

NIGEL GAUNT

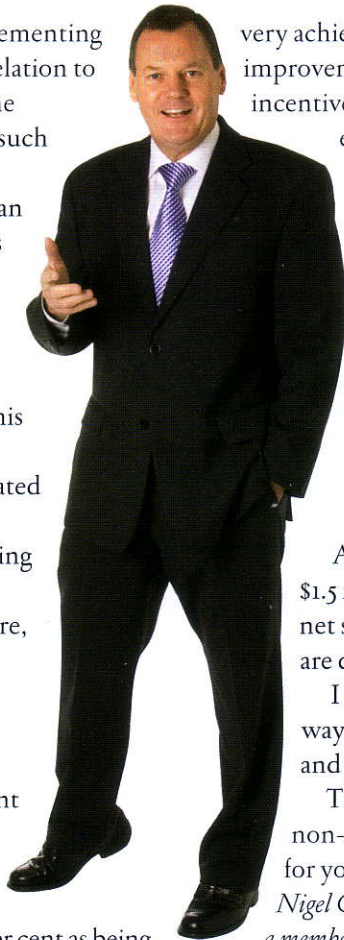
Missed opportunities will cost you in the long run

The work that I do with companies in implementing incentive programmes is almost always in relation to a programme targeting the salespeople in the organisation, or the external sales channels such as retailers or dealers.

While I recognise this is the group you can most readily measure the results of, it seems there is a huge missed opportunity in not motivating the non-salespeople in these companies. It is not just salespeople who respond to recognition and reward for achieving a set goal or target; all of us seek this same treatment for a job well done.

In an environment of mounting staff-related costs and operating overheads, it is a timely reminder that incentive programmes targeting overall company productivity and cost containment can deliver as much, if not more, benefit to a company's bottom line as a programme solely targeting sales.

For example, if your staff costs can be contained by not hiring more staff but just working on increased productivity of current staff, the cost saving can be profound. For a small-to-medium enterprise (SME) with an annual staff-related cost of \$2 million, you could consider a productivity increase of 15 per cent as being



very achievable. This translates to \$300,000 in productivity improvement and, while you might invest \$100,000 in the incentive programme, including the reward and recognition elements, it is still a net gain of \$200,000.

In the case of cost-containment incentive programmes, you can often achieve cost reductions in overheads of 20 per cent by a combination of buying smarter and more considered use of energy and consumables, such as paper, in an office. In a factory these numbers are generally even higher.

“Look for ways to make incentive programmes work for you and your company's bottom line”

Assuming operating overheads in an SME of \$1.5 million, you can look to save \$300,000 or a net saving of around \$200,000 after programme costs are deducted from the saving.

I urge you to look inside your organisations for ways to make incentive programmes work for you and your company's bottom line.

The results will impress you and the often-neglected non-sales employees will produce even greater results for your company in the future. ■

Nigel Gaunt is managing director of the MINT Organization, a member of BI Worldwide, nigel.gaunt@mintorg.com

GLOBAL COMMENT

A business model for modern convention centres



As the number of convention centres continue to grow worldwide, owners are focusing on the operational models that support them.

Owner expectations are now also being placed on the profitability of centres, and as a result other options are getting more attention than they would have even a few years back.

At the same time, associations are more aware than ever of the economic benefit they bring, and are prepared to use this in negotiations with venues.

However, there is now also an environment of increasing fiscal restraint among government owners, many of whom are looking for profitability, or at least reduced deficits, from centres that in many areas have traditionally operated as 'loss leaders' for the greater economic benefits they generate.

The result appears to be a greater willingness to explore a broader range of creative

initiatives to establish or expand convention facilities in order to manage costs, while ensuring their countries or cities are not being left behind in this increasingly competitive environment.

The hotel sector is now also pursuing the conventions area, with major meeting capacity being incorporated into many new hotel developments and expansions – a trend that has been the case for a long time in

North America, but is now also emerging on other continents.

These new models won't completely replace earlier models for the simple reason that circumstances, challenges and opportunities vary significantly in different parts of the world, and governments must respond to their own circumstances.

However, I believe that convention venues with mixed-use facilities and mixed-equity structures represent an important part of the industry's future. ■

Geoff Donaghy is managing director, Cairns Convention Centre, a member of AIPC, www.aipc.com

“Convention venues with mixed-use facilities represent an important part of the future of the industry”