



Master Service Agreements with Hotel Chains Offer Planners Benefits and Challenges

For meeting planners with frequent events at the same property or chain, Master Service Agreements (MSA) with a few key hotel chains have long been a timesaver for both sides to confirm new bookings. In the current marketplace, negotiating that MSA may be more challenging and also more beneficial than in the past.

MSAs are used across companies and industry segments to establish terms and conditions for a business relationship. Meeting MSAs provide the “overarching governance” such as dispute resolution mechanisms, confidentiality, payment terms, data security or perhaps guidance about business competitors meeting at the same time. Most importantly in the current high-demand marketplace, an MSA may help a planner confirm elusive meeting space and dates faster with preferred partners.



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In multiple studies, planners predict more meetings in 2025. Nearly 90% of planners surveyed for [Cvent's 2025 Planner Sourcing Report](#) expect onsite and offsite meetings to increase 11% to 20% next year. [Two-thirds of meeting professionals surveyed](#) by American Express Global Business Travel expect bigger budgets, partly due to more internal meetings.

The benefits and challenges of MSAs and practical tips on negotiating—or renegotiating—the agreements were examined by four industry experts on a recent BTN Group webinar, [Why and How to Craft Meeting MSAs with Hotel Partners](#), sponsored by Cvent.

Here is a summary of key points covered:

• HOW MSAs BENEFIT BOTH SIDES

MSAs offer buyers a number of benefits, including the ability to streamline the contracting process and secure desired space and dates faster. Hotel chains and properties within the chain seek additional marketshare, meetings and revenue potential from MSAs. For both sides, the MSA dramatically eases the workload for legal teams.

“MSAs are very important, especially if you’re a large organization,” with frequent volume at the same chains, said Ann Dery, director of global travel and meetings with Johnson & Johnson. “We have significant meeting volume, and we want to make sure that we have that speed to contracting, which is so essential these days.”

Smaller organizations also benefit from the ability to lock in a venue more quickly in today’s seller’s market, said Shauna Whitehead, vice president of client solutions, BCD Meetings & Events.

Even though many organizations don’t have the volume they had before 2020, “there are more companies interested in putting MSAs in place right now to protect their risk and drive speed to contract, because we’re still very much sitting in a seller’s market,” said Whitehead.

MSAs can also benefit hotels by locking in business when needed, particularly for brands that are expanding their segment portfolios or opening new properties in specific markets. The agreements also provide a structure around the business relationship between the buyer and the hotel chain and solidify legal clauses that reduce risk for both hotels and buyers.

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– Jonathan T. Howe, Howe & Hutton

• MSAs NOT FOR EVERYONE

Factors that determine whether an MSA is the best strategy are nuanced and include both meeting frequency and spend volume, speakers said.

Because of their inherent ability to speed the contracting process and secure favorable dates and rates, “If you’re an organization that has over 300 meetings a year, an MSA can be a real lifesaver,” said Jonathan T. Howe, founding partner and president of Howe & Hutton law firm.

That’s not always the case: an MSA might not be the best strategy in every destination, even for high-volume meetings programs.



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"If you have a large volume of meetings that might be in high-demand destinations, it may not be in your best interest to have an MSA just because you think it's going to give you better terms," said John Yeadon, regional vice president of global sales with Hyatt Hotels Corp. "It might actually restrict certain hotels from bidding on your business."

For example, Yeadon said, a hotel in San Diego may be more restrictive on profitability levels or contract terms than a hotel located in Minneapolis during the winter.

MSAs can be a good fit for small- to medium-sized meetings programs, he added, although there are no hard and fast factors to apply. The basic rule of thumb: "It's about need and fit on both sides," he said.

"It can take upwards of a year to get one of these MSAs over the line, depending on how complex your organization is and how stringent the clauses are within the MSA."

— Ann Dery, Johnson & Johnson

• NEGOTIATING—OR RENEGOTIATING—MSAs CAN BE CHALLENGING

Planners should be aware that there are challenges to securing an MSA, including the length of time and complexity involved in negotiating such agreements, as well as increased involvement by hotel owners in scrutinizing specifics. These challenges are occurring as many MSAs have expired and are now up for renewal. The era of evergreen MSAs has ended, speakers said.

