

EXECUTIVE LEADERSHIP FORUM 2019



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Preface:

Associations and Professional societies play an important role in our society. Besides helping their members be more effective and efficient, the organizations are engaged in enriching the community and live of their members, families, support for nonprofit organizations, and helping innovation and progress. By looking at how one of their major revenue programs, the Trade, can be enhanced, we help the organization advance. I personally want to thank all the survey participants for donating their time to complete the survey, T3 staff and consulting on important questions being brought about by almost every Trade Show operator and or staff, and Bill Hudson from Heidrick & Struggles who brought this innovative research idea to me and afforded me the opportunity to engage on it and Tonya Muse from the Council of Manufacturing Associations

This will, no doubt, not be the last research on Trade Show bet practices but I hope it sparks further conversations to make Trade Shows even more beneficial in the future.

Thank you all for your participation.

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DETERMINING TRADE SHOW BEST PRACTICES

Associations and professional society are facing the same challenge many other enterprises are also facing: growing revenue while reducing costs. This study attempts to uncover some of the best practices used in Trade Shows all across the United States. Of course, every industry group, every professional society may have a different culture or approach to their business. But all are moving, like the rest of society, in the field of measurement of performance and ways to gain a slight edge in the marketplace to generate more resources to fund the important functions in their respective organizations.



56%

501 (c) 6 organizations are slightly more than half

44%

Legal status of traditional 501(c) 3 organizations



64%

Of respondents self-defined as Events Management

36%

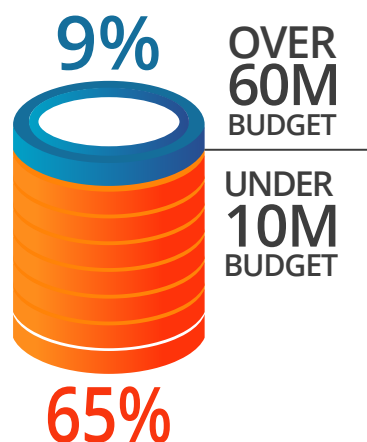
Of respondents self-defined as Association leadership

As you will see from the demographic data, the research reflects the wide variety of associations and professional societies in today's marketplace. The legal status of traditional 501(c) 3 organizations made up almost 44% of the sample; 501(C) 6 organizations are slightly more than half, at nearly 56%. Slightly over 36% of respondents self-defined as Association leadership, and roughly 64% of respondents self-defined as Events Management. This gave us respondents with a depth of knowledge on the trade show business and its best practices.

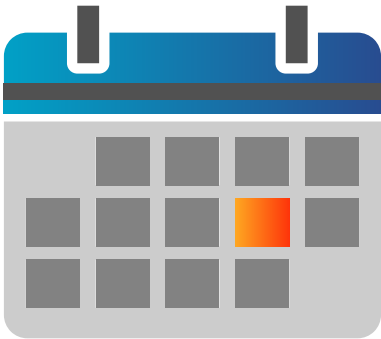
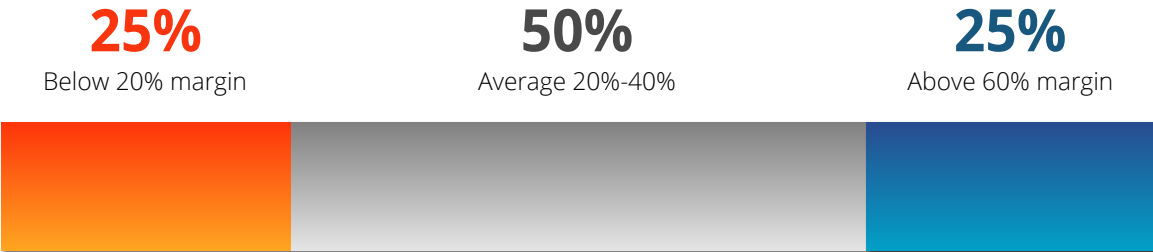


Chief Executive Officers represented nearly one-third of respondents representing senior management engagement. Approximately 85% of respondents held the position of Director or above

The size of the organization gross budget, as determined by the last fiscal year, ranged from 45% that were under \$5 million to 9% over \$60 million. 65% of respondents had budgets under \$10 million.



The percentage of gross revenue from Trade Show remains very significant, across all organization surveyed. Slightly more than one quarter saw margins at 20% of less, with close to the same percentage generating over 60% margins. The majority of shows generate between 21% and 40% to the respective organization. Why the difference? The survey hopes to help shape the explanation.



90%

of trade shows are only offered once per year

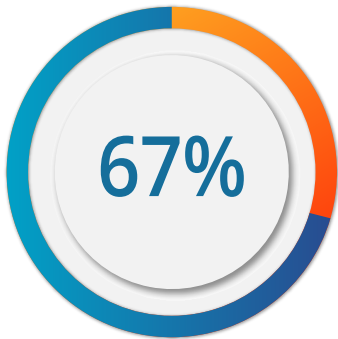
with some organizations holding shows less frequently or multiple times per year. Trade shows offered more than twice per year stands at roughly 7%, shows offered every two or three years stands at less than 6%.

BOARD MEASUREMENT

Boards overwhelmingly looked at the need to have a combination of both

QUALITATIVE + QUANTITATIVE

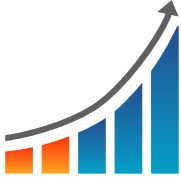
goals to achieve success. Nearly 67% of organizations responding said both were necessary.



