



UNION des FOIRES INTERNATIONALES

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UFI INFO

November 2001

2001 UFI Annual Congress in Cologne, 18-20 October 2001

The decision to choose the trade fair city of Cologne as the venue for the 68th UFI Congress was an unusual decision made in response to an unusual situation. After the terror attacks on the USA on 11 September, serious reservations were voiced over the original choice of Cairo as the venue, and it was decided at short notice to move the Congress to Cologne. A new programme tailored to the new circumstances was drawn up within the space of three weeks, and the Congress was staged almost in line with the original time schedule. UFI President Prof. Dr. Manfred Busche expressed his gratitude for this achievement to KölnMesse GmbH and its President and Chief Executive Officer Jochen Witt and obviously, to the UFI team in Paris; Prof. Dr. Busche also announced, however, that the UFI Congress will take place again in Cairo in 2003, after the 2002 Congress in Munich.

In view of the dramatic situation, the modified congress programme was designed to focus on the positive aspects and opportunities of new developments and challenges.

Mike Rusbridge, Chairman & CEO, Reed Exhibition Companies, Richmond/London, led off the programme of talks with a portrayal of

The Challenges and benefits of being the biggest.

With 470 events in 35 countries serving 49 sectors of industry and bringing together 156,000 suppliers and more than 9 million buyers and trade visitors, Reed Exhibition Companies is the world's biggest company in the sector. Reed cooperates with partners on all levels – with other organisers, with occupational and sector associations, and with representatives of countries, regions and cities in North America, Asia and Europe – and generates annual sales in the order of US\$ 750 million.

The strengths of Reed Exhibition Companies are underpinned by its integration in the globally active news and communications group Reed Elsevier – a worldwide network for marketing communication comprising a wide range of providers from trade journals and direct marketers to Internet service providers.

The march of globalisation has led to far-reaching changes in the world's markets. New market regions have been created, and the global companies active in these regions also expect to be able to draw on global services. In general, customers are becoming more price-conscious, and they are demanding an ever-extending range of services. Many trade fair segments have recorded falling participation volumes in recent times, and this makes it all the more important to ensure that customer contacts are maintained during the intervals between events. Electronic communication media play a key role in this endeavour.

It is still not possible to predict the long-term effects of 11 September on the trade fair sector. The reluctance to undertake long-haul trips is expected to persist only in the short term. However, it is far more difficult to forecast the duration of the impact of the terror attacks on the capital markets and the general willingness to invest. In recent years, we have already seen an increasing trend among municipal trade fair companies towards the separation of hardware and software divisions. What is also apparent, however, is the clear trend towards alliances and partnerships in the trade fair sector. Reed plans to profit from this trend through the global range of exhibitions supported by its international network.

This can be achieved through partnerships with individual trade fair cities as well as – on a global level – with associations, federations, congress organisers and service providers as well as, of course, other trade fair companies.

This helps Reed to develop events into brand name articles that enable them to play a leading role on the international stage. At the same time, this will allow Reed to extend its sphere of influence and to strengthen its position in the market. Recent examples include the partnership with Fondazione Fiera Milano, joint ventures with the trade fair organiser E. J. Krause in New York and the Barcelona trade fair company as well as cooperation with Biuro Reklamy in Poland with the aim of establishing leading trade fairs in the Polish market. This requires investment in all the world's markets and above all in the area of e-marketing. Reed is particularly interested in targeting the "new" markets in South America, Eastern Europe and China.

This concept has a proven track record. While 12 of 28 new trade fairs had to be cancelled in 1998, only ten of the 58 new fairs scheduled for 2001 failed to take place.

The lessons to be learned from this development:

It is necessary to work from a solid base made up of a high number of fixed regional locations. World famous trade fair names and trademarks can help to open the door to partnerships and mergers on local level, and a range of events that is broadly based in terms of geographic focus and sectors helps organisers to overcome times of crisis.

In the final analysis, however, the success of any company – be it big, medium-sized or small – depends on entrepreneurial creativity. A variety of companies can – and indeed should – exist alongside one another, as long as they are willing to learn from and live with each other.

