

ARE CEOs LOSING FAITH IN INTERNAL EVENTS?

THE INVOLVE INSIGHT REPORT 2014

INVOLVE

HOW DO WE GENERATE MORE COMMITMENT AND BELIEF IN INTERNAL EVENTS?

What's the future for the internal events market without the support of the ultimate decision-makers in UK corporates? Only 51% of directors we interviewed said they thought CEOs believed internal events were an investment rather than an overhead.

There's still a lot of skepticism, therefore, as to the contribution that events can make to the performance and profitability of corporates. So how do we as an industry meet that skepticism head on?

The answer has to be by clearly demonstrating to CEOs the value that internal events can deliver. The problem is that there's a lack of commitment to the tools and processes which could help prove one way or the other the benefits of investing in internal events.

Nearly half of the directors we spoke to said their companies failed to measure ROI very or extremely robustly. Despite this lack of robust measurements, businesses are expecting events and conferences to deliver business critical measures.

If the industry is to convince the people who are running our major corporates that internal events are an important part of the process to engage, inform and align their teams, then effective measurement in terms of real business outcomes is vital.

We have produced this report to shed some light on the key issues and challenges facing the corporate internal events market. We hope you find the results insightful and of interest. We would be pleased to hear your feedback and also questions that you would like to see asked in future surveys that we run.

Jeremy Starling
Managing Director

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INTRODUCTION

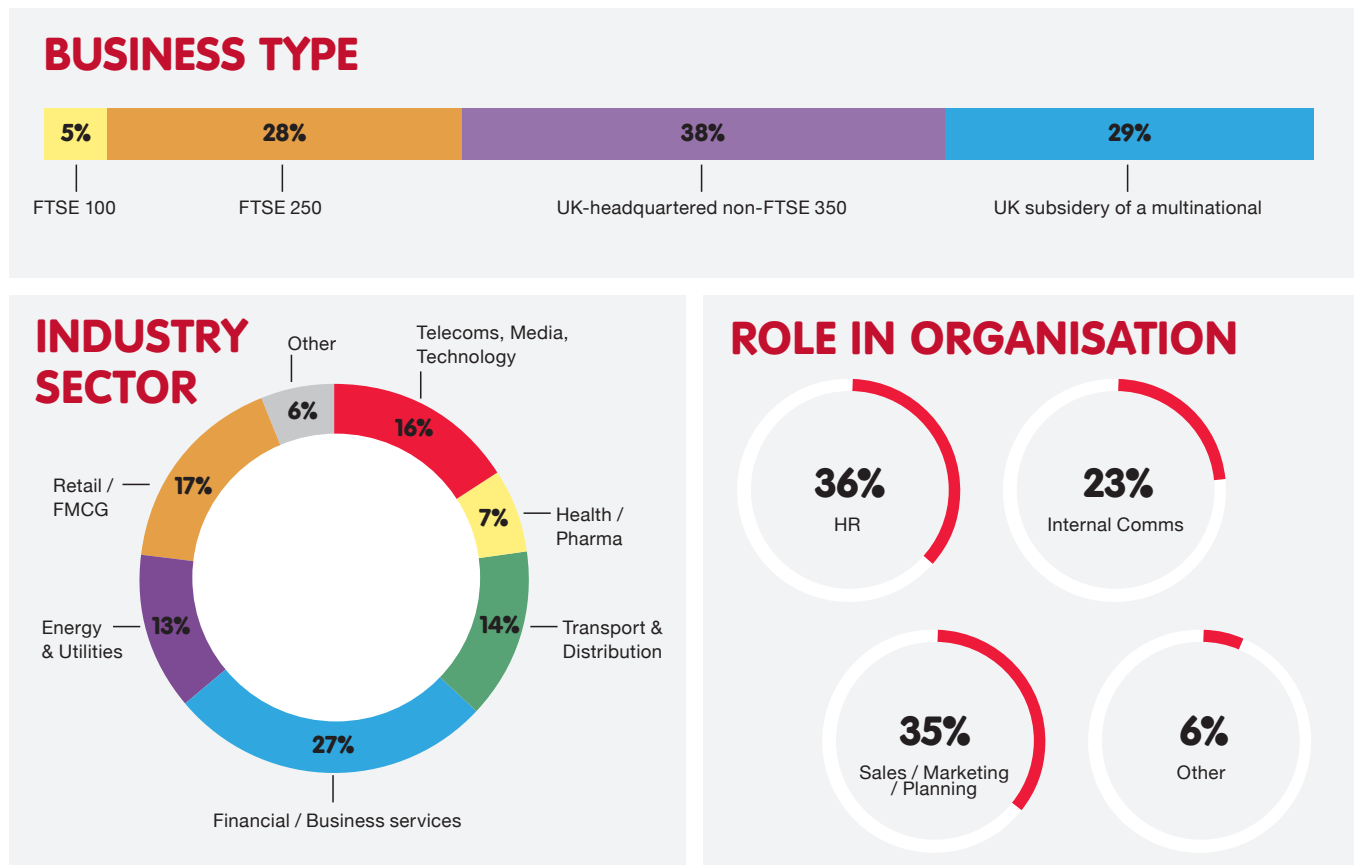
We undertook two pieces of research to identify how internal events are used and viewed within the corporate community.

