

## How to structure the events organiser of the future

Denzil Rankine challenges the status quo and sets out the principles of how an events organiser should be structured in light of changing customer needs

### Introduction

The question of how an events organiser should be structured has never been more important. As participants at events are becoming increasingly demanding, as the digital revolution encroaches into events and as competition intensifies, the time has come to think hard.

After setting corporate strategy, the C-suite needs to decide how to shape its structure according to a range of inevitable trade-offs. These include:

- Entrepreneurial silos vs uniform, systematised approach
- Sector focus vs. geographic focus
- Centralised vs. dispersed functions, e.g. marketing

We believe that this is the right time to re-evaluate some of the basic premises of a successful organisation in the events industry; we say this knowing that there is no such thing as a perfect organisational structure and that organisational change can be used as a tool to adjust behaviours.

This briefing paper focuses on the main elements of structure while not diving into all the detail.

### Summary

We advocate that:

- Innovation has to be a constant
- Event directors must be fully capable of owning the strategy of their events
- Data analytics should be coupled to strategy and marketing
- Marketing should be at the heart of the organisation
- Incentives should be linked to performance as well as to KPIs that indicate future performance

## Innovate or suffer

The imperative to innovate is clear. Simply repeating a floorplan and failing to deliver something new to the audience can work for a while as leading shows can create significant barriers around their brands. But in the long term a lack of innovation is a death sentence as attendees lose interest or competitors position their events in line with emerging trends and implement targeted promotion to ride the wave of change.

Market trends create new opportunities and support new strategies so market closeness is simply a pre-requisite; every event needs to adapt and innovate to meet the evolving needs of its audiences. Consequently, a culture of market-closeness has to be fostered through a mix of talent management, incentives and organisational structure.

A centre should be clear about how it fosters innovation that allows its events to stay fresh and to launch. Small businesses, or entrepreneurial silos within larger groups, can typically be expected to deliver more launches than businesses with a uniform, systematised approach. However, there are notable exceptions of large organisers which foster a launch culture. That culture is typically supported by incentives and often driven by units which lack supertanker brands. Google is an interesting example as it is large yet innovation remains its lifeblood. Its model is to empower small teams and it surveys the organisation every six months to gauge whether the centre is helping or hindering innovation.

## It is time for real show strategies

Does your organisation develop effective, considered show strategies each year, or is show strategy setting actually subsumed within budget setting?

A show strategy is not a budget. A strategy reflects market developments, ever-changing participant needs and competition. It is a vision of the future. A strategy needs to be built on solid foundations of genuine market understanding and the application of structured strategic thinking, using tools such as value chain analysis and show lifecycle and maturity curves.

The strategy maps the show to the dynamics of its served market. It drives the targeting of visitor acquisition, as well as show segmentation and the balancing of sales targets. Essentially, it drives the desired shape of the event.

The consequence is that the event director owns the strategy and should be monitored by its delivery. That means contribution margin and an appropriate set of KPIs.

The organisational implication is that the show director needs to be able to hand off to well-oiled internal services that support the delivery of an event. A useful parallel is that of the brand manager at P&G; this is the role which drives profit and where the power resides.

### FMCG Brand Manager example

The role of the exhibition director is moving closer to that of an FMCG brand manager. Here are some example lines from brand manager job descriptions:

- Lead the vision, objective, strategy and plan development for the brand for the short and long-term, based on data/input from internal and external resources
- Lead and inspire cross-functional teams as the brand leader to proactively lead strategy, game plan development and deliver objectives
- Is curious and unsatisfied with the status-quo, willing to challenge and be challenged to deliver even better results than expected

## Focus on the core skills of the event director

In many organisations, event directors act as mini-CEOs; they multi-task, needing the full range of management capabilities. It is tough to find accomplished people with such a wide skill set to excel in a role that encompasses strategy, sales, marketing and operations.

Apple identified its core skills as design and marketing and has been prepared to outsource the rest. Equally, event organisers should consider looking at the role of the event director through this lens. The core skill of an event director is setting a winning strategy and shaping the event in line with it, including defining the audience and determining how it will be delivered. The more time the event director can spend on this, the more successful the outcome. Other areas where the event director can add less value should be handed over in a client-provider relationship to specific centres of excellence within the rest of the organisation.

**“We are moving from an event director being a jack of all trades but master of none to being a capable manager who can orchestrate a range of specialist inputs.”**

Mike Rusbridge

The organisational implication is significant. In a modern structure show managers should coordinate a range of specialist inputs to deliver the event. They will not have the skills themselves, nor will they have ownership of all the specialisms such as e-marketing, data and pricing; these need to be a company resource. Whilst many organisers successfully operate with devolved structures and operate a series of shows as a set of largely independent small businesses, this will no longer yield the best results. We suggest that the event director should remain accountable for margin, but should be supported by an organisation that can provide support in many more specialist areas than pure event delivery.

