

GLOBAL VIEW notes



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From Ad Hoc to Organized: Standardizing Your International Exhibits Program

by Michelle Bruno



Developing a consistent process for contracting with overseas exhibitors is challenging. The outcomes are the same: obtaining the contract, allocating the booth space, issuing the invoice, and collecting the payment, but the procedures can vary widely, especially when a sales agent is involved. Vanessa Pighetti, exhibits manager for the American Water Works Association (AWWA), discovered that global standardization is easier said than done.

AWWA's 2014 show was comprised of 470 total paid exhibiting companies. 59 companies (13%) were international. As the organization moves to build a more consistent process across all exhibitors, it has to consider those it already serves. "My goal is to normalize [exhibit contracting] without making it harder on the exhibitors from international countries that have exhibited with us for years and years," Pighetti says.

The problem with pavilions

In theory, international pavilions are a great concept. A single entity (sales agent) contracts a specific amount of pa-

vilion space with the show and fills it with companies from the country or region it represents. The agency accepts the risk and often receives a commission in exchange. In reality, not all exhibitors want to be located beside their competitors in a pavilion setting. Hence, a third contract "permutation" emerges for companies that arrive through an agency, but outside the pavilion.

The question of compensation is complicated when (as for a pavilion) a sales agent is involved. For example, organizers must decide whether or how to compensate the domestic show sales staff whose territories include the countries of the prospective pavilions. They also have to address such issues as how much and how long they should compensate the sales agent for returning exhibitors.

While AWWA began organizing its efforts around the pavilion structure, they have, for now, set the idea aside. "We've actually dissolved the idea of true international pavilions on the show floor and we're working on how to recognize companies through different means like the printed conference program with an icon or on our mobile app," Pighetti explains.

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Pighetti's recent experience negotiating with several sales agencies from China has helped her to think about the contractual and practical considerations involved in building a consistent contracting process:

Exclusivity. Organizers may elect to work with more than one sales agent in a region especially China, which is very large and diverse. It's not uncommon for sales agents to ask for exclusivity. For organizers unfamiliar with the territory, putting all their eggs in one basket can be a difficult and risky decision to make.

Commissions. In some countries, it is illegal or at least complex for companies to accept commissions. While spelling out the compensation in a contract is advisable, legal counsel may be required to handle the issue appropriately.

Accountability. When problems arise, or even if they don't, who is the customer, the sales agent or the exhibitor? With language barriers especially, organizers need to make sure that exhibitors are taken care of and there is a process for addressing their needs.

Product knowledge. Organizers have to rely heavily on the sales agents for qualifying the exhibitors or build in a process for qualifying them independently. "Water in China is different. We rely on the agency to make sure the companies they bring in are a good fit," Pighetti explains.

Visas. Organizers can only do so much to help exhibitors acquire visas and they have no control over whether a visa is granted to an individual or not. Organizers have to determine in advance what happens to the exhibit space (and if a refund is due), if a company has to pull out of the show because its representatives can't obtain visas.

Member pricing. Some organizations, such as AWWA, offer preferred pricing to association members and need to make sure the sales agencies are advocating on their behalves.

"We are a membership organization. Exhibit hall prices are different for members and nonmembers. We have to make sure the agency is conveying the importance of membership."

Risk. Some sales agencies want organizers to reserve space for them, but only contract it when exhibitors are sold. To minimize the risk, many organizations, AWWA included, require that the space be contracted by the agency whether it is sold or not.

Accounting. With so many sales contracting processes automated, it's difficult for some organizers to work with international companies manually. Some international exhibitors, however, require that hard copies of invoices with original signatures be mailed to them. These issues may have to be addressed up from with the agency.

Payments. Many organizers require a percentage of the booth rental fee to be paid at the time the booth is contracted and the balance a certain number of days prior to the start of the show. For some agencies, it's costly to pay in that manner via wire transfer. Plus, the payments often come in with no explanations about which companies the payments are being applied to. It may be better for organizers to accept lump sum payments twice a year.

Booth packages. The expectations about what is included with booth rentals are different for international companies. Some prefer a booth package and are disappointed when they arrive to find only pipe and drape. Others want a booth package, but only if it includes the items they want. Many envision a hard wall shell schemes. Either way, organizers have to be clear about what is offered and urge agencies to explain the offerings as well.

Vanessa Pighetti is the first to admit that organizing a complex process is a challenge. There may event be elements that simply can't be standardized. "There are more details with this whole process and how it would work and how it affects domestic [exhibitors] than I ever anticipated," she explains.

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