



Convention Center Performance Reporting Framework:

An IAVM Handbook for Convention Centers

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An IAVM Handbook for Convention Centers

International Association of Venue Managers

Introduction

Dear Industry Colleagues:

We are pleased to provide you with this workbook regarding *Convention Center Performance Reporting Framework: An IAVM Handbook for Convention Centers*.

Performance reporting is crucial to communicating the role and relevancy of the Convention Center to its stakeholders and the community served. Effective reporting delivers not only a tremendous opportunity to reveal and educate, it is also a key resource management tool for guiding operational and reporting excellence for your venue and the community it serves.

The Handbook provides convention centers with benchmarks for evaluating and communicating their organization's performance. Activity, performance, and productivity measures are covered in all key venue functional areas. ROI formulas and definitions are also included.

This workbook, overseen by IAVM's Research Committee and its' Convention Center Performance Reporting Task Force, incorporates reporting standards which should now become an integral part of a convention center's sales and promotion efforts.

Each convention center venue serves a unique community with varied circumstances specific to its community. These measures are meant to be a guide and may not be applicable to every venue and its community, depending on its mission and charge. For instance, some benchmarks may be more useful for face to face meetings vs. consumer shows vs. community events, etc. Each convention center and its community experience varied vision and purpose, and performance measurement. It is imperative that each venue reporting measurement be mutually agreed upon and consistent with the mission of the community it serves.

Venue operations and sales efforts frequently require the venue executives to act as a steward of public funds, and requires fiduciary responsibility including consistent and transparent performance reporting. With the adoption of industry standards, venues have recognized benchmarks for assessing internal performance and identifying opportunities for success and meeting/exceeding industry standards.

Venue executives need to be prepared to take performance reporting to the next level. Following and engaging in these standard reporting metrics are encouraged. Doing so will strengthen the relevance and integrity of your reporting structure.

We encourage you to put these performance reporting standards to use in your community's important economic generating asset. Your commitment to transparency and accountability will speak to the credibility of your organization and to that of our entire industry.

Sincerely,

Brad Mayne, CVE
President & CEO
International Association of Venue Managers

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Much of the work contained in this handbook was inspired by the work of Destinations International (DI) and the *Standard DMO Performing Reporting: A Handbook for DMOs*. Since the mission of Destination Marketing Organizations (DMOs) and convention centers are often so closely related, it makes sense that any reporting framework for convention centers align with a reporting framework for DMO's. Where similarities between this handbook and the DI work exist, we thank and credit DI for their leadership, guidance, and words.

The work contained in this Handbook would not have been possible without the contributions, leadership, and work of the following individuals:

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BACKGROUND

IAVM's Performance Reporting Initiative was launched in 2017 at VenueConnect in Nashville. The main objectives of the Initiative were to define a standard list of Key Performance Indicators (KPIs) for measuring the activities and performance of convention venues, and identify key productivity metrics for measuring the efficiency of a convention center's utilization of its resources.

The goal of this effort is not to define what good or bad performance looks like, but to provide convention center managers, operators, and owners with a standard and accepted framework for measurement of convention center performance.

HOW TO USE THIS HANDBOOK

The purpose of this Handbook is to guide convention center managers and operators through the process of implementing actionable and credible performance reporting. Throughout any performance monitoring process and cycle of continuous improvement, two questions should be regularly asked:

- "Are we measuring the right things?"
- "Are we measuring those things the right way?"

The metrics provided in this Handbook fit into three general categories:

- **Activity:** A physical action taken by staff that ultimately supports the convention center's mission: e.g., placing a sales call, conducting a site visit, placing a hold on space.
- **Performance Measure:** A measure that helps to define and quantify the results of the Activity. Implementation of this measurement will yield actionable tools that staff can use for short- and long-term enhancement of its efforts.
- **Productivity Metric:** A metric that illustrates the relationship between the convention center's performance and its resources. Typically expressed as a ratio (Revenue per Occupied Square Foot, Occupancy %, etc.), productivity metrics assist management to manage its resources in the most cost-efficient and cost-effective manner possible.

The metrics contained within this Handbook are designed to assist convention center managers. The convention center should establish benchmarks and measure and recalculate these metrics regularly (monthly, quarterly, annually). Consistent review of these metrics allows convention center managers, operators, and owners to monitor the venue's progress toward achieving its operational goals and desired business outcomes.

SETTING STANDARDS, BENCHMARK YEARS, & GOALS

One of the goals of this handbook is to provide a framework for reporting that is equally applicable to convention centers throughout the world, regardless of size of venue or market. When defining key terms and formulas for suggested measures, the Research Committee consulted several leading sources. These sources included the IAVM Glossary of Industry Terms, PwC and the PwC Annual Convention Center Survey, the International Association of Convention Centres (AIPC) Annual Benchmarking Survey, and industry professionals respected in the area of performance analysis of convention centers.

