TEXAS ORTHOPAEDIC ASSOCIATION

Established 1936

Addressing the February 2021 Conference

TOA's 2021 Annual Conference & Beyond

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FEBRUARY 5-6, 2021 A REVIEW

TOA's 2021 Contract AT&T Conference Center

Force Majeure Clause

The contract does contain a force majeure clause, which should protect TOA if a public health emergency is declared:

Neither party hereto shall be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable control including, but not limited to, acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, terrorist activity or threat, closure of congestion of airports, order or restriction by any governmental authority, or any other circumstances of like character.

TOA's Contract Obligations

- $29,000 spend for food/beverage.

- $47,150 in room bookings. TOA must meet 80 percent of the room block, or TOA will have to start paying attrition. If TOA walked away from the meeting, we would still owe $47,150.

The Reality

The government would have to shut the city down again for the force majeure clause to work, and that is unlikely to happen.

2021's Current Contract Reviewing Every Scenario

1. **Back to normal: The virus goes away or a vaccine is administered in September – Highly Doubtful**

If this happens, society goes back to normal and there are zero concerns regarding our conference.

2. **Society remains on edge: The 2020 climate remains the same through the end of the year and beyond – Highly Likely**

Hospitalizations and infections remain on a steady plateau or increase. As a result, society remains on edge.

3. **Major spike: The winter brings a major spike – Very Possible**

Under this scenario, TOA may try to hold the conference in a business as usual manner, but we experience a second major spike that forces a cancellation at the last second.

The Reality of 2021 Can We Afford a Tenuous Conference?

The virus will likely remain in its current state
While we may not experience an NYC-style spike, the virus is likely to remain in the background in its current state. Also, a vaccine is unlikely to be ready by November, which is really when we need it for a November conference.

Physicians and Sponsors Are Unlikely to Commit
Since physicians are on the front line, they are unlikely to commit to a conference when the virus remains in limbo. Sponsors are likely to do the same.

We can't scramble at the last minute
If we the virus remains in limbo in December and January and it appears unlikely that we will be able to move forward with the conference, we will be in trouble. It is better to address the situation now.

February 2021 The Reality With the Hotel Contract

The hotel is probably willing to provide some flexibility under the current circumstances
We don't have the ability to cancel the contract at this point without paying a penalty. As a result, we must get creative and either move it to a future year with the hope that the virus will be gone or stretch the conference out into smaller conferences with smaller hotel room and food budget requirements to reflect smaller crowds in 2021.

It is important to at least try to hold a conference in 2021 and to ensure that the conference does not result in a large financial risk for TOA.

2021 & BEYOND LOOKING AT VARIOUS SCENARIOS

Examining Past Meetings Three Considerations

Do we attract our target audiences with our current meetings?

TOA has three targets:

- Surgeons in active practice. (Retirees are not “attractive” to sponsors.)
- Residents.
- Practice administrators.

TOA measures “success” by attendance. TOA has implemented two things to attract crowds: An expensive program and a winter date. Fewer practice administrators are attending. We have never had luck with surgeons in active practice. While we do well with residents, it comes at a great expense.

Sponsors continue to participate, which makes the conferences possible. But if sponsors ever drop out, then it will not be possible to move forward. At worst, TOA will take a major hit due to a poor meeting.

Expensive endeavors: We cannot afford an “off year” conference

As evidenced by the slides, TOA’s conferences come at a great production cost. An “off year” could sink TOA’s finances; we simply cannot afford it.

TOA's 2021 Conference & Beyond The Ideal Scenario

2021: The virus is gone by early autumn and the conference goes on as usual
Under the best case scenario, the virus is completely wiped by early autumn and the conference goes on as usual. The contract is then off the books.

2022: 2021 goes off with no problem and we can focus on smaller conferences in the future
The virus leaves us in early autumn, which allows us to hold the 2021 conference with no problem and get that contract off the books. Then TOA can focus on smaller meetings with smaller commitments for 2022 and beyond.

This scenario is highly doubtful.

