

# Internet Strategy for the Event Manager

## Communications Accounting Technology and The Emergence Of On-Premise Service Providers

Much ink has been spilled (and products developed) regarding the impact of the Internet on meeting planning and assembly management. But relatively little has been invested in how the Internet might transform the experience of visitors during an event. This is an important and emerging topic since there is considerable cost and revenue involved in providing event Internet and technology services. This white paper explores one aspect of this subject by asking some basic questions: what services might be delivered during an event, what are the strategic technologies in delivering on-property Internet services, and who should operate or control those technologies?

### **Congratulations on Your Leading The Way In Internet Services!**

Congratulations! Considerable digital Internet amenities are available to event participants and visitors at your facility. Access to high-speed Internet access, content, and services are now a competitive advantage in your attracting events to your community and your property. Here's why you have that advantage (from a visitors point of view):

*Imagine that you are a convention vendor showing at the "Extreme Golf" Annual Convention. You just finished booth setup. Almost, anyway. You ordered both in advance of the event and the network hubs and telephone ports are on the floor. You plug your laptop into the network port. You start your Internet browser. Up pops a welcome message from the convention center manager. The browser display also points you to several facility based services and a couple local restaurants. One service offers you unlimited Internet access at \$129.95/day at 128K of speed. You can upgrade to 1MB speed for \$299.95/day or at an additional \$19.95/hour. In honor of the conventions golf theme, you are offered a streaming video golf lesson from Tiger Woods at \$4.95 per viewing. You can also read the local newspaper for \$.75 per day. You click. You read. Then you surf the Internet. Then you call your mom to wish her Happy Birthday.*

*Each morning, an event-to-date communications invoice is awaiting you in the booth. This convention center allows you to reconcile your charges each day (you don't since this is more important to larger event participants ... you will look at in on the convention centers web site when you return to the office). But you do glance over the invoice and notice that the \$0.75 newspaper charge was posted on your invoice. So was the phone call to your mom. Also on the invoice is \$129.95 for your first days Internet access, \$399.95 for rental and installation of your temporary LAN, and \$29.95 for technical assistance (you brought a defective network cable). Finally \$9.95 appeared on the bill for purchase and installation of a network cable.*

*Meanwhile, your convention partner went to the convention center's cyber café. She travels with her own personal laptop computer. She plugged her laptop into the wall jack for high speed Internet access. She spent some time down loading company e-mail. That \$9.95 charge was also posted on your morning invoice. She was intrigued by the Karrie Webb Golf lesson video offer, which popped up in her browser. So she watched it on her laptop. She was billed \$4.95 on a credit card that she provided (she could have billed it to the booth but didn't consider it a business expense).*

### **The Emergence of the On-Premise Service Providers**

So what really happened here? Answer: a **communications accounting system** was billing event participants for technology services, network access, and digital content as visitors consumed them. This system connected to the network equipment on your property. The system was able to integrate telephone, network, Internet content, labor, and a cable purchase into a single group invoice (pretty quickly too since an event-to-date invoice was showing up each morning in that booth). A couple other things were also in place to make this work.

- There was pre-negotiated access to Internet content. The Tiger Wood's and Karrie Web's videos were available by pre-arranged agreement with the video providers. But note that the video owners in this story did not provide billing for content access; the owners of the communications accounting system provided the billing.
- There was a customized web site involved. That web site may or may not have been on your property. It may or may not have been owned or operated by your property. Regardless, the site was presented to visitors and vendors entering the convention network and it directed them to useful services. Again like the video content, the web site operator did not provide the billing. The owner of the communications accounting system provided the billing.
- There was pre-established Internet service coming into the building. And once again the bandwidth was provisioned and billed by the owner of the communications accounting system and not the telephone company or local Internet service provider.
- There was network equipment available for installation and use in temporary local area networks. There was also network infrastructure that connected booths an local networks to the Internet. All this technology might be owned and managed by your property or by an outside technical services provider. Regardless, labor and provisioning of equipment was again billed by the owner of the communications accounting system.

