Embracing a bold new era of risk management in the business events industry
“We have received great interest and support for the project from a wide range of national and international industry players, for which we are truly grateful. It has been far from easy, and this resulting white paper does not provide all the answers or solutions. It does, however, provide some valuable insights and potentially a new beginning.”

Bettina Reventlow-Mourier
Deputy Convention Director
Copenhagen Convention Bureau
FOREWORD

Risk has always been an inherent part of planning and hosting in-person congresses and events. However, regional and global changes – not least the COVID-19 crisis – have shown that we face several severe and present risk scenarios. This has brought about a new awareness of the negative impact unexpected incidents can have on our businesses and sectors.

International companies and associations try, to a large extent, to mitigate their immediate risks as much as possible and demand solutions for this. At the same time destinations and suppliers – mainly venues, hotels, and professional conference organisers (PCOs) – equally try to protect themselves, all in different ways and at different levels. They have different priorities and sometimes conflicting interests. We have experienced how the honourable principle pacta sunt servanda (agreements must be kept) is easily challenged when a crisis arises, calling for compromises that, if unsuccessful, can cause tensions and potential damage to relations and reputation.

The radical uncertainty with shifting market trends and changes in geopolitical, technological, and environmental conditions calls for a movement towards risk-sharing management, so we can stand as strong as possible in our business collaboration and execution. But as an industry, we have little shared knowledge of which risks are the most important for the various stakeholders we work with and how they are best handled.

Understandably, organisations are most concerned with their own remit, however, global conditions and trends are now playing an increasing role in how well the industry can perform.

With the launch of the Copenhagen Risk Assessment white paper, we hope to pave the way towards a greater mutual understanding and awareness of present and future risks and risk scenarios that each category of industry player faces when investing in, delivering on or organising a congress. Our goal is not to eliminate risk but to understand, prioritise and control the right risks, while also strengthening the ability of industry stakeholders to manage and mitigate risks related to their events – with the aim of doing better business together.

It is our genuine hope that our publication will spark your curiosity to learn more, and that it will ignite a much-needed conversation and exploration of risk across the meetings industry. Ultimately, we hope this results in the development of risk-sharing principles with true collaboration at heart, finding their way into the way we do business in the future.

We hope you enjoy the read.

Bettina Reventlow-Mourier
Deputy Convention Director
Copenhagen Convention Bureau
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AN UNCERTAIN AND TURBULANT DECADE

“As 2023 begins, the world is facing a set of risks that feel both wholly new and eerily familiar. We have seen a return of ‘older’ risks – inflation, cost-of-living crises, trade wars, capital outflows from emerging markets, widespread social unrest, geopolitical confrontation, and the spectre of nuclear warfare – which few of this generation’s business leaders and public policymakers have experienced.

These are being amplified by comparatively new developments in the global risks landscape, including unsustainable levels of debt, a new era of low growth, low global investment and de-globalisation, a decline in human development after decades of progress, rapid and unconstrained development of dual-use (civilian and military) technologies, and the growing pressure of climate change impacts and ambitions in an ever-shrinking window for transition to a 1.5°C world. Together, these are converging to shape a unique, uncertain, and turbulent decade to come.”

World Economic Forum, Global Risks Report 2023

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EXECUTIVE SUMMARY

The business events ecosystem is a complex one, delicately balancing overall strategic meeting objectives with delegate interests and engagement, as well as with operational delivery and international relations. This balance can be severely disrupted by an increased risk landscape and significant changes in delegate behaviours and preferences. To adapt to these new circumstances, we must collaborate more than ever.

This Copenhagen Risk Assessment white paper has been developed at the initiative of Copenhagen Convention Bureau, due to the pressing need to increase the awareness and knowledge of risk management and risk sharing in the business events industry.

Consultations and an online survey were conducted during spring 2023 to uncover challenges and explore potential opportunities for change.

The white paper highlights some burning issues the business events industry is facing around risk and explores how we propose to mitigate and share risk. The paper focuses on three risk pillars – strategic, financial, and operational – which are key parts of the business events industry.

We identify some global megatrends that are leading to uncertain long term business commitments from buyers around health, safety, Environment, Social and Governance (ESG), cyber security and geopolitical instability.

We also focus on the current risk of changing consumer behaviour, including the importance of responses from buyers in the business events industry (associations, corporates, and PCOs) as their delegates’ behaviours change.

These behaviour changes have resulted in the business to business (B2B) supply chain being impacted and is influencing the selection of destinations and suppliers for business events. Buyers are more cautious than ever as fluctuating delegate attendance impacts all parties for accuracy of revenue and service delivery.

The reliance on partnerships and contracts has been tested to its fullest during the COVID-19 pandemic. Contractual flexibility is currently the single biggest pain point for both buyers and suppliers, and although tension is building, both parties have the same competing risks with opposing solutions. As a result, this is a prime opportunity to identify ways we can collaborate to share risk, and we’ve outlined some thought starters in this paper.

We are in unchartered territory where conventional policies and risk mitigation plans are not working, placing immense pressure on the market. This report explores where we can go next.
The understanding of the scale of risk and who owns it is not consistent across the industry. The depth and type of risk frameworks varies across buyer and supplier sides, with both parties having some gaps. PCOs and corporates have strong risk frameworks with many of the supply side and associations having the least. The white paper emphasises that risk ownership is an essential part of effective risk management. By assigning clear responsibilities for risk management, organisations can improve their ability to identify, assess, and mitigate risks.

Risks associated with business events are complex and interconnected. A comprehensive risk management plan that considers all potential risks and includes collaborative efforts between buyers and suppliers can help to mitigate these risks.

Our analysis indicates that many players in the industry are uncertain of the benefits of risk sharing. Our analysis also shows that there is great interest in exploring the potential. The white paper suggests that risk sharing must be explored as a way forward to support a more resilient industry prepared for current and future risk scenarios. Examples of risk sharing are presented.
INTRODUCTION: EMBRACING THE RISK CHALLENGE

In today's dynamic global marketplace, the business events industry plays a vital role in fostering economic growth, knowledge transfer, and business collaboration. Worldwide business events generate over US$1 trillion each year, directly supporting more than 10.9 million jobs. But it is more than just economics – business events are a place where the greatest minds and individuals come together to challenge, educate, collaborate, support, and progress themselves as a society.

The combination of COVID-19 and a fast-changing global and regional environment is challenging the business events industry in many ways, with many of the industry's tried and trusted business methods being tested. Such rapid shifts often come at a significant cost and in this case, it is one that is very much behind the scenes, complex and unrecognised – risk. The world of risk has far-reaching and costly impacts to the business events ecosystem, and it directly impacts the industry's capacity to host and deliver business events. We need to consider there are many things at play and organisations now need to be more aware of risk.

Destination and supplier selection for buyers is not as simple as previously. The selection criteria are influenced by many external factors, and these vary by region and by segment e.g., corporate or association. The risk appetite and risk frameworks within each segment have significant influence on how they make decisions. All of these represent new risk challenges and profiles for both buyers and suppliers.

