

# The ROI in Channel Partner Conferences: A Two Part Case Study

By: Allan Schweyer



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# Allsante Inc. Case Study

## Part Two

Allsante is a contrived name to disguise the true identity of the company involved with this study. This was a condition insisted upon by the company based on the fact that this report contains proprietary information.

The study was completed by Todd Hanson, CRP, CPIM, President and Founder of Catalyst Performance Group and ROI of Engagement and was subjected to peer review by Allan Schweyer, Chairman and Head of Research for the Enterprise Engagement Alliance, in order to verify the methodology, data, and conclusions. This report was authored by Allan Schweyer based upon his analysis.

***Caution:*** For a full understanding of the project, and to put Part Two of the case study into the proper and relevant context, it is necessary to read Part One of this case study first. Explanations of the research methodologies used, including the ROI Methodology™ employed by researchers from the Catalyst Performance Group, Inc., as well as Allsante's objectives for the program are all described in Part One. Part One also explains the results of Phase One and Two of the research and analysis.

# EXECUTIVE SUMMARY

Is it possible to ignite enthusiasm and engagement in channel partners and re-sellers? If so, might these higher levels of engagement translate to more sales and greater competitive advantage? The Enterprise Engagement Alliance (EEA) believes very passionately that the answer to both questions is yes. The difficulty is in proving it. As such, we leapt at the chance to assess and analyze the intriguing findings claimed by the Catalyst Performance Group, Inc. (Catalyst) in its research into the ROI of an event (Allsante Encounter) that was held in 2009 with the objective of engaging insurance product resellers around Allsante's vision, product differentiation and market strategy.

The 2009 annual "Allsante Inc. Encounter" event for Georgia/Louisiana healthcare insurance brokers was designed to increase sales and profits in those specific markets and engage channel partners with the company's brand. The event included more than 50 key insurance owner/principal brokers, each of whom were individually selected and invited by Allsante.

The event delegates were representatives of large brokers who were already contracted with Allsante, but were responsible for very little business. In this manner, Allsante filled its event with brokers who had high potential to drive greater sales. The event provided delegates with training, industry updates, relationship-building and networking opportunities (see Part One, Appendix A for a full description of the event).

Part One of this case study examined the ROI determination process employed by Catalyst. Catalyst claimed to have found compelling proof of Allsante's success in achieving ROI from its Allsante Encounter 2009 event. Our independent analysis of the Catalyst findings in Part One of this case study, confirmed that strong evidence existed to suggest that Allsante met its ROI objectives with the event. The tremendous uptick in broker engagement, as evidenced through the high majority of attendees who cited better attitudes toward and improved connections with Allsante, led to increased sales. At least according to the brokers who attended the event.

Nevertheless, to truly understand the real ROI and be convinced of its accuracy, the actual costs of the event had to be compared to real increases in margin derived from increased sales of Allsante's products by those brokers that attended Allsante Encounter 2009. Moreover, increased sales, revenues and profits had to be isolated against any variables that occurred in the marketplace overall, or among Allsante's market specifically, in the time period in question. This deeper ROI analysis was conducted by Catalyst Performance Group, Inc. in Phase Three of the research and is analyzed and reported in this paper: Part Two of the case study.

Accordingly, Part Two examines the actual change in sales of Allsante products among the Allsante Encounter 2009 participants (allowing for variables) and summarizes the ROI Allsante achieved from the event, including its costs and the additional profits generated by presumed increased sales.

In summary, our analysis of the methodologies and findings arrived at by Catalyst, convince us both of the soundness of the Catalyst approach and that Allsante earned significant ROI from its event. After all variables were accounted for, a highly credible and conservative estimate of 190% ROI was calculated. In other words, Allsante enjoyed a return of almost \$2 for every \$1 invested in the Allsante Encounter event in the first six months following that event. It is likely that the returns if calculated after another six months have passed, would be even greater. The rest of this report explains how these conclusions were reached.

## SUMMARY OF RESULTS FOR PHASE THREE OF THE RESEARCH

### Methodology

In order to come to an accurate and credible estimate of actual ROI from the Allsante Encounter event, the Catalyst researchers needed to isolate the effects of the event from a range of variables that may have taken place in the intervening six months between when the event ended and analysis of the results began.

