

# ROI Methodology – more than calculation



*If I say Event ROI Methodology, you think about a method for calculating the return on investment, right? It may surprise you therefore, if I say that the ROI Methodology is not always used to calculate ROI, much of the time it is used for something else.*

To calculate the return on investment for a meeting or event the methodology takes you through a series of 5 steps, and only at the final step to you calculate ROI. Most of the time you evaluate events to one of the lower steps.

For example, the first step is called 'Participant Satisfaction'. Did the event meet the expectations of those who were there? Did they enjoy the venue, the food, the entertainment? Did they think highly of your speakers, did they meet some interesting people, etc. Participant Satisfaction is the first step of the ROI Methodology, it is necessary for the second step, which is called Learning, followed by step 3 Application and step 4 Business Impact, which is the final step before you are able to calculate the ROI.

If you measure Participant Satisfaction and Learning, you are applying the ROI Methodology for the first two steps. Learning can be information, skills, attitudes or relationships. For example, a networking session is called relationship learning in the ROI Methodology. When the event is communicating brand values, you want participants to learn new attitudes towards your company or brand. If the participants learn and use what they learned, they will probably create some value for the event stakeholders in return for their investment.

This is how you can use the ROI Methodology without calculating ROI, you just do the first couple of steps.

But, when setting the event objectives in order to start planning, you have to start at least at level 4, the Business Impact. If the event is organised by a company, it should improve the profit and loss account. At the end of the year, when the annual accounts are completed, profits should be a little higher because of the event.



To improve profit you have to increase sales revenue or reduce costs. How, exactly, will your event improve profit on sales or reduce costs? What must participants do differently after the event in order for revenues to increase or costs to be lower? How can you possibly start planning the event programme without knowing the answer?

This is how the ROI Methodology is also an event planning methodology which has to be applied for every event, large or small, if you claim to be a professional event planner. How can you possibly start planning an event if you don't know what the objectives are? Lawrence Peter said: "If you don't know where you are going, you will end up somewhere else", is that where your events are going?

*More information about the ROI Methodology is found on [www.eventroi.org](http://www.eventroi.org)*



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**Event ROI Institute** is a partnership of consultants dedicated to making meetings and events achieve the objectives of their stakeholders. For more information go to [www.eventroi.org](http://www.eventroi.org).

Illustrations sources:

1. [http://www.bukisa.com/articles/318312\\_how-to-effectively-measure-customer-satisfaction](http://www.bukisa.com/articles/318312_how-to-effectively-measure-customer-satisfaction)
2. <http://www.leapgo.com/blog/bid/83722/5-Tools-To-Help-Calculate-Blog-ROI>