



Hotel Contract Management

Status & Opportunities

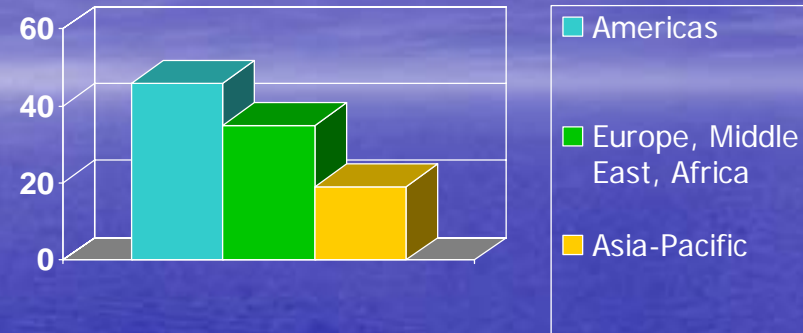
ACTE Global Education Conference: Munich



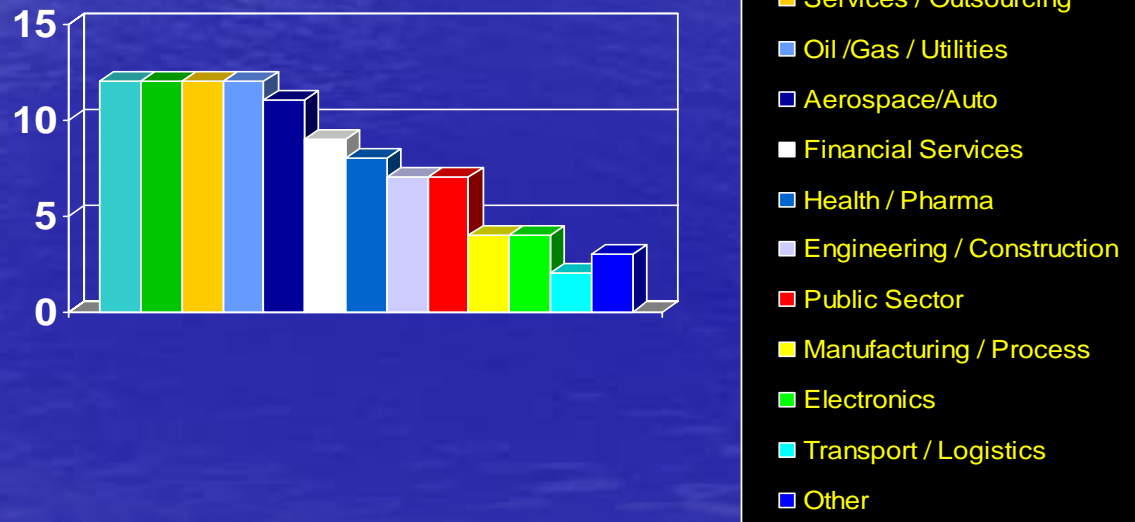
OUR MEMBERSHIP

- Representing more than 1,500 corporations, over half the Global 500
- From more than 90 countries
- More than 30% at director level or above
- An equal divide of buy-side and sell-side focus

Geographic Profile



Industry Profile



Globalization and Mobility: Transforming How, Where, When, What, By Who



On-Demand and User Empowerment Have Become Mainstream

amazon.com

You **Tube**™ Broadcast Yourself



Web 2.0 & Social Networking - Dividing The Generations



The Hotel Industry: Selling An Image

The World's Hotel Company

Travel should remind you we're all
connected

Best prices. Guaranteed.

The Right Approach.

The Right Attitude.

The Right Applications.