Risk appetite refers to the degree of risk an organisation is willing to accept or tolerate while pursuing its objectives. It represents their readiness to embrace uncertainty and potential losses in exchange for potential gains.
INTRODUCTION: EMBRACING THE RISK CHALLENGE

We identify our preparedness for risk and discuss the different types of risks facing our industry today, our level of risk appetite, and risk ownership through the lens of three key areas: strategic, financial, and operational.

It will also look at some of the emerging challenges likely to affect the industry. If we don’t address these challenges together, we face the risk of falling back into old constructs of risk management – taking individualistic, siloed approaches to risk management, and only focusing on immediate, localised risks – which could result in long-term negative outcomes for the industry.

When we work together to better understand and mitigate our risks, we can minimise potential disruptions, ensure continuity, create mutually beneficial arrangements, and deliver successful experiences. We will also be in a better place to identify and deal with new, unexpected risks that face our industry and potentially establish new agreed metrics – both requiring a creative and collaborative approach to successfully handle this environment.
METHODOLOGY

The research for this project consisted of an integrated, multi-pronged approach including one-on-one in-depth consultations, online surveys, literature review, and expert analysis from risk and business events subject matter experts.

The one-on-one consultations with selected stakeholders formed the foundation of understanding the true inner workings and challenges that the industry is facing now, as well as providing informed subject matter for a broader online survey. These findings were then integrated with literature review and expert opinion in business events and risk, to provide four different points of evidence to substantiate insights. This section outlines the steps taken to collect data and analyse the findings.
Global terminology in the business events industry is inconsistent. For consistency in our research and reporting, we categorised the key players using the following definitions:

**SUPPLIER**

- Professional conference organiser (PCO) or Destination Management Company (DMC) is a specialised professional or company that offers comprehensive event planning and management services for meetings and congresses. Occasionally, they also become a buyer on behalf of the client. They are sometimes known as an intermediary or agent.
- Hotel: In this context offers accommodation for delegates and sometimes offers venue space.
- Other suppliers: In the ecosystem include but are not limited to audiovisual, production companies, transport, speakers, registration providers etc.

**BUYER**

- Customer/client: In the context of event management, a corporate or an association is considered the event/congress owner.
- PCO/DMC: Can also be a buyer of many supplier services when engaged by an event/congress owner. Some are even event owners themselves.

**CONVENTION BUREAU/DESTINATION MARKETING ORGANISATION**

A Convention Bureau (CVB) or a Destination Marketing Organisation (DMO) work to promote a city or location as an attractive destination for event and congress organisers/owners to choose their location for meetings, incentives, and congresses as well as for leisure travellers.

For this white paper, we use **Buyer** specifically for the client – associations and corporates – and **Supplier** as either the venue, PCO, DMC, or service provider. Each respondent to the survey self-selected their category, with a small percentage participating in the buyer segment.
There are many methods for analysing and classifying risks. Opting for the appropriate perspective to assess risks can result in enhanced comprehension and more efficient strategies for minimising them.

After extensive consultations within the project team, we identified the need to prioritise our efforts on the three key risk pillars facing the business events industry today: Strategic, Financial, and Operational risks (Figure 1).

The identified key risk pillars are the focus of the report and the remaining three (Business, Reputation, ESG) will not be explored in depth at this point. By focusing on the three selected risk pillars, we were able to obtain targeted data and insights that allowed us to identify the key issues that the industry needs to address.

**KEY RISK PILLARS**

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### Risk Definitions

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Ability to obtain sufficient timely liquid funding capacity</td>
</tr>
<tr>
<td>Business</td>
<td>Risk of unsuccessful performance due to potential threats, actions or events, adversely affecting the ability to achieve its objectives</td>
</tr>
<tr>
<td>Reputation</td>
<td>Potential negative publicity regarding business practices, regardless of validity</td>
</tr>
<tr>
<td>Operational</td>
<td>Risk of loss from inadequate or failed internal processes, people, financial, reporting, systems or external events</td>
</tr>
<tr>
<td>Strategic</td>
<td>Risk of collapse, 3-5 year horizon</td>
</tr>
<tr>
<td>ESG</td>
<td>Risk of loss and associated harm due to the organisation’s interaction with the environment</td>
</tr>
</tbody>
</table>

**Category Definitions**

<table>
<thead>
<tr>
<th>Financial</th>
<th>Business</th>
<th>Reputation</th>
<th>Operational</th>
<th>Strategic</th>
<th>ESG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity</td>
<td>Quality of Outputs</td>
<td>Press Coverage</td>
<td>Human Capital</td>
<td>Customer Behaviour</td>
<td>Environmental</td>
</tr>
<tr>
<td>Market</td>
<td>Outputs</td>
<td>Social Media</td>
<td>Digital Services</td>
<td>Social Media</td>
<td>Social</td>
</tr>
<tr>
<td>Credit</td>
<td>Customer Relationships</td>
<td>Surveys</td>
<td>Processes</td>
<td>Technology</td>
<td>Governance</td>
</tr>
<tr>
<td></td>
<td>Competition</td>
<td></td>
<td>External</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Risk Taxonomy Categories**

Figure 1: How to develop an enterprise risk taxonomy
CONSULTATIONS AND SURVEY

A selection of 54 respondents, including both buyers and suppliers, were invited to participate in several consultations. These were conducted virtually, in person and through two in-person workshops. These consultations were an opportunity for more detailed discussions, which we then complemented with online primary survey data collection.

An online survey was developed to capture quantitative information on various aspects of risk management in the business events industry from a broader audience. The survey was designed to obtain insights from both buyers and suppliers, with 39 questions covering a wide range of relevant topics to ensure full insight into the risk management issues currently facing the industry.

The questions employed a range of formats, including single-select, multi-select, rank priority, Likert scale and open response, to capture both qualitative and quantitative data, and provided comprehensive and nuanced insights.

To reach a diverse sample of the business events industry, we distributed the survey through seven global industry associations and partners. These organisations were selected based on their involvement in the industry and their ability to reach a broad range of participants, with their databases ranging from a few hundred to thousands of contacts.

Approximately 300 people engaged with the survey by following the link, and of these, 152 participants completed the survey (including partial completions).
Finally, the survey and consultation responses were analysed using both quantitative and qualitative methods to extract key themes and perspectives impacting the industry in today’s context. In some instances, these were contrasting due to the depth of discussion held during consultations. On this page are the online survey respondent profiles, noting that the majority are from Europe, are at C-Suite level, over 80% of buyer respondents are from associations and 36% and 27% of suppliers from convention centres and PCOs respectively.

We acknowledge that different geographic locations can have different risk cultures and thus online survey results should be interpreted through this lens and serve as further supporting evidence for current risk priorities.
FINDINGS: THE COMMON GROUND AND TENSIONS OF RISK

DELEGATE AND BUYER BEHAVIOUR CHANGES

It’s fair to say that buyer and delegate behaviours, corporate business transformations around ESG, and board responsibilities have impacted how business events are now being viewed and managed. The upside is that business events have never been seen as more important in how businesses grow, educate, and develop their people. This has also come with new challenges for each segment.