Looking at the February Date Key Considerations for Now

The February 5-6 contract poses two problems

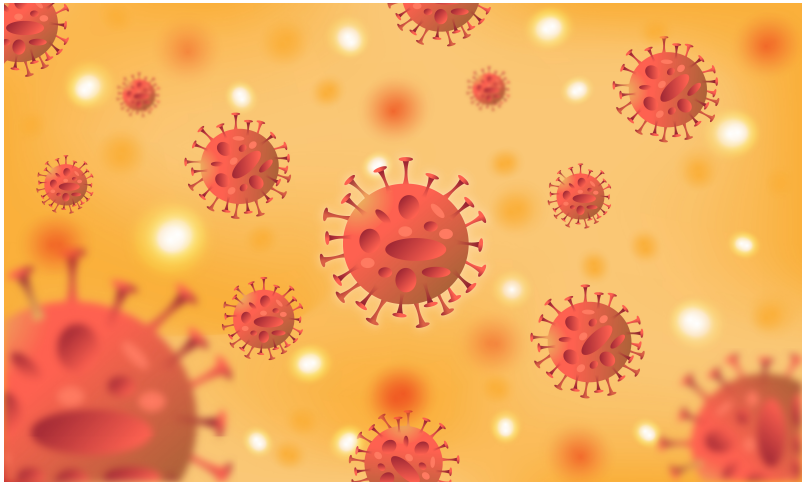
1. *The early February date.* As mentioned earlier, society and medicine are likely to remain in limbo, and the audience/sponsors will be very small.
2. *The contract.* Even if we move forward with the early February date, it's highly unlikely that we will have enough attendees/sponsors to fulfill the hotel rooms/food contracts.

Act now with eight months to go

The time is to act now with the hotel to see what adjustments can be made. (As opposed to waiting until December when things look bad.)

2021 & BEYOND POTENTIAL PLAN

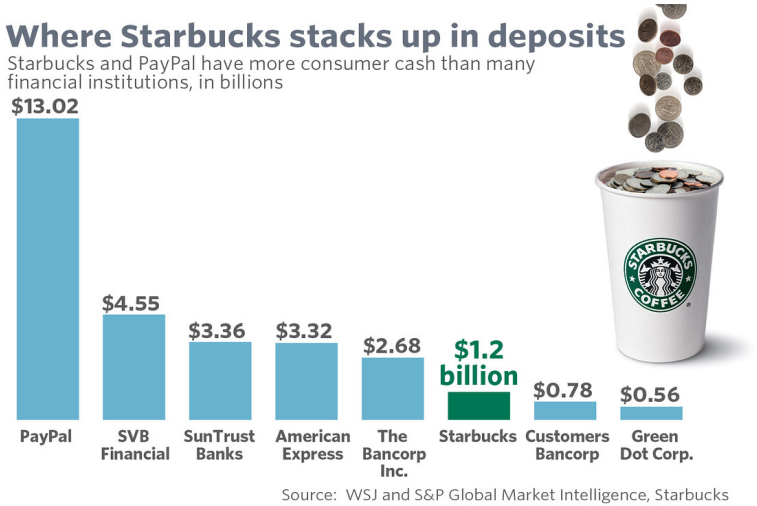
2022 & Beyond The Pandemic's Lesson Applied to Meetings



The virus isn't a disruptor, it's an accelerator. It is showing many businesses where their business will be in a decade. Meetings may be irrelevant.

It isn't cyclical, it's structural. Some argue that this is simply a cyclical economic change. It may be more likely a structural change.

2022 & Beyond Structural Changes Accelerated



Starbucks is a bank, not a coffee shop. Starbucks has more money on its most apps than many financial institutions.

Starbucks was prepared for the economic structural changes created by the pandemic through its app and financial operation.

2021 & Beyond Set Our Goals & Expectations

Attendance does not have to be our measure of success

As mentioned earlier, TOA uses attendance for a benchmark of success. However, it is a tremendous challenge to attract practicing orthopaedic surgeons and administrators to TOA's conference. Focusing on this benchmark is ultimately futile.

Instead, TOA may need to focus on "quality, not quantity." Even if a meeting features a smaller attendance, the smaller attendance may be more enthusiastic.

What we really need: Smaller contracts to address future cancellations

TOA's current meeting contracts are very expensive; a cancellation could cost TOA $80,000. They are expensive for the following reasons:

- We could run out of hotel rooms, and TOA has found it important to lock in the hotel rooms, which leads to a large program. TOA has always met ~100% of the room contract.
- It's a large program that requires a lot of hotel space and rooms, which requires a high food/beverage contract. In exchange for all of that space, you have to commit to a lot of rooms and food/beverage.

2021 Scenario #1 Move the Current Contract to April or May

This is still troublesome

Kicking the can down the road; the virus remains a problem
Buying a few extra months does not guarantee that the conference will be gone; we would still be facing the same problem.

An expensive contract remains our concern in this scenario.

2021 Scenario #2 Smaller Meetings Spread out Over Years

Call it a “retreat-style format.” This may be a better option for TOA’s future

Meets our two goals: Smaller contracts and more engaged audiences
Buying a few extra months does not guarantee that the conference will be gone; we would still be facing the same problem.

