Chasing ROI:
How Valuable is the Annual Conference?
One Planner Decided to Find Out

Part Two in a Series

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Editor's Note: *This is the second in a series of articles exploring what ROI means for your events. In January, find out the return CIC got on its investment in its annual conference.*

How do you determine whether your event succeeded? All too often, meetings, conferences and other events are reported as productive because "people liked this year's keynote speakers" or "the hotel received high marks." Sure, positive reactions are an important factor, but they are not the only or primary indicator of success. Meetings are of most value when they are driven by business needs and clearly stated objectives.

To get a better idea of how to evaluate your events effectively, let's look at a real-world example where a meeting planner was challenged to show how a major meeting — the company's annual agent conference — was aligned with strategic business goals in order to prove its value.

Case File

A company, which we'll call Community Insurance Company (CIC), operates in most major communities in the Midwest, offering life, homeowners and automobile insurance to consumers. The company operates and grows its business through local agents who provide service and reputable support to policyholders. Although the company provides some national advertising and promotion, each agent has a budget for local advertising. However, agents obtain much of their business through customer referrals, following up on contacts and presenting the business case for switching insurance providers to CIC.

Each year, CIC conducts a conference where agents are invited to attend to obtain updates on the company, network with other agents, review changes in products and processes, and, more importantly, develop and refine marketing and business development tools and processes.

Approximately 60 percent of the 1,000 agents attend. The conference and attendance expenses of the agents are entirely paid from each agent's advertising and promotion budget. Because of this, some agents do not attend, choosing to spend their advertising money in other ways.

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The company's CEO and senior staff, who always attend the conference, view this as one of CIC's most important meetings. Because of increased costs of conducting the meeting, however, the CEO is questioning the value of this meeting in its present form. Among other things, he would like to know if it would be more cost-effective to conduct the meeting in some other format, such as a series of live teleconferences, or perhaps the meeting could be eliminated altogether in favor of more direct communications and visits by regional executives.

As a starting point, the CEO would like to know the value attendees derive from the meeting in terms of this question: What impact does this meeting have on revenue, market share, profits and other important measures?

The director of meetings and events, whom we'll call Marilyn Hansen, accepted the CEO's challenge and planned an impact study of the meeting, including an ROI analysis. She realized that the starting point was to clearly identify the objectives and business purposes of the meeting, along with the business impact that senior executives desired.

SIDEBAR

Why ROI?

Not all meetings or events are appropriate for ROI evaluation. However, in this case, the business and job performance needs were clearly defined and the conference became a good candidate for ROI. Without these two steps, it would be difficult to conduct a successful ROI study. In addition, the CEO in this case challenged the value of the meeting. An ROI study would provide convincing evidence about the success of a major conference. Finally, this was a highly visible, strategic and expensive conference that should be evaluated at this level.

Level 1: Defining Reaction Objectives

These objectives reflect the immediate and long-term satisfaction with the issues important to a meeting's success. After clarifying what reaction management expected from the agents, Hansen made the following list:

After attending this meeting, participants will perceive the conference to be:

- Organized and efficient
- Conducted by effective speakers
- Valuable for business development
- Important to their success
- Motivating
- Challenging
- An excellent use of their time
- Full of new information
- Action-oriented (they intend to use the material)

Remember, developing reaction objectives for meetings and events should be straightforward. Typical reaction objectives reflect issues including:

- Relevance of the meeting to my work
- Effectiveness of the speakers
- Appropriateness of meeting topics

Level 2: Defining Learning Objectives

Almost every meeting involves at least one learning objective — and usually more. Hansen probed for specific learning that should take place or contacts that should be made.

In addition, she asked about takeaways from the meeting. This issue was even more difficult for executives to discuss, so she sought out regional managers and senior agents to provide more information about the content of the meeting. Specific learning objectives were identified as follows:

At the end of the meeting, participants should be able to:

- Identify the five steps of the business development strategy.
- Develop a business development plan.
- Select the best community service organization to join for business development.
- Explain the changes in three products.
- Identify the five most effective ways to turn a contact into a sale.
- Identify at least five agents to call for suggestions and advice.

Level 3: Defining Application Objectives

Application objectives define what is expected of meeting attendees when they return to the workplace. Application objective are critical because they describe the expected results that should occur during the interval between "learning" and the "impact."