Our consultations highlighted that buyer and delegate behaviour has changed significantly, with both similarities and unique factors for corporates and associations.

Delegate registration lag time

Association delegates are individuals representing a business, profession, or academic institute, and often require approval to attend a large international conference. Association delegates typically book later for a variety of reasons, including directives from their organisations, time, and cost. One intermediary shared that in the first half of 2023, for all their association conferences, 52% of delegates registered in the last two months. This is a significant risk for both parties and is being reflected in associations’ buying behaviour as they turn to contractual terms and conditions to safeguard their financial position.

This is particularly apparent in smaller associations, while larger associations that have more resources are assessing their business and purchasing models to determine what types of partnerships, they require to hold their events and mitigate risks collaboratively.

Corporate Procurement

Corporates’ buying behaviour has also shifted significantly as organisations have tightened their procurement policies to minimise financial, reputational, and legal risk, as well as incorporate ESG requirements. Thresholds have been implemented to trigger additional levels of purchasing authority and challenge contracts. Procurement is becoming commodity-driven and uses a different lens with which to purchase, while business events are about services. Many larger corporates are choosing to issue their own business event contracts to suppliers, causing another layer of negotiation and frustration. Corporate delegates are often required to attend company events and expect that the company has upheld its corporate governance around safety and ESG.
FINDINGS: 
THE COMMON GROUND AND TENSIONS OF RISK

RISK FRAMEWORKS

The survey results identified that risk plays a major role in organisational decisions for both buyers and suppliers. Risk has changed and is now high on the agenda for many businesses. Similarly, corporate buyers are more prepared than others with 75% having a risk framework, while only 54% of association buyers and 38% of intermediaries have them, perhaps indicating pressure points for the industry.

Our consultations indicated that risk frameworks were in place but were moulded in the traditional form and held at various levels of the organisation. For example, an association’s primary risks are around financials, such as meeting revenue targets, while the suppliers’ risks are around operational and cancellation policies. A key challenge is that post-COVID delegate and business behaviours shifted, but suppliers went back to their standard contractual agreements and the industry’s legal framework remained the same.

As a result, this is increasingly a significant competing risk for both sides and is cause for protracted and frustrating negotiations with in-house teams who are not qualified legal practitioners assessing terms and conditions.

The survey respondents demonstrated only a moderate level of embedded risk management, with a median of only 52% of buyers and 62% of suppliers having a risk framework of any kind. However, this is somewhat fragmented with 81% of PCOs/agencies and intermediaries on the supplier side having a risk framework, while this drops to just above 50% for venues and hotels.

Similarly, corporate buyers are more prepared than others with 75% having a risk framework, while only 54% of association buyers and 38% of intermediaries have them, perhaps indicating pressure points for the industry.

Our consultations indicated that risk frameworks were in place but were moulded in the traditional form and held at various levels of the organisation. For example, an association’s primary risks are around financials, such as meeting revenue targets, while the suppliers’ risks are around operational and cancellation policies. A key challenge is that post-COVID delegate and business behaviours shifted, but suppliers went back to their standard contractual agreements and the industry’s legal framework remained the same.

As a result, this is increasingly a significant competing risk for both sides and is cause for protracted and frustrating negotiations with in-house teams who are not qualified legal practitioners assessing terms and conditions.

Does your organisation have a risk framework for assessing risk?

<table>
<thead>
<tr>
<th>Buyers</th>
<th>% Yes*</th>
<th>Suppliers</th>
<th>% Yes*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>75%</td>
<td>PCO/ Agency/ Intermediary</td>
<td>81%</td>
</tr>
<tr>
<td>Association</td>
<td>52%</td>
<td>Convention Centre/ Venue</td>
<td>55%</td>
</tr>
<tr>
<td>PCO/ Agency/ Intermediary</td>
<td>38%</td>
<td>Hotel</td>
<td>54%</td>
</tr>
<tr>
<td>Other</td>
<td>50%</td>
<td>Other</td>
<td>56%</td>
</tr>
</tbody>
</table>

* “Yes” equals the percentage of cohort in the row where each cell has a maximum of 100%. I.e., 75% of corporate buyers have a risk framework meaning 25% do not have / are unsure if they have a risk framework.
TOP RISK CONSIDERATIONS FOR BUYERS AND SUPPLIERS

When considering the priority risks across strategic, financial, and operational for buyers and suppliers, we start to see a deepening and even more concerning picture.

Both audiences perceive very similar risks but are desiring the opposite effects. For example, both buyers and suppliers are looking for more flexibility in contracts, however this “flexibility” is not mutually beneficial. In other words, both feel a need for more assurances without taking on more risks themselves.
FINDINGS:
THE COMMON GROUNDS AND TENSIONS OF RISK

In the table below, description and examples of the three identified risk pillars are shown and will be detailed in the following section (from pages 19-26).

