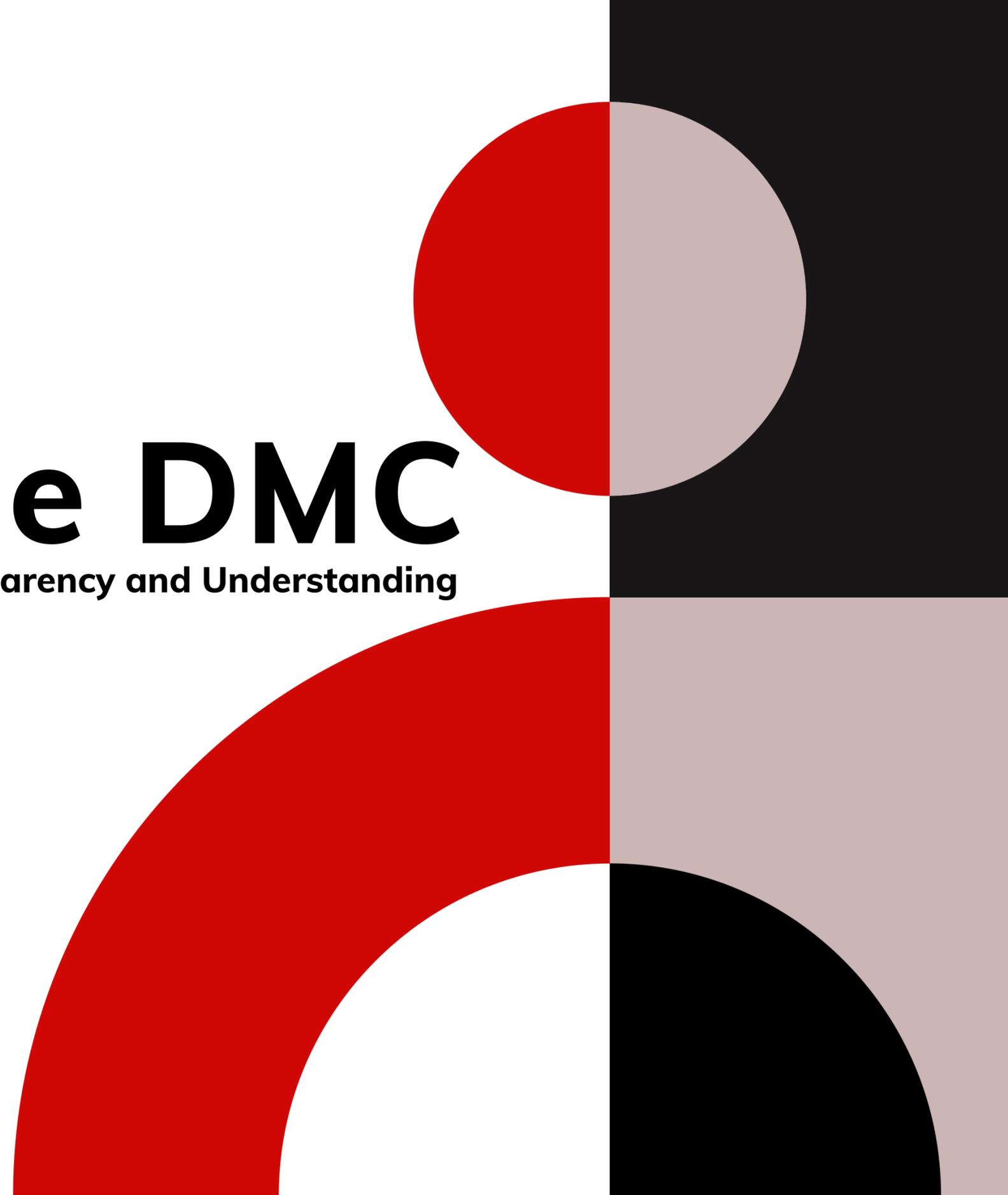




Evolution of the DMC

Renewing Business Relationships with Deeper Trust, Transparency and Understanding

MAY 2021



DMCs At the Core of M.I.C.E.



/DMEI

“As live events resume, we collectively recognize the essential role of DMCs, providing vital subject-matter expertise on a location or sector and helping to ensure events are **inspiring, safe and valuable** experiences. They’re critical connectors in the overall events industry ecosystem.”

Amy Calvert, CEO
Events Industry Council (EIC)

1

Essential Services

Destination Management Companies (DMCs) are at the core of the Meetings, Incentives, Conferences and Exhibitions (MICE) industry. The services they provide to their client range from logistics to safety, from branding and theme creation to providing local experience.

