



Mitigating Meetings Risk
in Life Science Companies
**Leveraging trends to
protect your profits**

Mitigating Meetings Risk in Life Science Companies

Leveraging trends to protect your profits

In early 2015, American Express Meetings & Events conducted an exploration of meetings-related risk, focusing specifically on Life Science companies. 274 North American-based meeting owners were surveyed, both leaders who have direct or indirect responsibility for meetings and administrative professionals who plan meetings as part of their job. All respondents were from companies that reside in industries - Pharmaceuticals, Biotechnology/Biological Products and Health Care Equipment & Supplies - that are growing and rely heavily on meetings and events to achieve their education, awareness and expansion goals.

The mission of this study was to identify key trends in the management of meetings at these companies as well as to pinpoint gaps between the leaders and the administrative professionals on the front lines. In addition, comparisons would be made to findings from the report, "Mitigating Risk in Meetings: Three Warning Signs of a Dangerous Divide Between Planners and Leaders", conducted by American Express Meetings & Events in 2013 ("2013 Report"). This previous study explored meetings-related risk across a wide range of industries.

The latest study, "American Express Meetings & Events Risk Exposure Research Report" ("2015 Report") was completed in March of 2015 and this whitepaper seeks to raise awareness of the key findings and top trends. With this knowledge, companies can more accurately ascertain their risk level relative to meetings and re-examine their current policies and practices to mitigate that risk, while capitalizing on the potential for revenue generation and business growth.

By the Numbers

70%

percentage of respondents who say their company has a formal meeting policy.

92%

of administrative professionals who plan meetings report that they use the policy that is in place.

6 in 10

leaders believe that meetings/ event risk is mitigated properly in their organization.

4 in 10

do not know if any type of legal, financial or procurement team has reviewed the meeting/event processes within the past year.

27%

share of time administrative assistants spend meeting and event planning.

1/4

of these administrative assistants sign the contracts for hotels food & beverage and other big budget, high financial risk items.

60%

percentage of leaders who report that crisis preparation guidelines exist in their organization.

Nearly 1/4

of leaders do not know if such guidelines exist at all.

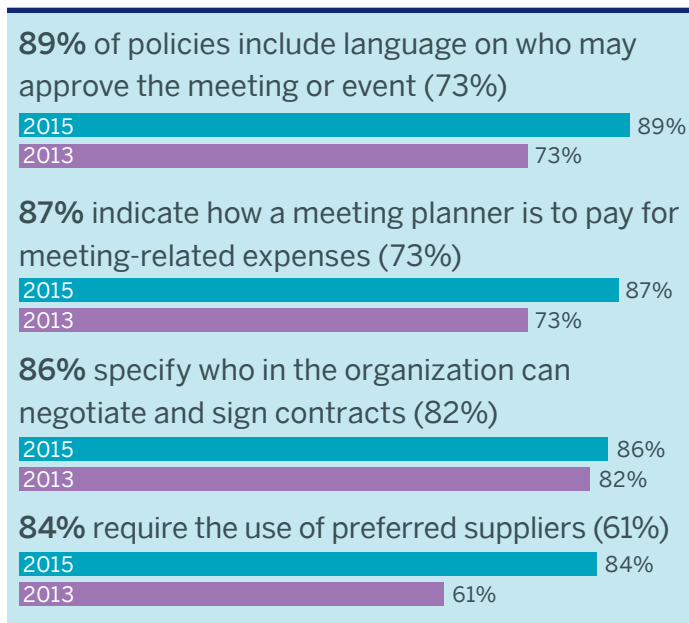
69%

of leaders believe that a return analysis on meetings / events has been conducted less than 50% of the time in the past year.



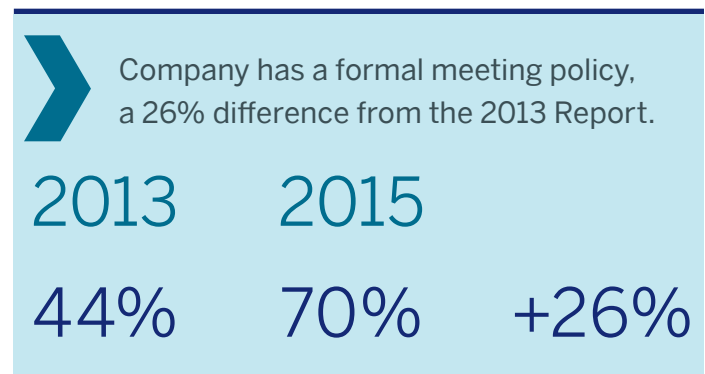
Trend #1: Controls Are Tighter

A documented, comprehensive meetings policy is a significant indicator of how tightly a meetings and events program is controlled. 70% of all respondents reported that their company does have a formal meeting policy, a 26% difference from the 2013 Report. Perhaps more importantly, these policies are more often including language around the elements of meeting and event planning that when left uncontrolled, contribute to heightened risk (2013 responses in parenthesis.):



This suggests that there is more process in place today, and that these processes are more tightly controlled (more inclusive/comprehensive). It may also suggest that meetings policies in Life Science companies are more comprehensive than those of the broader corporate population, with the 2013 Report including companies across numerous industries.

