Business Value of Meetings
Defining the Purpose of Your Event and Gauging Its Success

Supported by aibtm™
MPI FOUNDATION
Executive Summary

The business value of meetings: You want to prove it, but that’s problematic given the diversity of its definitions. Some claim “BVOM” is synonymous with ROI (return on investment); others contend it is ROO (return on objective). Maybe it’s both, or neither, or simply a degree of achievement.

Witnessing this utter lack of agreement and realizing its responsibility to the meetings community, MPI engaged research firm Association Insights and launched this first international study into just what BVOM means to professional meeting planners and how it is measured, reported and used.

Association Insights interviewed executives at 215 companies worldwide from a bevy of industries including health care, technology, marketing, engineering, manufacturing, finance, pharmaceutical, education, energy, consulting, congress management and legal.

The results: BVOM varies widely by meeting types, as do its measures and their uses. While BVOM is always considered in terms of contribution to company success, that contribution is seldom expressed as ROI, with the exception of meetings that exist exclusively to generate sales leads or revenue.

The definition also varies by industry and region. Some sectors, such as medical and pharmaceutical, have legal and professional requirements that define BVOM. The business value of trade shows diverges sharply from that of incentive events, which in turn differs from motivational events and sales training. In Europe, where third-party planners are a significant provider of planning and execution services, BVOM measurement and reporting are often used as competitive differentiators.

As meeting professionals face demands to justify cost, many are asking for help in communicating the value of meetings and events to senior management. They don’t fully understand the techniques for capturing BVOM and communicating it in terms of value. And perceived complexity and cost cause many planners to avoid the practice.

The diversity of opinion on the business value of meetings and the merits of its measurement has led MPI to conclude the necessity of a toolkit to help meeting professionals a) address the assumption that measuring BVOM provides little ROI, b) attain senior management stakeholder buy-in, c) define objectives and realistic expectations, d) devise meaningful ways to measure the business value of meetings and e) analyze and report BVOM data.

ROI vs. ROO

ROI = (Revenue / Expense) – 1. The result is the percentage of investment represented by loss or gain from the event.

ROO is a percentage of possible outcome, such as delegate scores on content retention quizzes or levels of improvement in specific areas.

Who Responded?

Region
- 55% U.S.
- 32% Europe
- 7% Canada
- 5% Asia

Level
- 9% Local
- 62% Regional
- 29% International

Industry
- 21% Meeting Management Professional
- 13% Technology
- 11% Healthcare
- 10% Pharmaceutical
- 7% Financial
- 6% Consulting
- 5% Manufacturing
- 4% Travel & Tourism
- 2% Education, Energy, Engineering, Event Design & Production, Legal, Marketing, Marketing & Events and Transportation
The Findings

Event Measurement

The majority of meetings and events still don’t undergo any formal scrutiny for business value, and the reasons are clear. There’s no measurement process in place because the events are a) too small for budget to impact the bottom line, b) too programmed to allow for improvements to business value or c) “known” to be positive—and therefore needing no measurement.

Examples: Quarterly sales meetings at a small company require planning, but don’t affect budgets to the extent that most companies consider formal measures appropriate. Annual board meetings may be so prescribed that no significant change in location, duration, content, format or delivery is permissible, so BVOM measures won’t likely produce useful results.

Indeed, less than 5 percent of all meetings and events are measured for BVOM, and possibly as few as 10 percent of those are measured for actual ROI. However, larger meetings employ more BVOM measures, so the 5 percent of measured meetings represents much more than 5 percent of total event budgets.

Implied BVOM

In most cases, companies assume meetings bring positive value, the expectation of which precludes many organizations from engaging in detailed BVOM strategies—which many meeting professionals imagine as complex and expensive. The rationale: “We wouldn’t plan a meeting if we didn’t expect it to positively impact the bottom line. We will measure satisfaction for key elements, and assume BVOM based on those data.”

This “implied BVOM” has significant influence over how many companies measure BVOM, if they measure it at all. BVOM measurement and reporting is most prevalent for trade shows and recurring meetings, such as educational sessions and internally managed sales and marketing events. But even these environments are strongly influenced by implied BVOM.