One of the most important steps in creating a strong performance reporting framework is adopting definitions for key terms and critical measures. Establishing strong definitions and maintaining a consistent reporting framework around those definitions is critical to the venue operator's ability to perform valid analyses of events and the venue over time. The Research Committee recommends that each convention center adopt definitions for key critical measures that are consistent with those in this handbook.

After adopting best practice definitions, the Research Committee recommends that each venue establish a benchmark year for its own operations. Appropriate diligence should be performed to ensure that benchmark year data aligns as close as reasonably possible to the definitions used by the venue moving forward. The venue operator should then work with its leadership to establish short and long-term goals for continuous improvement of the key measures most applicable to its operations.

The Research Committee recommends that organizations be prudent when using these performance measures for comparison to other venues. When comparing these measures with other venues, it is important to understand whether both venues are using the same or substantially similar definitions and the comparability of other factors outside of the venue's control. What is considered good performance in one market may be poor performance in another and vice versa. For this reason, the focus of an operator using this framework should be on continuous improvement of the venue and gaining a stronger understanding of the controllable factors that cause the venue to perform higher or lower than its own past performance and then its peer group.

DEFINITIONS

The definitions in this handbook are representative of current practices in a wide array of convention centers worldwide. They were developed to provide a vocabulary that is consistent across the Events Industry Council *Industry Glossary*, IAVM *Glossary of Terms*, Destinations International *Standard DMO Performing Reporting*, and industry reports and surveys produced by IAVM, AIPC, and PwC. The Performance Reporting Team recommends convention center operators adopt these definitions as a best practice to provide consistency within the industry.

General Definitions

- **Event Organizer**
The organization or individual(s) responsible for the creation, development, planning and coordinating of an Event.
- **Event**
An organized occasion such as a meeting, convention, exhibition, special event, gala, food function, etc. An Event is often composed of several different yet related Functions.
- **Function**
Any individual organized activity that is a component of an Event.
- **Event Day**
Use of all or part of the venue by one Event Organizer for all or part of one calendar day for the audience of the Event. Multiple presentations or Functions of the same program on the same day should be considered one Event Day. Move in or move out days should not be considered Event Days.
- **Use Day**
Occupancy or use of any part of a venue by one Event Organizer for all or part of any one day for any purpose permitted under the Event license or contract; includes move-in and move-out days, Event Days, and Dark Days within the contracted or licensed period. Holidays are only considered Use Days if the facility is rented to a client per the terms of an active contract. For example, an event that sets up on Day 1 and is open for business on Day 2 has two Use Days; an event that sets up December 24, takes December 25 off, runs on December 26 and moves out on December 27 has four Use Days. Any day which is contracted as a “Dark Day” (there are no functions in the venue and the space cannot be rented to another client per the terms of an active contract) is considered a Use Day and is never considered an Event Day.
- **Dark Day**
A day in which there are no Functions in the venue. A Dark Day may be included within the overall dates of an Event (for example, a holiday with no scheduled Event Functions), and should be considered a Use Day for the Event if space is contracted to the Event and the space cannot be rented to another client per the terms of an active contract.
- **Self-Promoted Event**
An Event for which venue management bears the associated costs and retains the associated profits.

- **Co-Promoted Event**
An Event for which venue management jointly shares the associated costs and jointly retains the associated profits with the Event Organizer.
- **Marketing Event**
Any Activity or Event sponsored by venue management to promote the venue or destination.

Convention Industry Definitions

- **Room Nights**
The number of sleeping rooms blocked or occupied for an event, multiplied by the number of nights each room is reserved or occupied. Typically shown in table form as number of rooms requested for each day of the event contract period.
- **Economic Impact**
The total value of an event, including secondary spending (indirect and induced), on the host destination's local economy over and above the original direct spending. These secondary impacts, when combined with the original direct spending, result in the total economic impact of an event.
- **Direct Spending**
All expenditures associated with an event that flow into the host destination's local economy. Includes attendee spending, exhibitor spending and event organizer spending. Inputs include venue actual gross sales revenues, estimated lodging, restaurant, entertainment, retail, local travel and miscellaneous sales revenues.

Attendance Definitions

- **Unique Attendance** –
 - a. For conferences and exhibitions: The total number of all unique attendees (including delegates, exhibitors, meeting planner/organizer staff, speakers, press, etc.) for a single event. Ex. A tradeshow that has 300 unique delegates, 10 unique staff members from the organizer, and 100 unique exhibitor staff attendees would have a total attendance of 410 regardless of how long the event was or how many attendees were present on any given day.
 - b. For ticketed events or events open to the public: The total number of all persons attending the event. This typically does not include exhibitors, staff, etc.
- **Daily Attendance**
The Unique Attendance number for any single day of an event. This number must be consistent with the definition of "Unique Attendance" for the event in question. This number is often estimated for non-ticketed events.
- **Total Daily Attendance**
The sum of all Daily Attendance numbers for each day of an event. This figure is relevant for analyzing foot traffic, load on the facility, per cap revenues, and comparisons of events with different numbers of event days. This number is often estimated for non-ticketed events.