**When the eyes of the world are on you.
Big events and national prestige.**

The next talk on world exhibitions focused on a more positive development. According to **Norbert Bargmann**, the concept for the Expo Hannover 2000 added a new dimension to world exhibitions. The Deputy General Commissioner of EXPO 2000, today Managing Director of Messe München GmbH, emphasised the priceless idealistic value of the event, which transcended national frontiers and brought different peoples together.

The Germans were entrusted with the task of organising the world exhibition on the basis of their convincing concept for the event: EXPO 2000 was intended to be not so much a demonstration of the strength and economic power of the participant nations as a

presentation of achievements and solutions geared towards future challenges – challenges that can only be mastered through the combined activities of a worldwide network. The aim was to promote the future coexistence of humankind in **one** world.

In keeping with this concept, the EXPO participants were called upon to design their participations not as classic "achievement shows" and self-portrayals but to profile solutions and concepts that can play a central role in meeting the ecological and economic challenges that face humankind. During the run-up to the event, it also became apparent that "private partnerships" were a precondition for the participation of many countries in EXPO 2000.

The Germans themselves invested a great deal of capital and energy in this concept and helped a number of countries to develop their exhibition ideas, to train stand personnel, and to find the funds for the hall rents. In some cases, different countries joined forces to create joint presentations focusing on topics and themes of general interest.

EXPO 2000 was the first time that Germany played host to the world in this form. They did their job well, and they learned a great deal in the process: Not only did Germany succeed in turning the EXPO 2000 into a totally new kind of world exhibition; they were also able to create a happy, peaceful and relaxed atmosphere that helped to promote open-minded curiosity and tolerance towards foreign cultures. At the same time, the "national days" of the various countries also served to cement political bilateral relations, to help companies establish business contacts, and to promote the exchange of cultural ideas and information. EXPO 2000 in Hannover showed once again that the world needs global integrative events of this kind that forge a common front and a common face – if only for a brief moment.

**Creative planning, flexibility, team spirit –
central factors in the success
of major events**

The success of a major international trade fair depends without doubt on the organisational concept and the implementation of this concept, the quality of the exhibitors and the products and services on offer, and the overall environment in which the event takes place as well as on acceptance for the event at the trade fair location in question. It was therefore not surprising that a report on the experiences made during the preparation and staging of the 2000 Summer Olympic Games in Sydney generated

an enormous amount of interest among the attendees at the UFI Congress in Cologne.

Michael Knight, who was given the task of organising this global event – the 2000 Summer Olympics in Sydney – emphasised that a job of this magnitude can never be seen as a self-contained task but needs to encompass the entire surrounding infrastructure. This started – in the case of the Sydney Olympics – with the public transport system and branched out into countless, often interdependent functions and areas of everyday life. Success is the result of many coordinated steps that also make allowance for unforeseen problems. The decisive factor, however, was that the work of Michael Knight and his team was geared towards a “vision” from the outset, towards a clear-cut idea of what they wanted to achieve.

“It depends on the content of the challenge you face”, said Knight, “as well as on ensuring that you handle the topic in the right way.” He travelled to various large-scale events of a similar nature in order to learn from the experiences of the organisers, and he arrived at the conclusion that at an event like the Olympics, an event with wide-ranging emotional overtones, it was important that everything fits in place – both the internal factors and the external aspects. “We had to put emotions into practice”, said Knight.

“We had to make a lot of adjustments before everything fell into place. The organisational concept was suitably flexible – and had a different structure one year before the Games than during the final phase – as we were continually faced with new factors that needed to be taken into account. It was also of central importance that the cost management experts were always on the ball; they ensured that the finances stayed within the defined limits.” Michael Knight also knows, however, that success and failure are never far apart in major events of this kind; and that success always needs just that little bit of luck.

The future of trade fairs and exhibitions after 11 September

“Nothing will ever be the same!” This was the opinion heard everywhere – at least in the Western World – after the terror attacks in New York. The trade fair industry must also face the new situation and re-define its position and its job within the overall context of the global economy. This was the general theme of the round table debate at the end of the UFI Congress in Cologne, a debate that attracted a

great deal of interest. The participants were five experts of different nationalities from widely differing areas of the trade fair industry: UFI President **Sandy Angus**, Chairman of Montgomery Exhibitions Ltd., Birmingham/London, **Robert Dallmeyer**, Chairman, IAEM (International Association for Exhibition Management, Dallas), **Herbert Jakob**, Deputy Member of Executive Management, Münchener Rückversicherungsgesellschaft, **Robin Marshall**, Director, Economic & Policy Research, JPMorgan, London, Dr. **Helmut Stein**, CTO, Nokia Home Communications, Düsseldorf. The discussion was chaired by the journalist **Ralf-Dieter Brunowsky** (Cologne).