Catalyst researchers used a control group<sup>1</sup> to isolate the impact of the event. They compared participating agents in the Georgia and Louisiana marketplaces with all the non-attending agents in those marketplaces. The difference in the sales performance of the two groups (sales of Allsante's products) was attributed to the meeting. Trend lines were also used to project the value of specific output measures, such as quotes made, claims and, of course, sales. The trend in premiums sold exhibited a substantial change for the Attending Broker group.

For a complete determination of ROI, the researchers considered both tangible and intangible returns. The ROI calculation was based on converting both hard and soft data to monetary values. Where data items could not be converted to monetary values they were considered to be purely intangible benefits. These intangible benefits included:

- Increased broker relationships
- Increased company loyalty
- Increased excitement and enthusiasm for Allsante products

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<sup>1</sup> Note that all non-attending agents were similar, each was licensed, had existing sales with Allsante, some were large in sales volumes, others small.

## Determining ROI

**STEP ONE:** The first step in the process of determining ROI was a calculation of fully loaded event costs. Tabulating these costs involved monitoring or developing all of the related costs of the meeting targeted for the ROI calculation. All direct and indirect expenses for the event were collected, allowing for the calculation of the fully loaded cost. The fully loaded costs included hard costs of items such as hotel, meals, air travel and soft cost items such as internal planning costs and the salary value of all employee attendees. For this event, the fully loaded cost was \$149,880.80 (Table 1).

*Table One: Fully Loaded Costs of the Allsante Encounter 2009 Event*

| Item   | Amount              |
|--|---------------------|
| Travel costs for attendees paid by sponsor   | \$30,275.84         |
| Lodging and daily expenses paid by attendees covered by sponsor                              | \$11,134.35         |
| Transportation   | \$3,599.10          |
| Meeting promotional expenses   | \$2,812.62          |
| Cost of meeting materials (handouts, signage, decorations)                                   | \$1,296.20          |
| Cost of food and beverages provided during the meeting                                       | \$13,400.39         |
| Facilities rental costs  | \$1,000.00          |
| Entertainment and recreational costs   | \$960.00            |
| Costs to sponsor in salaries and benefits for meeting planning, coordination, and evaluation | \$84,985.58         |
| Audio-visual rental and services   | \$351.52            |
| Miscellaneous  | \$65.20             |
| <b>Fully Loaded Cost of Meeting</b>  | <b>\$149,880.80</b> |

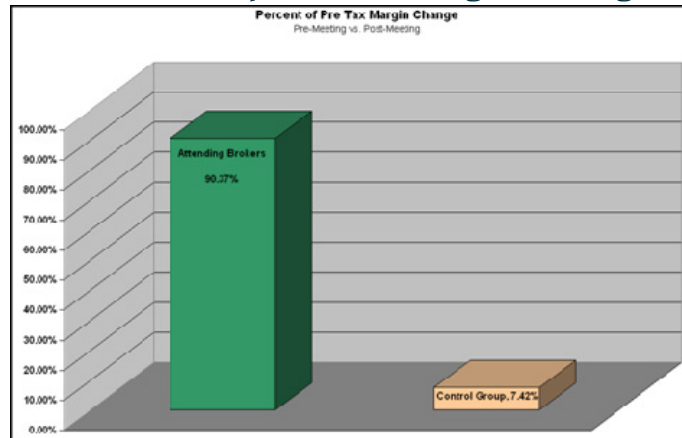
**Step Two:** The researchers' next task was to determine sales trends. The researchers examined the difference between what agents (attendees and the control group) were selling one year before they attended the event and their results six months after. Sales reports were acquired for all agencies in the Georgia and Louisiana markets (including the control group) for eighteen months —one year before the event and six months after. Data was divided into two groups, those who attended the event and those who did not. Data included quotes and sales activity as well as claims and Allsante healthcare membership enrolment data.

## Converting Impact to Money

The sales data acquired in the nine months related to the meeting was summarized in the total Pretax Margin for the two subgroups of agents, those that participated in the event and all non-attending agents. This Pretax sales data was fully loaded with all applicable expenses.

The Contribution Factor represents the percent that this meeting contributed to the impact on the Pretax Margin. This factor is determined by the difference in the percent of change in the Pretax Margin prior to program vs. post program (90.37%), less the percentage of change for the Control Group (7.42%).

**Figure 1: Percent of PreTax Margin Change**



The Confidence Factor (67%) represents the percent of confidence in the monetary conversion determined in collaboration with sales leadership based on the potential of additional impact factors at market level.