Sales Definitions

- **New Account**
An event client that has never held an event previously in the venue.

- **New Event**
Any Event that has no contracted or operational history with the venue or is not a Repeat Event.
- **Repeat Event**
Any Event with a documented history in a venue. Venue operators may wish to further classify events that are repeat events that return to the venue without meeting elsewhere and returning events that have been hosted in other venues and are returning to the center.
- **Opportunity**
Any occurrence of an Event for which an Event Organizer has inquired about using the convention center as a venue for the event and the convention center hosts that type of event in its normal course of business. Each Opportunity must eventually become either a Lost Event or a Contracted Event.
- **Proposal**
A written offer detailing the dates, spaces and services the venue will provide to the Event Organizer. For purposes of reporting on performance, multiple quotes, options, or revisions of a proposal to host a single event should be treated as a single proposal.
- **Tentative Event**
Any future event for which the venue tentatively reserves space and/or issues an offer or proposal to provide space and services to the Event Organizer. Tentative events, by definition, must eventually become Contracted or Lost Events.
- **Definite Event**
A future Event confirmed in writing by an authorized agent of the Event Organizer and the venue.
- **Contracted (Licensed) Event**
A future Event with a fully executed agreement and binding consideration (Deposit) between the Event Organizer and the venue.
- **Cancelled Event**
A Contracted (Licensed) Event for the convention center that subsequently did not take place.
- **Lost Event**
A potential Event in the Opportunity, Tentative, or Definite stage that did not execute a contract to present the Event in the venue.
- **Turned Down Event**
A potential Event in the Opportunity stage that venue management declined to offer dates, submit an offer or proposal, or book dates. A Turned Down Event is a sub-category of Lost Events. The Performance Reporting Work Group recommends that venue operators track Turned Down Events within their overall Lost Business Reporting.

Space Definitions

- **Space Categories for Convention Centers**
 - a. **Exhibit Hall Space**
 - i. Large room of contiguous flat floor space designed primarily for the presentation of exhibits associated with public or trade shows.
 - b. **Ballroom Space**
 - i. Typically exhibits high quality interior finishes and fixtures and higher ceilings than Meeting Rooms. Typically used for food functions, plenary or general session meetings.
 - c. **Meeting Room**

- i. Any rentable space within the center primarily designed for and used as flexible meeting space, and not classified as Exhibit Hall, Ballroom, or Theatre space.
 - d. **Theatre Space**
 - i. Facility with fixed seats usually on a sloped floor with sight lines focused on a permanent stage or platform. May include permanent stage lighting, audio-visual and/or sound systems, but may not have the capabilities of a performance theatre.
 - e. **Other Rentable Space**
 - i. All other rentable space where a license fee would normally be required by the venue and/or the licensee has exclusive use of the space. This could include pre-function, concourse, and lobby space if the venue normally charges rent and/or restricts access to just the licensed event.
 - f. **Common/Public Space**
 - i. All space where a license fee would not normally be required, is open to the general public, and/or a licensee has non-exclusive use of the space. This will typically include concourse, lobby, and pre-function space. For purposes of calculating facility occupancy, any common or public space should not be included in the Gross Occupied Square Feet or Meters of the venue if that space is also excluded from the Total Rentable Square Feet or Meters of the center.
 - g. **Back of House Space**
 - i. Support and service areas that are not open or accessible to the public, including but not limited to storerooms and storage areas; service corridors kitchen and food preparation and serving areas; mechanical, equipment, and switch rooms; employee timekeeping, locker rooms and break rooms; security stations, etc.
- **Gross Rentable Square Feet or Meters**
The total area of all exhibit space, ballroom space, meeting space, theatre space and other rentable area, in square feet or meters.
- **Gross Available Square Feet or Meters**
The Gross Rentable Square Feet or Meters of the space multiplied by the number of days in the period that is being measured e.g. 1 for a single day, 7 for a week, the number of days in the month (28,29,30, or 31), number of days in the year (365 or 366), etc.
- **Gross Occupied Square Feet or Meters**
The Gross Area of space multiplied by the number of Use Days for the space in the period being measured.

ORGANIZER TYPES & EVENT TYPES

The most successful venue operators have a deep understanding of their overall business portfolio. Knowing not only the main revenue streams of the venue, but also the customer types and event types that generate them are critical to an organization's success. Tracking performance as it relates to key event & organizer types allows management to more easily spot trends identify areas of strength and opportunities for growth. IAVM recommends, at a minimum, that venue operators classify event organizers and events into the types below.

