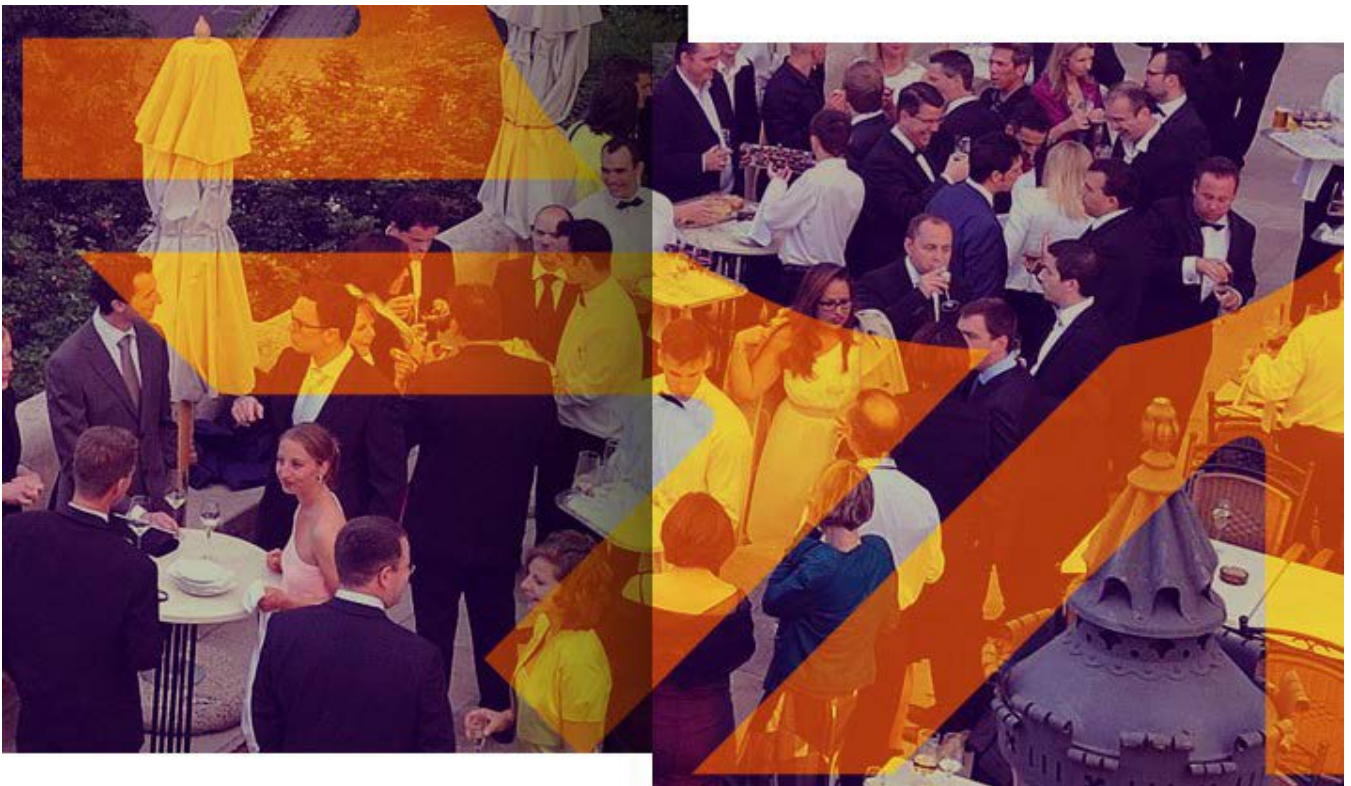


# The Added **Value** of Destination Management Services



Author:  
**Susanna Tocca**

*Try not to become a man of success, but rather try to become a man of value.*

*Albert Einstein*

In recent years it seems that Destination Management Companies (DMCs) are having a difficult time. This is mostly due to heavy competition in the meetings industry not only among the DMCs but also between DMCs, hotels and venues, all targeting the same market with the same level of rates. Competition has become that hard that everyone wants to get the same client at the best possible price and commissioning for intermediating service is being more and more left out.

Moreover, hotels enter in competition with DMCs not only by offering their own services and rooms at the same price to foreign clients as to local DMCs, but trying to gain additional revenues by offering DMC Services such as transfers, outdoor catering, experience services (tours) and others. So the question is posed as – where is the **added value** in using a Destination Management Company (DMC) in these difficult times and slim budgets?

A DMC has to be much more than a booking agent – the company has to offer deep knowledge about the newest venues, people or trends and the best connections in the destination, opening to its clients the whole range of options available an outsider would have never known about.