“It is hard to determine ROI. There’s not an exact science to measuring and obtaining data and statistics about the success of an event. Unless you can go back and prove or show that this sale was made because you went to that show, it is not possible to really measure the cause and effect of whether or not a tradeshow or meeting is the direct cause of a sale. This is the same old story that’s been going on for decades, so it’s nothing new.”
—Global Biotechnology Company

ROI on BVOM

Organizations that calculate ROI when measuring the business value of their events typically engage in a range of reporting activities that other organizations do not. Companies that have ready access to revenue and expense data can measure ROI using a simple formula. But some organizations must create databases and track historic and future revenue data over periods as long as three years in order to obtain final ROI results from an event. The seemingly laborious nature of long-term tracking causes many companies to seek alternatives to actual ROI measurement. In fact, most organizations infer the ROI of their events, rather than measure it for a variety of reasons.

For many companies, an event’s efficacy is too distant from direct revenue generation to effectively track its contribution. There may be too many departments or too many contributors to revenue generation to isolate the meeting or event ROI. A company’s managerial or political structure may not support detailed tracking of revenue results. And many companies don’t even have the culture needed to establish and utilize ROI data-driven systems.

Without ROI

For many companies, BVOM is simply inferred contribution to ROI; a successful meeting satisfies a variety of non-financial criteria. If an organization expects its meetings to contribute to ROI and executes key factors satisfactorily, then it has achieved positive value. Regardless of existing definitions, the marketplace most often defines BVOM as “satisfaction with meeting or event objectives”—and those objectives are often non-financial.

And companies characterize some events by what they defend against, rather than what they accomplish.

Example: A sales meeting brings teams up-to-date on market trends and ensures against competitive disadvantage. There is no expectation of how future sales might be affected by a lack of training, only that they would not be as good. So, the BVOM of a sales event may best be measured by comparing actual sales to those of competitors, all other factors being equal.
Consider an internal course for the maintenance of professional designations. Because all professionals must take part, the organization characterizes the course as both preventing the loss of designation and improving the knowledge of its execs. In these cases BVOM can be measured by expense or even non-financial objectives such as content retention, pass/fail rates and overall or issue-specific satisfaction.

Then, there are “market maker” organizations, which attend, sponsor or host events because they feel they must, regardless of tangible expense or revenue. Usually large, multi-national companies, market makers believe their absence will alienate partners, customers and suppliers; their lack of sponsorship will appear as a harbinger of financial problems; their cancellation will be noted as failure. These organizations take part in many meetings and events for which the BVOM is simply participation.

Likewise, incentive events often bypass traditional ROI measures. The revenues for these events are often defined by sales goals, set long beforehand, so a minimum ROI is assured. In other companies, incentive events are part of the corporate culture and will continue to be held even at a reasonable financial loss.

Meeting professionals know that certain organizations specialize in understanding and measuring ROI. They acknowledge the value, and often express a desire to implement ROI measurements into their BVOM programs. However, in many cases, they are convinced that either their organizations or their meetings are not appropriate for ROI measurement.

“We do not measure the business value of our meeting. We do one event every 18 months, an incentive travel program for our sales force. Sales people who sign up and sell a certain amount are eligible to take their families on a trip. We do not ask for feedback because the trip is so lavish.”

—Regional/National Manufacturing Company

With ROI

Then again, many organizations do use sophisticated means for measuring, reporting and implementing comprehensive, ROI-centric BVOM strategies that span departments—even continents—in order to improve the business value of their meetings. These organizations use personal attention, novel concepts, technology, software that compares market conditions to internal data, customer relation management tools and reporting at various levels. They embrace a culture of ROI management. They establish standards and goals with tactics to affect change. They are typically business-to-business, sales-driven organizations, offering products or services that establish value by purchase, license, rental price and contact terms. A few even qualify as “market makers,” and simultaneously have departments that face the public and do not measure ROI.

Common Traits

Organizations that measure BVOM—whether inclusive of ROI or not—execute on certain common practices. They define the purpose(s) of their meetings so as to identify needed measurements. They implement surveys of one form or other and use the results to improve strategies for the next event. Satisfactory BVOM methods always rely on these elements.