- **Event Organizer Types**
 - a. In addition to understanding the types of events that generate revenue in the center, it is important to understand the type of client. The Performance Reporting Team recommends the following classifications of client types to assist the venue operator in better understanding which types of customers drive the center's revenues and event related expenses.
 - b. **Association** – A professional or trade association
 - c. **Corporation** – A business entity not classified in another specific category. Venue operators may choose to develop additional sub-categories because this category is broad.
 - d. **Media Company/Publisher** – a subcategory of Corporation for the purposes of distinguishing this segment from general corporation business.
 - e. **Government** - an agency, instrumentality, or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).
 - f. **SMERF** - Social, Military, Education, Religious, and Fraternal organizations
 - g. **Convention Center** – Organizer type to be used when the event is self-produced by the convention center.
 - h. **Other**
- **Event Types**
 - a. **Conventions/Congresses** –
 - i. A gathering of delegates, representatives or members of a membership organization or industry convened for a common purpose, typically over three or more days. Common features include educational sessions, committee meetings, social functions and meetings to conduct the governance business of the organization. Conventions are typically recurring events with specific, established timing. Normally, most participants travel to the event and require local lodging arrangements during the event. The event may include an exhibition of vendors selling professional goods and services to the profession.
 - b. **Corporate Meeting or Convention** - A meeting or convention hosted by a commercial corporation, in which attendance is limited to the corporation's employees, shareholders or invited buyers. Normally, the attendees or participants must have an established relationship with the corporate organizer in order to attend. Examples include sales meetings, in-house training, product launches, customer conferences, etc.
 - c. **Trade Shows** - An exhibition of products and/or services held for members of a common or related industry. Not open to the general public.
 - d. **Consumer Shows** - Exhibitions that are open to the public usually requiring an entrance fee.
 - e. **Food & Beverage Events** – A social event primarily involving food and beverage service

- f. **Meetings & Seminars** –
 - i. a short-term event (typically one to two days) where the primary activity of the participants is to attend educational and/or business sessions, participate in discussions and/or social functions, or attend other organized events. There is no significant exhibit component, and there are usually no requirements for participants to arrange for local lodging.
- g. **Sports & Tournaments** –
 - i. An event in which the primary focus is individuals or teams participating in a sport or game. These events may or may not include a competition element. Examples include gaming events, tournaments, training events or camps, dance competitions, e-sports, etc.
- h. **Other** – All other events not included above such as concerts, fashion shows, musical, plays, etc.

REVENUE & EXPENSE REPORTING

Simply reporting on total revenue or total expenses does not provide a clear picture to the venue operator of the health of individual areas of its operation. Conversely, breaking down revenues and expenses into too much detail can often be overwhelming and provide little additional value than broader categorizations. The recommendations made in this section represent the categories most commonly considered important to understand individually in a variety of today's centers.

Revenue Categories

- The Performance Reporting Work Group recommends that centers report on the following revenue categories individually if the center engages in that activity. Centers should track gross and net revenues if utilizing third party contractors for revenue generating services.
- Building Rent
- Food & Beverage
 - a. Catered Food & Beverage
 - b. Concession Food & Beverage
- Telecomm/Internet
- Audio/Visual
- Utilities
- Parking
- Security
- Cleaning
- All other revenues
 - a. Other revenue categories not listed here should also be monitored and reported individually if they account for 5% or more of total revenue to the facility. If revenues from exhibitors is significant or an area of growth opportunity for the venue, the operator should consider reporting on Exhibitor Services revenue individually (e.g. Total Exhibitor Services Revenue, Exhibitor Revenue by Category).

Expense Categories

- The Performance Reporting Work Group recommends that centers report on the following expense categories individually.
- Building Cleaning Costs

- Building Security & Traffic Control
- Room Set-Up
- Event Management & Coordination
- Repair & Maintenance
- Grounds Maintenance
- Total Building Utilities
- Gas
- Electric
- Water/Sewer
- Other Utilities
- Sales & Marketing
- Property Insurance
- General Liability
- Information Technology
- All Other Operating Expenses
 - a. Other expense categories not listed here should also be monitored and reported on individually if they account for 5% of total expenses to the facility. It is also recommended that direct expenses, if any, for revenue categories tracked by the center also be broken into their own category. (e.g. Food & Beverage Expenses) Definitions have been provided for certain expense categories.

Expense Category Definitions

- **Capital Expense**
An amount spent to acquire, maintain, significantly improve the capacity or capabilities of or extend the operating life of a fixed asset such as building(s), equipment, vehicles or land. An expense is considered a Capital Expense if the financial benefit extends beyond the current fiscal year.
- **Operating Expense**
An ongoing expense that is inherent to the operation of a product, business or system (salaries, utilities, consumable supplies, etc.). An expense is considered an Operating Expense if the financial benefit is contained within the current fiscal year.
- **Building Cleaning – Total Costs**
Includes expenses for all labor, materials, equipment (non-capital) and contracted services for building cleaning, trash removal and pest control. Excludes capital purchases.
- **Building Security and Traffic Control – Total Costs**
Includes expenses for all labor, materials, equipment (non-capital) and contracted services for securing the physical property and facility personnel. Excludes capital purchases.
- **Room Set-Up**
 - a. Includes expenses for all labor, materials, equipment (non-capital) and contracted services for setting up tables, chairs, stages, etc. in meeting rooms, ballrooms, exhibit halls, pre-function and public spaces.
 - b. Excludes capital purchases and set-up services that are purchased by facility tenants/users, exhibitors or show managers from third parties.
- **Event Management/Coordination**
Includes expenses for all labor, materials, equipment (non-capital) and contracted services for event management/coordination activities. Expense category typically is primarily comprised of

event building staff, typically "event managers" and "event coordinators," working directly with event's meeting planner and staff to facilitate event.

