

BEFORE THE EXPO, PLAN - CALCULATING YOUR ROI #4 OF 36

EXHIBITOR TRAINING VIDEO



Getting a return on investment from an expo is doesn't just mean generating leads and converting them. To get a real understanding of ROI, you need first to work out your costs. This includes the costs of the stand space as well as the display stand, merchandise, literature, give-aways, staff time, travel costs, accommodation, subsistence and much more.

Spending time understanding the actual costs will help you determine the profit you need to generate in order to see a positive return. In turn, this will allow you to examine your average lead conversion success rate and determine how many enquiries you are likely to need from the show in order to generate the necessary ROI.

'ROI is not sales revenue. To generate ROI it's important to understand what it is'.

WHAT DO I NEED TO DO TO WORK OUT MY ROI?

To help you calculate your return on investment, we have set out a worksheet on the following page. Here is a step by step guide to using it.

STEP 1 – CALCULATE THE INVESTMENT

- Put the cost of the stand in the worksheet
- Add all the costs that will be incurred as a result of the expo
- Examples of costs have been shown. Add any others as necessary - e.g. flights, accommodation, hiring of furniture etc.
- Now add it all together and place it in the bottom of the left-hand column under the heading of 'Total Investment'. This will be known as **(A)**.



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Work out your ROI

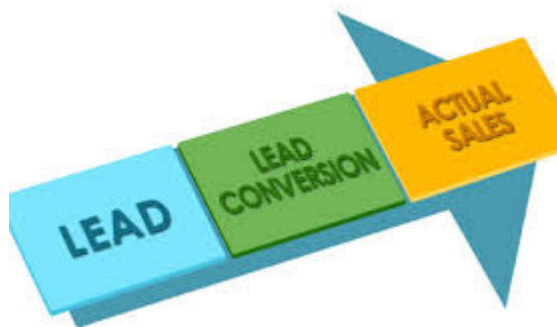
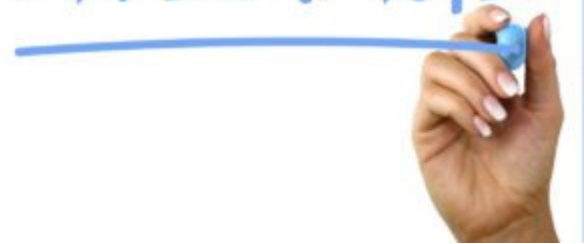
Investment	Return
Stand space cost: £ _____	Part One: Average value of 1 order:
<i>Plus:</i>	£ _____ (B)
Staff: £ _____	Net Profit for that order (on average)
Travel: £ _____	£ _____ (C)
Stand Display: £ _____	Break-Even Point based on Net Profit How many orders to break-even?
Merchandise: £ _____	_____ (D) = (A divided by C)
Literature: £ _____	Part Two:
Expo Training: £ _____	Lead Conversion Ratio How many leads to generate 1 order?
Expo day: £ _____	_____ (E)
(subsistence etc)	Number of leads required to break even
Show offer: £ _____	_____ (F) = (E multiply by D)
Prize Draw: £ _____	Add the number of leads required to generate 1 more order (to the figure above)
Other: £ _____	_____ (G) = (F plus E)
Other: £ _____	
Other: £ _____	
TOTAL INVESTMENT	RETURN ON INVESTMENT = NO. OF LEADS
£ _____ (A)	_____ (G)

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STEP 2 – THE RETURN, PART ONE: AVERAGE VALUE OF 1 ORDER

- Focus on an average order value based on the product or service you will be promoting at the expo. We will call this **(B)**.
- Now put the Net Profit you expect to generate from that single order. We will call this **(C)**.
- Now work out the Break-Even Point to get **(D)**. This equals Total Investment **(A)** divided by Net Profit for a sales order **(C)**. In effect, this gives you the minimum number of sales you need.

AVERAGE



STEP 3 – RETURN, PART TWO: LEAD CONVERSION RATIO

- Estimate how many leads you typically need to generate 1 order. We will call this **(E)**.
- Now work out how many leads will be required to break even. ($= D \times E$)
- Finally, add the number of leads you will need to generate 1 extra order.

STEP 4 – NO OF LEADS REQUIRED TO GENERATE THE ROI

- o This will be the minimum target for you and your team

IN OUR NEXT PRESENTATION...

In our next presentation, we'll be looking at the second of the Six Ps: People. Achieving an ROI from exhibiting depends enormously on the preparedness and the attitude of your team. Training plays a big part in this, so we'll be considering the steps you can take to give your people the best possible chance of success.

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