Lowest Internet Rate Guarantee

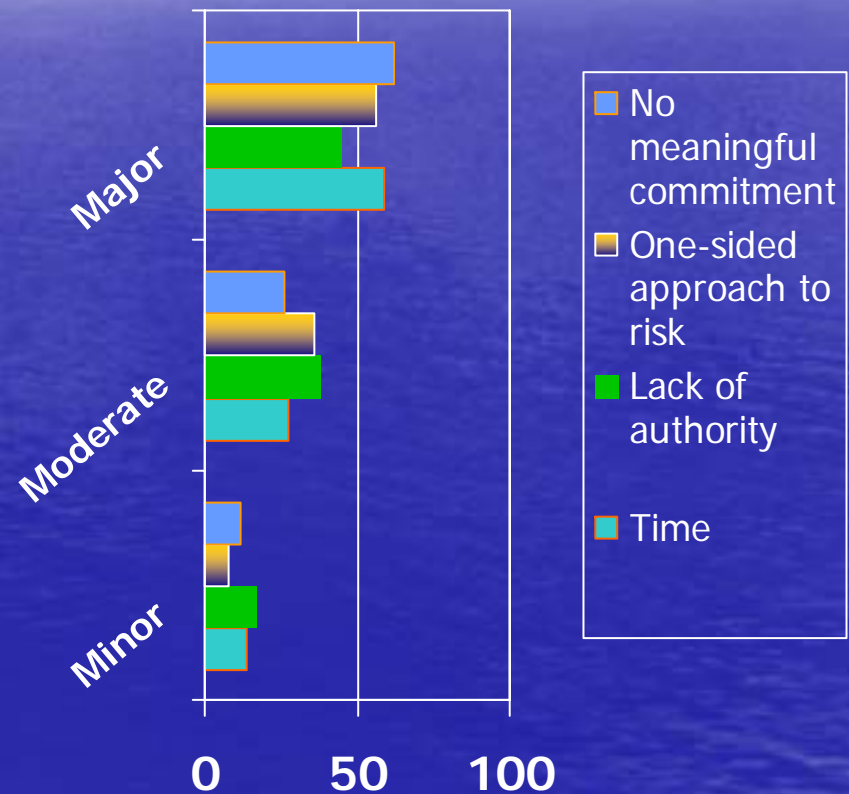
Do you live an Intercontinental life?

Emerging Global Values Conflict With The Realities Of The Contracting Process

- Fast
- Dynamic
- Trustworthy
- Innovative
- Collaborative
- Stretching boundaries
- Fitting my needs
- Value-focus
- Slow
- Transfer or avoid risk
- Avoiding responsibility
- Traditional
- Confrontational
- Constraining
- Fitting standard needs
- Cost / margin battle

Do Contracting Practices Matter?

- 92% say hotel industry 'more difficult to do business with' than other industries
- 88% identify pricing and contracting practices as 'a major source of complexity and dissatisfaction'
- 84% say this 'significantly impacts trust and loyalty'



Why Are Contract & Relationship Management Becoming More Important?

- Governance – regulation, risk management, business integrity and controls
- Globalization – ensuring common understanding, defining and managing complex relationships, controlling costs
- Networking – coordinating supply chain relationships, managing change and performance
- Organization – from employees to contractors, understanding requirements, negotiating consensus

THE IACCM TOP TEN BEST PRACTICES IN COMMERCIAL CONTRACTING

1. Ownership and accountability for contracting process
2. Terms and structure audit and update
3. Integration with Product Lifecycle Management
4. Portfolio risk management
5. Value focus (economic cost and opportunity)
6. An electronic contracting strategy
7. Self-help skills and development tools
8. Strategically aligned measurements and reporting
9. Pro-active change management
10. Differentiation and sources of value: awareness and marketing

What Is Holding Us Back?

Benchmarks reveal improvement priorities

1. Information Systems / Knowledge Management
2. Financial
3. Leadership
4. Solution Requirements
5. Strategy

Key Metrics: Do you know the answers?

- Cycle times
- Frequency of disputes / claims
- Frequency and nature of contract changes, rework
- Cycle time to manage changes or disputes
- Frequency of negotiated terms
- Improvement initiatives (business value)
- User group satisfaction
- Initiatives to improve user effectiveness
- Ease of doing business metrics
- Economic value of term options