



# We Lost the Battle, but We Can Still Win the War

By Todd Hanson, President and Founder, Catalyst Performance Group

"ROI" has been the battle cry of the incentive and meeting community for over a decade. We were all believers – it is critical to prove the ROI of the meetings, events and incentives.

It's not that we doubted their value. We all knew that incentives and meetings created results. It's intuitive. Therefore, we sent out surveys to gauge levels of satisfaction. When we did, we sometimes proudly claimed to have demonstrated ROI.

Then came a sputtering economy and unexpected scrutiny of incentives and meetings from stakeholders, stockholders, the media and even elected officials. Corporate leadership

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was not prepared for the onslaught. As a result, we lost the battle. Unable to justify both strategy and spend, program after program was cancelled, postponed, or scaled back. Meetings were boondoggles – and incentives were worse.

What if we had actually measured the results of these programs? What if we considered both the tangible and intangible benefits? What if we had measured the impact on the business? And for our largest and most important initiatives, what if we isolated the impact, converted it to dollars and compared it to a fully-loaded cost of the program? Now that's ROI – exactly what is needed to prove the real value of incentives and meetings. And, in my opinion, that's exactly what leadership needed, but didn't have.

## Preparing to Win

So, how do we ready ourselves and prepare to win? First of all, we need to change our language. Let's not call qualitative results and the findings from satisfaction surveys ROI. ROI is a financial term, an acronym for "return on investment." If you talk ROI to leadership and it's anything less than a credible financial assessment, it just won't pass the sniff test.

As an alternative, let's talk start talking about our ability to prove "measurable results." Sounds easy enough, right? But where do we start?

Dr. Jack Phillips, well known and respected author and researcher, as well as founder

of The ROI Institute, has developed what he calls the Phillips ROI Methodology, a widely accepted formula for actually measuring results. The methodology, embraced by Meeting Professionals International (MPI), Professional Convention Management Association (PCMA) and the American Society for Training and Development (ASTD), takes a potentially complicated task and breaks it down into a manageable step-by-step process. The process evaluates six types of measures. For meetings and incentives, these include:

- Reaction/Satisfaction/Planned action
- Learning
- Application/Implementation
- Business Impact
- ROI
- Intangible Benefits

## The Fun Part

Taking a complicated concept like ROI and breaking it down like this makes it possible for organizations to scan the entire enterprise for incentives and meetings and measure them all. The only variable is at what level each is measured. As a result, the organization can proceed to measure results with confidence and a predictable outcome.

The next step is the fun part. Let's present the findings and use them for their primary purpose: to fuel continuous improvement. Armed with the data, we can develop an action plan that will help the organization save money, make money and reduce expenses – all in an intelligent and evidence-based manner. Now that's a great way to add value to leadership!

The way I look at it, the recent crisis in the industry has a beautiful silver lining. It creates an opportunity to craft a new battle cry. As professionals in the incentive and meetings arena, let's get serious about proving measurable results for all of our programs!

And when the next storm brews we'll be prepared to win the war. **I&MI**

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