THE VALUE OF MEETINGS

Business events play a major contributing role to a country's GDP. **Rod Cameron** takes a look at ways to measure the ROI of major events.

OVER THE PAST DECADE, it has become increasingly apparent that, far from simply being an offshoot of the tourism industry, the business of attracting and hosting business events is, in reality, a major contributor to global economic, academic and professional development that contributes in a direct and significant way to a wide range of government policy objectives.

The full range of benefits arising from events are never going to be easy to measure with exact precision – but they still need to be taken into account in order to make good investment decisions. The challenge is how to measure the return on investment in as realistic a way as possible.

The starting point is a realisation that the myriad of organisations and associations that count meetings, conventions and exhibitions among their key organisational responsibilities don't do so in order to spend their members' money on meeting facilities and hotel accommodation. The real reason they support these events is because of what they achieve in terms of business, professional and organisational advancement – and this is where the greatest benefits lie for governments and communities as well.

WHY IS ALL OF THIS IMPORTANT?

Getting into the game of hosting major events requires a significant investment, usually in terms of developing competitive facilities – and the investor needs to know what they're getting in return.

So, how does one adjust the value model to reality? It begins by recognising that there are three separate value components, each of which requires a somewhat different approach to measurement.

1. PROFITABILITY OF FACILITIES This area takes a lot of attention because it is the most immediate interface with the owner and, in today's competitive industry, not always the most positive measure. But the point here is that there are few areas where those who generate the majority of the benefit actually pay for the privilege of doing so, to the point where centres, at worst, only require a modest subsidy to secure the range of other benefits associated with events.

2. EVENT-RELATED SPENDING This calculation is a bit more complicated because it reaches out into so many different sectors but, today, it is readily achieved by any number of economic impact assessment models available, which simply extrapolate the associated spending and uncover the real impact it has on income, jobs and derived tax revenues. The results – while highly reliable – are often startling to those who think in terms of only the immediate incomes derived by suppliers like venues.

3. EVENT OUTPUTS These are not just directly economic policy-related – although they include such impacts as inward investment, talent attraction, knowledge transfer and innovation creation that directly benefit the host community. They also include advancements that impact many other areas of government policy and responsibility like healthcare, education and employment readiness but, unlike the first two measures, these are more complex to measure. As a result, while easily of the greatest value to a host destination, these outputs have long been ignored for just that reason. M

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