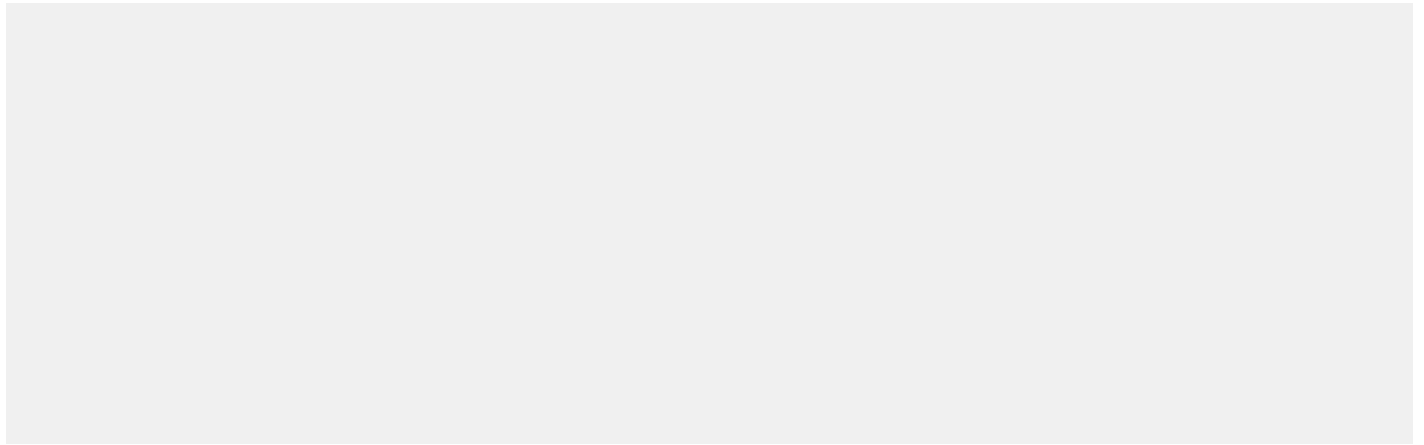


# Interview with Sergio Gutierrez Torres, General Manager, Espacio Riesco

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15.07.2012

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You are by far the largest Convention Centre in Chile. When was it decided to construct such an impressive event area and what was the vision behind the creation of Espacio Riesco?

The idea of Espacio Riesco came up in 1998 and the first phase of the construction ended in 2001 for the first 10,000 square meter area which constitutes the Convention Centre. The second phase lasted between 2002 and 2003 and it involved the creation of the Expocenter Pavilion that consists of 5,000 square meters. We built this space in order to address the need for large congresses and conferences in the country and we began our operations by organizing the International Gynaecology Congress at which we received more than 7,000 delegates. Aside from the congress, which was in fact the first big medical congress that Chile received, we also organized a fair with all the companies related to gynaecology. From that point on, we have always asked ourselves whether we should just continue with the Expositions Centre or we should enter into the hospitality business and offer also hotel facilities to our delegates. Today we are seriously considering this opportunity for the future, but nothing has been defined yet.

What have been the milestones in the development of Espacio Riesco in terms of growth and market share since it opened?

Since its inception Espacio Riesco has been growing sustainably over the years; in other words we have been growing at the same pace as the market. Our business is divided into five lines:

Corporate events, Conferences and Congresses, Fairs and Exhibitions, Social Events (Marriages, graduations, ethnic events) and Shows. In 2010 we also brought to the market a new line for external catering services. This new line represents a very important milestone, given the fact that we internalized the catering services two years ago. This included the construction of a luxurious in-house catering facility to satisfy our internal needs. We are now counting with 180,000 square meters in total, out of which approximately 40,000 square meters are covered, which makes us the biggest multipurpose venue in the country. In this regard, we now have the capacity to accommodate 8,500 people for a sit-down dinner and not only for fairs and conferences. We have invested into high technological equipment with the purpose of satisfying all the needs of our customers.

How are Espacio Riesco's facilities adapted to meet the needs of the most demanding clients?

Espacio Riesco offers a full range of in-house services, beginning with those related to technology such as connectivity and audio visuals, as well as gastronomic and translation services. With this range of services we have created an internal platform ready to address the most stringent needs of a national or international conference. In addition, we also offer free parking facilities for three thousand vehicles and buses, which is of great importance for the events' customers. In the business of convention centres, Chile ranks as the third largest market in Latin America after Brazil and Argentina, so we expect to receive between fifty and sixty events a year. Getting back to our offer, our aim is to provide our customers services that simplify their work. Additionally, Chile also offers a stable economic environment and an advanced national infrastructure.

What have been some of the most memorable and noteworthy events that have been hosted at Espacio Riesco, especially in the Pharmaceutical area?

