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Financial Fitness for Associations

Being financially sound is fast topping the agenda for all associations. This was evident during a recent study among associations in Europe by the World's Leading Conference Organisers (WLCO). While traditional issues such as membership growth and policy development are still important, a fluctuating external economic environment is placing pressure on associations to aim towards maximising revenues in the conferences and events they stage.

This theme of getting the associations' financial house in order echoes the findings of an Australian pilot study completed earlier this year. That study found that Professional Conference Organisers (PCOs) are now expected to provide strategic value to a conference, particularly in relation to sponsorship and marketing.

The latest survey was distributed by the WLCO European partners in the UK, Spain, Denmark and the Czech Republic.

It found that the business end of association conference management is fast catching up with the sector's professional objectives. Generating revenue be it through membership, meetings or investments were among the top issues and challenges.

The environment in which the associations operate gives an indication of the reason for this finding. Accountability to members, an increasingly unstable economic environment and more enterprising associations engaging in social and business ventures all converge to create greater pressures for most associations to maintain financial fitness.

Maximising revenue during an annual conference thus naturally becomes a priority. Chairman and Managing Director of Meeting Makers, Clive Thomson, says "Maximising revenue is a key priority in staging conferences. As the most visible platform on their calendar, associations are under pressure to ensure that their conferences are both financially sound and show a clear return on investment."

In a lean environment of tightening budgets, hiring a PCO may appear to be a costly expense item. However in many cases, a PCO provides an independent and objective perspective that brings about budget discipline to a conference, professional expertise in database outreach, marketing, international networks that bring on board valuable exhibitors, local knowledge to harness key sponsorship partners and potentially new sponsorship channels.

A global network such as WLCO is an example of PCOs being able to increase their value to clients, brought about by strong relationships among the partners. The four WLCO partners in Europe currently have more than 130 years of professional conference management experience, spread across Meeting Makers in the UK, GP Destinationa Management in Spain, DIS Congress Services in Denmark and Agentura Carolina in the Czech Republic. WLCO has other members in Argentina, Australia and Canada.

The WLCO surveys show that strong revenue and a financially sound conference drives the quality of the programme: content and speakers. A profitable conference that provides revenue to sustain an association's on-going operations is also an important objective when budgets are balanced. Conferences today are therefore as much a trading platform as a gathering for learning and professional development.

“Once upon a time, 10% of a PCO's energy would be directed towards revenue-raising and marketing for their clients, today it's 50%”, says Managing Director of GP Destination Management, Antonio Hermosilla.

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