<table>
<thead>
<tr>
<th>STRATEGIC RISKS</th>
<th>FINANCIAL RISKS</th>
<th>OPERATIONAL RISKS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DESCRIPTION</strong></td>
<td><strong>DESCRIPTION</strong></td>
<td><strong>DESCRIPTION</strong></td>
</tr>
<tr>
<td>Strategic risks are risks that interfere with an organisation’s (or destination’s) business model potentially undermines its value proposition, and influences an organisation’s ability to achieve its strategic goals (3-5 year timeframe)</td>
<td>Financial risks refer to risks that can impact the financial sustainability for an organisation or destination, e.g through capital loss and can relate to internal and external factors.</td>
<td>Operational risks are the risks related to the organisation’s or destination’s ability to deliver on its usual and daily business functions. Operational risks can lead to financial losses, client dissatisfaction, and reputational damage and therefore influence other risk categories broadly.</td>
</tr>
<tr>
<td><strong>IN THE BUSINESS EVENTS CONTEXT</strong></td>
<td><strong>IN THE BUSINESS EVENTS CONTEXT</strong></td>
<td><strong>IN THE BUSINESS EVENTS CONTEXT</strong></td>
</tr>
<tr>
<td>Strategic risks are often approached and managed at a high organisational level. The impact of a risk may not be visible in the short term, compared to the nature of operational risks in the business event context, but may have, however, a crucial impact on the entire business and not only on the specific event.</td>
<td>Financial risks are often considerations for inclusion in contracts between business events buyers and suppliers. This is not surprising given the significant financial contribution (revenue and profit) to an association’s bottom line, and for corporate organisations a significant contribution to future business growth e.g business events build the pipeline of a sustainable workforce, brand, or client retention/ business development.</td>
<td>Operational risks are often part of the general vernacular of meeting planners and destinations. They can be quite ‘visible’, as they can have immediate impact on the success or failure of its business event.</td>
</tr>
<tr>
<td><strong>EXAMPLES</strong></td>
<td><strong>EXAMPLES</strong></td>
<td><strong>EXAMPLES</strong></td>
</tr>
<tr>
<td><strong>External</strong></td>
<td><strong>External</strong></td>
<td><strong>Internal</strong></td>
</tr>
<tr>
<td>Global factors such as political instability, natural disasters</td>
<td>Commodity prices</td>
<td>Cyber security / cyber attacks</td>
</tr>
<tr>
<td>Market fluctuations</td>
<td>Exchange rates</td>
<td>Brand and reputation influences e.g. at destination or collaboration partners</td>
</tr>
<tr>
<td>Government policies and regulations (such as visa access, international trade agreements, cost of living)</td>
<td>Credit</td>
<td>Compliance</td>
</tr>
<tr>
<td>Supply chain factors</td>
<td>Financial stability of vendors</td>
<td>Client’s or supplier’s financial stability</td>
</tr>
<tr>
<td>Industry/sector changes (influencing e.g., attraction of sponsors, delegate expectations and demands etc.)</td>
<td>Sponsor contracts don’t materialise to financial targets</td>
<td></td>
</tr>
<tr>
<td>Increased costs due to short lead time bookings</td>
<td>Cancellations</td>
<td></td>
</tr>
<tr>
<td>Inflation increasing expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal</strong></td>
<td><strong>Operational risks might also include:</strong></td>
<td></td>
</tr>
<tr>
<td>Cashflow</td>
<td><strong>Delegate registration</strong></td>
<td></td>
</tr>
<tr>
<td>Liquidity</td>
<td><strong>Booking timelines (shortening)</strong></td>
<td></td>
</tr>
<tr>
<td>Budget management including carefulness in estimations, potential errors</td>
<td><strong>Attrition rates particularly for virtual or hybrid events</strong></td>
<td></td>
</tr>
<tr>
<td>Contractual commitments</td>
<td><strong>Supply chain shortages e.g. due to global situation or late delegate registrations</strong></td>
<td></td>
</tr>
<tr>
<td>Lack of contingency plans</td>
<td><strong>Workforce shortages and skills gaps impacting service delivery and meeting demand</strong></td>
<td></td>
</tr>
<tr>
<td>Lack of proper insurance</td>
<td><strong>Health and safety requirements</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Travel restrictions</strong></td>
<td></td>
</tr>
</tbody>
</table>

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THE THREE RISK PILLARS: INSIGHTS

STRATEGIC RISKS

Global and regional instability

Our survey identified a range of strategic risks facing both buyers and suppliers. Unsurprisingly, global and regional instability was high for both segments at 74% for buyers and 42% for suppliers – reflecting broader global concerns. During the consultations global instability fluctuated by region, with North American stakeholders being more focused on localised political issues impacting attendance and the delivery of events. Issues such as open gun carry laws, activism and LGBTQI+ rights are being embedded in some associations’ risk frameworks and are considered during destination selection. In contrast, war and supply chain distribution were of greater concern for European stakeholders.

Destination reputation

Both sides recognised the importance of destination reputation to attract delegates and the alignment of values identified by buyers in our consultations. Some of the larger, more established associations were taking the risk out of destination selection by being more strategic in their targeting and evaluation of destinations that clearly understood the association’s objectives beyond the numbers. The desire to work with destinations that are true partners where risk is acknowledged and openly addressed is gaining momentum, with Sydney, Vienna and Singapore cited as destinations that do this well.

Contractual risks

Other identified risks were more business-oriented, such as concerns around contractual risk. This was highlighted in the consultations where intermediaries felt they were bearing a bigger share of contractual risk than other industry players.

This was heightened by the corporate segment in particular pushing back on certain clauses that may expose their business. For example, many corporates’ requests for proposals (RFP) go through procurement departments and include such things as room attrition clauses, carbon footprint, ESG stance and cyber security issues.

Attracting delegates

There were also industry-specific risks such as attracting the required number of delegates to an event with suppliers ranking this as their top issue along with quoting on business 2+ years out.

Contract flexibility

Conversely, buyers ranked the flexibility of contracts as their second biggest challenge. This has been further complicated as through the pandemic there was an increase in the willingness to postpone or change dates, or even entirely cancel events.
This was reflected in our consultations with a supplier stating that, “During the pandemic, buyers got used to cancelling room blocks up to a week before without penalty. Buyers still want to retain that practice yet from a hotel side this is impractical to hold rooms until the last minute and turn away other business.” Last-minute registration by delegates before the conference creates significant challenges for all parties, impacting financial, operational, and contractual obligations all round.

As a result, event organisers are increasingly reluctant to commit to room blocks and sign contracts until events are 100% confirmed, which shifts more risk onto the intermediaries and suppliers, as current contracts haven't shifted to accommodate this last-minute update and are one of the single biggest pain points and opportunities.

**Cyber security**

Cyber security sat well below other risks listed in the survey for both buyers and suppliers. However, during consultations this was ranked higher, with event organisers identifying the onus that falls on them to protect delegate data and ensure compliance with the European Union’s GDPR regulations and that the supplier they appointed had to adhere to more cyber security legalities. Equally in some jurisdictions, cyber security had been heightened internally due to hacking of large-scale events that posed to disrupt an entire event.

“Supplier venues indicated cyber breaches were becoming more commonplace as more buildings were increasing their digitisation from operating and running the building to tracking usage through mobility data. On average 4.5 times per week a venue globally is breached with ransomware being the most harmful. Having a cyber security specialist on staff is becoming the norm within venues to reduce the risk.”

*Head of industry association, Europe*
Findings from the consultations were supported by online survey results, as outlined below, with global instability, contract inflexibility, and destination reputation and ESG commitments being a priority risk in the current climate.

**SURVEY QUESTION:** To the best of your knowledge, which strategic risk considerations are most important to your organisation when selecting a destination / during various phases of quoting for an event/conference (multi select)?

![Survey Results Chart]

THE THREE RISK PILLARS: INSIGHTS

Clients’ ability to attract the contracted number of delegates
- **Buyer strategic risks**: 47%
- **Supplier strategic risks**: 47%

Quoting 2+ years in advance for goods and services
- **Buyer strategic risks**: 47%
- **Supplier strategic risks**: 47%

Clients providing their own contracts with their own terms and conditions
- **Buyer strategic risks**: 42%
- **Supplier strategic risks**: 42%

Global instability (incl political issues, strikes, terror risk etc) impacting your business
- **Buyer strategic risks**: 32%
- **Supplier strategic risks**: 32%

Destination reputation – the attractiveness and credibility of a destination in attracting congresses
- **Buyer strategic risks**: 32%
- **Supplier strategic risks**: 32%

Changes in client and delegate expectations & demand
- **Buyer strategic risks**: 26%
- **Supplier strategic risks**: 26%

Destinations commitment and actions to social impact through, policy, laws, and regulation
- **Buyer strategic risks**: 21%
- **Supplier strategic risks**: 21%

Sufficient skills and resources to review and amend contract clauses in your business
- **Buyer strategic risks**: 16%
- **Supplier strategic risks**: 16%

Government regulations and licences
- **Buyer strategic risks**: 11%
- **Supplier strategic risks**: 11%

Interorganisational politics (i.e., key decision makers and influencers on destination selection)
- **Buyer strategic risks**: 11%
- **Supplier strategic risks**: 11%

Cyber security – destination exposure to cyber-attacks resulting in reputational damage
- **Buyer strategic risks**: 11%
- **Supplier strategic risks**: 11%

Reputation and brand of client influencing economic and social impact
- **Buyer strategic risks**: 11%
- **Supplier strategic risks**: 11%
FINANCIAL RISKS

The responses for financial risks were unsurprising – contract flexibility was a high concern with 76% of buyers and 72% of suppliers stating this as their biggest pain point, as were budget management, financial stability and cashflow. Insurance has had a significant flow-on effect across the business events ecosystem, with the risk profile increasing for events in general and the appetite of insurers decreasing, thus impacting premiums.