- **Repair and Maintenance**
 - a. Includes expenses for all labor, materials, equipment (non-capital) and contracted services for the repair and maintenance of all building electrical, plumbing, HVAC, fire and life safety, and other building systems and components. Also Includes trade services such as painter, electrician, engineer, carpenter, plumber, welder, etc.
 - b. Excludes capital purchases and roads and grounds maintenance. Also Excludes electrical and plumbing services provided to exhibitors and show management.
- **Grounds Maintenance**
 - a. Includes expenses for all labor, materials, equipment (non-capital) and contracted services for the maintenance of external grounds (and internal vegetation if applicable) of the facility.
 - b. Excludes capital purchases.
- **Sales and Marketing**
 - a. Includes expenses for all labor, materials, equipment (non-capital) and contracted services for all sales & marketing expenses provided directly by the facility, including advertising, client promotions, marketing & promotional materials and sales related travel. Includes all expenses (personnel and non-personnel) related directly to all sales & marketing staff employed by the facility.
 - b. Excludes expenses of other organizations such as convention and visitors bureaus.
- **Property Insurance**
 - a. Includes expenses for all types of property insurance, including real and personal property. Include terrorism coverage if it is contained within your property insurance. Include insurance broker fees if applicable.
 - b. Excludes paid claims or settlements not covered by insurance.
- **General Liability Insurance**
 - a. Includes expenses for all types of general liability insurance, including excess liability coverage. Include insurance broker fees if applicable.
 - b. Excludes paid claims or settlements not covered by insurance.
- **Information Technology**
 - a. Includes expenses for all labor, material, equipment (non-capital) and contracted services of providing computer or technology services to staff to operate the facility. Includes all hardware and software purchases (excluding those treated as capital purchases), software maintenance agreements, Application Service Providers (ASP) agreements, computer repairs and software license agreements.
 - b. Excludes capital purchases.
- **Utilities**
 - a. Includes expenses paid to utilities companies including but not limited to electricity, natural gas, water, and sewage.
- **All Other Operating Expenses**
 - a. Includes all other operating expenses not already described above. The combination of all expenses described above plus "All Other Operating Expenses" will equal Total Operating Expenses.

MEASURING ACTIVITY

Accurately measuring Activity Metrics is the first step in establishing a strong performance reporting system that can provide the convention center operator with leading indicators of future performance. In order to provide the most value to the operator, the Research Committee recommends that the venue operator follow consistent guidelines and definitions over time. For example, in order to accurately measure any venue's Opportunity Conversion Ratio, the operator must first be tracking potential business opportunities. If the venue does not follow a consistent definition of what constitutes an opportunity, then increases or decreases over time cannot be trusted by the venue operator when making strategic business decisions.

The Research Committee has recommended several best practice and industry standard definitions in this handbook to assist venue operators in their efforts to adopt this reporting framework.

Activity Metrics

- Number of Opportunities
 - a. By Lead Source
- Number of Proposals Issued
 - a. Direct vs. Through DMO
 - b. New vs. Repeat Accounts
 - c. New vs. Repeat Events
- Number of Sales Calls
- Number of Prospects w/ Activity
- Marketing Events
 - a. Number of Events
 - b. Number of Attendees
 - c. Gross Area Days consumed
- Site Visits
 - a. Number of Site Visits
 - b. Gross Area Days consumed, if any
- Planning/Pre-Event Meetings
 - a. Number of Planning/Pre-Event Meetings
 - b. Gross Area Days consumed, if any
- Space Maintenance Activity
 - a. Number of Days used for Maintenance Activity by space
 - b. Gross Area Days consumed
- The Research Committee recommends that Marketing Events, Site Visits, Planning/Pre-Event Meetings, and Space Maintenance Activity be tracked, along with any space requirements and relevant expenses. Knowing and understanding these measures is relevant to the extent they affect (positively or negatively) other performance or productivity measurements.
- Including these activities in performance measurements would result in an increase in overall Occupancy % and Gross Occupied Area of the venue but would also create a corresponding decrease to Revenue Per Occupied Square Foot/Meter (RevPOS) and Expenses Per Occupied Square Foot/Meter (ExPOS). Therefore, these activities should be viewed as a sales, marketing, or operational expenses incidental to sales and/or performance of the venue and should not be considered as Events, Event Days, or Use Days for the facility or used for determining Occupancy % or Occupied Area of the facility.

PERFORMANCE MEASUREMENTS

Performance Measurements are the output of the Activity Metrics for the venue. Before a venue operator can begin moving towards productivity or efficiency ratios, the operator must first be tracking the activity and performance measurements outlined in this handbook.