**Figure Two: Total Monetary Benefits as a Result of the Event**

|   | Amount    | Contribution | Confidence |
|---|-----------|--------------|------------|
| <b>Total Pretax Margin of nine months directly related to the meeting</b>   | \$781,352 | 82.95%       | 67.00%     |
| <b>Contribution</b> = the percent that this meeting contributed to the impact. The factor is determined by the difference in the percent of change from average trend prior to program vs. average trend post program<br><b>Confidence</b> = the percent of confidence in the monetary conversion |           |              |            |
| <b>Total Monetary Benefits as a result of the meeting</b>   | \$424,248 |              |            |

**Step Three:** The final stage of the analysis was to calculate the actual ROI. The return on investment was calculated using the event benefits and costs. The benefit/cost ratio (BCR) is the meeting benefits divided by cost.

In formula form the BCR becomes:

$$\text{BCR} = \frac{\text{Monetary Benefits}}{\text{Conference Costs}}$$

The ROI calculation used the net benefits divided by the conference costs. The net benefits are the conference monetary benefits minus the conference costs. In formula form, the ROI becomes:

$$\text{ROI (\%)} = \frac{\text{Monetary Benefits}}{\text{Conference Costs}} \times 100$$

Actual ROI Calculation

|                                 |                  |
|---------------------------------|------------------|
| <b>Meeting Benefits</b>         | <b>\$434,248</b> |
| <b>Meeting Costs</b>            | <b>\$149,880</b> |
| <b>Benefit Cost Ratio (BCR)</b> | <b>2.90</b>      |
| <b>Return On Investment %</b>   | <b>190%</b>      |

Thus, after the costs of the program had been recovered, Allsante received almost two dollars for each dollar invested in the Encounter event for Georgia and Louisiana Brokers.

## RECOMMENDED ACTION AND OBSERVATIONS

The primary objective for measuring results is to gain insight that can fuel evidence-based continuous improvement. The following recommendations were developed by Catalyst Performance Group in collaboration with Allsante’s leadership. They are based on survey results as well as observations made during execution of the event. Many of these findings and recommendations are relevant to organizations in any industry.

For convenience, all of the recommendations are listed below, including those from Phases One and Two of the project.

### The ROI in Channel Partner Conferences: - A Two Part Case Study

## Phase 1

- Consider expanding the event to a full day and a half, or possibly two full days.
- Allow more time in the meeting agenda for discussion in order to harvest new ideas and innovative solutions from brokers.
- Improve upon the Local Market session to disseminate market intelligence by region.
- Expand the Legislative Session and allot more time for content and questions.
- Expand on Specialty Products content to include specific information on what makes Allsante products unique compared to the competition.
- Contact attendees where additional information was requested. The immediate follow-up will align well with the customer service initiative and illustrate that their feedback is important to Allsante.
- Allow Brokers to select the breakout sessions they want to attend.
- Consider adding additional information on Allsante's current incentive programs.
- Distribute the Phase One Survey Assessment to corporate and market leadership to review the impact of the program and implement recommended action.
- Communicate to the Allsante regional sales personnel a summary of results and an action plan.
- Communicate to the meeting participants (brokers) a summary of results and an action plan.
- In order to maintain and increase the level of response to the survey, continue the award incentive utilizing a drawing for respondents.
- The most effective way to measure change is to get a baseline measurement before a meeting. Consider deploying a pre-meeting survey to attendees.

## Phase 2

- Contact attendees where additional information was requested. The immediate follow-up will align well with the customer service initiative and illustrate that feedback is valuable and actionable.

- Review the downward trend in Reaction and Satisfaction to determine if steps should be taken to bolster engagement with brokers.
- Implement a “re-energizing program” at the market level to keep Allsante top of mind with the brokers. This program could be done via conference call or web conference. Utilize the data in this document to identify issues that need to be addressed.
- Review “Keys to Success” findings and affirm those departments, efforts and people that are enabling success.
- Review “Barriers to Success” findings and consider recommending improvements with the departments, efforts and people that are hindering success. Underwriting is referenced frequently as a barrier.
- Review comments regarding Allsante Sales Executives and recognize Allsante associates that have received positive comments from brokers.
- Distribute Phase One and Two Assessments to corporate and market leadership to review the impact of the program and implement recommended action.
- Communicate to the Allsante regional sales personnel a summary of results and an action plan.
- Communicate to the meeting participants (brokers) a summary of results and action that is planned.
- The most effective way to measure change is to get a baseline measurement before a meeting. For future results measurement of this type of program, consider deploying a pre-meeting survey to attendees.