By way of introduction, **Robert Dallmeyer** described the situation in the USA after the events of 11 September, events that initially created a shock-wave and that resulted in the cancellation of a number of fairs. But a decision was soon taken to return to “trade fair business as usual” – albeit accompanied by tighter security measures that were jointly developed and implemented. In the meantime, according to Dallmeyer, registrations for trade fairs and similar events are up slightly, and he concluded his remarks by saying: “We as Americans are convinced that a crisis not only poses risks but also opens up opportunities, and that we must face up to both these challenges”.

Robin Marshall described how the economic situation is currently characterised by falling growth rates around the world. Companies are being closed and jobs losses are expected – not least due to the fact that the high-tech boom is coming to an end at a time when there are no discernible stimuli for a new upturn. In contrast to the crisis that came about as a result of the Gulf War, the current crisis is not based on a precisely defined and locally contained conflict. On the other hand, the economic expert pointed out that the course of the global economy has always been determined by cycles of upswing and downturn, and that we could therefore soon see indications of another upward trend.

Sandy Angus’ biggest fear in the wake of the terror attacks is a potential crisis of confidence. Trade fairs are always underpinned by a fundamental confidence in the economy, in security and in our way of life. 11 September has shaken this confidence, and it is still hard to say how this confidence can be restored. On the other hand, however, the UK has long lived with the risk of terrorist acts – such as those committed by the IRA, for example. One of the consequences is the need for higher insurance cover. Above all, however, this situation creates

a closer bond with the customer and underlines the conviction that such risks have to be faced. Increasing risks place a particular burden on the insurance industry. As **Herbert Jakob** pointed out, it is fair to assume that the billions of dollars of damage caused by the terror attacks will be covered by the relevant insurance systems; but if there are similar acts in the future, then the systems currently in operation for damage settlement will no longer be adequate. He stated that these were the most important disasters ever. At the same time, it is still too early to talk about new concepts in this area.

Speaking from the exhibitors' perspective, Dr. **Helmut Stein** saw two focal points of discussion: fear of flying and attacks on trade fair events. He said that his company has already implemented a substantial reduction in the number of business flights in order to cut costs; instead, employees are making more widespread use of other options, such as the various electronic communication media. It is clear, however, that these alternative media can never replace communication through trade fairs. Participation at exhibitions and fairs will remain indispensable; and the fear that terrorists might target trade fairs, even events with high visitor volumes, is by no means as great as the fear that attacks could focus on major sporting events, where tens of thousands of spectators are concentrated in a small area.

Confidence – the foundation for future success

In the final analysis, what the trade fair sector needs to do is to win back the confidence that has underpinned its activities to date and to generate confidence among others in this new and changed situation.

Sandy Angus believes that increased cooperation with customers represents an important step in the right direction. We should not overlook the fact that visitor volumes in the USA were already falling before 11 September and that this downturn was also partly blamed on costs. The dual objective of cost cutting on the one hand and increased visitor volumes on the other can only be achieved by working together with the customer. The UK trade fair manager believes that one means of achieving this goal might be to express a greater willingness to enter into partnership-based cooperation ventures with associations and federations as well as to agree to mergers. Mergers could provide a lifeline for smaller organisers in an increasingly fierce market; they

would also counter the risk of increased competition leading to surplus capacities.

The ensuing discussion underlined the need to differentiate between business and private risk. There have always been difficult as well as dangerous situations in the past; many of these problems have not been related to any single event. But we have successfully learned to live with these situations.

By way of summary, **Robert Dallmeyer** emphasised that the trade fair industry is an integral part of the overall economy and that it would never be possible to find tailored, individual solutions for our sector. Our aim now should be to withstand the shock of recent events and strive for continued growth. Since September 11, we have seen the world coming together in unity to fight terrorism for the first time, and we should draw strength and courage from this resolve.