The first involved telephone interviews with 199 HR, marketing and communications directors in large corporates who are responsible for – or significantly involved in – the management of big internal events.

In the second, we undertook telephone interviews with 100 event managers in large corporates.

The research was carried out in June and August, 2014 by Illuma Research.

WHO DID WE SPEAK TO?



ARE EVENTS DELIVERING VALUE? WHAT KIND OF COMPANIES ARE SPENDING MOST ON INTERNAL EVENTS?

KEY FINDINGS:

Directors and senior managers believe the majority of people in their companies see internal events as investments rather than costs.

However, there is certainly some work to be done in convincing CEOs that events are a good investment. Only half of directors thought their CEOs saw internal events as investments.

The average corporate is spending more than £370,000 a year on internal events with more than one in 10 spending more than double that amount.

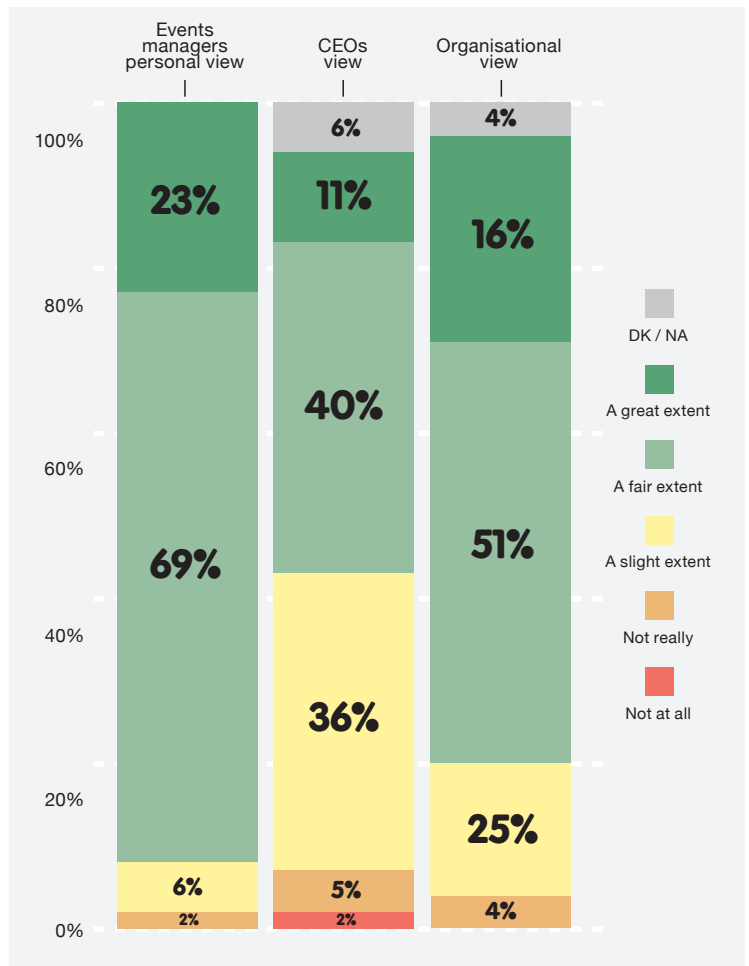
RESULTS: ARE EVENTS VIEWED AS AN INVESTMENT OR A COST?