This list is not exhaustive, but rather is a list of metrics that are currently in use by numerous venues worldwide. Again, the Research Committee recommends using consistent data classification processes over time to ensure the greatest value to the venue operator when analyzing and making strategic business decisions. The definitions outlined in this handbook are consistent with best practices and industry standards compiled from leading associations and venue operators worldwide.

Basic Performance Measurements:

The following are considered basic performance measurements in the convention center industry. Though tracked and reported by many venues, these measurements are not as valuable as others for use as indicators of performance because they do not account for how much of the venue is being occupied or the revenue and other performance measures generated by the events.

1. Number of Events
2. Event Days
3. Use Days

Best Practice Performance Measurements:

The following are considered best practice performance measurements in the industry. These measurements provide venue operators with greater ability to compare year to year performance and event to event performance. Further, they provide the necessary foundation to begin venue to venue comparison and industry benchmarking of productivity metrics.

1. Gross Booked Area (SQFT/SQM)
2. Unique Attendance (Estimated or Actual when known)
3. Total Daily Attendance (Estimated or Actual when known)
4. Revenue
5. Room Nights (Estimated)
6. Economic Impact (Estimated)
7. Direct Spending (Estimated)

The venue operator and its corresponding Destination Marketing Organization (DMO), if any, should have a shared interest in accurately reporting several of these measurements. Therefore, the Research Committee recommends that the venue operator collaborate regularly with its DMO counterparts on reporting Attendance, Room Night, and Economic Impact measurements to ensure consistency and credibility for both organizations.

Breakdowns of Performance Measurements

Simply measuring totals of the performance measurements outlined in this document will give the venue operator a better sense of how the venue is performing. With advances in technology, the ability to gain understanding of performance in specific areas is more attainable than ever before. Several methods are recommended for breaking down venue performance at a more detailed level to provide the operator with greater insight into core strengths and areas for improvement of the venue. It is also recommended that venue operators explore other breakdowns that are applicable to goals and objectives of stakeholders specific to the venue and its community.

Recommended Performance Breakdowns

- a. By Generator
 - i. DMO
 - ii. Center
- b. BY Market sector
 - i. National
 - ii. Local/Regional Economic Hub
- c. By Event Type
- d. By Lead Source

The Research Committee recommends breaking down its performance metrics beyond overall totals to aid the venue operator when identifying strengths and opportunity growth areas. For example, if the venue is in a destination where specific market sectors are highly developed or a focus of community growth (e.g. Healthcare, Oil & Gas, Technology, etc.), it would be valuable to understand how much of the venue's business is related to those market sectors. A better understanding of the types of events and best lead sources/generators better equip the venue and community to target its resources to winning the best and most events possible for the venue.

Sales Performance Measurements:

1. Definite Events
 - a. Number of Events
 - b. Event Days
 - c. Use Days
 - d. Gross Booked Area (SQFT/SQM)
 - e. Unique Attendance (Estimated)
 - f. Total Daily Attendance (Estimated)
 - g. Revenue (Forecast)
 - h. Room Nights (Estimated)
 - i. Economic Impact (Estimated)
 - j. Direct Spending (Estimated)

2. Contracted Events

- a. Number of Events
- b. Event Days
- c. Use Days
- d. Gross Booked Area (SQFT/SQM)
- e. Unique Attendance (Estimated)
- f. Total Daily Attendance (Estimated)
- g. Revenue (Forecast)
- h. Room Nights (Estimated)
- i. Economic Impact (Estimated)
- j. Direct Spending (Estimated)

3. Lost Events

- a. Number of Lost Opportunities
- b. Reason for Lost Opportunities
- c. Event Days
- d. Use Days
- e. Gross Booked Area (SQFT/SQM)
- f. Unique Attendance (Estimated)
- g. Total Daily Attendance (Estimated)
- h. Revenue (Forecast)
- i. Room Nights (Estimated)
- j. Economic Impact (Estimated)
- k. Direct Spending (Estimated)

Possible Lost reasons include, but are not limited to:

- Dates not available at center
- Insufficient space
- Event was cancelled/postponed
- Union/labor costs
- Transportation/Access Issues
- No adjacent hotel
- Not enough hotel rooms available
- Hotel rates too high
- Customer preference/politics
- Safety concerns

4. Cancelled Events
 - a. Number of Cancelled Events
 - b. Reason for Cancellation
 - c. Event Days
 - d. Use Days
 - e. Gross Booked Area (SQFT/SQM)
 - f. Unique Attendance (Estimated)
 - g. Total Daily Attendance (Estimated)
 - h. Revenue (Forecast)
 - i. Room Nights (Estimated)
 - j. Economic Impact (Estimated)
 - k. Direct Spending (Estimated)

5. By Year Production – Pace Reporting
 - a. Number of Events
 - b. Gross Booked Area (SQFT/SQM)
 - c. Booked Attendance (Estimated)
 - d. Room Nights
 - e. Revenue (Forecast)
 - f. Economic Impact (Estimated)

Convention center events are commonly booked months or years in advance. In order to provide the venue operator with the earliest indication of future performance of the venue, the Research Committee recommends regular review (at least monthly) of actual revenue performance for past months and projected performance for future months and years. Venue operators should regularly update performance forecasts to ensure the usefulness of data when performing comparisons.