Event financial viability

During our consultations with intermediaries, the financial viability of some conferences was raised, whereby destinations sought to confirm business that was less financially sound, which escalated the risk for intermediaries appointed to manage the event. This indicates that destinations may not be robustly conducting due diligence on the delegate numbers and/or financial credentials of a possible conference beforehand, and when an event doesn’t materialise both the intermediary and supplier are bearing the risk.

“We see RFPs come out saying the event will attract thousands of delegates and we know they haven’t had more than multiples of hundreds. Where do these numbers come from?”

Global PCO - International
THE THREE RISK PILLARS: INSIGHTS

SURVEY QUESTION: To the best of your knowledge, which financial risk considerations are most important to your organisation when selecting a destination / during various phases of quoting for an event/conference (multi select)?

**Buyer financial risks**
- Supplier contracts are inflexible cancellation, insurance etc. (73%)
- Overall budget management with uncertainty fluctuating prices/ costs, inability to set some costs (73%)
- The impact of destination costs on registration fees and overall conference / event (66%)
- Sponsor contracts don't materialise to financial targets (37%)
- Cost of destination impacts spend by exhibitors and therefore potential financial return (32%)
- Increased costs due to short lead time bookings (27%)
- Event cash flow impacting your organisation's ability to pay for services in advance (27%)
- Financial stability of vendors (22%)
- Cashflow is unstable due to irregular registration patterns (17%)
- Uncertainty in achieving thresholds for discounts offered by suppliers (10%)

**Supplier financial risks**
- Client demands for flexibility in contracts e.g., cancellation, insurance etc (72%)
- Overall budget management with uncertainty fluctuating prices/ costs, inability to set some costs (56%)
- Client wanting their own contract terms (50%)
- Increased costs due to supply chain issues (50%)
- Event cash flow impacting your organisation's ability to receive payment for services in advance (44%)
- General financial stability of the client (39%)
- Increased costs due to short lead time bookings (17%)
- Complexity of insurance – with international contracts (11%)
- Cost of destination impacts spend by clients and therefore potential financial return (6%)
- Insurance costs and compliance – changing cost of insurance and compliance may have financial impacts as well as operational (0%)
**OPERATIONAL RISKS**

In contrast to financial risks, operational risks were an area where we saw some of the greatest congruency between buyers and suppliers. Buyers and suppliers are both concerned about issues such as travel restrictions, health and safety requirements, space availability and workforce obligations. There were a few variations in operational risk considerations – for instance, one of our North American stakeholders highlighted gun violence as their highest risk, whereas for our European stakeholders, supply chain disruptions due to the war in Ukraine and associated trade restrictions and bans were a much higher concern.

**Workforce wellbeing and skills**

A risk raised by both parties through the consultations was that of workforce wellbeing and skills. Many organisations lost skilled people during the COVID-19 pandemic, whether from job losses, migration challenges or relocations, and this has caused a deficit of business event experts across the entire ecosystem. Excessive workloads have had detrimental effects on staff wellbeing and morale, as well as retention and attraction. The ability to deliver events while ensuring workplace compliance as well as capability building is challenging buyers and suppliers alike.

With so many common risks, the opportunities for risk sharing are great, and we will go into more depth on this on page 36.

**Natural disasters**

One operational risk that didn't arise in the consultations or survey but we feel is important to mention is the occurrence of natural disasters. While Europe might not be the first place that comes to mind in this context, the recent summer has seen flooding and rainstorms in some parts of the continent, and widespread wildfires in other parts. Hence, dismissing this risk would be unwise; instead, it serves as an illustration of the need to be prepared with mitigation strategies such as virtual meetings.
THE THREE RISK PILLARS: INSIGHTS

SURVEY QUESTION: To the best of your knowledge, which operational risk considerations are most important to your organisation when selecting a destination / during various phases of quoting for an event/conference (multi select)?

**Buyer operational risks**
- Travel restrictions: access, cost, capacity, availability and regulatory: 83%
- Technology infrastructure - is the destination reliably connected and accessible globally: 78%
- Space availability impacting costs and service levels: 61%
- Flexibility from suppliers for delegate numbers, deadlines and general logistics: 61%
- Health and safety requirements are met: 54%
- Supplier technology – service levels, product and connectivity: 46%
- Capability of destination to fulfil workforce obligations and service levels: 39%
- Insurance implications when selecting the destination: 29%
- Impact on service delivery and supplier capacity due to late delegate registrations: 27%
- Supplier’s ability to deliver ESG commitments: 17%
- Cyber security operations – cyber-attack directly impacting the delivery of the event and security of delegates/staff: 15%

**Supplier operational risks**
- Flexibility from clients for delegate numbers, deadlines and general logistics: 56%
- Workforce retention, competencies, staff acquisition and development: 50%
- Space availability if client needs to resize event impacting costs and service levels: 39%
- Client’s ability to reach delegate numbers: 39%
- Capability of supplier to fulfil workforce obligations and service levels: 33%
- Impact of client confirming and paying with short lead time/last minute: 33%
- Travel restrictions: Access, cost, capacity, availability and regulatory: 28%
- Health and safety requirement costs: 17%
- Ability to meet client ESG requirements: 11%
- Cyber security operations – cyber-attack directly impacting the delivery of the event and security of delegates/staff: 6%
THE THREE RISK PILLARS: INSIGHTS

Buyer and Supplier Rankings

SURVEY QUESTION: In order of priority, how do you rank each of the below issues when considering a destination supplier/client contract where 1 = the highest priority and 7 the lowest? Average scores are listed below where lower scores = higher priority.
COMMON AND COMPETING RISKS

Many of the risks identified in the survey are shared by both buyers and suppliers alike. The impact of travel restrictions, the effects of issues like fluctuating costs on budget management, and the far-reaching consequences of global instability were all identified as common risks.

“For suppliers have allowed flexibility in payment terms for organisations like ours that can show good track records.”
Senior association manager, Europe.

OVERLAPPING RISKS

There exists a significant overlap among strategic, financial, and operational risks, leading to both harmful and favorable outcomes for conference organisers and destination/suppliers. This interconnectedness demonstrates that certain external events, such as the COVID-19 pandemic, can trigger risks across these dimensions.