Directors and event managers, as you might expect, are firmly of the belief that internal events are very much an investment rather than a cost. Indeed 74% of event managers regard events as an investment “to a great extent.”

The figures drop significantly when it comes to their views as to whether their CEOs see events as an investment. Only 51% of directors said CEOs saw events as investments. The figure was higher for managers but by the nature of their role, they are more removed from the views of CEOs

Interestingly, CEOs in low spend companies see events more as an investment than those in higher spend. This may be because as budgets are tighter, any investment has to be geared towards achieving an impact on performance.

Finally, directors believe that 67% of people in their organisation view internal events as an investment. That figure increases to 81% for managers.



RESULTS: WHO ARE THE HIGH AND LOW SPENDERS?

53% of companies interviewed spend between £250,000 and £1m in a year. Financial services, TMT and pharma companies make up the highest proportion of the higher spend companies.

47% of the companies interviewed spend between £100,000 and £250,000 a year. These are primarily companies from energy & utilities, retail / FMCG and transport & distribution.

Any company spending less than £100,000 per year was excluded from the survey.

RESULTS: HOW MUCH IS BEING SPENT ON EVENTS?

On average companies spent around £100k on each event in the last two to three years. High spend companies were not spending more money on each event, just running more events.

The average total budget for events was £370,000 per year.

Total budgets for the low spend organisations were less than £250,000 per year.

11% of high spend companies spent in excess of £750,000 per year.

RESULTS: HOW MUCH IS BEING SPENT ON EXTERNAL AGENCIES?

65% of high spenders spend at least 30% of their budget on outsourcing to agencies.

43% spend 51% or more. 7% spend 100% of their budget on external agencies.

HOW GOOD ARE CORPORATES AT MEASURING ROI?

KEY FINDINGS:

There is certainly room for improvement in the application of ROI measurements – and both directors and event managers are aware of that fact.

Despite this lack of robust measurements, businesses are expecting events and conferences to deliver business critical measures. 84% of companies expect to influence employee engagement through events and 81% expect them to influence sales revenue/profit (no mention of measuring sales impact).

RESULTS: MEASURING THE ROI

Only 54% of Directors claim to measure ROI extremely or very robustly. However, event managers claim to measure ROI more robustly with 62% saying they do so extremely or very robustly.