## Marketing-first should replace sales-first

Sales will always remain a core function of an events organiser. But sales can no longer sit at the heart of the business. We all know that exhibitions are about the visitor, but how many organisers have actioned this by putting the visitor – and the functions that deliver qualified visitors – at the heart of their thinking? All too often strategy and marketing – and hence visitors – actually come in second place.

Visitors have less time to spend at events, making them more selective and also making them demand a better return on their time. On the other side of the coin, exhibitors expect to see better qualified visitors.

Technology has revolutionised visitor acquisition. The cost of visitor acquisition may well be decreasing overall, but the task of delivering qualified buyers is becoming more complex and challenging.

The marketing skill set has evolved. The need for creative skills has been surpassed by the need for data and analytical skills. As these new skills emerge they cannot, in the first instance at least, easily be dispersed across an organisation.

The organisational implication is that centres of excellence are required. They can be focused in a centralised marketing department until they can be spread across show groups once the skills are more widespread, or they can sit within a show group that champions a new approach before it is spread more widely if successful. Embedding the skills across event teams then requires a conscious, well-led effort supported by training and, on occasion, personnel changes.

The other critical balance is ensuring that marketing delivers against the requirements of event directors. If marketing is centralised, it is then imperative that the visitor acquisition machine delivers an effective service to its client, the show director. The show director also has to provide specific instruction to marketing, or to the market research function, to support or disprove the event strategy.

## Data analytics is a core function

Event organisers now have a mass of data at their disposal, whilst it may not technically be big data, there is the growing opportunity to use this data to support strategy and execution. This opportunity will become a pre-requisite for success.

Historically, organisers have been poor at using data; systems are too often not unified, data capture is inconsistent and post show surveys ask the wrong questions. Data has been ignored and too many decisions are based on gut feel.

Data from registration, marketing automation, CRM, web traffic, visitor movements on site, show surveys and other sources typically sit in separate silos. However, we are now in the era of being able to use this data more effectively and crucially of joining up the inputs with the aim of using the data to refine events as well as improve the participant experience. This unified data strategy cannot be achieved by a misplaced loner in the business.

The organisational implication is that the data function needs senior support. It should report to the CEO or the CMO, so long as the CMO has sufficient weight in the organisation. In the first instance this should be part of the strategy and business planning function.

## Performance measurement should not just be driven by the financials

Too often we have seen organisers only using the relatively blunt instruments of sales pacing and finance to monitor their businesses and then see their shows suffer as a result. Revenue and sales pacing are good real time measures if used consistently; weekly assessments can allow the senior management to spot amber or red flags. However, sales pacing needs to be linked to the delivery of show strategy, including a segmented focus on key accounts and show balance. Organisers must also ask themselves if they are giving the same attention to the effectiveness of visitor marketing campaigns?

A key performance indicator is not a financial measure. It is a metric that demonstrates the health of a business, or an event – think key account retention, net promoter score or pre-reg conversion. All of these need to be developed and monitored in line with the show strategy. Then as the show strategy reflects the evolving position of the event as it maintains or gains relevance in its industry, the most advanced organisers seek out KPIs which not only are nuanced to that event but also reflect the movement towards that future position. Examples might include the penetration of new attendee groups or effective delivery of leading-edge content.

## Processes and systems are inevitably standardising

Many organisers have grown through acquisition or partnership. They face the inevitable question of how much to standardise processes and systems across the organisation. The cultural challenge can be the major hurdle to the roll-out of systems as managers resist change with the cry of “but we are different here”. Nonetheless we are witnessing the increasing standardisation of systems and processes, or the “industrialisation” of some organisers.

Each organisation must find the balance; processes and systems must support business activity and not get in the way. It is inevitable that common systems will develop in organisations, this typically happens when organisers move beyond the early growth phase and owners seek more consistent performance. Over time we see the needle moving towards more standardised systems, particularly in operations but also in sales with single CRM systems, marketing automation and linked systems such as registration and the website.

Each organisation needs clarity on its show delivery process and the role of systems so the organisation has a common vision which allows for the smooth interplay between departments.

## Conclusion

The events industry is in a period of accelerated change which will lead to a wider separation of players or even a bifurcation of the industry.

Sophisticated organisers are increasingly well placed to deal with marketers who question return on investment and attendees who question return on time. Revamping organisational structures and developing the ability to harness data to better understand their customers' needs requires effort – but it will pay off. The less sophisticated organisers can continue to be profitable, particularly if their show strategies are market-led. However, they will struggle as their shows come under pressure or towards the end of their lifecycles.

---

Denzil Rankine is the Executive Chairman of AMR International, the world leading partner to the event industry providing growth strategy and M&A support globally.



**Denzil Rankine**

Executive Chairman

+44 20 7534 3601

+1 646 465 5971

[denzil.rankine@amrinternational.com](mailto:denzil.rankine@amrinternational.com)

Copyright 2016 by AMR International Ltd. All Rights Reserved. No part of this publication may be reproduced, or transmitted in any form or by any means, whether electronic, mechanical, photocopying, recording or otherwise without the written permission of AMR International Ltd.

[amrinternational.com](http://amrinternational.com)

London ■

New York ■

Paris ■