Perhaps the most favorable news is that 92% of the administrative assistant planners in the 2015 Report that they use the policy that is in place. This indicates that process and policies will be followed if in place and well communicated and understood.



Success Strategy

Be sure to have a policy in place, and at a minimum ensure that it includes language around meeting approvals, signing authority and payments. If this feels overwhelming, seek the support of a full-service meeting management company who can provide best-practice policy templates or assist with the creation of a custom end-to-end policy.

Success Strategy

Just because you have a sound policy in place, do not assume that all of your employees know that it is there or understand it. Create a plan for communicating your new policy, or changes to existing policies. Require training for all employees who plan and manage meetings in your company.

Trend #2: Administrative Assistants are a Critical Variable in Risk Management

Administrative assistants across all types of life science companies spend a little over one-quarter of their time (27%) on meeting and event planning. In the Biotech sector, that percentage is a bit higher at one-third. 54% of leaders report that more than half of their event planning is handled by administrative assistants as opposed to professional meeting planners, and this finding is consistent with the 2013 Report.

Administrative assistants plan all types of meetings, with the predominant focus on advisory board/steering committee meetings, speaker trainings, sales meetings and executive board meetings. And they often touch nearly every element of the planning process with the most frequent activities reported as managing budgets and selecting hotels and the food & beverage – two significant areas of expense.

Nearly 60% of these same planners maintain the contracts for the meeting or event, with each event having an average of 3 contracts. When asked who typically signs the contracts for meetings and events, 26% of admin respondents stated that they personally sign the contracts. Only 6% of leaders state that the admin team is responsible for signing which suggests that many leaders may not be aware that legal documents are being signed for at the administrative assistant level.

26%

26% of admin respondents personally sign the contracts for hotels food & beverage and other high financial risk items.

6%

Only 6% of leaders state that the admin team is responsible for signing.



Success Strategy

Administrative assistants can be a tremendous asset to an organization in a meeting planning capacity. They follow policy when one is present and has been properly communicated to them. They generally enjoy this aspect of their job and find most elements to be rewarding and enjoyable. To optimize this capable and willing population, companies should carefully consider each of the responsibilities currently being assumed to ascertain a comfort level with the amount of authority and risk they are allowed to manage. The end goal is to match the task at hand to the right level of employee and authority, particularly in the case of signing contracts.

Trend #3: Companies (perhaps too) Confident in their Risk Levels

Six in ten leaders surveyed (60%) either “strongly agree” or “agree” that meeting/event risk is mitigated properly in their organization. However, nearly four in ten (36%) do not know if any type of legal, financial or procurement team has reviewed the meeting/event processes within the past year and another two in ten (23%) are certain they have not had any such process reviews.

Another four in ten (40%) have had processes reviewed at least once. This indicates that there is a false sense of comfort for many who do believe risk is properly mitigated. It also highlights the glaring gap that nearly 40% of leaders surveyed do NOT believe that meetings/event risk is mitigated properly.

Considering the risk profile of meetings and events from both a compliance and brand perspective, these numbers are more than concerning. Even one failure can have material consequences to a company – legally, financially and in terms of damage to brand and reputation. Building in a culture of meeting process and regular review is paramount particularly in many of the Life Science industries where there are additional complexities and requirements in play such as the Sunshine (Open Payments) Act.

Those who don’t know when the last review occurred are more prone to providing a neutral risk rating; while those with no reviews tend to cite that they disagree that their company is mitigating risk properly.



60%

Six in ten leaders believe that meetings/event risk is mitigated properly in their organization.

36%

Nearly four in ten leaders do not know if any type of legal, financial or procurement team has reviewed the meeting/event processes within the past year.

23%

Two in ten leaders are certain they have not had any such process reviews.

Success Strategy

Take the time to investigate if your company has recently completed a review and risk assessment of your meetings and events policies and practices. If they have not, make this a priority as part of a boarder program of action to mitigate risks in a meetings/events program.

In addition to an initial assessment, regular checks and audits need to be scheduled and conducted to ensure that the process is meeting company (and regulatory) requirements. Require all leadership to learn and understand the critical nature of meetings policy, process and the ongoing evaluation of both. Companies must strive for 100% awareness across their Leadership population.