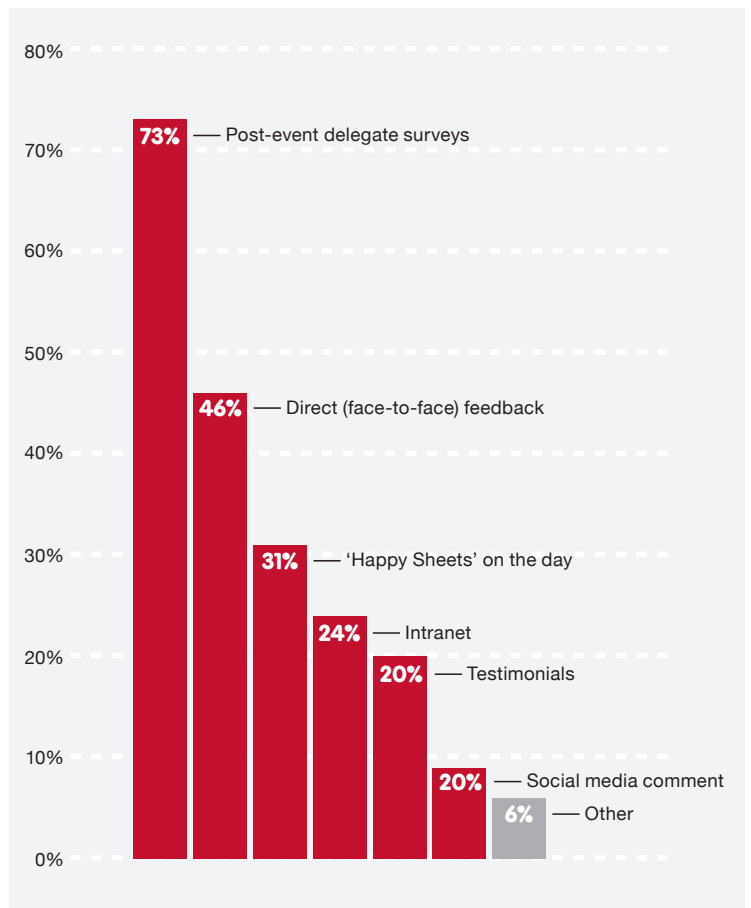
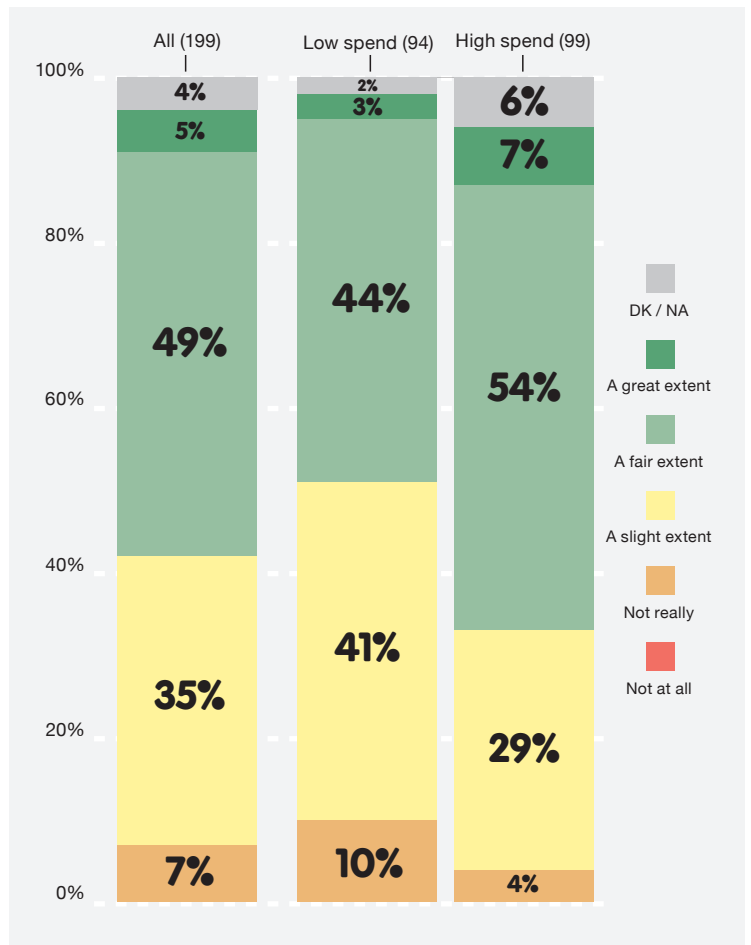
Not surprisingly perhaps, those with larger spend claim to be better at evaluation (61% as opposed to 46%).

RESULTS: TECHNIQUES FOR MEASUREMENT USED

In terms of which methods are used to evaluate events, most companies opt for conventional means (73% use post-event delegate surveys; 46% use direct feedback and 31% use 'happy sheets' on the day). Event managers collect much more direct feedback than their bosses, 61% compared to 46%.

Most organisations do not use the intranet and social media channels to generate feedback.

On average, each organisation uses 2.1 methods to evaluate events.



RESULTS: WHAT BUSINESS MEASURES ARE THEY EXPECTING TO INFLUENCE?