$80,000 in 2021 vs. $80,000 Over Several Years
As it stands now, a last-second cancellation could cost TOA $80,000. If TOA focuses on smaller meetings that are spread out at $80,000 over several years, a lost meeting could end up costing TOA much less.

There is no perfect time
There are many other events during spring, but there will always be a conflict at any time of the year.

Risks
If we run out of hotel rooms in the city of Austin (or they become extremely expensive), then we run out of hotel rooms and people don’t attend.

2021 Scenario #3 Existing Contract Moves to 2022

Create a smaller low-risk meeting in summer ~~spring~~ 2021 and hold the original larger meeting in 2022.

Hotel agrees to move the existing contract to 2022

In this scenario, the hotel does not agree to our proposal to turn the existing contract into smaller meetings spread out over several springs. Instead, the hotel agrees to move the 2021 contract to 2022, which is when we hope the virus is gone.

The 2021 meeting

If we don't have to hold a 2021 meeting at AT&T Conference Center, then we can book a much smaller, low-risk retreat-style meeting for later in the summer ~~spring~~ at Horseshoe Bay. Under this scenario, we are hoping that the virus is gone or greatly died down. Spring may still be too early.

If the virus is still lingering and comes back, we would at least not have as great of a risk with a large meeting contract.

Smaller Meetings Current Format vs. Retreat-Style Format

Current: TOA Pays for Speaker/Resident Hotel Rooms
Some speakers request hotel rooms, and TOA pays for all residents. The residents bring bodies. But this costs TOA ~$16,000/year.

Current: Meals and Events
TOA features many meals and an expensive Friday night social event. This is a high cost.

Current: Marketing
TOA pays quite a bit in marketing costs through mailers to attempt to drive large audiences. This is a high cost.

Current: Audio/Visual
There is probably no way around TOA's audio/visual costs of ~$12,000.

Future: Limit Free Hotel Rooms
We allowed the free hotel rooms to drive attendance with residents. We will have to limit to those who are Quiz Bowl participants. Push paper presents to use their residency allowance.

Future: Scale Back Meals and Events
Focus on only offering lunches and a Friday night reception.

Future: Scale Back Mailed Marketing
Focus more on digital. We may lose some by fewer mailers.

Future: Audio/Visual – No Changes
There is probably no way around TOA's audio/visual costs of ~$12,000.

Retreat-Style Smaller Meetings 2021 and Beyond

If the AT&T Conference Center accepts it
To account for our current large contract, the AT&T Conference Center will likely require a series of smaller meetings over the next few years.

2021 - ~~Spring~~ Summer
Push to ~~April or May~~ early summer so that we can have more time to fight Covid-19. If Covid-19 is not out of the way, our contract will at least be much smaller if we have to cancel or if we can't meet the contract.

Spring 2022 and Spring 2023 – Austin
To "remove" our current February 2021 contract, agreeing to multiple smaller meetings in Austin over the next few years may be a good carrot stick for the hotel to accept the offer.

Retreat-Style Meetings Unanswered Questions for TOA & Hotel

Will the hotel still give us a large amount of space?
TOA will still need adequate exhibitor space and ballroom space. Will the hotel still be as generous if we are seeking smaller space?

What is the format for a retreat-style meeting?
A retreat-style meeting is more intimate – perhaps a smaller room. But does the format actually change at all? The meeting format is up to Vinod, but it probably looks like it currently does.

Looking at the Calendar No Date Ever Perfect

We thought early winter would avoid conflicts
But it has not necessarily led to major attendance increases. Therefore, we should return to the spring, especially since we are not as focused on large audiences.

We can no longer worry about the calendar and a busy spring. Summer and fall are also busy.

Austin is popular
People will be happy with Austin, even if it is several years in a row.

Looking at the Calendar 2021 Dates (Red Dates Good)

We may need to look at June instead.

March 2021
March 9 – 13 | AAOS Annual Conference

March 26 | Louisiana Association (Good Date)

April 2021
April 2 | Good Friday/Easter

April 9/10 | Good Date

April 16/17 | AANA Annual Conference

April 23/24 | Good Date (BACKUP DATE)

April 30/May 1 | Good Date (BEST DATE)

May 2021
May 7/8 | Mother's Day (Good Date)

Looking at the Calendar 2022 Dates (Red Dates Good)

March 2022
March 22-26 | AAOS Annual Conference

March 26 | Louisiana Association (Good Date)

April 2022
April 2 | Good Date (Best Date)

April 9/10 | Good Date (Best Date)

April 15 | Good Friday/Easter

April 23/24 | Good Date

April 29/30 | AANA Annual Conference

May 2022
May 6/7 | Mother's Day