### Start with the Venue Finding and Logistics Optimization

The perfect venue is crucial for the success of an event: be it a hotel, a historical Palace or an open space. While many of the above can be found over the internet, it is clear that not everything seen in a website can be fully trusted, when at times even the contacts have not been updated for a long while. Having a local expert, a DMC, the client can be certain that all choices are double-checked, and that ongoing relationships with providers will not only secure a professional service, but also a better value for money.

Furthermore, the DMC can bring the attention to the most specific details, limiting dramatically the time for research and decreasing the room for error, such as:

- Regulations;
- Available options at the venue;
- Access to different sites;
- Parking facilities;
- Security.

Some logistical aspects where the added value of using a DMC can be crucial are:

- Defining and changing transfer routes according to traffic situation and local events;
- Providing support through local authorities and the Police;
- Informing of any sudden changes brought about by local events.

To source the best solution in the target location is usually a much quicker and easier process when having a local DMC involved, which translates for the client in saved time, stress and at the end – saved money too. A DMC adds also creativity – matching local attractions and hidden gems to the customer’s ideas and needs, creating a unique customized project – something impossible to be found on the Internet.

## The Best DMC and the Pricing

An experienced DMC can offer overall better pricing due to its experience and relationship on the local market. While at first glance the services might not seem too different, a DMC knows the correct supplier to recommend for the needs of the client, optimizing the value-for-money ratio. The fundamental question here is not - to surpass the DMC or not; but which DMC to choose.

A good DMC:

- invests in continuous staff training and education in order to have the best local experts;
- is financially sound and has a track record of references;
- has a strong purchasing power;
- acts as an extended local arm to the client's team;
- should have a multilingual staff to communicate in the best possible way with its international clientele;
- cannot be confused with a tourist board which is financed through its members;
- needs to sustain its operation, thus charging a mark up or management fees to earn commissions.

In line with an ever changing market DMCs need to adapt the ways quoting and the terms offered to their clients. There are many variables that are to be taken into consideration. This may contemplate a lot of fees for concept creation and creativity, project hours carried out based on a project plan. A handling fee on the overall monetary volume of a project, the percentage of which can vary according to the type of services rendered. A fixed management fee will be presented as a lump sum, taking into consideration all different activities involved with the projection, management, operation and file closure of a project. The most common mark up quotation is the one where the service fee is directly added to every single service provided.

Charging for days and hours spent on a project seems to be convenient for the DMC and transparent for the client, but experience also shows that it is the most expensive option. By building a strong relationship with the client no proof of project hours is needed, as a professional DMC and a trusting client will find together the most convenient way of cooperation and a balanced system to charge for the services rendered according to the nature of the project and workload involved.

*With a DMC that plays its role professionally, smoothing processes, opening doors locally and offering all kinds of logistical support, there is no doubt about the added value for the client, not only in terms of image, prestige and event success but also in competitive rates and time savings.*



### Global know-how



Dedicated teams



True partners

## The Future of the DMC through Teamwork

For a destination and its DMCs to be successful, teamwork is required by all stakeholders in a destination, in order to position the destination, and its USPs, in as many potential markets as possible. The successful destination team usually consists of CVBs, Hotels and their associations, together with expert DMCs. It is much easier for a destination team to win business than a DMC or the Convention Bureau, competing on their own for one project, or in one market. Once a destination has been well positioned through its strong local community, business usually not only flows much easier, but also grows in volume, offering a larger number of opportunities for many of its stakeholders.

While standards are improving, with increasing number of practices and industry bodies supporting the business, the destinations are getting stronger and better organized. This will lead to a better understanding of the DMC business by potential clients who will seek the experts' help, just as asking for the right doctor in a hospital. Moreover there is a movement towards a DMC Certification, based on certain standards, in order to eliminate those poorly prepared who charge a lot for insufficient support, thus damaging the image of the DMC business in general.





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Susanna Tocca is a native Austrian, who has dedicated the bigger part of her professional career to Destination Management. She is experienced in destination marketing for different target markets, tailoring creative incentive programs with all the necessary attention to detail. Susanna is fluent in 6 languages which makes her the perfect host for her clients – something she is passionate about and does wholeheartedly.

Arriving in 1995 in Lisbon she set up our Lisbon Office and made it one of the leading and award-winning DMCs in the country. With her diverse background and years of experience Susanna is a well-known professional in the local and international events industry, as she is actively involved with various industry associations.

## **ABOUT AIM GROUP INTERNATIONAL**

AIM Group International organizes over **three thousand events and meetings every year**. Despite our size, AIM Group still has a “small company” approach to **client partnership**.

AIM Group is committed to helping its clients reach their goals, to personalizing their event experiences, to providing an innovative environment, and to making a difference. Our strong sense of identification with client projects means that we are constantly striving to provide solutions, even for issues they aren't yet aware of. To this end, we adopt a progressive approach to technology and marketing techniques. This sense of identification also means we value and promote seamless interaction with clients' own teams, and ensure the best value is obtained from their event budget.

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