Employee engagement (84%) and revenue/profit (81%) are the two critical measures which our respondents expect to influence.

In terms of the difference between low and high spend companies, cost is more important for low spend companies and customer service/NPS for high spend.

RESULTS: WHAT'S LIKELY TO CHANGE?

19% say aligning will become more important. 16% say it will be about engagement and 3% say it will be about informing.

WHAT MAKES A GOOD EVENTS MANAGER?

KEY FINDINGS:

Overall event managers gave themselves a 9 out of 10 rating for all skills (mean of 8.9) whereas their bosses gave them a 7 (mean of 7.1).

Directors want their event managers to have good practical skills, are much less interested in their ability to deliver creativity or strategic input, and to provide stakeholder and budget management.

Event managers tend to agree and value practical abilities rather than creative or strategic abilities. However, they do place much more importance on project management, stakeholder management, ability to manage a budget and strategic input.

The performance of event managers in such areas as creativity and strategic input is well below the expectations of their directors.

RESULTS: THE DIRECTOR'S VIEWS

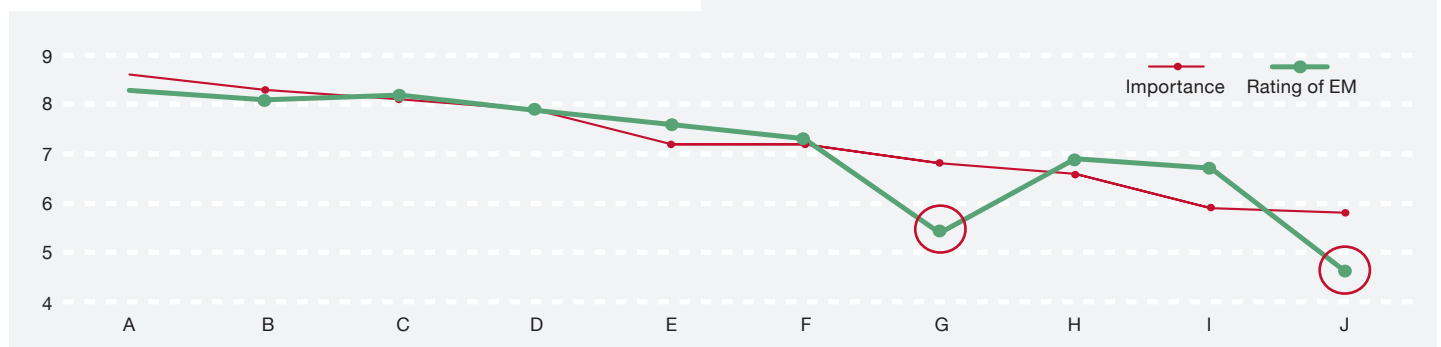
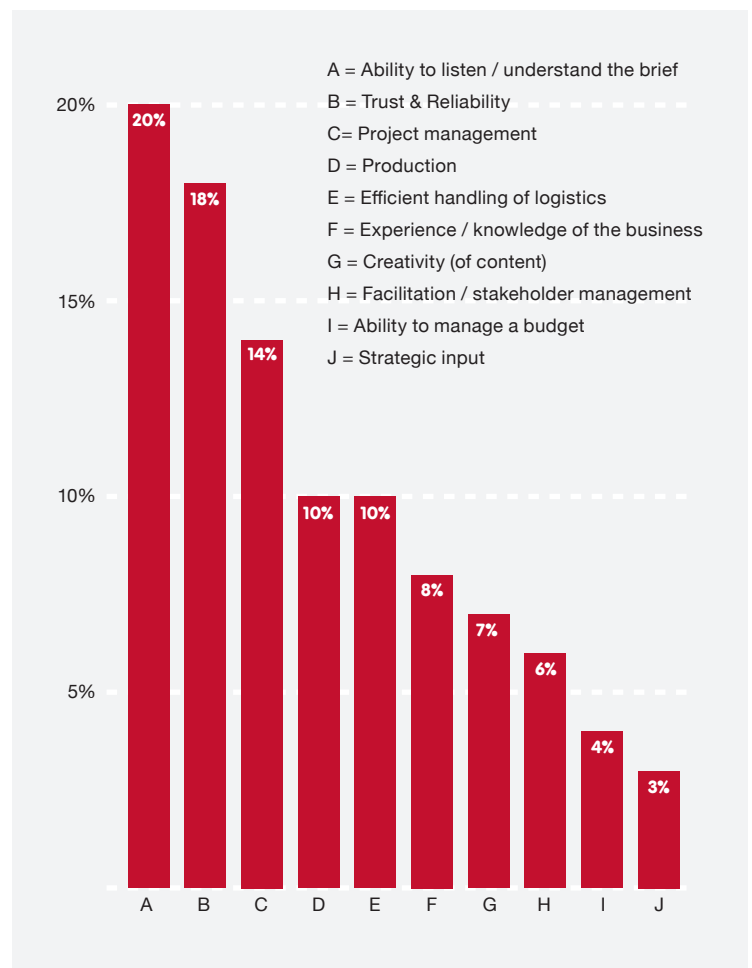
Ability to listen/understand the brief, trust & reliability and project management skills are the top three attributes that directors are looking for. Strategic input is bottom of the top 10 and creativity is fourth from bottom.

