Estee Lauder Turns to Cvent to Optimize Global Meetings and Track Corporate Spend

$2M+ negotiated M&E savings captured in Cvent  
27.4% average negotiated savings per meeting  
$1M transient savings on track to record

About
The Estée Lauder Companies, Inc., (ELC), a holding company, is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance, and hair care products. Founded in 1946, the company has gained a worldwide reputation for elegance, luxury, and superior quality. A truly global organization with more than 10,000 employees, ELC is headquartered in New York City with regional headquarters in Hong Kong, Mexico City, Paris, and 40-plus local and territory office locations. The company's products are sold in over 150 countries and territories under prominent brand names including Estee Lauder, Aramis, Clinique, Prescriptives, Origins, Aveda, DKNY, and Jo Malone London.

Tracking Corporate Spend Falls Short
ELC's Global Travel and Meeting Services Team (GTMS) is tasked with centralizing, managing, and leveraging the company's overall travel spend in a non-mandated meetings and travel environment. ELC has been using Cvent meetings management technology since 2012, initially deployed in the United States. In 2015, the company implemented Cvent in its regional headquarters in Hong Kong (APAC) and Paris (EMEA). Since that time, expansion of its Strategic Meetings Management Program (SMMP) stalled due to internal pushback and lack of understanding about the meetings and events category.
Centralized sourcing yielded more than $2 million in negotiated M&E savings captured in Cvent, an average of 27.4 percent in negotiated savings per meeting, far exceeding the company’s goal of a negotiated savings increase of 10 percent.

Indirect procurement leads interested in centralizing meeting and event spend lacked the time and manpower to manage the category and support the necessary implementation. In May 2016, ELC announced Leading Beauty Forward, a multi-year initiative to drive sustainable long-term growth by developing shared services, simplified processes, and investment in technology. This well-intentioned initiative exposed gaps within ELC’s current travel and meetings program. The introduction of this initiative coincided with a 30 percent cut in the company’s travel and meetings budget, which forced GTMS to explore creative cost cutting measures without jeopardizing service and quality standards.

The lack of a central meetings technology made it difficult to track hotel spend globally, as there was limited visibility into how much meeting planners were spending on meetings and travel. In North America, the corporate meeting credit card was used to pay for meetings. In analyzing the card in North America, only 15 percent of hotel spend on the corporate meeting card was being captured through Cvent. The rest of ELC’s regions around the world used other forms of payment including direct bill invoicing, American Express card products, and personal forms of payment. The lack of a central meetings technology and a consistent form of payment led to incomplete reporting on global spending. ELC was unable to consolidate business with preferred vendors and leverage its global spending volume to generate more favorable contract terms.

Centralizing Global Meetings

Estee Lauder’s success with implementing Strategic Meetings Management (SMM) in its German operations became a model for how to accelerate SMM implementations elsewhere. An impressive number of RFPs were created, resulting in savings for the company’s German affiliate in the conferences and meetings category for the first time ever.

A Global Travel Savings Initiative Task Force was formed to address the challenges facing ELC’s Leading Beauty Forward initiative. The development of a shared services approach in the company recognized affiliates
with the greatest spend and well-developed processes as the best candidates for expanding SMM. Italy, Switzerland, Mexico, and the UK followed with SMM implementations with discussions about expansion into APAC affiliates. ELC required all planners to work within Cvent’s technology platform or ensure that all third parties source through Cvent. This approach guarantees that everyone is working on the same platform, so that ELC has a global view of meetings and there is consistent reporting across the enterprise.

GTMS improved compliance by working closely with the finance department and its card provider, American Express, to establish compliance through form of payment. A Cvent ID is required to reconcile charges on Corporate Meeting Cards. GTMS hosted a series of trainings and webinars in its New York, Miami, Los Angeles, and Minneapolis offices to educate planners on the SMMP. The program drives registrations through Cvent and ensures proper reporting through form of payment.

Supporting the focus of Leading Business Forward to streamline processes and invest in technology, GTMS established a global meetings portal powered by Cvent as a centralized global meetings resource. The portal includes meetings policies for each region, preferred hotel group promotions, and savings reports. Planners are directed to the portal through GTMS’s corporate intranet, making it easier for end users to access the company’s services.

### Strategizing and Saving More with SMM

Each ELS region using SMM based on Cvent’s technology was able to increase RFPs and generate savings in their meetings and event costs. The company realized savings of more than 432 hours annually in staff time for meetings and event sourcing by shifting to electronic formats and share shifting with its strategic partners. These staff hour savings and RFP numbers continue to increase as more affiliates in ELS’s global network pursue SMM programs.
Centralized sourcing yielded more than $2 million in negotiated M&E savings captured in Cvent, an average of 27.4 percent in negotiated savings per meeting; exceeding the company’s goal of a negotiated savings increase of 10 percent. The industry average is 10-26 percent, which indicates that ELS is negotiating successfully beyond industry norms.

ELS was also able to negotiate chain-wide discounts and stronger discounts with Preferred Hotels, putting the company on pace to record $1 million in transient savings.

The company responded to internal and external challenges by incorporating Cvent as the cornerstone of its SMM program. By aligning ELC’s corporate strategy with its SMM strategy, the company has streamlined form of payment, invested in technology by optimizing Cvent’s Meetings Portal, linked payment to meetings registration, and expanded shared service through global implementation, all while demonstrating program value through cost savings.

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