“...we do surveys after each meeting. We ask extensive questions about venue, food and beverage, services, set-up/breakdown, value of meeting, speakers, topic/content, technology and registration process. We have been doing written surveys for the past six years. We hand them out in the last session and ask everyone to fill them out and hand them in as they leave.”

— Global Telecommunications Company

Addressing the Misperception of Low ROI of BVOM

Many companies assume that BVOM analysis doesn’t offer sufficient payoff. The expected benefits of BVOM measurement and reporting are too low to justify expected costs. Meanwhile, many meeting professionals are under the mistaken impression that measuring and reporting BVOM is an all-or-nothing effort. Incremental options can lower “costs” and make “returns” easier to manage and measure. This solution will show you actual costs and benefits and how to communicate them.
Defined Objectives
In order to develop meaningful BVOM measures, companies must define the purpose(s) of their events. Organizations that spend extra time on meeting design can align content with overall objectives. Meeting professionals indicate this is the most important and most difficult element of BVOM measurement, reporting and use.

Internal Stakeholders
Events often replicate their predecessors with little attention to strategic meeting design. Meeting professionals describe the occasional need to adjust senior management expectations in order to redesign these events. Here, the c-suite must provide clear guidance on purpose and outcomes. Meeting professionals must often introduce new event elements that will be measured for BVOM; however, without proper meeting design—aligned with meeting objectives—business value measurement is difficult and unreliable.

BVOM Measurement
When actual ROI is measured, companies compare historical data to current and future data and evaluate change in revenue. Expense reports provide the denominator for the ROI calculation. Internal and external data and test results make up the final determination of the BVOM.

Meeting professionals employ written and telephone surveys, focus groups and social media to understand the impact of their events on delegates and staff. Questions focus on accomplishment of purpose and ways events can improve in the future. The most difficult aspect of data collection is proper question design, though the art of survey is generally understood only after several measurement attempts, as planners discover that their survey data is only partially usable due to poor question wording. Response rates vary from as low as 3 percent to as high as 95 percent. Incentives, frequent communications, onsite delivery and convenient access strengthen completion rates.

Getting Stakeholder Buy In
Many companies assume that BVOM analysis doesn’t offer sufficient payoff. The expected benefits of BVOM measurement and reporting are too low to justify expected costs. Meanwhile, many meeting professionals are under the mistaken impression that measuring and reporting BVOM is an all-or-nothing effort. Incremental options can lower “costs” and make “returns” easier to manage and measure. This solution will show you actual costs and benefits and how to communicate them.

“"If it is a convention, we measure satisfaction with how the meeting went—logistics and services. If it is a seminar or training meeting, we measure learning—whether delegates felt they learned anything about the meeting subject matter or topic. We use a one-to-five scale, and if we score above a four, we consider it successful. We have been using this method for quite some time, and it works very well.”
—Regional Medical Institution

Creating Meaningful Ways to Measure BVOM
Following find time-tested and proven sources for BVOM measurement.

• Internal data such as sales reports and customer retention numbers
• Outside sources such as attendance levels and market trends
• Surveys that measure content recall, satisfaction and relevance
• Social media that monitor engagement and immediate reactions
• Focus groups that reveal key motivators, preferences and expectations
• Co-creation sessions that develop new processes for success
• Random recruiting that finds objectives and degrees of experience, expectation and preference
• Interviews with non-delegates that establish control group statistics
• Telephone interviews that obtain rich, qualitative information

Planners generally do not know the best data resources to use or how to develop effective collection methods. This tool kit solution will teach you how to decide which resources are ideal in specific situations and how to develop and use those resources.

BVOM for Trade Shows
Some business-to-business companies that exhibit at trade shows don’t measure resultant sales because they consider the events as a convenience to potential buyers that increases the speed of eventual sales. These wholesale companies say trade shows are a valuable way to bring people together, but not necessary make sales.
Conclusion

The understanding, perception, measurement and use of BVOM data vary greatly by corporate culture, meeting type and budget, planner knowledge and geographic region. While the direct relationship between a meeting and its corporate ROI is the ultimate expression of BVOM, most organizations don’t attempt to define that relationship. In some cases, meeting planners say the process is too complex and expensive to be worthwhile; in other cases, they haven’t defined expectations for return on investment, but instead rely on implied BVOM or inferred ROI. In other cases, events are characterized as defensive, and are measured by what they defend as opposed to what they contribute. Most meetings are not measured for their business value, but those that are tend to have the largest budgets and most at stake.

