

ABCs of ROI

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Return on investment - oh, how do we define you? One would think the name would be self-explanatory. Simply put, ROI is a valuation method - a way of calculating how much you get for your dollar.

If only it was that easy.

Because “value” is such a fluid term in the meetings industry, calculating ROI is a task that can result in much pulling out of hair. One of the hottest topics in the industry today, it’s also sparked a lot of discourse. Recently, the International Association for Exhibition Management’s President Steven Hacker, CAE discussed the importance of ROI, describing a newly-formed ROI Task Force that has been assigned to develop “simple-to-understand-and-use” tools with which to measure its various aspects.

“Simple” sounds good. In the meantime, the Phillips ROI Methodology serves as a framework for planners seeking to evaluate their meetings. Developed in the 1970s, this methodology has been honed to analyze different levels of meetings in order to determine how meetings are producing results. Following are five levels of evaluation described in the methodology.

Level One

This level measures attendee satisfaction and is customarily conducted through the use of post-meeting evaluations filled out by the attendees.

Level Two

Focusing on education or skills gained, this level implements the use of assessment tools to determine whether attendees have retained information from the meeting.

Level Three

Just because an attendee learned something or met someone doesn’t mean that information or lead will be used. This level establishes whether gain from meetings is actually applied on the job.

Level Four

This level focuses on how the gain from the meetings and the application of that gain on the job affects overall performance of the individual or organization.

Level Five

In this level, the cost of holding a meeting is compared with the gain of holding a meeting. Here it must be determined if the expense is justified by the results.

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