"Many of the agreements are no longer valid, and that may pose a challenge, but these expired agreements also give both of us the opportunity to revisit terms that are most crucial on both sides," Yeadon said. Since the pandemic, some planners may not have the history in recent years that hotel owners and operators would like to see to agree to an MSA.

Noted Whitehead, "We're seeing a harder renegotiation on both sides right now, and the length of time and effort that goes into it is significant."

At the same time, owner involvement in MSA negotiations has increased.

Given ongoing staffing issues and continued pressure on profit margins due to everything from supply line issues to supplier price increases, "I think you'll see hotels are being a little bit more fine-tuned on broad terms and discounts that might have otherwise been easy to get," Yeadon said. "Things like food and beverage discounts that used to be an automatic 10%, 15% or 20% are going to be scrutinized a lot more." He added that in these negotiations for an MSA, "a happy medium is possible."

Negotiating, or renegotiating an MSA can be a lengthy and complex process that involves other key stakeholders in an organization's travel program, including its legal team.

Dery recommends that planners approach the process with "a lot of patience and perseverance" and understand that progress will be incremental. "It can take upwards of a year to get one of these MSAs over the line, depending on how complex your organization is and how stringent the clauses are within the MSA," she said.

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• HOW TO GET STARTED

Panelists shared a few practical pointers planners should consider before reaching out to hotel partners to start MSA negotiations.

Clarify what you want to achieve: “Play cub reporter and ask who, what, when, where, why and how,” said Howe. “Look at how that MSA is going to work for you by answering those questions about what you’re trying to achieve. You want to get down to the basic things that you absolutely, positively have to have in your MSA, then negotiate what you would like to get later.”

Identify the mutual benefit: Yeadon encouraged planners to understand, “What’s in it for you, and what’s in it for us [the hotel]?” “There has to be a mutual benefit on both sides.”

Consider the ROI on your spend and your partnerships: “There needs to be an ROI that goes into putting an MSA in place,” Whitehead said. “You need to understand your volume and how an MSA will influence your spend and prioritize your partnerships. Where can you—and where do you want to—drive meaningful business in a partner-based relationship, because an MSA is much more than a supply chain buy; it is a partnership.”

Engage your legal team: “Work really closely with your legal team,” Dery advised. “I think it would be helpful to have a conversation with your legal team before you reach out to the hotels, just to explain to them what you’re trying to do with the MSA and what value that would bring to the company.”

If the decision is made to proceed with securing an MSA, “As a buyer you should not assume that your lawyers are familiar with these types of MSAs, nor would they necessarily have a template for you to start from,” Dery said. “It’s a

very nuanced agreement and it’s very different from other commodities. You may actually have to start by asking your hotel partner to share their MSA template with your legal team and have them review it.”

• WHAT TO INCLUDE IN AN MSA

While each organization will need to customize an MSA to support its specific meetings strategy and program, Howe offered this general guiding principal regarding inclusions: “You want to get the things in the MSA that you don’t want to have to look at again, so that it becomes the boilerplate of the overall contract.”

Key examples are legal clauses that are “absolutes” or essential for an organization. “Get them into the MSA so you don’t have to renegotiate them each time you go out to a different venue or a different vendor or a different location,” he said.

Other MSA inclusions can include uniform language on when and how things like damages, cancellations and attrition fees are calculated and paid. For corporations, MSAs have increased with the maturity of strategic meetings management programs to provide the “overarching governance structure of the relationship between the buyer and the hotel chain. They also solidify those types of legal clauses that each company requires in their legal contracts and touch on data security,” Dery noted.

“Figure out the basic approaches that underlie how they are going to be calculated, what’s going to be included, and what will be excluded,” Howe said. “You’ll still have to fill in the blanks as to what a dollar amount or percentage would be, but first establish a framework, and then build on that framework to finish the house through the Statement of Work. That second document really needs a lot of attention as to what you’re going to be placing in it.”