This highlights the importance of a robust risk management plan in one area contributing to the mitigation of other risk types. This dynamic also underpins the understanding of the business events risk ecosystem, where collaborative efforts between buyers and suppliers amplify the impact of risk mitigation or exploitation. This could involve risk sharing as well.

For instance, a coordinated approach between a destination and a corporate or association meeting planner, each equipped with robust internal communication systems and processes, can collaborate to efficiently respond to external factors, thus reducing overall risk for individual organisations.

Our survey identified areas where the risks of buyers and suppliers are diametrically opposed. One key instance of this is contract flexibility. 76% of buyers identified inflexible supplier contracts as a financial risk, making it the most important financial consideration when selecting a destination. In contrast, 72% of suppliers identified client demands of flexibility in contracts as a financial risk, also making it the most important consideration for organisations when quoting for events and conferences.

BUYER 76%
identified inflexible supplier contracts as a financial risk, making it the most important financial consideration when selecting a destination.

SUPPLIER 72%
identified client demands of flexibility in contracts as a financial risk, making it the most important consideration for organisations when quoting for events and conferences
Given the oversight and expertise required in the legal arena with multinational contracts, the ability for both sides to have on tap in-house expertise is a costly exercise. An emerging trend now especially for corporates, is the delivery of their own contracts to suppliers with their own terms and conditions embedded. This is in contrast with local supplier contracts and global hotel contracts, which often have their own established contracts.

It makes sense for buyers and suppliers to work together to manage common risks, but it may seem less obvious when it comes to competing risks. Our consultations revealed that when delegate numbers are lower than expected, associations tend to negotiate their supplier contracts to help cover the shortfall. In addition, corporate events tend to wait until the last minute to book suppliers, once they are sure the event is viable. In both cases, we found the risk tends to be pushed back onto the suppliers and intermediaries.

In this case, it is vital that buyers and suppliers work together to find a middle ground where both groups give up a little of their desired flexibility, to reach a situation that spreads the risk between the parties, thus providing an overall more secure and attractive destination for events. We discuss this further in the Risk Sharing section (see page 36).

“In general, we struggle with international contracts where clauses such as liability, indemnification, etc. can be tough to handle and negotiate ... We use enormous time and resources negotiating until the outcome is acceptable for us as a supplier.”

Hotel manager, Europe
COMMON AND COMPETING RISKS

COMMON RISKS

- Strategic
  - Destination reputation
  - Cyber security
  - Travel restrictions

- Operational
  - Space availability
  - Late delegate registrations
  - Change in delegate expectations and demands
  - Global regional instability

- Financial
  - Overall budget
  - Insurance requirements
  - Increased costs due to short lead time bookings

COMPETING RISKS

Diametrically opposed views of buyers and suppliers

Buyer Perception

- Buyers demanding flexibility in supplier contracts
- Flexibility from suppliers for delegate numbers, deadlines and logistics
- Supplier contracts are inflexible
- Buyers providing restrictive contracts
- Flexibility from buyers for delegate numbers, deadlines and logistics
- Buyers providing own contracts with own terms

Supplier Perception
The theory of risk ownership emphasises the importance of clarifying the responsibilities for risk management to avoid situations where no one feels accountable for handling risks. It is crucial for effective risk management and ensuring the health and survival of the organisation.

To identify which of the above ownership models to use, consider the structure of the organisation, risk type, culture, risk evaluation, identified stakeholders and best practice.
WHO REALLY OWNS RISK?

Risk may have been on the C-Suite agenda before the COVID-19 pandemic, but the focus has shifted from one of assessment and mitigation to one of real minimisation. Today’s boards are seeking much more input into understanding the types of risks at a strategic level and implementing stronger up-front controls with deeper involvement across the business.

Our survey showed the ownership of risk within organisations is varied by buyer and supplier parties, as well as being subject to the category of risk and type as well as the size of business.

SURVEY QUESTION: Who is principally responsible for identifying and managing risk in the business (multi select)?

For both buyers and suppliers, there is a bias towards senior personnel and C-Suite managers that own risk which is likely the result of having both the experience and authority to make risk appetite decisions and perform assessments for the business.
ASSOCIATIONS

In our consultations of large associations, the board and CEO owned all risks and had full risk assessment plans in place. For smaller associations, our research identified they often have fewer formal frameworks with limited mitigation plans.

Interestingly, the financial risks are more robustly managed within all associations, with risk assessment and accountability from both the Chief Financial Officer and Event Manager, with oversight and ownership from the Finance, Audit and Risk Committee.

Across both sizes of associations, the operational risks often sat fully with the Event Manager and was for them business as usual around mitigation and risk management. It is often up to the individual as to their depth of knowledge of risk to manage the day-to-day operations. For many associations in our consultation, while the risk is recognised and owned by the board and executive, it is often a bottom-up approach.

CORPORATES

Corporates, on the other hand, have a top-down approach to risk. With ownership at the highest level of the business. This is primarily due to board and shareholders’ imperatives and on a broader scale across the business. Risk is actively being written into contracts and considered enforceable and non-negotiable in some cases.

SUPPLIERS

For most suppliers, ownership has escalated from the event organising team to the C-Suite due to the changes and demands from clients. What was once standard in contracts has caused suppliers to rethink their approach to contractual obligation and exposure to customers. However, our analysis also shows that for some – even larger suppliers – the risk assessment around contractual commitments still lies with the individual employee on shift.

The intermediaries (PCO, DMC, etc.) have been impacted the most, with both sides of buyer and supplier making demands for more flexibility and in some instances tighter contracts leaving them with little room to move.

This further emphasises the complexity of risk at different cross sections and levels in the industry where there cannot be a one-size-fits-all approach. Any action on risk mitigation will require careful consideration of all industry players.
Global aspects

An extract from the World Economic Forum is very thought-provoking:

“The response, for many companies, has traditionally been to list potential challenges in annual risk assessments.

They might appear on a matrix, located somewhere on the ‘impact’ and ‘likelihood’ axes as if anyone truly has a crystal ball that can pick the exact nature of events before they unfold.

This approach looks increasingly outdated. COVID has cut across traditional risk categories, from supply-chain failures and digital disruption to workforce shortages, cyber security, and, of course, health. A global pandemic might previously have sat in the low likelihood corner of the matrix. But given the wide-ranging implications of this kind of event, can we really put it – and other such uncertainties – into boxes one by one, in isolation, and only consider the downside, just once or even twice a year?

Is it really acceptable to do so outside the core decision-making agenda of the company, as a pure governance activity? Reform is urgently needed, and this is the moment to seize the opportunity.”

This article goes on to say that risk needs to take a more holistic approach where intelligence needs to be gathered from a cross-functional team from C-Suite to the front line.

In other words, before approaching solutions to risk, we need to first bring to the surface all the necessary information from a representative audience. After all, we can’t mitigate what we don’t know.

