

July, 2004

Are We Chasing Windmills?

By

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It's no secret I'm outspoken on a lot of issues regarding the meetings and exhibitions industry. I often decry what I think are the shortcomings and shortsightedness of this industry both as a whole and regarding individual events, and I am continually amazed at the direction and answers our leadership comes up with.

This *Rambling* is no different. But before I launch into what you might think is an unfair assessment, let me share some background about why I think the way I do.

While I do consult and speak for executives and organizations not related to the trade show industry, most of my work is within it. I've consulted with many of the largest association-owned events and corporations in North America. I've facilitated long-term strategic planning and even full-blown reinventions for seven of the top ten largest US trade shows. My 2003 client base alone represented over 10.5 million net square feet, 650,000 professional attendees, and 18,300 exhibiting companies.

I don't say this to brag or impress you (although I am *DAMN* proud of my client base – both [associations](#) and [corporations](#)). I say this to reinforce the fact that I am a **huge** proponent and cheerleader for the trade show and convention industry. Not everyone in our industry thinks I'm a supporter, which is astounding to think considering my client base, but in reality I'm probably not a supporter of *them* and their myopic views. I happen to think an awful lot of influential people and organizations are more focused on self-preservation and fiefdoms. Not that there's anything wrong with self-preservation to an extent. We all want that. Remember, I make a good portion of MY income from this world, too.

These are critical times for the exhibition world, and I strongly believe we must take an extremely hard look in the mirror. We must ask the hard questions and we must focus on the right issues.

I don't fear the extinction of this industry anymore than I fear the extinction of the recording industry. To be sure, the recording industry is under extraordinary attack by filesharing technology. Several hundred thousand employees of recording companies are expected to lose their jobs over the next few years. Major labels will most likely go Chapter Eleven. I'm sure we'll see mega-mergers. One major label CEO interviewed for a recent *CBS Sunday Morning* segment warned the world that music could go away if the industry couldn't stop filesharing. A songwriter worried about how she was going to make a living if she didn't get paid for every use.

Go away? Do these people think we're idiots? Do we think for one moment that music will **go away** if the big labels disappear? And our "poor" songwriter conveniently didn't mention she had earned \$20 million in royalties in 2002.

I have no idea what changes will occur to the recording industry over the coming years. What I do know is that what the record label CEO and songwriter want is to protect status quo. But that isn't going to happen. Filesharing is a disruptive technology genie that simply will not go back into the bottle. The music industry will most likely morph into a new animal and we'll have new ways of getting the music we want. But to say that music will go away is preposterous.

And expositions aren't going away, either. To be sure, individual expositions will go away (ex: COMDEX, & the old National Hardware Show - no surprises, though), but the industry will still be around. I have no doubt about that. But the good old days of "If we build it, they'll come," are most likely not coming back anytime soon, if ever.

It's no secret that most trade shows are under intense scrutiny from both exhibitors and attendees. Many events still have not recovered from the huge downturn after 9/11. Others are experiencing record growth. This has caused a lot of head scratching by industry veterans.

In my February 1998 *Convene* magazine column, I asked show executives the question: "Would You Leave Hole?"

*"Considering the way technology has added a myriad of new ways for people to communicate with each other, we **must** assume that our exhibitors and attendees are reconsidering the value of trade shows when they question perceived results, experiences and trade-offs. And if we are to continue to succeed in the future, we must be able to help them answer those questions beyond their satisfaction. Proof, not promises.*

Ask yourself this hard question ... if your exposition were to disappear tomorrow, would it leave a hole? Would the marketplace be frantically looking for another way to get buyers and sellers together? Would companies be in actual danger of going out of business without you? Would buyers become disconnected from a lack of a central networking opportunity? Would people stop learning?"

I've got news for the trade show industry. Attendees and exhibitors are sending a resounding response to the question "Would you leave a hole?" and the answer is **NO!**

My clients will say I'm a broken record, but my mantra is pretty simple:

Where Value is Clear, the Decision is Easy

I first made that statement in my July 1996 *Rambling*. I've repeated it thousands of times in speeches, workshops, board of directors meetings, corporate retreats, books, and articles. It'll probably be my epitaph.

Value is *everything!* If exhibitors and attendees can prove high, meaningful value from participating at an event, they will crawl over broken glass to be there. Period.

I am now going to say something that will piss off a lot of people. *Our industry is historically guilty of nondelivery of value.*

No doubt a lot of people will vehemently disagree with that statement, and I can certainly understand their feelings. Our own perceptions tell us we certainly DO deliver value. Thousands of events deliver several million attendees for exhibitors. Doesn't that constitute delivery of value?

The harsh answer is no. The problem is that we don't see things as they are. We see things as **WE** are. What trade shows deliver is *possible* value, a very different thing. They deliver attendees to the front door of a convention center or hotel. These attendees *may* be the right audience for the exhibitors at that time. They *may* turn into customers, *if* the exhibitor is smart enough or fortunate enough to attract the right person into their booth, and *if* the exhibitor knows how to translate that meeting into postshow value. The trade show has historically been a passive pass-through agent. We simply set up a situation for exhibitors and attendees to be in the same place at the same time, and then let them have at it.

