



This is a question a lot of people are asking these days, for a lot of different reasons.

Barbara Maple looks at some ways of calculating this economic equation

What's a congress worth?

If you're the operator of a convention centre, you need to know the answer in order to justify the cost of operations and marketing to your owner. If you're an association, you want to know what your event is worth to the host community and your members. And if you're a government owner, you need those numbers as a guide to what kind of return you're getting on the public investment in facilities like congress centres.

Whatever the need, the calculation process hasn't been an easy one, for the simple reason that the kinds of spending that take place in association with congresses is very broad and diversified, reaching into many different business sectors. And delegate spending – the most typically calculated figure – only represents one part of the overall economic equation.

Centres everywhere have increasingly been seeing the economic benefit calculation as a priority – and some interesting results have emerged as a result. But doing it right is a demanding process. Here are some of the elements that go into a comprehensive calculation:

First, delegate spending needs to be calculated on a site-specific basis. For too many years, the meetings industry survived on broad averages that had little direct relevance to any particular location, each of which have their own cost structure and spending patterns. There's really no way to get this information without surveying individual delegates and compiling the results, something that is both demanding and time consuming.

Secondly, these surveys need to break out spending into a number of specific categories so that they can be fed into an 'Input-Output' model that performs the actual economic impact calculation (more on this later). And there's more; it's not enough to multiply the spending figures by the number of event days as there is often pre- and post-trip stays added onto the actual convention period, and these are also the direct result of conference attendance.

But even when you have a solid delegate spending number, you're only part of the way there. There's also the spending by exhibitors and others that accompany the event – spending that wouldn't take place otherwise, and that therefore needs to be added in. At the same time, there are all the costs associated with event production – things like presentations, services and banquets that are typically covered by delegate registration fees, but which don't show up in their local spending information. Both of these are often a major part of the economic equation – but were often left out of the kind of simplified calculations done in the past.

Finally, you need to figure out what kind of economic impact result from this spending, and for that, you need the 'Input-Output' model mentioned above. This kind of computer model is generally maintained by governments for the specific purpose of figuring out how expenditures work their way through the local economy and what kinds of overall economic effects they have, including things like employment and tax revenues to various levels of government.

By putting in your spending numbers (the 'Input') you'll get all the induced effects (the 'Output') that allow you to compare yourself with what other industry sectors are generating.

Sounds like a lot of work – and it is. But as they say, if it's worth doing, it's worth doing right. Accuracy is key; as mentioned previously, there is a huge temptation to use industry average figures for calculating economic impact, and this has often been the case in the past. But as we move forward as an industry, it's increasingly important to invest the time to get our numbers as accurate as possible. That's the only way we'll be taken seriously by people on the receiving end – and credibility is the name of the game when our collective reputation is at stake.

Now, the job is to take this information and use it to best effect with particular key audiences! It's not enough just to have the information; it needs to be well presented in order to use it to best advantage. But when the calculations are done properly, there's that extra confidence that comes from having good, solid information to work with. ■

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