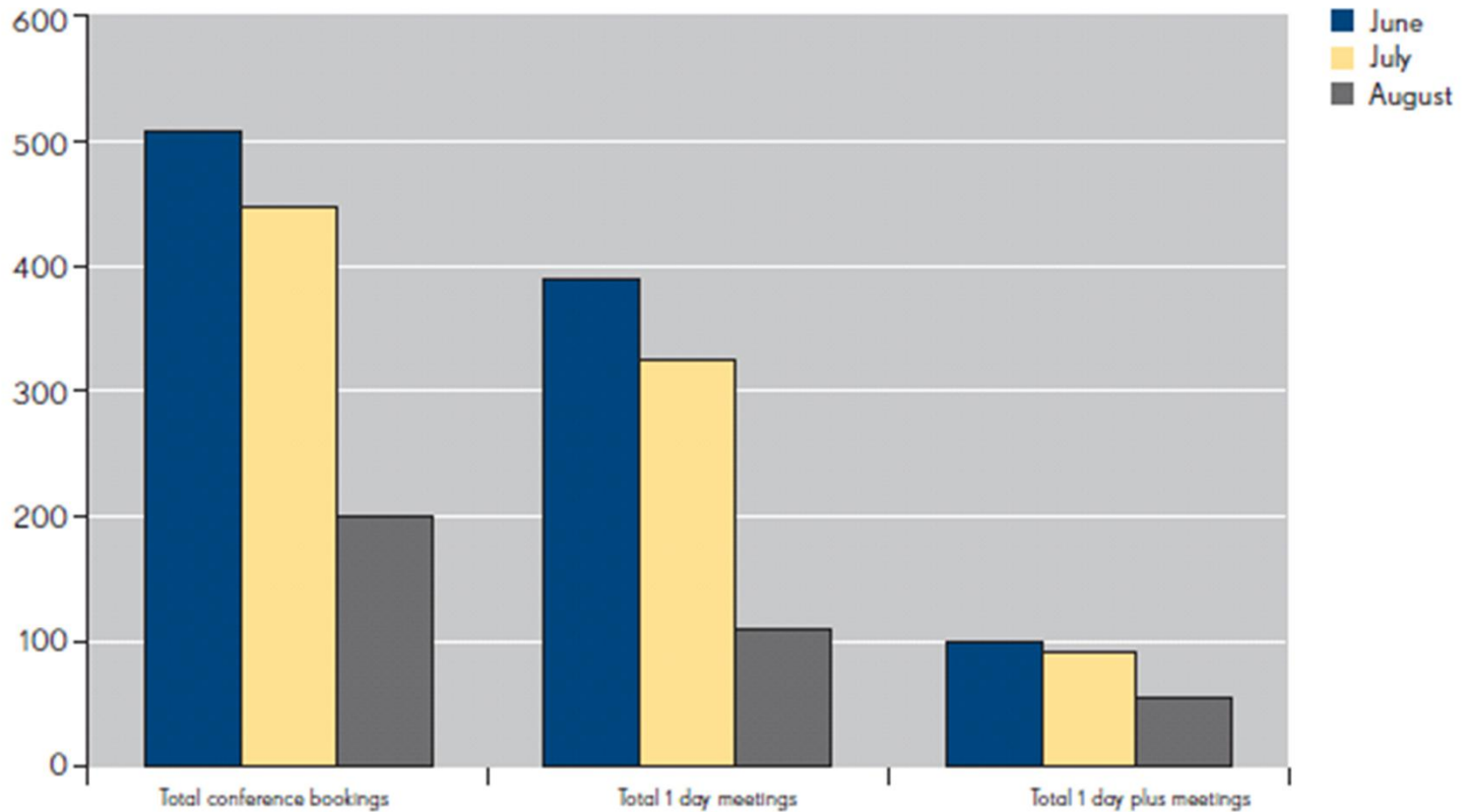
Transient bookings - June 1st to Aug 31st 2010



Source: BSI

Corporate Demand: June/July/August

Conference bookings - June 1st to Aug 31st 2010



Source: BSI

Summer 2012 Events Calendar

May 18 – July 22	Olympic Torch Relay	UK-wide
June 2 – 5	Queen's Diamond Jubilee Weekend	UK-wide
June 8 – 1 July	14th UEFA European Football Championship	Poland/Ukraine
June 21 – 9 Sept	London 2012 Festival	UK-wide
June 23- 8 July	World Pride (expecting 1m visitors)	London
July 9 – 15	Farnborough Air Show	Farnborough
July 27 – 12 Aug	Olympics	London & UK
Aug 29 – 9 Sept	Paralympics	London
August	Edinburgh Festival	Edinburgh