ADMEI has identified the following key discussion points:

DMC Value

The DMC industry is often misunderstood and undervalued. DMC work may seem intangible, yet it is critical to the overall program success and safety.

Proposal Process

After an initial introductory proposal is provided, DMCs are paid for complete detailed proposal(s) which provide planners greater transparency and DMCs consultancy compensation.

Letter of Engagement

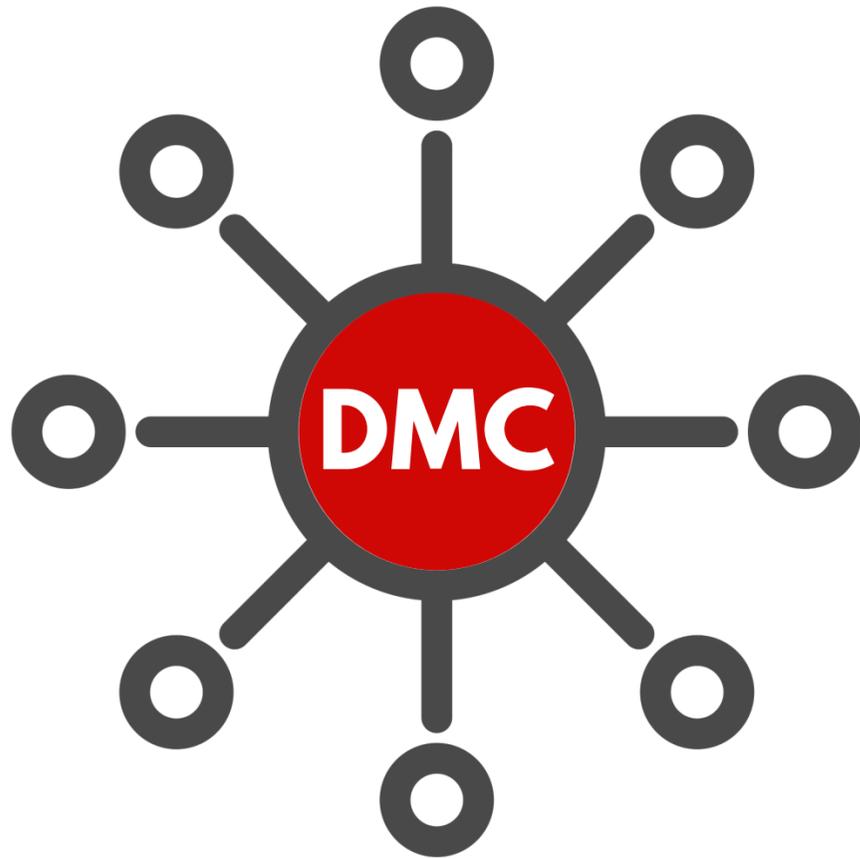
The Letter recognizes the investment of the DMC's additional time and resources required to fully plot all details of the program and sets a time frame for progressing to a contract based on elements presented and a tailored client review process.

Site Inspections

Reasonable site inspection costs may be considered the "cost of doing business." However, consistently absorbing site inspection expenses is unsustainable for DMCs and passed-through expenses should be discussed and agreed upfront.

2

DMC Value



DMCs possess the skills, resources, and vendor relationships to “build” the event. They develop the bid, hire and manage the sub-contractors, relate to all outside agencies for permits, insurance, etc., manage the finances of the job, provide constant supervision onsite, and over-all project management. In addition, they are well-versed in their local health and safety laws and requirements.

Although DMC work may seem intangible, it is critical to the overall success and safety of a program. DMCs embody an intrinsic creativity and the key relationships to execute “wow” moments, all while delivering confidence to their client in the management and execution of every element of the event.

DMCs are not just an ally; they are a partner.



*Client confidence in their program is critical and working with a Destination Management Company gives you the ability to have that confidence. Our industry continues to evolve, and the DMC is, now more than ever, the **trusted advisor** to help you find your way around that ever-changing landscape of the meetings, events and incentives of the future."*

- Aoife Delaney, President of the Society of Incentive Travel Excellence (SITE)

3 Proposal Process



The proposal process — in many cases, several proposals — requires significant investment in human capital, time, intellectual capital gleaned from experience and in some cases, extensive research.

