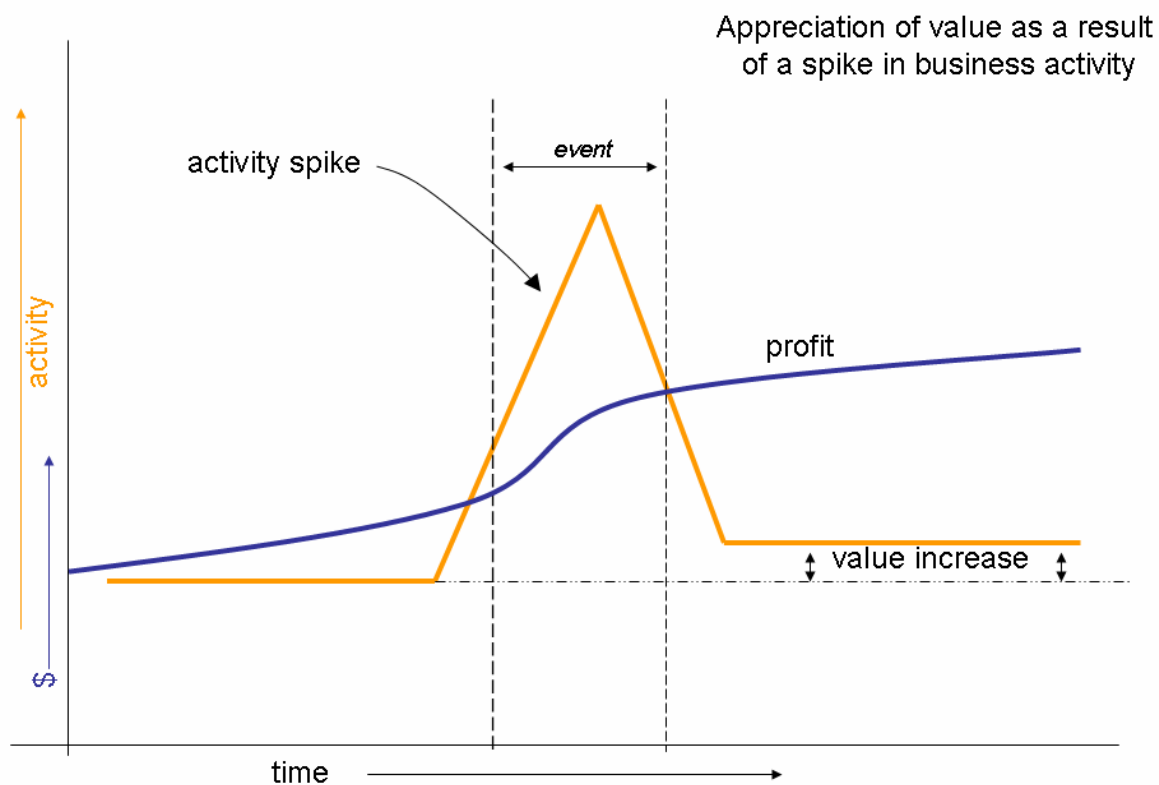


Mining Event Appreciation : sharing the cost of the Return on Investment

Most public events produce an increase in spending in a region. Events are a source of appreciation in value for many businesses. This is well recognised and measured with economic tools such as the multiplier and/or input/output analysis. However trying to explain this to event managers is difficult and illustrating the advantage to them can be complex. I have developed an 'on the ground' explanation of the process and the way an event manager can use the information to the advantage of the event.

I'll use the local bank as an example.

The bank makes its money on transaction fees and interest on loans. Over the last few years transaction fees have become an important part of the bank's income. It is the activity of the bank that generates its income. The activity comprises deposits, withdrawals, credit card transactions and the like.



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During a public event this activity increases. The increase in activity is shown as a spike in the graph. During the event the bank makes more income. At the end of the event, the bank has more money and therefore is able to generate more income. **This is an increase in value of the bank and it is a direct result of the event.**

A similar graph can be constructed for each of the industries in the region.

The event team can approach the bank with figures on the appreciation of the value of the bank as a direct result of the event. The bank, in a sense is taking advantage of the value generated by the event. Knowledge of the size of the value is vital to the event team. They can determine the level of support or investment. Note that this is not 'sponsorship'. The term sponsorship has become confusing in event sector.

The event is an investment by the bank to create increased value to the bank's shareholders.

The value can be exactly calculated by giving figures to the graph. It enables the bank to compare their investment in the event with other investments.

The activity/value calculation depends on the right environment. It includes:

1. A competitive environment - there must be other companies in the same business (i.e. other banks)
2. Available figures for the industry. Many industries publish their activity either directly or it can be found through the suppliers.

The event such as a free public festival, increases the value of the businesses in the region. An example is the Riverfestival in Brisbane Australia. The value of the land surrounding the river has increased as a result of the activities of the festival. With these figures, the event manager can approach the business for support. By representing the event as an investment in their own business, the companies can compare the investment to other investments and calculate their return on investment. In this way the cost of creating the value arising from the work of the event team is fairly shared by the business community.

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