6. Post Event Measures* (Actual Events)
 - a. Total Revenue
 - i. By Category
 - b. Total Occupied Area
 - c. Total Attendance
 - d. Total Event Days
 - e. Total Use Days
 - f. Total Blocked Room Nights
 - g. Total Economic Impact*
 - h. Total Direct Spending

Additional Trackable Measurements:

Tentative Events

- a. Number of Tentative Events
- b. Event Days
- c. Use Days
- d. Gross Booked Area (SQFT/SQM)
- e. Unique Attendance (Estimated)
- f. Revenue (Forecast)
- g. Room Nights (Estimated)
- h. Economic Impact (Estimated)

Productivity Metrics

Productivity Metrics are the most valuable metrics available to the venue operator for determining venue performance. They compare the output (Performance Measurements) of the venue with the inputs (Activity, resources, expenses, etc.) necessary to produce those outputs. Productivity metrics will commonly be expressed as percentages or ratios.

Space Occupancy

The Research Committee recommends utilizing an 18-hour period beginning at 6:00 AM and ending at midnight for purposes of calculating how many days any space was occupied. This definition allows the venue to most accurately align revenue earned from events with the most accurate determination of occupied days and occupied area for a single event and the venue.

1. Occupancy %
 - a. Total
 - i. $Occupancy \% = \frac{Gross\ Square\ Feet\ Occupied}{Gross\ Square\ Feet\ Available}$
 - b. By Space Type
 - i. Exhibit Space
 - ii. Ballroom Space
 - iii. Meeting Rooms
 - iv. Other
 - c. Occupancy by Event Type
 - i. Conventions/Congresses
 - ii. Corporate Conventions & Meetings
 - iii. Trade Shows
 - iv. Consumer Shows
 - v. Food & Beverage Events
 - vi. Sports & Tournaments
 - vii. Other
 - d. By Day of Week

It is recommended that all convention centers regularly review actual and projected annual and monthly occupancy along with year over year comparisons.

2. Average Revenue
 - a. Per Event
 - b. By Event Type

$$Average\ Revenue = \frac{Total\ Event\ Revenue}{Total\ \#\ of\ Events}$$

Space Production Ratios

Space production ratios measure the degree to which the center is generating revenue or expenses in relation to its main perishable resource, the center's space. These ratios provide better comparisons of individual events and overall venue performance over monthly, quarterly, and annual reporting periods.

1. Revenue to Space Ratios

- a. Revenue Per Occupied Square Foot/Meter (RevPOS)
 - i. Total
 - ii. By Revenue Category
 - iii. By Event Type

$$\text{RevPOS} = \frac{\text{Total Event Revenue}}{\text{Gross Occupied Square Feet or Meters}}$$

- b. Revenue Per Available Square Foot/Meter (RevPAS)
 - i. Total
 - ii. By Revenue Category

$$\text{RevPAS} = \frac{\text{Total Event Revenue}}{\text{Gross Available Square Feet or Meters}}$$

2. Expense to Space Ratios

- a. Expenses per Occupied Square Foot or Meter (ExPOS)
 - i. Total
 - ii. By Expense Category
 - iii. By Event Type, as appropriate

$$\text{ExPOS} = \frac{\text{Total Expenses}}{\text{Gross Occupied Square Meters/Feet}}$$

- b. Expenses per Available Square Foot or Meter (ExPAS)
 - i. Total
 - ii. By Expense Category

$$\text{ExPAS} = \frac{\text{Total Expenses}}{\text{Gross Available Square Meters/Feet}}$$

3. Space Booked to Room Night Ratio (SRNR)

$$\text{SRNR} = \frac{\text{Gross Occupied Area}}{\text{Total Blocked Room Nights (Estimated)}}$$

Part of the mission for many convention centers is to generate economic impact on the local economy by attracting out of town events and thereby delegates to the destination. Space to Room Night Ratios are a valuable metric to review the efficiency of how space is being used to attract out of town delegates.

Labor Productivity Ratios

To accurately measure labor productivity ratios, it is important for the venue operator to understand the number of Full Time Equivalents that were utilized by the venue. The Research Committee has included a set of definitions and sample worksheet in this handbook to assist the venue operator in calculating the number of FTE's used by the venue for any particular period.

1. Revenue per FTE = $\frac{\text{Total Event Revenue}}{\text{Total Number of FTE's}}$
2. Expenses per FTE = $\frac{\text{Total Expenses}}{\text{Total Number of FTE's}}$
3. Gross Occupied Area per FTE = $\frac{\text{Total Occupied Area}}{\text{Total Number of FTE's}}$

Repeat Business Ratios

Repeat business ratios provide the venue operator with visibility into the center's ability to attract new business to the venue and the extent to which it relies on repeat business, especially for generating financial results.