### Phase 3

- Present these findings to all Allsante Encounter primary stakeholders.
- Use the findings from this report to guide development of future programs.
- Review membership and premium trends of this group into 2010 to determine if impact continues and identify ways to maintain impact.
- Consider using a pre-meeting pulse report for each future Allsante Encounter to establish a baseline for attitudes and behavior and to identify specific learning needs.

- Measure to level three for all Allsante Encounter programs in order to identify barriers and enablers and meet these needs in the field. It may have a positive impact on business results.
- Consider measuring ROI on one of the programs to assure acceptable financial return on investment.

## CONCLUSIONS

Both Phase One and Phase Two surveys presented strong evidence that Allsante met its ROI objectives with the 2009 Allsante Encounter event. Vastly improved broker engagement and better attitudes toward Allsante, led to clear improvements in understanding of the products, increased sales presentations and quotes, and reported sales.

Phase Three proved that reported sales increases were actual sales increases. Moreover, despite the costs of the event – \$149,880.80 – Allsante realized tangible benefits equal to \$434,248 in the first six months following the event. This represents a Benefit/Cost Ratio of 2.9 and an ROI of 190%.

In Part One of this case study, we concluded that “the benefits would seem to far outweigh the cost of the event”. Today, after Phase Three of the research, we can confidently conclude that the benefits do outweigh the costs and considerably so.

Equally exciting is the link provided in this research between efforts to engage re-sellers and increased sales and profits. Common sense tells us that highly motivated, well-informed sales people, even those outside the organization, will sell more product. This case study confirms that hunch and demonstrates that the returns can greatly exceed the investment.

We anticipate more such studies that use the same rigorous methods to examine other aspects of engagement, including customer engagement, employee engagement and even supplier engagement.

Lastly, the Enterprise Engagement Alliance (EEA) thanks and commends Allsante and the Catalyst Performance Group for their considerable efforts in conducting this important research.

# ACKNOWLEDGMENTS

The EEA and Catalyst would like to acknowledge the kind support of the following organizations in underwriting the costs of this case study.

## Founders



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# APPENDIX A – GUIDING PRINCIPLES

## Guiding Principles

The credibility of the study rests on the Guiding Principles of the ROI Methodology. For this study several of these principles were applied.

**1. When conducting a higher-level evaluation, collect data at lower levels.**

For this ROI study, data was collected at all five levels.

**2. When planning a higher level evaluation, the previous level of evaluation is not required to be comprehensive.**

Not applicable to this study.

**3. When collecting and analyzing data, use only the most credible sources.**

Company sales data for this project was provided by the actuarial department, instead of the sales department.

**4. When analyzing data, select the most conservative alternatives for calculations.**

This study was presented initially to sales leadership utilizing the sales data that was provided by the actuarial department. They provided the initial data based on their Contribution Margin. Upon leadership review, and understanding of the importance of the data, they then authorized Catalyst Performance Group, Inc. to use confidential Pre-Tax Margin data. This data is their most conservative financial data.

**5. Use at least one method to isolate the effects of the program.**

For this study a control group was utilized, as well as sales trend tracking.

**6. If no improvement data are available for a population or from a specific source, assume that little or no improvement has occurred.**

Not applicable to this study.

**7. Adjust estimates of improvements for the potential error of the estimates.**

Not applicable to this study.

**8. Avoid use of extreme data items and unsupported claims.**

Not applicable to this study.

**9. Use only the first year of annual benefits in the ROI analysis of short-term solutions.**

For this study, nine months of data was analyzed.

**10. Fully load all costs of the solution, project, or program when analyzing ROI.**

Fully loaded costs have been used at the event level as well as the sales data level.

**11. Intangible measures are defined as measures that are purposely not converted to monetary values.**

Intangible measures have been listed separately.

**12. Communicate the results of the ROI Methodology to all key stakeholders.**

Final results of this study were presented initially to sales leadership, and subsequently in an executive summary to the Chief Operating Officer.