Maybe I'm talking semantics here, but I don't think so. To me, this is like handing someone a book about brain surgery, and then expecting them to be able to actually do it without proper training and instruction.

It seems to me our objective as an industry should be to expend our energies being more of an **active partner** in actually facilitating the connections between buyers and sellers.

Are we blowing out the same smoke the recording giants are? I'm not sure, but I question the top discussions and directions our industry is taking these days. We're focusing on audits, exhibiting costs, industry promotion with a "name" spokesperson, special task forces, large show and executive roundtables. Do these really help our customers - the exhibitors?

On the surface, it makes sense for shows to have independent audits of attendance. For years it's been a running joke that if you can fog a mirror, you can get into a show. Crowded aisles seem to define a successful event and annually growing attendance numbers seem to become the expectation.

Why are we all of a sudden interested in independent audits? There are three reasons. The first is that exhibitors oftentimes believe attendance numbers are inflated or misreported. And the reality is they too often are. Exhibitor personnel, guests, and bus drivers are counted as part of total attendance. Total registration is announced, but pickup is conveniently not mentioned.

The second reason is that exhibitors don't know how to measure and generate meaningful value from their exhibiting dollar, so they have to rely on some other form of measurement to justify the very significant expense of exhibiting.

The third is trust. Or lack of it. Attendance figures are announced and exhibitors simply don't believe them. They don't trust show management to provide accurate numbers.

Magazines, TV, and radio have used independent auditing for years. It's standard practice. And for good reason. An advertiser really has no way of knowing who was watching or listening to their commercial or reading their advertisement. They couldn't SEE them or touch them. Auditing provided the proof needed in both audience definition and quantity. At a trade show, though, the exhibitor can SEE the audience. Big difference.

In general, I think auditing attendance is a good idea. Potential new exhibitors want proof about who's attending, and if there's a lack of trust with current exhibitors, this alleviates that problem. Of course, if a show has been inflating numbers, auditing exposes that.

But knowing the numbers are accurate *still* doesn't put money into exhibitor's pockets. Exhibiting is a complicated, expensive, and *painful* experience! Making sure the numbers are accurate is just one piece of the value puzzle.

There's also been talk lately about the need for our industry to do a better job of promoting itself. We should have a well-known spokesperson! He or she can provide the attention and needed credibility for our industry?

I just don't think that our long-time customers are that gullible. Are we saying that just because Tom Peters or Colin Powell or Mary Kate and Ashley smile into a camera and say exhibitions are great that people who have spent millions of dollars and many years exhibiting will magically get a case of amnesia? I don't think so.

What about these wonderful taskforces that are creating huge tomes of "guidelines" for our industry? Attrition guidelines for hotels? C'mon, let's be real. Do we think that hotels and service providers are going to band together and

follow these guidelines? The hotel industry talks and good talk, but they certainly don't walk a good walk. Am I the only person who has confirmed a reservation at the Chicago Hilton & Towers, reconfirmed it multiple times, only to arrive and have the front desk tell me I don't HAVE a reservation?

I'm not trying to be a Scrooge towards all this hard work done by many dedicated volunteers. Developing a bible of accepted industry practices *should* be a good idea and *should* be taken to heart by all stakeholders involved. But industry audits and accepted practices should be the ante to get in the game. They should be a given.

The problem lies with the fact that our industry has succeeded for many years in spite of itself. We have ridden the backs (and checkbooks) of the major exhibitors for so long that I'm afraid we just don't know how to get out from under that albatross. Exhibiting costs have risen at an alarming rate compared to the rest of the business world. We are an extremely low-tech industry, heavily dependent on manual labor. That's a reality we're going to have difficulty getting away from.

But costs only represent half of the value equation. They are the denominator in the fraction. Increased revenue is the top line. And this is where our industry isn't focusing. We have a lot of people intensely concentrating on cutting and/or maintaining costs. This is only great to a limited extent. When are costs low enough or fair enough? They're never low enough.

Go ahead and make the denominator as small as possible. Of course we should do that! But increasing the numerator makes a bigger difference. Let me give you an example of the relationship between costs and ROI.

If I were to guarantee you a 20% return on investment, how much money would you give me? The answer is: **ALL OF IT!** In fact, you'd go *borrow* money to give to me, because you'd still end up making more. How much it costs is unimportant. As the old adage goes, you never bet enough money on a winning horse.

Audits, spokespeople, industry best practices, cutting costs. These are well and good for us to do. But they really don't address exhibitors' biggest problem – how do they use a trade show to create and maintain long-term customer relationships? In other words, how do they increase the numerator?

Corporations don't need trade shows anymore. They need customers. And THAT should be the focus of our industry.

About Steve Miller

Steve is Kelly's Dad, and a business consultant for top management. He has also been called a change agent, alchemist, visionary, gadfly, and pain-in-the butt. Some people actually don't like him and even say bad things about him. His mission is to help clients develop breakthrough strategies for long-term success.

You want help with tactics? Call someone else. There are plenty of those consultants around. You want innovative strategies, personally attached customers, and insight? Contact Steve. His elite client list (associations & show management companies, and corporations) includes only the most successful and most innovative organizations.

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