Three shared characteristics among organizations that measure BVOM make intelligent meeting design crucial:

1. Clearly defined event objectives and expectations
2. Data collection methods that measure those objectives
3. Result evaluation that leads to improvements

The concern that BVOM is an all-or-nothing proposition keeps many meeting professionals from taking advantage of potential improvements, even though BVOM can be implemented incrementally over several years, with measurable gains along the way.

Analysis and Reporting

The biggest weaknesses in implementation are analysis and reporting. Most survey systems and internal and external reports are easy to understand, but companies aren’t scientifically using results to produce statistically reliable courses of action. Professional analysis and reporting produces the best results and approaches to event improvement. Companies that have recently enlisted professional analysis and reporting have a better understand of their measures at various levels in their organizations, and clear paths to improvements.

From the Toolkit

Analyzing and Reporting BVOM Data

When meeting professionals have data to aid in understanding and improving BVOM, proper organization, analysis and reporting is critical to good decisions. This solution will teach you how to understand data and produce useful information that leads to informed decisions.

BVOM for Education

The most successful method for measuring the effectiveness of an educational session is testing. If delegates are new to the topic, tests are only given at the end of the session to ascertain the amount of information retained and to reinforce the information presented. The target retention rate is usually between 80 percent and 85 percent. If delegates are familiar with the topic, meeting professionals compare tests before and after the session to determine increases in knowledge or awareness, with the target rate, again, between 80 percent and 85 percent.

Some business-to-business companies who exhibit at trade shows do not attempt to measure resultant sales because they feel trade shows are a convenience for potential buyers and may only serve to increase the speed of eventual sales. These companies, all of which sell products into the wholesale market, say tradeshows are valuable as a way to bring people together, but not necessary for the sale.
About MPI

Meeting Professionals International (MPI), the meeting and event industry’s largest and most vibrant global community, helps our members thrive by providing human connections to knowledge and ideas, relationships and marketplaces. MPI membership is comprised of more than 23,000 members belonging to 71 chapters and clubs worldwide. For additional information, visit www.mpiweb.org.

Meeting Professionals
International Headquarters
3030 LBJ Freeway, Suite 1700
Dallas, TX 75234-2759
tel +1-972-702-3000
fax +1-972-702-3089

EMEA
Europe/Africa
28, Rue Henri VII
L1725 Luxembourg
tel +352-2687-6141
fax +352-2687-6343

Middle East
PC5 Offices,
Education City,
Doha, Qatar
tel +974-454-8000
fax +974-454-8047

Canada
6519-B Mississauga Road
Mississauga, Ontario
L5N 1A6
Canada
tel +905-286-4807
fax +905-567-7191

Asia Pacific
73, Bukit Timah Rd
#04-01 Rex House
Singapore 229832
tel +65-6496-5504
fax +65-6336-2263

About the MPI Foundation

The MPI Foundation is committed to bringing vision and prosperity to the global meeting and event community by investing in results-oriented initiatives that shape the future and bring success to the meetings and events community. For more information, visit www.mpifoundation.org.

About AIBTM

The inaugural AIBTM was held June 21-23 in Baltimore by Reed Travel Exhibitions, a part of global events firm Reed Exhibitions, which holds 440 events annually in 36 countries. In 2010 Reed brought together more than 7 million event participants from around the world generating billions of dollars in business. For more information, visit www.aibtm.com or www.reedtravelexhibitions.com.

About Association Insights

Association Insights provides research and consulting services to nonprofit organizations and helps them find solutions and make better decisions.

Association Insights
Olde Vinings Park
2719 Vinings Oak Drive
Smyrna, Georgia 30080-8076
1 (866) 733-6460
+1-404-355-3414

Editorial Support
Bill Voegeli, President, Association Insights
Jessie States, Senior Editor, Meeting Industry, MPI

Design Support
Jason Judy, Graphic Designer, MPI

Photography
Nordica Photography

© 2011, Meeting Professionals International. All Rights Reserved