Organizations who aggregate information, technology, and then deliver on-property communications services are called on-premise service providers or OSP's. Seeing the capabilities of an OSP, meeting and event planners considering your property were able to check the "do they have network and Internet services?" evaluation box as "yes". That "yes" helped you and your community to win this event's business. Your property has enhanced the visitor and vendor experience by providing digital services. It has therefore increased the value of your property in financial and community terms. Or has it?

### ***But You Don't Get The Credit!***

Oops. We left out one detail from our "Extreme Golf" convention story. You received little or none of the network revenue generated during the convention. This in part was because you actually provided few of the digital services described in our "Extreme Golf" story! Those services were provided by a national third party network provider (or maybe even an event planner). More importantly, you had very little or no claim to a percentage of their Internet revenues collected during the event. Nor did you have significant control over the content they might present to visitors. Alas, your reputation was still tied to the success of these organizations in successfully deploying their services. Hence you even carried reputation risk with limited reward.

Network access has become for you just another utility, not unlike electricity. It is simply expected by visitors and meeting planners. "Give the visitors a plug in the wall and then stay out of the way". Internet is a utility cost that you will attempt to recover in your space rental. Besides, the value of the Internet has shifted to what information, content, and services are delivered over the Internet and onto your local network. But you don't offer such services to your visitors.

Network access being like electricity may be fine for properties that operate with a basic facilities rental strategy. But in outsourcing technology and digital services, is there an opportunity lost when trying to establish your facility as a preferred destination? Have you exported the ability to differentiate your facility or provide a unique experience to visitors by ignoring Internet services? (Could property managers and event sales leverage digital customized services to theirs and their community's advantage?) How much control should a property manager retain over Internet technology, content, and services?

Event spaces need not own every piece of technology nor employ staff for every network and technology skill. But which technologies and talents might the property management retain control in order to consolidate services to visitors and create value for their customers and their communities? Should it be routers, and hubs, and other components of the "digital plumbing"? Should it be the technology services staffs? The answer is uncertain on these things. Increasingly however, one strategic technology may be the technology services business system. It is the system that allocates controls, and bills groups and visitors

for use of services. That technology is the **communications accounting system**. It is the customer and financial control point of an on-property network.

## The Emergence of Communications Accounting Systems

**Communications accounting systems** create on-premise technology service providers. These systems identify billable activity on a network as it occurs, they apply local pricing policy, and cut invoices or post charges to financial and property management systems. They operate at the boundary between the on-property network and the broader Internet or the telephone network. They are like a toll-booth on a freeway. If you use the “digital highway” then you will pay a toll at the on-ramp. Their position allows billing to occur on the property, at the Internet’s edge, and not from distant Internet service providers and web sites.

With event-based communications accounting systems, convention and show managers become local resellers of communications bandwidth and network based content and services. Their communications accounting system enables the independent aggregation and reservation and delivery of a number of digital services to visiting groups and individuals.

- High speed (broadband) Internet access at flat rates, based on provisioned speed, or based on connected devices or users.
- Internet-based information content and services. A price can be associated with each web page (or group of pages) a visitor sees, each e-mail they send, or each online streaming video they view (to name a few possibilities).
- Advertisements. An advertisers cost can be established for each visitor viewing of web page.
- Telephone long distance services. A price and profit margin can be established for each local, long distance, and international telephone call (either incoming or outgoing).
- Installation, use, and technical support of network equipment. Technician labor can be bundled on an hourly basis into each technology service.

The operator of a **communications accounting system** provides real-time usage-based billing of all technology services delivered to each visiting group with pricing specific to each event and each group or visitor. Billing policy resides locally on the property. Profit margins or cost allocations are managed locally. Matters of visitor billing and general customer service are handled locally.

## The Event Manger’s Strategic Technology Question

Property owners and managers have a unique opportunity in Internet communications and broadband access. Here’s why: they own or control the local real estate and its network infrastructure. They therefore own or heavily control the final “yards” of a visitor’s access to telephone and broadband Internet. They therefore have choices about which technologies to control and which content and services to aggregate for their visitors. They can choose to independently aggregate and locally provision and bill for Internet content and services. They can choose to own or outsource technology components and services. They can choose to control communications accounting systems and billing.

The property managers first important strategic decision is the decision to control the event communications accounting system and therefore directly control network and Internet related revenues, profit margins, and cost allocations.

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