## APPENDIX B - ABOUT THE REPORT AUTHOR

### Allan Schweyer

Principal, Center for Human Capital Innovation  
Chairman, Enterprise Engagement Alliance



Allan Schweyer is a Principal in the Washington DC based firm Center for Human Capital Innovation, which provides strategic consulting services to government and military clients. Allan is also the Chairman of the Enterprise Engagement Alliance, a non-profit consortium of private and public sector organizations dedicated to improving employee, customer and stakeholder engagement in organizations.

Prior to CHCI, he was President and Executive Director of the Human Capital Institute. Trained as a labor market economist, Schweyer has contributed to the field for almost two decades. He is the author of two books, "Talent Management Systems" (Wiley & Sons, 2004) and "Talent Management Technologies" (HCI Press 2009). In 2009 he was recognized as among the "100 Most Influential People in HR and Talent Management". He is currently the editor of Leadership Excellence in Government Magazine and contributes to numerous industry publications.

Allan's contributions include the development of award-winning workforce management and information systems for government, NGOs and the private sector. In addition, he has many years experience as a senior researcher, analyst and consultant, servicing large private and public sector clients in their HR and Human Capital strategies. Allan speaks and presents worldwide and his articles and white papers appear in dozens of popular media and industry specific publications.

Allan graduated in Economics from the University of Windsor and attended Harvard University for two years in the Graduate Management School.

## *ABOUT THE STUDY AUTHOR*

### Todd Hanson, CRP, CPIM

President and Founder  
Catalyst Performance Group, Inc. and ROI of Engagement



Todd offers 25 years of experience helping organizations achieve people performance goals. Todd began his career as an award winning sales representative for a global leader in agricultural chemicals. Later, he was a top performing sales executive, a manager of sales professionals and a key management executive and owner of a top ten performance improvement,

incentive and meeting planning provider with sales exceeding \$100,000,000. He now owns and manages Catalyst Performance Group and ROI of Engagement.

He brings personal experience in product launches, corporate reorganizations, marketing communications strategy and fulfillment, web-site strategy and development, sales and non-sales incentives, channel partner campaigns, medical symposia, training meetings, sales meetings, events, team-building programs, board meetings and technology solutions for events, awards and communications. His ability to develop holistic and integrated strategies coupled with an ability to understand the granular requirements for implementation have led to outstanding successes for clients.

He has attained two professional designations; CPIM, Certified Performance Improvement Manager and CRP, Certified Return on Investment Professional. Both require the acquisition of knowledge and the application of it to meet needs in the marketplace.

## *ABOUT ROI OF ENGAGEMENT*



The mission of ROI of Engagement™ is to help build the business case for engagement and in so doing, help businesses grow more profitably. Services include workshops, certification courses, webinars, keynote speaking, consulting and ROI evaluation. The initiative is led by Catalyst Performance Group, Inc. in partnership with The ROI Institute, and is supported by The Motivation Show and other partners to be announced in the near future.

The initiative utilizes ROI Methodology™ developed by The ROI Institute. Founded in 1992 by Drs. Jack and Patti Phillips, The ROI Institute has developed and refined a worldwide accepted method of measuring ROI. The system includes isolation techniques and strict guiding principles, all in an effort to create results measurement that is credible with C-Level executives. ROI Methodology™ is used to conduct literally thousands of studies each year in more than 50 countries. The ROI of Engagement model meets the specialized needs of engagement initiatives and helps companies confidently deploy programs knowing that they have credible ways to forecast and measure ROI. ROI of Engagement is the exclusive provider of ROI Methodology for engagement programs.

## *ABOUT ENTERPRISE ENGAGEMENT ALLIANCE*



The Enterprise Engagement Alliance (EEA) is a recently formed coalition of companies and associations dedicated to the concept that engagement is an enterprise-wide endeavor that “begins with people and ends with profitability.” The EEA’s primary mission is to support research, education and outreach that creates a better understanding of how organizations can make the connection between engaging people in business and long-term financial performance. The EEA is founded on the premise that the engagement of all of an organization’s key audiences – customers, distribution partners and employees – is a critical but often overlooked success factor for businesses.

The Enterprise Engagement Alliance was founded in 2008 by the Human Capital Institute, a 140,000-member organization dedicated to talent management; global business consultancy Peppers & Rogers Group and their independent publishing division, 1to1® Media; and Selling Communications, Inc., a provider of engagement marketing services, media and technology. The EEA website is live effective September 2009 at: [www.EnterpriseEngagement.org](http://www.EnterpriseEngagement.org)