It is possible though, that this disconnect between the recognition of risk influence and the appetite for embedding risk management is due to a broader tendency to overestimate our control over risk.

Illusion of control

Studies show that both individuals and organisations tend to overestimate their ability to influence change outcomes – this is known as the ‘illusion of control’. We also tend to rely too heavily on extrapolating outcomes from recent history and don’t adequately consider the full range of potential outcomes. While this may be true of the business events industry, we also need to consider the current uncharted environment that is a post-COVID world where understanding the risk situation is still challenging let alone establishing how to move forward in a mutually beneficial way.

“We do not ask for quotes if the political situation in a country is unstable or not according to our values.”

Professional association manager, Europe.
RISK MANAGEMENT AND MITIGATION: WHERE TO START

Having a risk framework that covers more than just practical aspects and involves the entire organisation is crucial for achieving success.

To help grasp the process better, here's an example that illustrates the mitigation risk process:

<table>
<thead>
<tr>
<th>IDENTIFY RISKS</th>
<th>ASSESS RISKS</th>
<th>DEVELOP MITIGATION STRATEGIES</th>
<th>IMPLEMENT CONTROLS</th>
<th>MONITOR AND REVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognise potential risks that could impact your organisation or project.</td>
<td>Evaluate the severity and likelihood of each identified risk (see matrix overleaf).</td>
<td>Formulate strategies to minimise the impact and likelihood of risks.</td>
<td>Put in place measures, safeguards and action plans to reduce the risk's effects.</td>
<td>Continuously monitor the effectiveness of mitigation measures and adjust as necessary.</td>
</tr>
</tbody>
</table>
RISK ASSESSMENT MATRIX

There are several ways to respond to risks, and strong risk management frameworks will incorporate a range of different options depending on the risk type.

If your organisation heavily relies on just one way of handling risks or primarily focuses on a specific kind of risk, it might not be helping your organisation as much as you think. Take some time to evaluate the risks your company potentially faces and consider how you could incorporate new risk management techniques. By using ideas from the sections mentioned above, you can start building a comprehensive and diverse risk framework that covers different types of risks.
THE PATH FORWARD: RISK SHARING

When we look at some of the big challenges facing not just the business events industry, but the whole world – cost of living, geopolitical instability, climate change, cyber security – it’s clear that we need to work together across the ecosystem. This is equally true when it comes to managing risks.

In our dynamic sector, unforeseen challenges are inevitable. Risk appetite has changed and by distributing potential risks and liabilities between us, we can adapt more effectively to evolving market demands, build stronger partnerships, and enhance the convention experience for attendees.

Our survey showed that many of our online respondents were uncertain whether risk sharing would benefit them.

In contrast, in our consultations, most of the stakeholders felt risk sharing would be of value to their organisation and are keen to explore this. This most likely reflects a lack of understanding of what risk sharing is in the broader business events community, and more pertinently is something that cannot be easily understood without having a broader conversation – at least currently.

This further highlights not only the importance of communicating the benefits of risk sharing but ensuring we have the necessary platforms to communicate effectively.

SURVEY QUESTION: Would risk-sharing approaches benefit your organisation?

Buyers

- Yes: 48%
- Do not know: 41%
- No: 11%

Suppliers

- Yes: 59.6%
- Do not know: 24.2%
- No: 16.2%
THE PATH FORWARD: RISK SHARING

The advantages of risk sharing are extensive, starting with fostering a robust risk management ethos throughout the industry. When buyers and suppliers actively communicate and cooperate on risk management strategies, it nurtures a culture of being mindful of risks. This, in turn, simplifies the process of comprehending potential risks by leveraging the diverse experiences and perspectives of various stakeholders.

Risk sharing also enables the division of risk consequences into manageable segments. By dispersing the potential losses among multiple parties, risk sharing ensures that no single organisation or entity carries an overwhelming portion of the impact if a risk materialises. This contributes to a more resilient industry overall and promotes long-term stability.

“In all our business there is risk sharing between the venue and the customer. This is designed into the proposal to ensure this is a partnership.”

Convention centre senior executive, Oceania
THE PATH FORWARD: RISK SHARING

SHARING IDEAS

Our survey and consultations highlighted that both parties have the same competing risks, especially around contracts. This is where an opportunity to share those risks between buyers and suppliers was discussed.

Room blocks, space & catering numbers

Some areas that raised related to risk sharing were around room blocks, space, and catering numbers – whereby a sliding scale model was implemented instead of a firm set number by a certain deadline. For both sides there is risk and reward. For example, when an event reaches lower numbers, then both sides accept the reduction, and when the number exceeds, both sides take an upside with an opportunity to revenue share.

True partnership approach

Contracting is seen as a very mechanical process driven by necessity, and yet many of our suppliers and buyers are finding that they have little in-house legal expertise to negotiate the significant changes in contracts being sought today. It was raised that a true partnership approach would be seen as one of the most valuable risk mitigators. The traditional contract is no longer fit for purpose with terms and conditions established over many years using traditional buyer behaviour, event formats and business models.

Today’s buyers and suppliers want their risk exposure minimised, providing an opportunity to repurpose a partnership agreement with clear objectives established at the outset. This is a shift in approach that may be beneficial.

These are only a couple of examples, but the benefits of risk sharing are wide-ranging. It creates a strong culture of risk management across the industry. When buyers and suppliers actively discuss and collaborate on risk management strategies, it builds a culture of risk awareness.

Sharing the risk burden

Risk sharing also makes it possible to break down risk impact into manageable proportions. By distributing the burden of potential losses across multiple parties, risk sharing ensures that no single organisation or stakeholder bears an overwhelming share of the impact if a risk occurs. This contributes to a stronger overall industry and long-term stability.

Working together also makes it easier for us to tackle some of the risks that we might not even be thinking about. Many significant changes have been impacted through global events that many of us have little or no control over. These are often known as Black Swans and Gray Rhinos. Examples of these are detailed on the following page.
THE PATH FORWARD: RISK SHARING

Black Swans are rare, unpredictable, and high-impact events that can have widespread consequences.

2008 Financial Crisis
This event is often considered a Black Swan event as it had massive global repercussions that weren't anticipated by traditional risk models. To share the risk, governments and financial institutions collaborated to create emergency funds and bailout packages.

Travel restrictions
A sudden geopolitical event, like travel restrictions due to an unforeseen disease outbreak, could also be considered a Black Swan event as it's highly unpredictable and can disrupt the entire business events industry.

Industry contingency fund
Risk sharing in this context could involve industry associations, event organisers, and insurance providers collaborating to create a contingency fund. This fund could help mitigate the financial losses caused by event cancellations due to such unexpected occurrences. By sharing the risk across stakeholders, the impact on individual businesses can be minimised.

Gray Rhinos are highly probable yet often ignored risks that can also have significant impact.

Cyber attacks in the tech industry
Cyber attacks in the tech industry are considered Gray Rhino events. Many companies acknowledge the risk of cyber attacks, but they often don't take comprehensive measures to prevent them. When companies share this risk, they invest in cyber security solutions collectively, pooling resources and expertise to minimise the threat.

