

HOTEL NEGOTIATIONS, PITFALLS AND CONTRACTS

Negotiating with a hotel is actually very easy. First of all, you will need to make up your mind that you would actually like to sponsor a meeting of SCC29/StaBatt Technical Committee. That means that you will have to do a little research.

DO YOUR RESEARCH BEFORE YOU APPROACH THE HOTEL. Set down and list out the parameters you will need in a hotel.

1. Adequate function space is the third.
2. Affordable function space is the fourth.
3. Nice hotel rooms is the first.
4. Affordable room rates is the second.
5. Determine when you could best hold the meeting to your advantage.
6. Be flexible about the meeting dates.

ROOM RATES

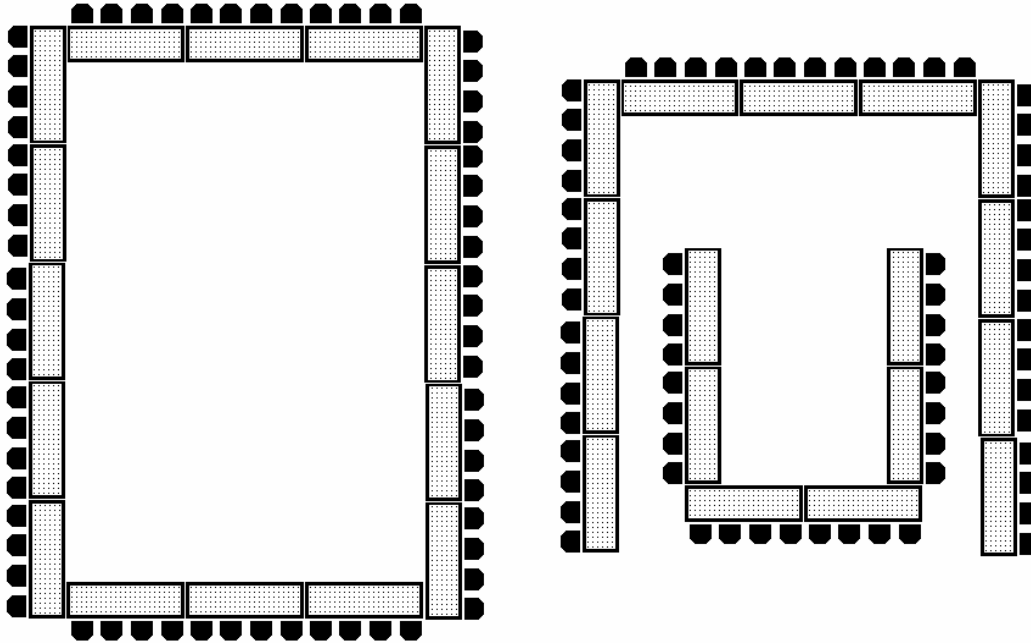
The very first thing that you need to do is to call every hotel in the area and find out what their Government, Corporate, and AAA Rates are for rooms. **NEVER SETTLE FOR RACK RATE!** You are the representative of a large organization and that will give you a lot of clout. Find out the cheap discount rates for each hotel in the area that you might even remotely think would work. This way, you will be able to eliminate a large number of hotels. For an example, we will use the Chattanooga area to explain. Normal hotel rooms in the area run anywhere between \$40 to \$70 for a corporate rate depending on the property. However, if you go to the Marriott, Marriott Courtyard Suites, Hilton Courtyard Suites or the new Chattanooga, this price can go up as high as \$120 for the corporate. See the difference. Also, check out each hotel for specials. Weekend getaways, Manager's Special, etc. It is extremely valuable knowing this information when negotiating for a hotel.

FUNCTION SPACE

Next we will look at the function space you will need to hold the meeting. There are normally between 50 to 60 members who come to committee meetings. Sometimes there are more and sometime there are less. So plan for the middle and assume 60 members will attend. You will need the following function spaces to adequately house the members.

1. One room for the main meeting that will comfortably seat 60 members in a round table forum. This can either be set up as a hollow square with seating around or two "U"s nestled one inside of the other.
2. Normally you will need two additional small breakout rooms that will seat a maximum of 20 people each. Tell the hotel that you will need these rooms for the duration of the meeting.

HOTEL NEGOTIATIONS, PITFALLS AND CONTRACTS



Now that you have an idea on what function space you will need, it's time to take a look around you area on what hotels will fit the bill. Here are a few things to think about when you are looking for a hotel.