Event managers are pretty good in delivering what they believe is critical except when it comes to creativity and strategic input.

RESULTS: THE MANAGER'S VIEWS

Event managers disagree with their bosses about what the most critical attributes are in their role. Managers believe that project management, stakeholder management and budgetary management are much more important attributes than their bosses do. In fact, event managers would rate project management as the top skill they need followed by trust and reliability and then stakeholder management.

Twice as many events managers rate stakeholder management as being of importance compared to their bosses.

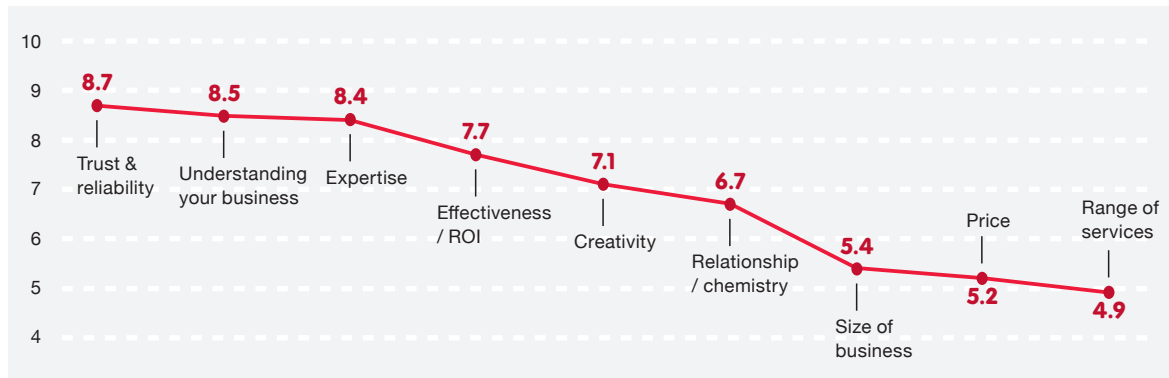


WHAT MAKES A GOOD INTERNAL EVENTS AGENCY?

KEY FINDINGS:

It's the level of trust that corporates have in an agency's ability to deliver which is the number one priority. They don't want to look foolish when events happen! Creativity is a long way down their wish list.

The most important attributes that directors are looking for from an agency are similar to the skills they're looking for from an in-house events manager.



THE KEY RESULTS

Trust and reliability come out on top followed by understanding their business and, in third place, expertise.

Size of business, price and range of services are the least important attributes

Event managers value similar attributes in an external agency, however price and relationship are both significantly more important to them.

RESULTS: WHAT CORPORATES WANT TO BUY

AV & production, consultancy (creative etc.) and content & delivery are the three services companies most want to buy. Session design, design/theming and hybrid results are the least important.