Monitoring changing trends
For Gray Rhinos in the business events industry, consider the risk of changing attendee preferences. As preferences for event formats and experiences evolve, event organisers might overlook these gradual shifts. Risk sharing in this scenario could involve industry players forming research consortiums to monitor changing trends and collectively adapt event offerings to match attendees evolving preferences.

In both cases, risk sharing involves collaboration and proactive measures to address unforeseen events (Black Swans) and evolving trends (Gray Rhinos), contributing to a more resilient and adaptable industry.
A robust risk framework with inbuilt risk sharing mechanisms means we can act quickly and decisively when, for example, a convention is disrupted because a volcano eruption prevents delegates from travelling from overseas, or a cyber security breach has occurred. It also encourages us to face up to long-term risks we might have been ignoring, such as ensuring we have plans in place to manage adverse weather events caused by climate change or ensuring we’re continually updating the security of delegate data to minimise the risk of a cyber-attack.

As already discussed, our survey showed that 98% of organisations said that risk influences their decision to select a host destination – and 62% said it has a high influence. By taking a collaborative approach to risk management, stakeholders can better position their location as a desirable place for business events.

“Shared risk generally produces better outcomes than a zero-sum game negotiation of liabilities. [This] served my groups incredibly well through the pandemic, where many of my peers’ groups incurred material financial and reputational damages.”

*Independent event director, North America*
The key elements for the conversation to succeed are:

**Internal teams:** Encouraging regular discussions about potential risks and mitigation strategies within your organisation. This involves involving different departments, from finance to operations, to ensure a comprehensive understanding of risks and a unified approach to risk management.

**Industry associations:** Collaborating with industry associations enables you to share insights and best practices with peers facing similar challenges. By participating in conferences, workshops, and forums, you can engage in meaningful discussions on risk trends and innovative risk management solutions.

**Suppliers and partners:** Establishing open lines of communication with suppliers and partners is crucial. By jointly identifying and addressing risks, you can develop strategies to protect each other’s interests and ensure the success of shared endeavours.

**Clients and customers:** Engaging in risk discussions with buyers allows you to align expectations and foster transparency. By openly addressing potential challenges and their impact, you can build trust and demonstrate your commitment to their success.

**Industry experts and consultants:** Seeking advice from risk management professionals and consultants provides an external and independent perspective. Their expertise can help you identify blind spots and implement effective risk management strategies.
CONCLUSION

The business events industry is a crucial driver of economic growth, job creation, and positive long-lasting societal impact. However, as the landscape of risks continues to evolve and expand, it is imperative that we continuously and proactively work to ensure sustained success.

By fostering a deeper understanding of the risks and their potential opportunities as well as threats, both buyers and suppliers can develop and strengthen their risk management frameworks. Collaborative risk sharing between parties will only become more important as a key strategy to enhance financial resilience and optimise outcomes. By embracing risk sharing and working together, we can effectively mitigate potential disruptions, ensure business continuity, and ultimately deliver successful and impactful events.

To sum up, there are three key areas we need to consider as we respond to delegate and buyer post COVID-19 behaviour, to shift the dial on how we react to risk and implement change:

- **A mindset shift to a 'new normal'**

  Businesses are transforming with ESG and governance at their core, in response to consumer demand and government regulations. They will continue to develop processes within their ecosystem to ensure that their suppliers and partners adhere to these requirements. The business events industry needs to prepare for this change and shift their mindset to a new normal that will continually evolve.

- **Develop and integrate risk tools as part of the overall code of conduct**

  Many of the findings we have seen in our survey are accelerations of past behaviours that covered a “decade in days”. There is a need for building or re-building a strong tool kit to engage deeper in the management of risk which is fit for purpose today and for the future. This includes robust strategic risk frameworks, new partnership business models, use of technology and upskilling teams.

- **Intensified dialogue**

  During the COVID-19 pandemic we collaborated extensively. We opened conversations on how to find the best solutions for the difficult situation, to benefit both parties and how to move forward. Continuing and intensifying this dialogue while being open about the barriers each party faces, identifying want needs to be done to enable progress and to ensure better risk mitigation all round, is a strong starting point.
CONCLUSION

This white paper shows the need for a radical shift in our understanding and how we approach risk. No more isolated, reactive risk management in its traditional form. Instead, it is time for us to get proactive and work together to share risk and build a futureproof, equitable risk process, that ensures the long-term viability of the business events ecosystem.

Copenhagen Convention Bureau has, with this publication, a strong aspiration to bring together the business events community around risk. To start a broader conversation and explore how we, together, develop a more viable model across the business events industry.

The opportunities are significant, and it is imperative for us to act now.

Let's start the conversation.
REFERENCES


2. Figure 1 Source: Boulwood, B. How to develop an enterprise risk taxonomy, Global Association of Risk Professionals, 2021, https://www.garp.org/risk-intelligence/culture-governance/how-to-develop-an-enterprise-risk-taxonomy


4. The survey was designed as a collaboration between Copenhagen Convention Bureau, Karen Bolinger Consulting (KBC), Mavvin Global (MG) and MI Global Partners (MIGP).


APPENDIX

CONTRIBUTORS

With special thanks to our partners for taking the time to participate in this project.

International consultations

ASIS International
BestCities Global Alliance partners
Federation of European Risk Management Associations (FERMA)
International Association of Convention Centres (AIPC)
International Association of Professional Congress Organisers (IAPCO)
International Bar Association (IBA)
International Conference Services (ICS)
International Society of Ultrasound in Obstetrics and Gynaecology (ISUOG)
Kenes Group
Maritz
Professional Convention Management Association (PCMA)
Risk and Insurance Management Society (RIMS)
WindEurope

Danish consultations

Alive
Arp-Hansen Hotel Group
Bella Center Copenhagen + Bellagroup
CAP Partner

Danish Chamber of Commerce
MCI Copenhagen
Scandic Hotels

Associations

International Association of Convention Centres (AIPC)
European Society of Association Executives (ESAE)
International Association of Professional Congress Organisers (IAPCO)
International Congress and Convention Association (ICCA)
Professional Convention Management Association (PCMA)
Meetingplace Wonderful Copenhagen
OVERVIEW OF THE TEAM

Bettina Reventlow-Mourier - Deputy Convention Director, Copenhagen Convention Bureau
Christina Wulff Lohmann - Senior Bid Manager (Congress), Copenhagen Convention Bureau
Anne Dissing - Senior Bid Manager (Congress), Copenhagen Convention Bureau
Karen Bolinger - CEO/Founder, KBC/SAVEE World Pty Ltd
Deanna Varga - CEO/Founder, Mayvin Global Pty Ltd
Sally Cominos Dakin - Senior Consultant, Mayvin Global Pty Ltd
Darren Ring - Senior Consultant, MI Global Partners
Katharina Luu - Partner, Thursday Consulting P/S (risk management)
Charlotte Stokkebye - Stokkebye Consulting (risk management)