



---

## Innovative Approaches for Managing Sports Room Blocks:

By Allan Judah

Talk to any event organizer, rights holder, or event planner and the subject of room block management, specifically attrition management, will eventually come to the forefront. With the emergence of online discounting and blocking of multiple rooms for speculative purposes, fulfilling and managing sport related room blocks have become a task more difficult and nerve wracking than the event itself. Besides the financial repercussion of attrition, many of the concessions negotiated in the contract such as complimentary rooms, complimentary meeting room space, discounted food and beverage, rebates, etc. are all tied to performance clauses. Therefore, if not handled properly, an area that was once considered a revenue source very quickly becomes a very costly expense item.

Due to varying factors, the managing of sports room blocks have a tendency to be more difficult than normal convention related room blocks. The driving factor is the speculative attendee that is associated with a sports room block. A convention attendee will know months in advance their intent to attend. The event has been budgeted for and unless unforeseen circumstances dictate, the attendee will fulfill their intent on attending the convention and occupying the subsequent booked room nights. However, the intent of the sports event attendee will normally hinge on such factors such as actual qualification to the event or the qualification to the event of a particular participant. Therefore, the non-qualification of a particular athlete or participant can lead to the cancellation of numerous room nights at a very late date, depending on the qualification date. Numerous event organizers can relate to being told their room block is sold out weeks leading up to the event only to be handed an attrition bill from the hotel after an event due to numerous last minute cancellations.

Deciding on the host hotel(s) is a very important part of hosting an event. The attendees will spend actually more time at the hotel than they do at the venue. Looks for hotels that have a desire to be a true partner of the event.

The first item is to draft a “wish list” to present to the prospective host hotels. The wish list should list the concessions and rate that you would like to see in the contract. Some of these concessions include but are not limited to the following:

- a. Desired Rate
- b. Complimentary Rooms (i.e. 1 per 40, etc.) to be used for officials, judges, VIP’s, etc.
- c. Comp Upgrades
- d. Complimentary breakfast or discounted breakfast vouchers
- e. Complimentary or discounted meeting space if applicable
- f. Complimentary Wi-Fi
- g. Discounted parking
- h. Low or no performance clauses

Once you start getting responses back from the prospective hotels, you will be able to tell who has a desire to be a true partner of the event.

The next step to securing host hotel block(s) is the ever important contracting phase. This is the phase where the two parties will agree to all of the terms of the partnership. The most important part of the contract to pay specific attention to is the following:

- **Be conservative when you contract the block.** The inclination will be to block more rooms in order to accommodate the initial rush of reservations. However, be conservative on your blocked numbers that is consistent with past history booked numbers. However, have a good overflow plan to compliment the contracted block. When estimating the number of rooms for the room block, keep in mind the following factors:
  - a. **Venue location vs. hotel location** – Location, Location, Location! Where the hotel is in vicinity to the venue is primary to the room blocking process. Through experience, blocks at hotels that are within walking distance of the venue tend to fill much more than hotels where the attendee has to drive. It has been proven that once the attendee has to drive, their selection of hotel can broaden to several miles of the venue in order to save cost. If an attendee has to drive to the venue, it is very likely that they will look for their own accommodations away from the host block.
  - b. **Other Activities Happening in Town** – Prior to blocking, know the availability of other hotels in the host city. If there are other activities in town and the availability is low for the hotels in the city, feel free to book a higher number of rooms. However, if your event is the only game in town, the other hotels in the city will be “hungry” and will be deeply discounting their rates to attract your attendees. This will draw the attendees away from your host block. Also be aware of your surroundings and environment within the host city.

- **Day by Day Contracted Room Block**
  - a. Breakout of single bedded rooms versus double bedded rooms
  - b. Base the room block on the event schedule
  
- **Performance Clauses.** There is nothing that will make an Event Rights Holder lose sleep than hitting a performance clause in a hotel contract. Below are some tips and things to look out for:
  - a. Try to get the hotel(s) to waive a performance clause based upon past pick up history of the event
  - b. If there must be a performance clause in the contract, negotiate it down as low as possible. Many hotels just want the Rights Holder to have some “skin in the game” so to speak and will agree to a 50 or 60 percent performance clause.
  - c. Ensure the performance clause has the word “Accumulative” in the wording of the clause. If not, hotels will claim that the performance clause is a day by day clause and not an accumulative clause. What this means is that even if you have filled 100% of your block, you can still be charge attrition penalties if you don’t fulfill 100% of every day, even if you go over on other days.
  - d. Do not sign for a performance clause that allows you to drop a percentage of rooms 30, 45, or 60 days out and then you are liable for what you are still holding. With sports blocks, there will be slippage with non-qualifications and injuries. Only sign for a performance clause that allows for slippage and is based upon an accumulative basis.
  
- **Concessions.** Now is the time to lock in the concessions that you requested and the hotel is offering. The most important thing is to prioritize your concessions. This is a true negotiation process. Already know what you are willing to give up in order to get the items that you consider most important. This part can be a true budget saver for the event.
  
- **Lowest Rate Available Clause.** This clause is very important. Ensure there is a clause in the contract that states that no lower rate can be offered online or through the Hotel’s reservation system that is lower than the contracted group rate. However, re-sellers such as Priceline, Orbitz, and Travelocity must be exempted as they pre-buy room inventory and the hotel has no control over these. However, nothing blows up a block faster than the attendee getting a lower room rate on the Hotel’s website or via their toll free number.

Once contracted, the management of the room block starts. Below are some tips to filling the contracted hotel blocks and keeping them filled.

- **Make host hotel central point of activities.** Attendees will want to be where the “action” is happening. No one likes to be left out. If possible, post results at the host hotel in addition to opening and closing parties if applicable.
- **Reconcile with the hotel on weekly and then daily basis through end of the event.** Ensure that rooms are not being double booked. Tendencies are that coaches or representatives will book a room and the individual will follow up with another reservation. This is a killer and eats up rooms very quickly. Do daily reconciliations during the event to correct any problems on the spot.
- **Know where overflow attendees are located and be prepared to move them to host hotel quickly.** Once qualifications happen, cancellations will transpire quickly and in mass. Have a plan to move the overflow attendees into the host hotel to repopulate the block.

Because of budget restraints and staff shortages, many sports organizations are forming partnerships with travel management companies to manage the room blocks and take the burden off of the event staff. With sophisticated tracking software, enhanced reconciliation capabilities, and accurate historical data, these management companies are allowing sports organizations to maximize rebates and concessions and create good relationships and goodwill with hotels. Once hotels know an organization comes with a good history of filling blocks, negotiations for other concessions such as “no attrition clauses” come much easier.

We at National Travel Systems would be more than happy to help you navigate through the housing management of your event. Please feel free to contact me anytime at direct 806-794-3181 or via email at [ajudah@nationaltravelsystems.com](mailto:ajudah@nationaltravelsystems.com)