High spend companies buy in a broader range of services (3.7 on average) than smaller spend organisations (2.7 services on average).

RESULTS: HOW AWARE ARE CORPORATES OF EVENT MANAGEMENT COMPANIES?

Very low spontaneous awareness. No company has more than 9% of respondents spontaneously mentioning them. That awareness is higher amongst event managers than directors.

The awareness is extremely fragmented. It implies that no company has more than about 6% market share.

No brand scores more than 40% for prompted awareness and most are well under 30%.

In terms of usage of events management companies, both managers and directors tend to say they use the same companies. On average, respondents are using 1.3 events management companies.

HOW MANY EVENTS ARE CORPORATES RUNNING? WHAT ARE THEY BEING USED FOR?

KEY FINDINGS:

The internal events market is growing. More than 40% of low spenders are planning to run more events in the next two to three years. More than one in four of high spenders say numbers will increase a little or a lot.

It is interesting that there is more growth likely in the low spend companies. This is probably due to the fact that they are the ones that have cut back the most in the last two to three years and therefore need to increase investment to help exploit the growing economy.

Using internal events to achieve engagement is still the big challenge. This is particularly so in low spenders where they need every pound of spend to have maximum impact on the business.

RESULTS: THE NUMBERS FOR THE LAST TWO TO THREE YEARS

Over the last two to three years, organisations ran three events per year (the mean is 3.3).

The high spend organisations – they are the ones in the main with events managers – have been running four events a year. One in eight of the high spend ran seven or more events and only 16% decreased the number of events they ran even during the recession.

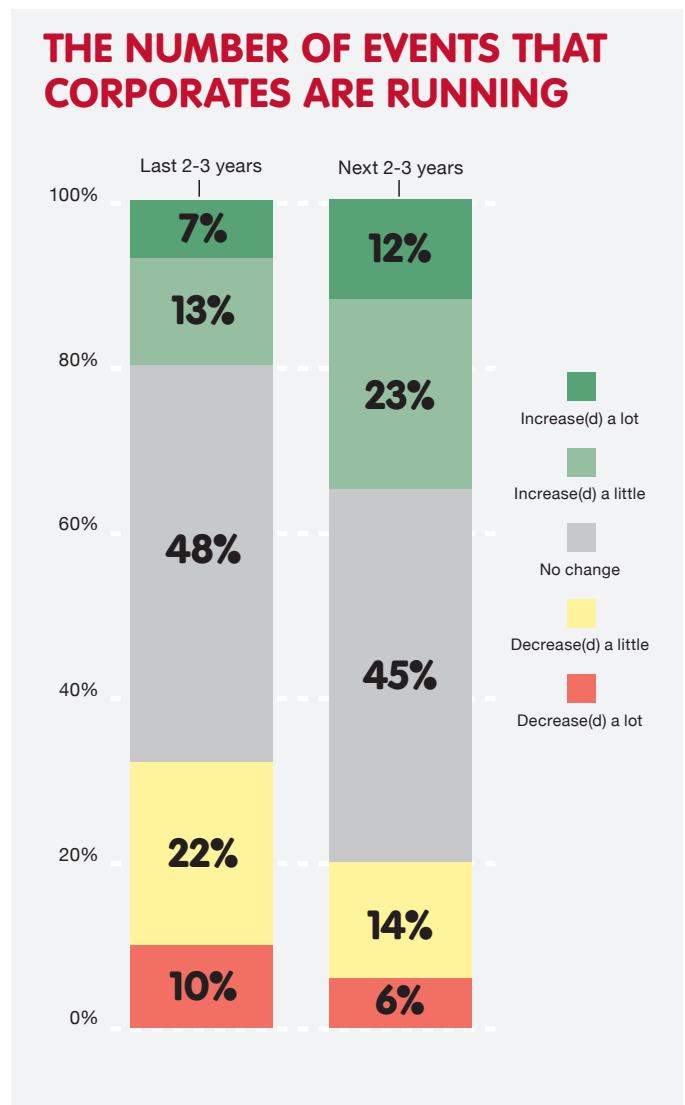
The same cannot be said of low spend companies. 49% decreased the number of events they ran either by a little or a lot. More than one in four ran only one event.

