

# 3

## Setting the Event Host Objectives: a framework for business value creation

Chiara Orefice

### Learning objectives

- Analyse the complex environment in which event hosts operate.
- Establish a long term, holistic perspective on objective setting.
- Define strategic and tactical objectives and discuss their contribution to organisational strategy.

### Introduction

This chapter looks at the role of one of the key stakeholders in event creation – the event host. Event hosts, also called ‘owners’ or ‘budget holders’ are the organisations or individuals that initiate the event. This may be the sole funder or the main financial contributor to the event, or it could be the organisation(s) or group of people that put forward the event concept based on a particular need, cause or mission. Event owners could be managing the event funds rather than directly financing it, raising money for instance through grants, fees and other sources. The variety of event hosts and the different organisational structures that they can take depend on the size, purpose and market in which the event operates. Getz et al. (2007) suggest that as the events field advances, the boundaries of event organisations are becoming fuzzy. Owners can be private companies, not-for-profit organisations or public authorities and, for an increasing number of events, they may be a combination of multiple bodies across these sectors. Sometimes there may be a contractual agreement in place, but often the relationship

is more informal. In the case of community events, for instance, Wood (2009) suggests that there can exist different combinations of public sector and community endorsement and support. This can range from little or no engagement in the organisational effort and no funding, to high levels of involvement in the organisation and considerable financial contribution.

As event creation becomes the combined efforts of multiple individuals and organisations, the identification of a single event host becomes more complex and the distinction between owners and stakeholders is blurred (for further discussion on the variety of stakeholders' involvement and interest, refer to Chapter 2). This chapter will analyse the issue of the complexity of host objectives and derive a definition of event host within a Strategic Event Creation perspective. It will challenge the traditional approach that differentiates host objectives by private, public and third sector and it will introduce the concept of mission value<sup>1</sup> to derive a categorisation of objectives that can be shared across the sectors.

## Event host objectives – a multi-faceted picture

Traditionally the literature distinguishes between profit making (private sector) event owners, and public and third sector event owners. Events initiated by organisations mainly in the not-for-profit or public sector will often pursue less tangible outcomes such as contributing to the development of community cohesion, knowledge sharing and professional development, the celebration of a certain culture, or encouraging participation in community activities, sport and the arts. Such event objectives connect to longer term aims, such as generating a positive attitude towards local government, attracting more residents and businesses, developing educational and research opportunities, and improving health and quality of life in a city or region (Dwyer et al., 2000; Pugh and Wood, 2004).

The not-for-profit sector, alongside the public sector, is showing an increased market orientation and an improved understanding of the role that events can play as part of cultural or urban regeneration, place promotion, education and research etc, thus growing in its awareness of the long term strategic value of events (Richards and Palmer, 2010; Carlsen and Andersson, 2011). Benita Lipps, Executive Director of the DaVinci Institute, is one of the convenors of the Gender Summit - an annual conference promoting the importance of the gender dimension for research and innovation excellence. In the following quote she explains how the Summit contributes to policy making at European level within a long-term perspective.

---

<sup>1</sup> The author would like to thank Dr. Elling Hamso for the significant contribution given to this chapter with his comments and revisions, and in particular for suggesting the concept of mission value.

## Industry voice: Benita Lipps, Executive Director, DaVinci Institute, Belgium

For the Gender Summit we have very consciously chosen Brussels as its recurring European location. First, it allows us to create strong connections to the European Union institutions, which helps to create long-term impact on policy making. Second, it makes it easier for us to attract industry partners to the summit, as innovation-focussed companies are eager to showcase their best practice in an EU context. Last, a 'Brussels Summit' sends a symbolic message to our community, making it clear that gender in research and innovation is not just a minority interest, but an essential aspect of European research and innovation policy.

However, although events are acknowledged to be purposefully invested in to achieve such outcomes, the formalisation of quantifiable objectives in these sectors is still progressing slowly. Without attaching clear objectives, and then adequately capturing the outcomes, it is problematic to demonstrate the event contribution to the overall strategy which inevitably generates difficulties in gaining support for future event investment. Benita Lipps describes another conference she is involved with:

## Industry voice: Benita Lipps, Executive Director, DaVinci Institute, Belgium

While Graphene Week is probably one of the most respected international scientific meetings in the area of graphene and graphene-based devices, it is hard for us to really measure its impact. What indicators should we use? Number of participants? Number of countries represented? General satisfaction with the programme? While these are relatively easy to measure, they don't really define the 'success' of this conference. Graphene Week is about networking, about creating new connections and collaborations. This is an impact we still find hard to measure.

Events initiated by the private or for-profit sectors, contribute directly or indirectly to an organisation's bottom line, typically through increasing revenues, reducing costs, or improving organisational performance. We can distinguish between external facing (such as roadshows or product launches), internal facing events (such as staff conferences or partner events), or indeed a combination of both and also between financial and non-financial objectives. Non-financial objectives pertain to areas such as staff development, stakeholder relations or team building. These are all areas which ultimately affect the company effectiveness and survival through improved service, enhanced business contacts and so forth (Reic, 2012).

Particularly prominent in the industry is the discussion about the value of events, which has gathered pace in the past few years (see for instance the MPI, 2011 study on the *Business Value of Meetings* and the *Meetings Mean Business Toolkit*, 2013). The economic uncertainty has challenged organisations and event professionals to increasingly engage in systematic ways to justify the event existence by demonstrating more thoroughly the value of the events delivered. Terms such as Return on Investment (ROI) and Return on Objectives (ROO) have therefore become widespread and event creators are increasingly tasked with demonstrating that the investment in the event does provide clear returns. Such a challenge relies upon effective evaluation that crucially goes beyond the typical parameters of attendee satisfaction. As explored in Chapter 12, there are difficulties in engaging in the evaluation process typically due to the perception of high costs, resource requirement, lack of skills and even fear of the results (MPI, 2011). This remains a considerable issue for the industry although there are progressive developments such as the Event ROI methodology which moves forward from simple event evaluation, introducing a framework for setting objectives before the event is designed (Phillips et al, 2007).

Regardless of its profit or not-for-profit orientation, every organisation involved in the initiation of events is required to justify the investment provided. However, a host profit or not-for-profit orientation does not necessarily imply that the event should be generating positive financial returns and vice-versa. For example, some publicly or not-for-profit owned events may have as their main purpose profit making (a typical example are charity fundraising events), whereas private sector funded events may have a focus on community development and contribute to knowledge expansion, or raise awareness about social and cultural agendas. This is illustrated by the words of Claes Olsen, Booking Manager of the Øya Festival in Norway.

### **Industry voice: Claes Olsen, Booking Manager of the Øya Festival in Norway**

When we started Øya festival our goal was not to make money, but to create something for the local music scene that we were all part of, since myself and the others were all running small venues. We wanted to prove that even though we were all competitors, we had good relations and all pursued the same goal. At this time we felt that the other Norwegian festivals did not respect the Norwegian music scene. They either did not know about it, or if they bothered to book Norwegian acts, they did not put them on first, so no one watched them.

The festival started really small with only local acts and 800 tickets sold, but we got what we wanted; a lot of media attention for the local music scene and the artists. We now have 10 year round employees, and 150 staff paid staff who work part time plus 2000