Achievement of quantitative goals was a distant second, while less than 11% said qualitative goals, a distant third. No reliable research is evident on the emphasis twenty years ago, but, given the changes in associations and professional societies, there was more focus on strictly member services, engagement and programmatic support. They still are important but revenue return has significantly more focus.



Trade Association executives said that their boards first priority of measurement from their boards was number of attendees, followed closely by net square footage sold.



Net profit was the highest-ranking priority, when asked where the board places its highest measurement for success between conducting business, networking, leaning about new developments in the industry and accredited educational sessions.



Next to net profit, networking was the second highest rank measurement. Association leaders said that reinforcing and building on existing contacts was the clear almost 2:1 priority over making new contacts (second most important) followed by increasing contacts with peripheral business to my industry and last sharing best practices.



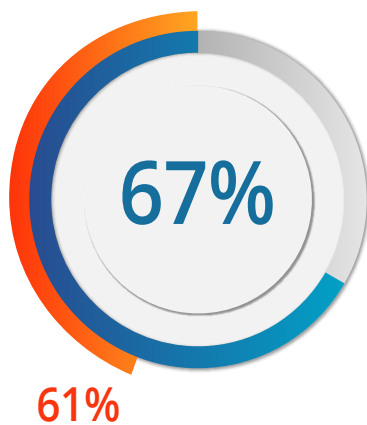
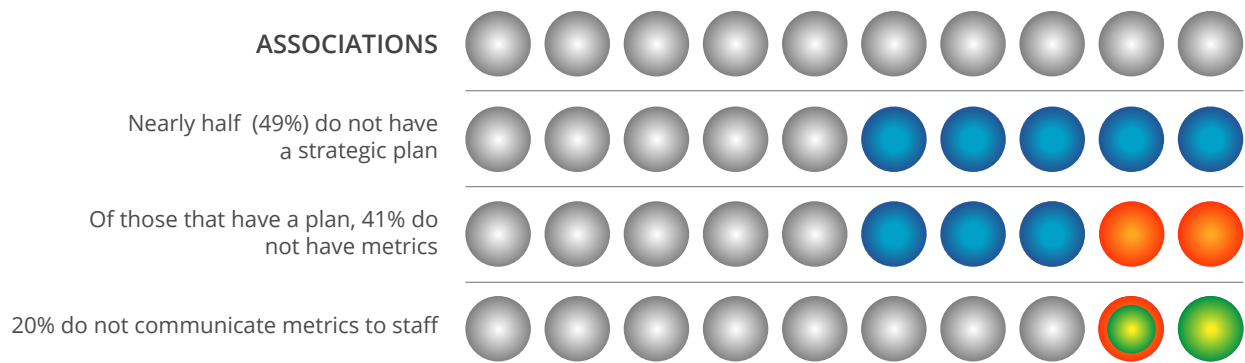
When looking at attendance success at a show, the metric of overall attendance beat qualified attendance by almost a factor of 3 to 1.

HAVING TRADE SHOW GROWTH IN THEIR STRATEGIC PLAN

72% of respondents said the trade show's growth was important to the overall strategic plan of their organization. This may be one area for future emphasis. The mean successful margin on a trade show was calculated at 44 cents out of each dollar. The mean was defined as Revenue-costs (rental space, marketing, labor, etc.). Minimum margins are 10%. The logic follows that having the trade shows benefit from the overall strategic plan would provide greater revenue. The right number is probably close or at 100%.

More surprising was that only 51% of respondents said they have a specific strategic plan for their show. The consequence of not having a road map for success likely means revenue is not being captured. Of those that had a plan 59% said that the show goals have explicitly defined metrics and that 80% had clearly communicated them to trade show staff.





Setting the right expectation among staff will likely lead to greater revenue available to the organization. Once again, the use of metrics showed up and stood at less than 61%. Only 67% of organizations surveyed had multi-year revenue growth in their trade show plan. Setting higher expectations among team members and long-range revenue goals could help mean higher revenue performance.

Association member and non-member participation (and perhaps revenue differences) is measured by 48% of the respondents. One-quarter do not measure, and close to another 22% evaluate participation between the two groups, but do not look at resulting revenue.

Another area for possible engagement at Trade Shows is emphasis on government relation's education at the show. The increased focus on political activism may provide an important and tangle content for members and industry vendors. This complements the nearly 26% of respondents who cited the Trade Show proceeds supported their advocacy program.

We asked the respondents to give us an idea on how they evaluate the price of registration and booth net square footage. But we did not purposely ask their price to avoid collusion or creating an anticompetitive environment. In evaluating the price of their registration and booth net square feet fees at their show, 65 respondents provided a very general view of their approach. The most common responses were benchmarking / comparison to other shows, delivered attendance, covering the costs and attendee ability to sustain costs of attendance and exhibition, surveys, committee discussions, evaluations, hiring outside research firms to determine attendee budget constraints, monetary value of content, personal experience, and working with our trade show partner.

We asked the respondents an open-ended question on what they thought was a major factor in their own show's success. There was no one common denominator, as many associations and professional societies represent different organizational cultures and have strong histories of engagement. We did, however see a trend in answers that recognized the need to have diversity, exhibitor buy-in and support, member satisfaction, exhibitor evaluations, strong content, energy, member engagement, solid branding and marketing and strong reputation.



