

BEST PRACTICES WITH HOTEL GROUP CONTRACTS



Six proven practices developed
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groupize

IN THIS GUIDE YOU WILL FIND
PROVEN BEST PRACTICES TO CONSIDER WHEN
NEGOTIATING & FINE TUNING HOTEL GROUP CONTRACTS.

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6 best
practices!



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FINALIZING THE ROOM BLOCK:



Make sure to talk through the room requirements with the meeting owner before the contract is signed so you can make the appropriate adjustments. Don't assume that the number of attendees is the exact same number for the room block.



You may have 25 people attending the meeting, but 5 of them live locally and 2 people are just coming in for an afternoon presentation, so you only need 18 rooms, not 25. If you would have contracted for the total 25 room nights for 2 nights, you would have to pay for all 50 room nights, even though you only utilized 36. You may have an attrition clause to allow for 10% attrition with no penalty. So that would save you 5 sleeping room nights, but you would still be paying for 9 rooms you don't need.



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ESTABLISHING FOOD & BEVERAGE (F&B) MINIMUMS:

Not everyone eats Breakfast, Lunch and Dinner (B,L,D), and not all of your attendees will be at the meeting for B,L, and D. Use a similar thought process as you did for the room block to determine your F&B minimums.



Perhaps with your group, you know that about 70% of your people will have breakfast, so you will calculate the breakfast buffet minimum by the per person cost times 18 people, not the per person cost times 25 people.



You will find that most people attend lunch, and there can be fewer people at dinner.

So rather than assuming 25 people at each meal because that is the number of attendees, take the time to review the agenda, consider people arriving late, leaving early or having other commitments. Take these variables into consideration when you are agreeing to F&B minimums, because once the minimums are contracted, you cannot reduce them.

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AGREEING ON MEETING SPACE:



Frequently you will identify specific rooms you want to use for the meeting. Perhaps they are all located in one wing of the hotel, they may have windows providing natural light, or you really need the room with the formal board room table. These room names should be specified in the contract. You can help to ensure you will not be moved out of your assigned space by including a meeting room clause:



SAMPLE MEETING ROOM CLAUSE:

Meeting rooms and function space can only be reassigned with prior written notification and mutual agreement of all parties.

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If the hotel does end up cancelling you, it is important to protect your company with a strong clause if one of these “unlikely” events occurs.

CANCELLATION BY HOTEL:

It is rare, but there are occasions when a hotel will cancel your meeting. When this happens, they have either experienced a serious maintenance issue such as a flooded ballroom, or they prefer to book a much more lucrative piece of business. Sometimes you can avoid the cancellation if the hotel cancellation terms are extremely onerous, the new piece of business is not worth taking, or they will move a different client.

SAMPLE HOTEL CANCELLATION CLAUSE:



If Hotel cancels Group meeting, Hotel is obliged to find an alternate and comparable location, and pay any differences in cost, such as transportation, increased sleeping room rates, food and beverage costs, and signage. Hotel will also be responsible for any costs incurred by Group for staff time spent on securing a comparable venue and services, and rework caused by the venue change.

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CANCELLATION BY GROUP:

Unfortunately, there are times when it is unavoidable to cancel a meeting. If you must cancel the meeting, alert the hotel immediately so they can begin the process of re-selling the space.



For hotels, it is not simply that a meeting room or some sleeping rooms sit empty, but it is the fact that the employees will not be working as well. Allowing the hotel as much time as possible to refill the hole is the right thing to do. Be sure a reasonable sliding scale for cancellation is agreed to in the contract. A time scale for a meeting contracted 3 months from the arrival date should have a much shorter scale than a contract signed 12 months out.



SAMPLE GROUP CANCELLATION CLAUSE:

In the event of a cancellation by Group, the following amount will be due to the Hotel as liquidated damages, subject to the scale detailed below, based on the date written notice of cancellation is received:

- Date of Signing to [] (date) No Penalty
- From [] (date) to [] (date)[__%] of anticipated group room and group food & beverage profit
- From [] (date) to [] (date)[__%] of anticipated group room and group food & beverage profit
- From [] (date) to [] (date)[__%] of anticipated group room and group food & beverage profit

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DETERMINING AUDIO/VISUAL NEEDS:



Room dimensions, the presenter's style, the session outcomes, as well as the set up of the room can all have an impact on the audio/visual (A/V) equipment needed to make a successful meeting. Most hotels have in house A/V companies that stock a variety of standard A/V equipment. These companies can help you determine what equipment will be best for your meeting needs.

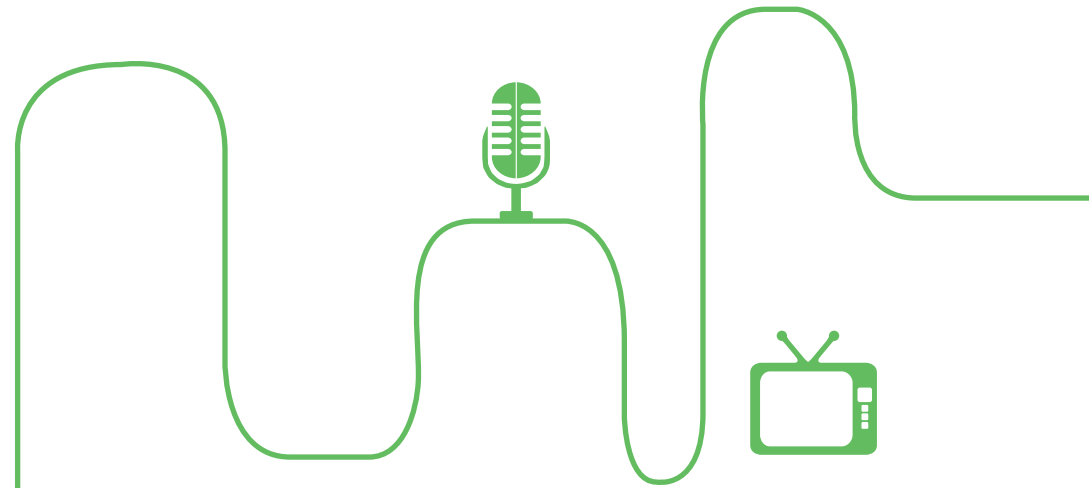


Most rooms will need a microphone and audio system to ensure that everyone in the room can hear easily. Most presenters want a lavalier or headset microphone so that their hands are free to use the remote slide advancer. If you plan to have a lot of audience interaction, you will want to order a wireless hand-held microphone, so everyone can hear. If your presenter will have a lot of video or will be accessing the internet during their presentation, you need to ensure that the bandwidth in the meeting rooms is enough for those needs.



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Venues will also have on-site technicians that oversee the set up and testing of the equipment for your meeting. When you have a rehearsal for your presenters, be sure the A/V tech knows what time the equipment needs to be set by to be ready for the rehearsal. If you have requirements, such as recording the meeting or lots of different speakers and presentation decks throughout the day, you may want to have the A/V tech in the room for the entire meeting. You will need to request that service and pay an hourly fee for the technician's time.



Some planners may have a preferred audio/visual company, in which case, you need to be sure your contract allows for you're A/V company to work at the hotel on your behalf. If you are using the in-house company, ask if they will negotiate their rental and hourly fees. Some will reduce their rates by up to 25%. It doesn't hurt to ask!



BEST PRACTICES WHEN NEGOTIATING CONTRACTS



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Best Practices when Negotiating Contracts comes from my 30 years of experience in the industry with my own corporate meeting management program as well as those of my client's over the past 11 years.