RESULTS: WHAT DOES THE FUTURE HOLD?

There is good news for events agencies, as companies are planning to run more events in the next two to three years.

27% of high spend companies say numbers will increase a little or a lot (although 48% say there will be no change).

43% of low spend companies say numbers will increase a little or a lot (although 48% say there will be no change).



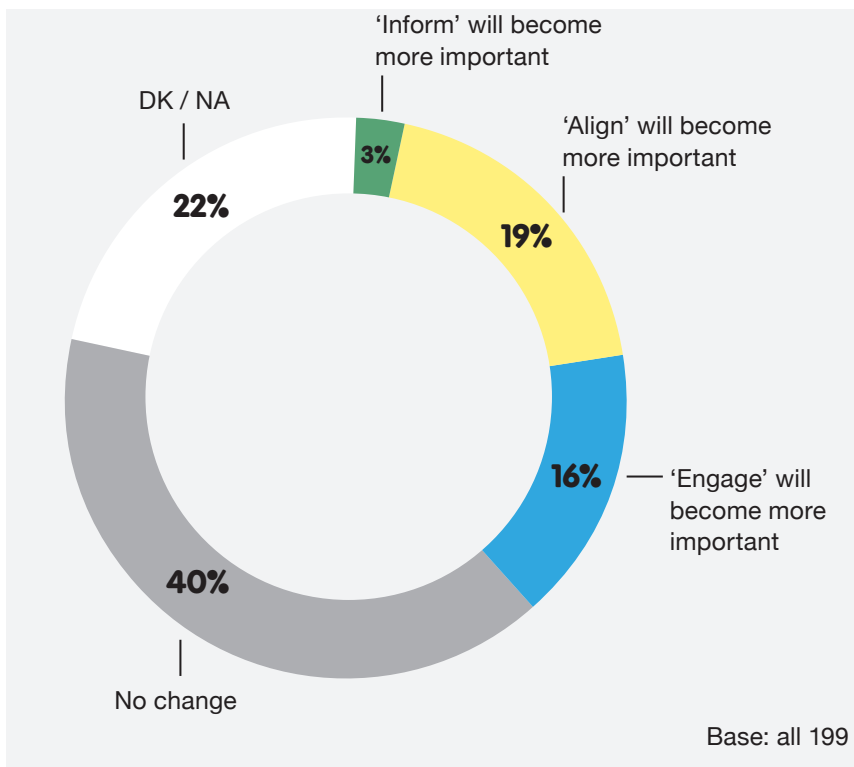
RESULTS: WHAT ARE EVENTS USED FOR?

For high spend companies, 30% say it's an equal mix between engaging, informing and aligning. 29% say it's engaging, 21% say it's aligning and 20% say it's informing.

For low spend companies, only 16% say all three are equally important. 45% say it's about engagement, 28% say it's about informing and 11% say it's aligning.

RESULTS: HOW IS THIS LIKELY TO CHANGE IN THE NEXT 2-3 YEARS?

Not much. 19% say aligning will become more important. 16% say it will be about engagement and 3% say it will be about informing.



FOR FURTHER INFORMATION

INVOLVE's belief: The battle for success amongst the world's leading businesses is won or lost on people power. Companies that are winning are those whose employees have passion, belief and ownership for what their business stands for and what they are trying to do. The race is on to find ever more potent ways to help your people make a difference.

We can help you win it.

We design and deliver internal events for you to increase co-creation, collaboration, participation and ownership, throughout your organisation. We can help you create active, hands-on experiences for your people that accelerate change and bring your vision, purpose and priorities bursting into life.

We've been helping our clients deliver real, measurable results for almost 20 years. We offer an unparalleled fusion of rigorous change management expertise, pioneering creative ideas and a reputation for flawless execution.

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