1. Hotels right around airports are expensive.
2. Hotels located right near major tourist attractions are expensive.
3. Hotels located in the heart of downtown areas are normally expensive.
4. Major chain hotels [Marriott, Hyatt, etc.] are normally expensive.
5. Concentrate on hotels away from airports and tourist attractions. Some of the nicest hotels you can go to are not major chain hotels. Some Ramada's, Comfort Inns, Hawthorne Inns, etc., have excellent function space and are very reasonable.

Armed with the preceding information you will be ready to start hunting for the function space you need. The next thing you will need to determine if the function space is affordable. If the hotel wants a fortune for their space, **THEY DON'T WANT YOUR BUSINESS!** Most large rooms rent for \$100 to \$300 per day and smaller rooms run between \$50 and \$100 per day. So your room costs will run from \$200 to \$500 per day. The prices depend on your locality. San Francisco is much higher than Chattanooga. If all the hotel has to meet your needs is the Grand Ball Room and they want \$1000 per day and won't come down off that price, **THEY DON'T WANT YOUR BUSINESS!**

Attitude in negotiating with a hotel is everything. **NEVER GO TO TALK TO A HOTEL WITH THE ATTITUDE OF "PLEASE LET ME HOLD MY MEETING HERE"**. Go with the attitude of, **"WHY SHOULD I HOLD MY MEETING HERE AND WHAT WILL YOU OFFER ME TO DO IT!"** Nicely put them on the defensive. Remember, you are negotiating to hold a meeting two years in the future so you have time to checkout all possibilities.

HOTEL NEGOTIATIONS, PITFALLS AND CONTRACTS

After you have looked at the function space and determined if it is adequate, you are ready to go to the next step. The rooms. Have the sales representative show you some of the rooms on the property. Remember, your friends and business acquaintances will have to stay in them and you really don't want them upset with you at the meeting. Make sure they will be happy where they are staying. Also check out what comes with the room. Example, does a free continental breakfast come with it? Does free laundry service? Is there an exercise room on the property that guests can use? Etc. Sometimes these freebies can tip the balance for or against a hotel.

At that time, as the sales representative what room rates the hotel will give you. Remember, you have already checked to find out what their bottom line corporate rates are, they should be able to match them with no problem for a large business meeting with multiple room nights. If the sales representative tries to give you very inflated rates, BEWARE! Tell them you know that the corporate rate is "X" and you would like to know why they couldn't match this. If you get a cock and bull story at this time, THEY DON'T WANT YOUR BUSINESS! Remember to be honest when dealing with these people and expect them to be reasonably honest with you. If they don't want to play ball, it's time to leave.

DATES

Now that you have a property of two or three in mind, it time to determine when the best time is to hold the meeting. Remember to be flexible. You should first find out what dates you cannot hold the meeting. There are blackout dates to be considered between holidays and other professional business meetings that it would not be advisable to hold SCC-29 meetings. So don't set up the SCC-29 meeting to conflict with major holidays. Also, do not set up SCC-29 meetings to conflict with things like BATCON, INTELEC, POWER QUALITY, etc. If you do not know the dates of these meeting, please contact the head of SCC-29 for help.

Give the hotel a target date and what dates you cannot hold the meeting on around that date and work from there and then they will be able to determine when they can provide space for your business needs. A perfect example of this would be FLORIDA. If you try to get a hotel for a business meeting in the spring, summer, fall and winter, the tourist areas are normally outrageous expensive. However, did you know there is a small window of opportunity in the fall and the spring when it is cheap. In the fall, the time period is from Labor Day until approximately October 15th. Still very warm on the Gulf Coast for swimming and there is hardly anyone there. So remember, be flexible on the meeting dates.

NEGOTIATING

Now it is time to put it all together and start negotiating for a hotel. I am going to repeat a paragraph here because I can not stress how important it is when negotiating with a hotel. "Attitude in negotiating with a hotel is everything. NEVER GO TO TALK TO A

HOTEL NEGOTIATIONS, PITFALLS AND CONTRACTS

HOTEL WITH THE ATTITUDE OF “PLEASE LET ME HOLD MY MEETING HERE”. Go with the attitude of, “WHY SHOULD I HOLD MY MEETING HERE AND WHAT WILL YOU OFFER ME TO DO IT!” Nicely put them on the defensive. Remember, you are negotiating to hold a meeting two years in the future so you have time to checkout all possibilities.”

In a number of hotels, if you are able to meet room commitments, you can actually get the function space at a reduce price or free. Since we normally hold meetings from Sunday until Wednesday, you can normally count on around 125 room nights from Saturday until Thursday Morning. Hotel room nights are your ACE-IN-THE-HOLE! ***Remember that during the negotiations and make sure the contract reflects ALL rooms brought in by the IEEE SCC-29 meeting are counted toward the hotel room nights. Even those rooms of people who come in before and stay later.*** This is important because it can mean the difference of getting free function rooms or having to pay for a part of the rooms. If a hotel is unwilling to help you out on the rental of the function space based on the number of room nights you will be able to get for them, THEY DON'T WANT YOUR BUSINESS! Do not be afraid to make counter offers.