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According to Whitehead, the Statement of Work, also referred to as an addendum, is a critical document to the MSA.

“The most important thing is to allow for some level of choice at the meeting level,” she said. For example, if more people are driving than flying to the meeting location, free parking might be a better option than a free breakfast. “It’s important for the planner to have the ability to negotiate at the event level in that second level of document.”

“As much as we would want to go through this endeavor on the promise of more meetings, it may not be worth our time if we don’t have data that shows that.”

– John Yeadon, Hyatt Hotels Corp.

Yeadon advised planners to let boilerplate and/or legal terms govern the overall MSA agreement and leave room to negotiate in the Statement of Work.” Those two things are really crucial when considering the benefits to both sides of an MSA—the availability or sometimes the restrictiveness of the destination—and also allowing the hotel to give more should they want to earn that business,” he said.

A rebooking clause that applies to both parties is also an important inclusion in the MSA.

“I think a rebooking clause is absolutely fair,” Yeadon said. “Sometimes there are elements that are out of your control, and I think it allows both parties to say, ‘Let’s try this again next time.’ What percentage of what will be applied can be variable, depending on the hotel.”

Yeadon also recommends that MSAs specifically include the option to amend and/or extend the contract rather than renegotiate starting from scratch.

“Why go through the whole process again if you don’t have to,” he said. “If things change materially, you still reserve the right to revisit terms. But if everything’s good, let’s just extend it, rather than going through this lengthy process again. The ability to amend and extend is really critical to keeping things moving, especially if you have momentum.”

• INSIGHTS ON NEGOTIATING THE MSA

As is the case with negotiating any supplier or vendor contract, planners need to bring solid data about their meetings program to the negotiating table.

“It’s really a data-driven conversation, as much as it is legalese,” Dery said. “You have to understand your own data to know which chains you should approach to even speak about an MSA based on the destinations of your meetings, your meeting types, the attendee tiers, and so on. You really have to have a good understanding of your meeting program from a data perspective before you can even start approaching the legal perspective with the MSAs.”

Both data and governance are key considerations in a MSA negotiation, according to Whitehead. “Being able to understand what your activity and your footprint and your spend look like, and being able to govern that by showing your ability to either manage or influence that spend, are going to be important when looking into one of these partnership conversations,” she said.

Noted Yeadon, from the hotel perspective, “As much as we would want to go through this endeavor on the promise of more meetings, it may not be worth our time if we don’t have data that shows that.”



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He added that if a planner does not have sufficient volume to warrant an MSA, demonstrating the ability to shift market share can be negotiated as a precursor to inking an MSA. “We can do a test run based on a sales contract until we get to a level where we both feel comfortable that we can both hold up our end of the bargain in terms of the goal of an MSA.”

Yeadon emphasized that the market share piece, “is not about what you’ve done in the past, but more about what you can do in the future.” For example, if an organization has a planned acquisition, meetings volume from that new business might be a good match with a particular hotel brand or brand segment. “These are things that we would come to the table to have a dialogue about prior to agreeing on entering into an MSA.”

Hyatt MSAs generally extend for three years. “If it’s a newer agreement and we are looking for certain benchmarks on either side it can be shorter,” Yeadon said.

Dery advised planners to carefully consider force majeure clauses when negotiating an MSA. “There are situations in which the destination you’re at may not be impacted, for instance, by a hurricane, but the surrounding area is impacted and perhaps only 30% of your attendees may be able to show up. You may have to reschedule that meeting based on things that are out of your control.”

MSAs can benefit both planners and hotels by creating a structured legal framework that streamlines and speeds negotiations while allowing flexibility at the event level through a companion addendum or Statement of Work. However, they are not the perfect solution for every meetings program. Planners interested in exploring an MSA with a hotel partner are advised to begin with clear goals, a thorough data-based understanding of all aspects of their hotel program and buy-in from their legal team. ■

About CVENT, Inc.

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