



## Determining a Professional Speaker's ROI

**Meeting Planners, Event Coordinators, HR Directors—just how do you pick the right speaker for your event?**

**Summary: Thoughts on the roles of sound decision making, attendee experience, and speaker “extras” in figuring out the payoff different speakers may bring you. One of the great debates within the meetings industry—and specifically the speaking industry—deals with calculating the ROI for an event and its various components.**

(Geez, Steve, only the first sentence and you're already throwing around acronyms!) To the surprise of many, generating revenue is not always the main goal of an event. An organization may bring people together purely for educational purposes, branding, good will, or any number of other reasons. However, whether an event is intended to make a profit, determining the return on investment is critical.

ROI rears its ugly head in decisions both big (where to hold an event) and small (how long the danish table should be available during coffee breaks). Although most meeting planners consider ROI when making choices, few are able to identify exactly how to calculate the correct decision. Is it even possible to calculate the difference you'll get from ordering white table linens vs. more “sophisticated” off-white ones—much less to estimate the ROI that a speaker will provide?

Well, first let's look at the traditional way one might calculate ROI.

On a simple level, if I spend \$10 for a lottery ticket and win \$15, my ROI is 50 percent. Or, more practically, if I buy a new computer for my business and it increases the user's productivity by four hours per week; that is a positive ROI... unless, of course, the new computer costs double what the old one cost. In this case, I would need to do further analysis.

My point is that true ROI is not purely about getting a return on investment, but rather getting the return by making sound purchasing decisions.

(OK thanks, Professor Bacque, but what does that mean for Meeting Planners?)

Perhaps a more practical, less numbers-focused approach would be to consider what would happen if you chose not to purchase something. Oftentimes absence focuses our mind and allows us to consider what truly matters. If you were to go with white table linens instead of the more expensive off-white, what would be the result? Perhaps off-white would increase your



event's panache, but ultimately this decision would probably not alter your attendees' experience.

However, if your keynoter bombs, chances are that no amount of off-white table linens will make a lick of difference in repairing the experience for your attendees. Throw into the mix the fact that speakers' fees are not necessarily indicative of quality, and how can a savvy planner determine who to hire?

For some events, calculating a speaker's ROI may be as simple as ticket sales. If Speaker 16 drew more (BITs-"butts in the seats") than Speaker 15, most planners would consider Speaker 16 to have a higher ROI. But if Speaker 16 cost \$5,000 more than Speaker 15, how many more seats would have to be filled to justify that extra expense? From my experience with working on hundreds of meetings with hundreds and hundreds of professional speakers, this distinction is often overlooked or under looked (when the planner just chooses not to care).

So for events in which filling seats is not necessarily a concern, how might you measure a speaker's ROI?

(Thanks, Dr. Steve Bacque, it took a dozen paragraphs to get to the point! Time is money-Dude!)

If you were to ask a room full of meeting planners this question, you might hear responses such as: "Inspiration cannot be measured." Or "Aligning our message with the speaker's is a soft cost." Or even better, "This speaker provided take-home value to our team that is not always immediately evident in results but is valuable nonetheless."

Although I strongly agree with these statements, as a business owner myself, I find that they don't satisfy my need to actually justify paying one speaker's fee over another. Additionally, in my experience, there are many speakers who bring far greater value at far lower fees than others in the same category (although it's true that some of the more expensive speakers are among the best in the business).

Going back to our point (about time-dude) about what really matters when you're planning a meeting...

what does really matter? Keeping in mind the goal of your event, consider the expenses in a tiered format:

**Tier 1** would consist of the quality of the venue, location, speakers, educational content, and perhaps the food.



**Tier 2** would include the quality of the marketing/registration packet and information, networking opportunities, etc.

Now, this is obviously nothing earth-shattering. But too often meeting planners get caught up in the details of Tier 2 and even Tier 3 expenses and forget the core of what really matters.

So after all of these considerations, is it possible to actually generate a number for the ROI of a speaker? Although possible...

(We could discuss algorithms and create models for optimization metrics. OK Steve-we get it-you have a Ph.D.) ...I'm not sure it's practical. It is, however, possible to dramatically increase the likelihood of receiving a positive ROI from your speaker.

- Checking References,
- Watching Demo footage,
- Talking on the phone with the speaker before signing a contract, etc.,

These are all traditional methods for selecting a speaker and, to some degree, are all effective.

However, I would challenge you to go a step further and, at the very least, create a comparison of attributes, abilities, and "extras." Oftentimes, meeting planners say that certain speakers were "worth their weight in gold" ...  
(Gold is a good indicator of ROI!)

...purely based on how easy the speakers were to work with before the event, their flexibility on site (attending receptions, book signings, dinners, going to other sessions, etc.), and their willingness to continue the value of the initial investment by offering follow-ups after the event. WHICH I am HAPPY to DO that and MORE...(my kids are not-buying we are 'CAMPING OUT' they said we are 'Homeless' right-only joking-got to have a sense of humor in this business)...

So even though demo videos are decent tools for dissecting a speaker's ability onstage (and no doubt important), they fall short when you're trying to determine some of the factors that comprise that speaker's overall ROI.

Ultimately, good speakers will enable you to get more bang for your buck because good speakers understand that creating value generates more business. However, as a planner, you cannot count on speakers to hold your hand. (BUT I WILL!) It is your responsibility to conceive of all the different ways in which your speaker could add value to your event and then ask for it! Even if the speaker cannot accommodate all your requests, oftentimes their responses will be very telling.



Additionally, it is critical to ask for these things before signing the contract. (So, PLEASE Sign the enclosed Contract already!) Good speakers who consistently generate positive ROI for their planners will not be surprised by your requests because had they themselves been planning the meeting, they would have asked, too! I hope this helped...