Also, you have to consider the other goodies we need for the meeting. Like coffee, tea and munchies. They too can be added to the room bill as a part of the base price of the room. In this manner, the companies sending the member will still be picking up the tab for the members but it will be a hidden cost. BE INVENTIVE!

AV and COPY EQUIPMENT

And DON'T FORGET ABOUT THE COST OF AUDIO VISUAL EQUIPMENT FROM THE HOTEL. Some hotels make a considerable profit renting out this last minute equipment to people. It's like the rack rate. If you don't negotiate ahead of time for it, you can be sure they won't give it you at a reduced rate when they can bill you for the full amount. Some hotels do not even have any AV equipment to rent. Also, some hotels don't mind if you bring your own equipment in. So it will be up to you to check.

Copy facilities are sometimes very important for an SCC-29 meeting. But, if you can bring a good laser printer to the meeting from you office, you can get around this most of the time.

AN EXAMPLE OF ONE NEGOTIATING TECHNIQUE IS THE FOLLOWING:

Hotel: The function rooms will cost you \$500 per day for the 4 day period.

SCC-29 Rep: I'm sorry, but I only make it 3.5 days because we will be out by noon on Wednesday. Also, we will only be needing one room on Sunday.

Hotel: OK, then we will call it 2.5 days at full occupancy and 1 day for one room.

HOTEL NEGOTIATIONS, PITFALLS AND CONTRACTS

SCC-29 Rep: Speaking of occupancy, we will probably have a minimum of 125 room nights over the period from Saturday to Thursday morning. What are you going to do for me if we make the full commitment of rooms?

Hotel: OK, if you make the full accommodation commitment, I'll give you the rooms for 50% of the normal rental price.

SCC-29 Rep: Hmmmm, 50%. Here is a counter offer. As far as I can tell it's going to be approximately \$750 if we make the rooms. Is that about right?

Hotel: Yes.

SCC-29 Rep: Well how about this, you Corporate rate is \$75.00 per night. If I divide 125 into \$750 I come up with a figure of \$6. Add the \$6 to the \$75 per night and if we make our room commitment we get the function rooms free. How about that? That way, if I have more than 125 room nights, you make extra money.

Hotel: Sounds good to us.

SCC-29 Rep: But, the chance exists that we might not make 125 room nights and we will want some kind of credit for what we have. Some kind of sliding scale. If we have from 90% to 99% of the 125 room nights, we pay 10% of the cost. From 80% to 89%, we pay 20% of the cost. And so on down to fifty percent. Below 50% we pay the full amount of the rooms. What do you think?

Hotel: Sounds good to us.....

And so on from here. Remember, negotiate with the hotel. It's like horse trading or buying a car. If they don't want to negotiate, then, **THEY DON'T WANT YOUR BUSINESS!**

REMEMBER

SHOP AROUND FOR HOTEL

TRY NOT TO SETTLE ON JUST ONE HOTEL

FIND OUT WHAT THE RATES OF THE HOTEL

GOVERNMENT

CORPORATE

WEEKEND SPECIALS

RACK RATES

FIND OUT WHAT THE FUNCTION SPACE WILL COST – THEY ARE NEVER FREE EVEN IF IT LOOK LIKE IT IS. TANSTAASFL.

HOTEL NEGOTIATIONS, PITFALLS AND CONTRACTS

NEGOTIATE IN GOOD FAITH WITH THE HOTEL.

GET EVERYTHING IN WRITING.

DON'T SIGN ANYTHING UNTIL SOMEONE ELSE ON THE SCC-29 SITE SELECTION COMMITTEE LOOKS IT OVER.

AND REMEMBER THE MOST IMPORTANT THING:

HOTEL PROMISES ARE WORTH ONLY THE PAPER THEY ARE WRITTEN ON! NEVER ACCEPT THEIR WORD! TELL THEM TO PUT IT IN WRITING!

Tim Bolgeo

**Auxiliary Power Systems Specialist
TVA / FPG / CC&SE / E&I&C Systems Group**

Work Email: rtbolgeo@tva.gov

* * * * *

How many room nights?

| | |
|-----------------|-----------------------|
| Saturday night: | 25 - 35 |
| Sunday night: | 50 - 60 |
| Monday “ | 50 - 60 |
| Tuesday “ | 45 - 50 |
| Wednesday “ | <u>25</u> - <u>35</u> |
| | 195 - 240 |