Trend #4: Gaps in Process and Planning Guidelines Remain

Technology Remains Underutilized

Leaders and admin planners alike recognize the importance of technology in the meeting and event planning. Microsoft Office is the most prevalent suite of tools used for many tasks such as budget management (57%), the tallying and reporting of metrics (42%), even RFP management (37%).

“Homegrown” (internally developed) solutions are also popular. It is important to note that office applications, while easy to use, are static, making data retrieval of the information at a later date more time consuming, less transparent and inefficient.

Success Strategy

Familiarize yourself with technology options developed expressly for meetings management and consider making an investment. Solutions exist for the creation and maintenance of documents, budgets, attendee data and more. With many of the new mobile apps it is possible to track attendee satisfaction, Return on Experience (ROE) and key social metrics for the enhancement of the overall attendee experience. Meetings technology can improve labor productivity, reduce errors from manual exercises and protect historical data as employees come and go, providing a central location to capture activity and data.

Crisis Preparedness and Management not a Focus

Despite the fact that there appears to be more processes and controls in place around meetings and events, crisis preparation guidelines only exist 60% of the time and nearly one quarter do not know whether such a guideline exists at all.

In investigating the types of resources that are available to leaders and admin planners for crisis situations, over three-quarters (83%) utilize

standard operating procedures (SOPs), the services of medical and security assistance (55%) and some method to track all meeting/event attendees (50%.) Should a crisis occur in the midst of a meeting or event, even though the vast majority state they have standard operating procedures in place, the majority have few actual resources within the plan to assist in said crisis.

Success Strategy

Corporations have an obligation to take reasonable steps to ensure the safety and well being of meeting attendees. Consider an evaluation of your meetings program by your internal security department to identify whether or not the level of protection currently offered in your meetings policy is sufficient. Corporate Security can be a great partner in helping to drive compliance to the policy as well, and should be involved particularly in meetings for executives or large groups. Ensuring that your meeting attendees feel safe and well cared for will also have a positive impact on your brand and boost the likelihood of attendees returning to future events.



ROI is Elusive

69% of leaders believe that a return analysis has been conducted less than 50% of the time on any meetings/events held in the last year. Of these, 14% do not believe any type of analysis whatsoever was performed.

A lack of financial analysis in particular after the event is a risk, as a company is unable to ascertain if the dollars spent were appropriate (vs. industry benchmarks and prior years, for example), generated any meaningful income or led to the accomplishment of the intended business objectives.

60%

Crisis preparation guidelines only exist 60% of the time.

Nearly
1/4

Nearly one quarter do not know whether such a guidelines exists at all.

69%

Percentage of leaders that believe a return analysis has been conducted less than 50% of the time on any meetings/ events held in the last year.

Success Strategy

Prior to planning – or even approving – a meeting, establish clear financial and non-financial objectives and document what success looks like. Ideally, 2-3 core, measurable objectives should be identified for every meeting. For financial metrics, leverage meetings management technology to track expenses and savings. Mobile apps can be powerful in monitoring non-financial objectives such as Return on Objective (ROO) and Return on Engagement (ROE) by tracking and reporting on attendee sentiment and satisfaction.

Conclusion – A Cautionary Message

It is typical to focus on generating savings and mitigating risk when companies and industries are in survival mode. Don't turn a blind eye when business is good. Complacency about risk can lead to diminished profits and even fines from failure to adhere to regulatory requirements. Take action now to ensure that you have the right parameters in place to prepare for a time of expected business growth and more frequent meetings and events.

And don't discriminate. While larger events may be more visible to those within the organization, smaller meetings, due to their volume and frequency, pose a material risk. Utilize a risk mitigation strategy across the board and clearly communicate that policies and processes apply to all meetings, regardless of size.

About the American Express Meetings & Events 2015 Risk Study

American Express Meetings & Events conducted this study January through March of 2015. The study was designed as a two-dimensional survey of 274 responses: 156 Administrative Assistants who plan meetings as an element of their job and 118 Managers/Leaders who manage/oversee/have direct responsibility for the work that is accomplished.

The majority of total respondents, 38%, work in organizations with annual revenue up to \$50M; 34% of respondents work in organizations with annual revenue between \$50M to \$1B, and 28% in organizations with \$1B or more annual revenue. All respondents were based in North America.

Respondents were from Pharmaceutical companies (82%), Biotechnology/Biological products (7%), Health Care Equipment & Supplies (6%) with the remaining 5% from “other” Life Science Companies.



“American Express Meetings & Events” is a service provided by American Express Global Business Travel (“GBT”). GBT is a joint venture that is not wholly-owned by American Express Company or any of its subsidiaries (“American Express”). “American Express Global Business Travel”, “American Express” and the American Express logo are trademarks of American Express, and are used under limited license.