Considerations

“ Existing Demand

- . Regional offices**
- . Regional venues**
- . Internal meeting space**
- . Virtual meetings**
- . Travel/MICE ban**

Considerations

- “ Embrace London and use the opportunity – exceptional demand/hospitality**
 - . Staff and client events**
 - . 3,500 venues in London**
 - . 20,000 additional hotels rooms – and new meeting space**

Transient Supply/Demand model

		2012 Projected
Supply	Available room in London	120,000
Demand	Olympic Family (LOCOG allocation)	58,000
	Leisure Visitors	50,000
Sub-total		108,000
Availability		12,000 (15% of total)

Supplier View: Alienate corporate clients v. Capitalise

Accor & Best Western have now opened up inventory to contract as much business as they can in advance of 2012

20% feel that they need to concentrate more closely on developing their current revenue management strategy

Only **40%** of operators claimed to have robust strategy or plan in place to capitalise on the period of high demand

350 signatories support Visit London's UK Event Industry Fair Pricing and Practice Charter - The FPPC

Customer View: Reward loyalty shown during recession

Buyers expect that hotels & venues will honour fixed-rate agreements and other T&Cs with their organisations during the Games period

If London gets its pricing wrong, Northern Europe is so accessible that people will simply commute to London via Eurostar for the events they want to attend

Hoteliers' caution in announcing pricing & opening inventory fuelling fears of the over-pricing seen in Beijing and Athens prior to their respective staging of the Games, resulting in much lower occupancy

Some buyers recommending that no residential training takes place during the Olympics and several weeks on either side

The Security Threat

“The Olympics is attracting a greater risk, we suspect it will be from terrorists seeking opportunities to exploit it, and they will. They will constantly seek to disrupt.”

**Chris Allison, Metropolitan Police Assistant Commissioner
& National Olympic Security Co-ordinator**

Travel & Transport

Users of the road network and public transport could find:

- **Journeys by road will take significantly longer**
- **Mainline stations and trains will be more crowded**
- **Increased congestion and longer journey times on the Underground**
- **Rush hours likely to be extended as commuters & visitors travel at the same time**

Source : JMP

Client strategy

1. Start early

- “ Engage with stakeholders to understand their business critical demand during this period and whether this can be moved to other locations, postponed / brought forward**
- “ Assess your needs for all UK Olympic locations – including training camps**
- “ Talk regularly to your agent to find out how demand is growing in every location and to plan your demand strategy**
- “ Talk to all suppliers ASAP-the build up could affect availability and rates from early 2012**
- “ Capture and communicate your ancillary spend to emphasise the total value of your business to preferred hotel partners**
- “ In your RFP for 2012 instruct bidding hotels to confirm you will have availability, and that rates, terms & conditions will be honoured during the Games period and consider creating a 15 – 16 month RFP for 2012/13**
- “ Establish ceiling rates to cover the Games period to allow for robust budgeting**
- “ Consider serviced apartment options for longer stays**
- “ Ascertain the impact on rate & availability if you pre-pay for your room allocation**
- “ Identify potential opportunities during shoulder periods (before and after the Games) where market demand may yield lower rates**

2. Create a clear policy for travel during the Games period

- “ Consider a mandate of essential travel and business - critical meetings only**
- “ Implement a pre-trip approval process to ensure any new policy rules are adhered to**
- “ Employees have to recognise that they may have to travel a little further during the Games; e.g. Reading, Brighton and Bedford**
- “ Consider whether to provide staff transport**
- “ Stress the need for employees to be flexible in hotel location and standard**
- “ There may be availability but you may not get your preferred rate**
- “ Avoid Olympic venues at peak times**
- “ Plan for congested roads and public transport systems**
- “ If you can move the appointment or meeting outside London, do so**
- “ Consider alternatives to face-to-face meetings such as video or teleconferencing and webcasts**
- “ Explain what you are doing for travellers and bookers to support them during this period with the help of your agent**

3. Expect the unexpected

- “ Budget for potential deposits that may be required by hoteliers
- “ Expect increased food & beverage costs
- “ Ensure diligence on venue contracts to avoid unnecessary cancellation liability costs
- “ Conduct risk assessments for larger events that cannot be avoided
- “ Ensure you communicate your crisis plans to all your suppliers so that they know what roles to play
- “ Keep track of where your travellers are staying, especially at times of high security risk

4. Stay abreast of developments

- “ Talk to other buyers and find out what they are doing
- “ Keep talking to your agent about booking levels – they should be proactively analysing historic and future demand and working with buyers to achieve best value
- “ Remember that hoteliers are just as worried about rates & availability as you are
- “ Consider adding new hotels to your programme