

Learning to compete with the big boys

Managing Director of the Kursaal Centre in San Sebastian, Iker Goikoetxea Mendoza, says despite venue over-supply in Spain, smaller venues and destinations are training hard in the battle for market share.



**EXCELLENCE IN
CONVENTION CENTRE
MANAGEMENT**

Once upon a time, when business was booming, convention centre development projects were approved more with optimism than due to any hard business analysis. Those days are over, not only because of the economic crisis, but more due to the structural issues our industry is facing, at least in Spain.

While Spain's national meetings market reached maturity during the last decade, venue supply has grown dramatically. According to the Spanish Association of Congress Centres, APCE, our venue pool has grown from 38 convention centres 10 years ago to 72 today, with another 19 projects under construction (although three of them have now been halted) and 31 more planned. With this kind of growth, competition in the Spanish market has become a threat to the global industry.

However, our challenges are not just about supply, they are also related to demand, and particularly to public demand. Our exposure to public institutions' demand for meetings space is in many cases too high. With reduced public budgets, this is not likely to remain a short-term issue.

There are many changes coming, starting from the attitude of public shareholders who are becoming more conscious of how dependant their centres are on the demand they themselves create. This will make them more demanding towards their management, which will in turn require a bigger sales and marketing effort, even though available resources will be reduced.



Iker Goikoetxea Mendoza

So, caught between the demands of shareholders and the market itself, management style at our centres must change in some fundamental ways:

Strategic planning based on a deep analysis and a clear SWOT definition will be critical to justify investments that require concrete, long-term goals.

A more focused strategic marketing plan will be required and the entire organisation should become more sales orientated.

Convention centres and their respective destinations need to find new ways to differentiate their offers. One of the best ways to do this is to put quality programmes in place to guarantee the best possible service levels. In addition, innovation, not only in technology but also in service, is and will continue to be a must.

In order to sustain this quality, employee training will need to be a top priority.

Those who evolve properly and become 'learning organisations' will not only gain more Spanish market share, but will become much more competitive in the broader market. When this happens, the Spanish offer will also become even more

competitive in the international context. I say 'even' because, according to ICCA, Spain was third in the country rankings for 2009 for the number of international meetings hosted.

In 2009, the four biggest cities in Spain hosted 75 per cent of the international business; in the near future, this percentage will be reduced, with lesser known, but equally competitive and unique cities making a bigger impact.

San Sebastian is a good example. Located close to France, we have for years been making steps towards becoming more competitive in an international context; for example our Congress Centre and Auditorium-Kursaal is a leader for certification in various quality programmes in Spain, with ISO 9001 and 14001, UNE-170.001-2, Silver with EFQM and the Gold certificate with AIPC.

At the same time, the city and the region are strategically focused on carving out a strong position in the new knowledge economy through the development of science and technology related industries such as biomedicine and nanotechnology. The results are already starting to show: last year 40 per cent of the conventions hosted in the Kursaal were international.

Such lesser-known cities are becoming very competitive in all the functional requirements of the industry, and at the same time offering qualities such as charm and personality. This will eventually mean an opportunity for more international associations to discover the rich diversity of Spain, something which will benefit the entire industry.

The Kursaal Centre, San Sebastian, is a member of the International Association of Congress Centres (AIPC) and its network of 166 centres in 53 countries. Contact: www.aipc.org