Upon initial request, complimentary introductory proposals are customary; they showcase the DMC's style, culture, mission, accreditations, certifications, principles of business and samples of previous work. In some cases, even sample program decks can be shared providing a view into what the destination offers, as well as the creative ideology of the DMC. Upon a planner's evaluation of the DMC, a confident decision can be made on moving forward to the next step into program development to include finer detail and content. It is here where the service begins, and compensation is provided.

As a service industry provider, DMCs are paid for complete detailed proposals while enjoying a partnership-based relationship with their clients. Planners enjoy greater transparency and DMCs are compensated for their consultancy instead of an unsustainable complimentary model.

Much like an architect is compensated to draw building plans, program development proposals are to be considered same.

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Letter of Engagement



When a client selects the DMC to advance the program development based on the review of the company and capabilities provided in the initial proposal, a Letter of Engagement or Letter of Intent (the “Letter”) is executed. The Letter recognizes the investment of the DMC’s additional time and resources required to fully plot all details of the program.

The Letter also sets a time frame for progressing to a contract based on the detailed elements presented and a tailored review process with the client. If the client selects not to advance to a contract, their liability is limited to the agreed upon billing for time outlined in the Letter.

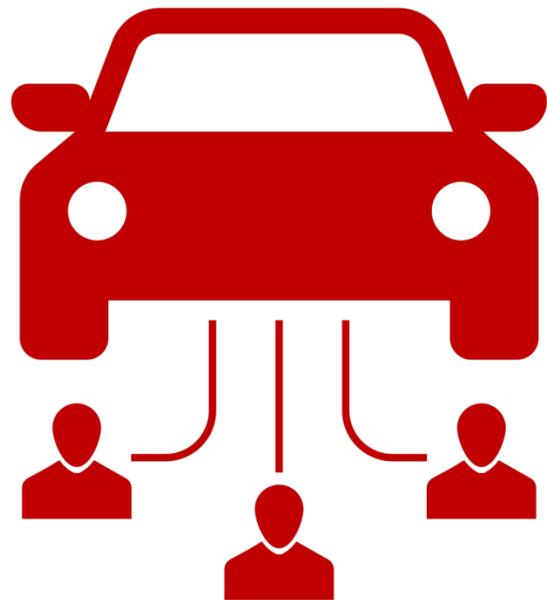


“DMCs of course continue to **know their destinations inside and out**, but over the last year we have seen them really elevate their expertise around health and safety, **with in-depth knowledge** of Covid regulations, becoming CPCA's (Certified Pandemic Compliance Advisors) and becoming best in class with brand-new service offerings in terms of virtual and hybrid events.

- Aoife Delaney, President of the Society of Incentive Travel Excellence (SITE)

5

Site Inspections



Reasonable site inspection costs may be considered the “cost of doing business” to some clients, but since the number of site inspections a DMC performs in a year can easily exceed the number of programs a DMC may operate, consistently absorbing site inspection expenses as a “cost of doing business” is unsustainable for DMCs.

For the first site inspection, the general approach, identifiable as a best practice, is based on the following principles:

- Keep client site inspection costs to a minimum
- Negotiate with local vendors for complimentary or discounted services
- If possible and ethically sound, offer some services on a complimentary basis as a gesture of hospitality and kindness.

Subsequent site visits may not merit discounted services from either the vendors or the DMC.



*"As events return post-pandemic, **DMCs will play a more vital role than ever**, providing critical local insight for planners. DMCs bring knowledge of the offsite venues that are adhering to protocols and help deliver a clear understanding of the details of local regulations. They will also know which venues and providers are still operating locally, given the significant changes during the last year".*

- Stephanie Harris, President of The Incentive Research Foundation



Moving Forward Together

The evolution of the DMC industry requires that it embark upon a renewed relationship with clients that is built upon **transparency, trust, and understanding.**

- **Transparency**, which outlines labor and resources invested;
- **Trust**, that is forged by a DMC's ability to operate and deliver an essential service that satisfies clients' needs;
- And, a mutual **Understanding** of the systems and processes used by the DMC to deliver a professional, safe, and flawless program.

A unified approach will prove to be a mutually beneficial relationship between Destination Management Companies and clients as the MICE industry continues to evolve and adapt to new circumstances. [View ADMEI whitepaper, Evolution of the DMC.](#)



*"DMCs are **incredibly important** to the business events industry and PCMA is a big believer in DMCs. DMCs create experiences which allow for greater connection, transfer of knowledge and an overall greater experience for any event."*
- Sherrif Karamat, President and CEO of the Professional Convention Management Association (PCMA)



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