



## CONVENTION CENTRES TODAY

### A conversation with Edgar Hirt

EDGAR HIRT HAS BEEN PRESIDENT OF AIPC FOR 2 YEARS NOW. SO IT MIGHT BE A GOOD TIME FOR HIM TO ASSESS THE CHALLENGES CONGRESS CENTRES, AS WELL AS MEETINGS PLANNERS, FACE IN TODAY'S ECONOMIC CLIMATE. IN THIS INTERVIEW, THE MANAGING DIRECTOR OF CONGRESS CENTER HAMBURG TALKS ABOUT THE PLACE OF AIPC'S MEMBERS IN TODAY'S WORLD IN GENERAL AND IN THE MEETINGS INDUSTRY IN PARTICULAR.

**HQ: What impacts are your members facing as a result of the current recession?**

**Edgar Hirt:** Many of our member centres have seen significant impacts on their corporate meetings as well as trade and consumer shows that rely on either corporations or general public attendance. Most association meetings have remained stable in the sense that they remain on the books, but as some of these will take place years in the future, there may yet be cancellations. With all events, the big question is what attendance will be once the meeting or exhibition actually takes place, and this will of course depend on the state of the economy at this time.

In the end, it is centres with a well diversified business base that have fared best as they have been able to shift their business priorities from one area to another. Having said that, there are very few that have not had significant impacts, in areas like revenue and attendance if not in terms of actual event cancellations.

However, there are already signs of economic recovery and there may be even more reasons for meetings in the near future. For example, we believe that there are more reasons than



Edgar Hirt

### At AIPC, we believe that there are more reasons than ever to hold international meetings when the global economy is in recession

ever to hold international meetings when the global economy is in recession. In particular, they stimulate new research and product development, which stimulates the economy; at the same time, they encourage networks and exchanges that counter the tendency toward protectionism that often accompanies recessions like the one we are now experiencing.

**HQ: What about supply - are there too many convention centres for today's market?**

**Edgar Hirt:** That is a question that only the market itself can answer, and it will do so over the long term, as centres that cannot compete will simply be eliminated from the equation. However, there can be some real problems in the interim. For example, if a centre is not competitive, it may resort to predatory marketing, offering deep discounts and 'buying'

business, for example, in order to survive, and that harms everyone in the long term. We continue to emphasise that a centre should only be built where there is a strong and demonstrable business case, and where all the other parts of the congress business equation - things like air access and good hotel accommodation, for example - are in proportional supply. It is far better to make the correct development decision in the first place than to have to deal with it once a building is already completed and entering the market.

**HQ: Could you expand a little bit on the 'Green Factor'?**

**Edgar Hirt:** A convention centre does not stand alone on the questions of sustainability or carbon neutrality - it is also a matter of the commitment that clients who use their facilities bring with them.

A recent survey of AIPC member convention centres indicated that well over 90% had significant green/sustainability policies and practices in place, including programs designed to enable clients to 'green' their own meetings and events. It is our feeling that given this high level of attention to the issue, sustainability has become more of an expectation than an exception, and centres are well out in front of actual demonstrated demand from their clients, few of which make sustainability a 'decision factor'.

Having said that, there are many different definitions in use - which is something characteristic of the 'green' area in general. Carbon neutrality is a particular challenge in that it generally depends on the use of offsets to balance the inevitable effects of meetings (such as travel-related impacts). However, a high proportion of the centres that maintain sustainability programs also offer carbon offset programs, and this can further enhance their claim to carbon neutrality. Finally, there typically needs to be a recognized audit process in place to determine any impacts, as each event will differ.

Given this wide range of definition, and the high levels of attention given to the green issue by convention centres, clients need to establish for themselves what the exact bases are for the claims of individual centres. It has been our experience that their staff can provide a wealth of information, not only on their own operations but also how they can support a client's own initiatives.

**HQ: How do you view the relationship between convention centres and suppliers at AIPC?**

Edgar Hirt: One of the most defin-

ing characteristics of convention centres as a group is that they operate in very different circumstances and jurisdictions and must respond not only to the demands of the market but their own immediate legal and operational requirements as well. For that reason, AIPC does not and will not presume to impose any operating restrictions on members that would compromise their business decision process.

The tied supplier issues is a good example of such a situation, Centres must take into account many different factors in making decisions in this area, including the availability and reliability of suppliers, health and safety concerns, quality control management and any local regulations that may be applicable. There is no possible 'one size fits all' solution but simply a range of possibilities from which centres must choose given their particular circumstances.

In the end, clients and suppliers need to make their respective decisions based on how the various options suit their needs. The client will decide, on balance, what works best for them and the supplier will live with the consequences, which is how the market works. Our advice to members is always to engage to the fullest extent in client discussions while exploring their options, and to engage in discussions as to how other are handling similar situations via the networking opportunities we create as an organization.

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