As mentioned before, we started with the International Gynaecology Conference in 2003 and this year we just hosted the ALAD Congress (Asociacion Latinoamericana de Diabetes) and RADLA (International Dermatology Congress). Outside the pharmaceutical sphere, we hosted the Asia-Pacific meetings and the Latin American Presidents Summit.

Since the earthquake earlier this year, the government of Chile has been actively pursuing to attract investors back to the country. Similarly, what has Espacio Riesco done to increase the number of events hosted since the earthquake?

From the business tourism point of view, the earthquake did not have any negative influence on hotels and convention centers. The industry has behaved very well this year. As a matter of fact, our growth rate in 2010 has reached 30% in terms of sales, which shows a very positive

perspective for the industry. The economic recovery together with the financial stability of Chile has influenced more in bringing customers to our country. To give you a personal example, thirty days after the February earthquake we were already having one of the largest expositions of the year- the EXPOMIN fair. This is the third biggest mining fair in the world, and it used the entire capacity of Espacio Riesco, thus my point is that the industry has found the way to get over the earthquake in a very quick period of time.

Looking further into the physical impact of the earthquake on our facilities, the damages were minimal and they were repaired in thirty days.

How has Espacio Riesco been positioning itself to become the event space of choice for members of the pharmaceutical community looking to host events in Santiago? What do you offer your clients that other spaces don't?

First of all, starting this year we are developing an "Excellence of Service" programme. We consider that Chile has to be identified as a place offering the highest quality of service and that it is recognized as such in the region. As a director of the Santiago Convention Bureau I am actively participating in the branding of the city of Santiago as a secure place with impeccable international standards of quality and the best facilities in the country. The convention bureau is also working on bringing more certifications to the tourism industry in Santiago, and especially for the venues for conferences and congresses.

Looking inside our company, we think that our quality of service should be the asset that differentiates ourselves from our competition. Another advantage we have over our competitors is our size - we are becoming a reference nationally for large conferences from 5,000 to 7,000 delegates.

As a last point, our excellent location is another advantage given that we are situated close to the business areas of the city and the most important hotels. Unlike the rest of the world, in Chile the congress venues are generally private property which gives us more flexibility and allows us to grow according to the market needs. Espacio Riesco is not on a public concession territory, thus we are able to decide for the future and make long term plans accordingly.

What services does Espacio Riesco offer its clients in order to ensure the flawless execution of an event? What partnerships have been developed with other service providers?

We only externalize the minimum possible in Espacio Riesco because we consider that we are fully responsible for the whole service we provide to our customers. Of course this is difficult, but we manage it very well given the fact that we divide our offer into five different business segments, which increases our occupation rate. Today we account with a 60% occupation, filling in the other

40% with New Year's Eve and special offers during the holidays.

The only relevant service we do not have inside the house is the stand modulation for fairs and congresses, but in this respect we have built a strategic partnership with a specialized modulator.

Guaranteeing the best quality service is dependant on employing the most talented and qualified staff. What does Espacio Riesco do to attract and retain the best talent to its corporate operations?

As I mentioned above, we are now in the process of training our entire staff so that they are able to offer a complete quality service. This is being done through a coaching program that is divided into three segments: one segment for the high management, one for the middle-management positions and the last one for the rest of our staff, ensuring that all our employees have the same approach towards our customers. The coaching is internal and happens once every two weeks, and the system is based on motivational role plays and experimental role plays. We want our staff to leave a positive mark on the clients, so they can have an excellent service and experience. Therefore, we do not sell products but experiences.

In the recruiting area we also work with temporary service providers, but always with a contract and under the regulations of the national labour stipulations.

On another point, it should be taken into consideration that our industry is a very environmental friendly one - we create value in the country without contaminating the environment. This is for the benefit of our employees and our community in general.

Where do you want to take the Espacio Riesco 3 to 5 years from now?

Our vision for the future is to grow at a rate of 7% to 10% % annually , and finally reach an real occupation rate of 75%. From the business segment point of view, we want to consolidate ourselves as the leader in the market of fairs, conferences and congresses and big corporate events. The other markets we operate in are very competitive due to the existing offer from three to five star hotels in the region. As already mentioned, we are considering the possibility of building our own hotel in order to have a full range of integrated services in our offer.

As future initiatives, together with the external catering, we are planning the launch of a restaurant line under a different brand in the upcoming years.

What is your final message for our readers of Pharmaceutical Executive about the commitment of Espacio Riesco to our clients looking to host an event in Santiago?

Our priority is to work in a responsible and reliable way. We emphasize on working with the customer as a team and we offer high quality services throughout our entire platform of businesses. We have impeccable services and we invite the pharmaceutical industry to get to know

us and even make on-site inspections to discover our facilities and services. Despite our high quality services, our prices are very competitive within the industry. Last of all, we plan to continue growing together and at the same pace with our clients.

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