Hansen clarified the specific actions the agents were expected to take when they returned to work after the conference, detailing as much as possible the changes expected. Although this was initially a challenge for the executives, as they had not thought through those issues very clearly previously, Hansen worked with them to determine several actions management desired from the agents, which became the basis for the following application objectives:

On the job after six months, each agent should:

- Implement a business development plan.
- Implement at least two new business development strategies.
- Contact at least 10 percent of the current customer base to offer them the new changes in auto insurance coverage.
- Make a random 5 percent customer service check with current clients.
- Follow up with at least three agents to discuss successes, concerns or issues.
- Join at least one additional community service group targeted for a potential customer base.
- Use selling skills to turn a contact into a sale.

To measure success with application objectives, Hansen decided to use a post-event follow-up questionnaire. She distributed this questionnaire six months after the conference to ensure that the

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desired business impact results had time to materialize. Specifically, attendees were asked to rate their level of agreement, on a five-point scale, with the following targeted behaviors from conference:

- I implemented the business development plan.
- I applied at least two new business development strategies.
- I contacted at least 10% of current customers to offer new changes in auto insurance coverage.
- I made a random 5% customer service check for existing clients.
- I followed up with at least three agents to discuss successes, concerns, or issues.
- I joined at least one additional community service group targeted to our potential customer base.
- I have used selling skills to turn a contact into a sale.

Level 4: Defining Impact Objectives

To better understand the impact that was desired, Hansen met with the CEO, the executive vice president of sales and marketing, and the executive vice president of operations. In a brief interview, she explored expectations of the meeting and asked about specific impact measures, such as revenue, market share, profits, efficiencies and customer satisfaction.

With stakeholder input, business impact data was provided for three major categories for improvement: new auto policies, revenue of all products (excluding new auto policies and new customers) and new customers.

After full implementation and within six months, the following should occur:

1. New policies for automobile insurance should increase by 10 percent (annualized).
2. Revenue of all other products should increase by 5 percent (annualized).
3. New customers should increase by 5 percent (annualized).

After full implementation and within one year, the following should occur:

4. Market share in the area should increase by at least 1 percent.
5. The customer satisfaction rating should increase by 2 percent.

SIDEBAR

What are Intangible Benefits?

Intangible benefits are those benefits not converted to monetary value. Here, they included customer satisfaction and market share, two of the important measures connected with this conference. Since it was decided that there was not a credible method available to convert these two data sets to monetary value, they were measured as intangibles. Agent job satisfaction, teamwork and communication were other anticipated benefits.

Working your Plan

After meeting with key stakeholders and senior executives, Hansen was satisfied that she had the

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proper focus. Now, the meeting could be designed and planned around very specific objectives. These were then used as a roadmap to measure the success of the meeting across multiple levels of impact.

Planning is only half the journey, though. Implementing your plan to achieve desired objectives is the next step. Hansen realized that she had important challenges ahead. She had to prepare the attendees for the goals of taking action after the meeting, securing results and providing data. She realized that the data must come from the individual agents, as it would be difficult to track the measures from headquarters. She decided that prior to attending the conference, each agent would be asked to identify at least two business impact measures (of the five) to improve after the conference. Ideally, each agent would set measures for all five impact measures.

Agents were provided with a conference agenda beforehand with detail on the discussion topics, as well as the pre-determined objectives. After reviewing the objectives, content and list of speakers, the agents selected measures that they could improve based on the anticipated meeting content.

Contacting the agents ahead of time created expectations, Hansen realized, and having them set specific goals seemed like an extra effort — a step that might have previously been considered unnecessary. However, the more she thought it through, the more she began to realize that this could be an important step in the process — it would keep the meeting focused and ensure that action was taken and results achieved.

This case study illustrates the importance of setting specific, measurable objectives across multiple levels for each meeting. Identifying desired results at each level of evaluation will address basic questions regarding program success. By planning to report outcome data at all levels, you'll have the information you need to explain to sponsors or funders why you achieved the results you did and how you can improve them in the future.

So what was the result? In January, we'll take things to the next level — level 5 of ROI analysis, that is — so stay tuned for a discussion of how Hansen set objectives for ROI, the actual calculation she made and (drum roll, please) the return CIC got on its investment.

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