1. Repeat Event Ratio = $\frac{\text{Number of Repeat Events}}{\text{Total Number of Events}}$
2. Repeat Revenue Ratio = $\frac{\text{Revenue from Repeat Events}}{\text{Total Revenue from All Events}}$

Sales & Marketing Cost Productivity Metrics

These ratios measure the cost efficiency of the center's sales & marketing function with respect to generating opportunities, definite/contracted events, and occupancy. For centers with significant sales and marketing budgets or separate teams performing the sales vs. marketing functions, the venue operator may choose to review combined and separate ratios for sales & marketing.

1. Cost per Opportunity
 - a. Cost per Opportunity = $\frac{\text{Sales \& Marketing Expenses}}{\text{Number of Opportunities Generated}}$
2. Cost per Definite/Contracted Event
 - a. Cost per Definite Event = $\frac{\text{Sales \& Marketing Expenses}}{\text{Number of Definite Events Generated}}$
3. Cost per Booked Square Foot or Meter
 - a. Cost per Booked SQFT or SQM = $\frac{\text{Sales \& Marketing Expenses}}{\text{Booked SQFT or SQM Generated}}$

Opportunity Conversion Ratios

Opportunity conversion ratios measure how effective the sales & marketing teams are at qualifying business for the center and the likelihood that opportunities will book the center. Conversion ratios should be calculated for the entire sales team at a minimum. The best sales organizations will also analyze these ratios by individual and market sector to best understand areas of strength and weakness or opportunities for growth.

1. Won Business Ratio

- a. $Won\ Business\ Ratio = \frac{Number\ of\ Contracted\ Events}{Number\ of\ Contracted\ Events + Number\ of\ Lost\ Opportunities}$

2. Lost Business Ratio

- a. $Lost\ Business\ Ratio = \frac{Number\ of\ Lost\ Opportunities}{Number\ of\ Contracted\ Events + Number\ of\ Lost\ Opportunities}$

When calculating conversion ratios, the venue operator should only include opportunities that were won or lost over a period. Including open opportunities in won/loss ratios artificially decreases both won and lost business ratios. To maintain consistency and credibility of reporting, it is important for venue sales teams to keep opportunities up to date including won and lost dates.

Operating Efficiency & Financial Measures

Operating efficiency ratios aid the venue operator in defining the profitability and overall financial health of the organization. A lower percentage ratio indicates a higher degree of profitability for the organization. Successful venue operators use these ratios to estimate and control future expenses.

1. Operating Expense Ratio (OER)

- a. Total
- b. By Expense Category

$$OER\ \% = \frac{Operating\ Expenses}{Operating\ Revenues} \times 100$$

When calculating expense ratios, operating revenue includes revenue only from the operations of the venue and does not include government support, hotel or other tax revenues. Operating expenses does not include capital expenditures, depreciation, or any expenses of the DMO.

2. Operating Profit (Loss) = $Operating\ Revenues - Operating\ Expenses$

3. Operating Profit Ratio = $\frac{Operating\ Profit}{Operating\ Revenues} \times 100$

Food & Beverage Measures

Food and Beverage typically includes multiple revenue and cost centers, as well as multiple types of service options (e.g., receptions, breaks, buffets, plated meals, bar, etc.) and charges (e.g., labor, gratuities, equipment rental, service charges, etc.) that must be rolled up to various high-level subtotals (e.g., Catering, Concessions, Retail) to develop the overall total revenues and expenses. Management reports should include at a minimum not only standard P&L reporting of costs of goods sold and gross profit margins, but also revenues expressed as per cap and per cover; this allows comparing the performance of individual event as well as overall performance over monthly, quarterly or annual reporting periods.

- a. *Cost of Goods Sold (COGS) = (Cost of Goods + Variable Labor Costs)*
- b. *Gross Profit Margin % = $\frac{F \& B \text{ Revenue} - COGS}{F\&B \text{ Revenue}}$*
- c. *Revenue per Cap = $\frac{\text{Food \& Beverage Revenue}}{\text{Attendees}}$*
- d. *Revenue per Cover = $\frac{\text{Food \& Beverage Revenue}}{\text{\# of Guests Served}}$*

MOVING BEYOND THIS HANDBOOK

This Handbook was developed with the goal of being a starting point for venue operators to begin or continue analyzing their business operations. It is not, nor should it ever be considered, an all-encompassing model. Instead, the Research Committee expects this handbook to become a living documentation of best practices and standards in the industry that will continue to grow over time.

Future versions of this Handbook should be expanded to include more detailed operational metrics that assist mid-level management and staff for key departments within convention centers. We encourage venue operators to use the Activity, Performance, & Productivity framework provided to develop other metrics that provide executive, mid-level, and front-line staff better tools to positively impact overall venue performance.

Examples of these types of metrics could be as simple as monitoring paper supplies (toilet paper & paper towels) per attendee. Monitoring this type of metric at a departmental level allows those responsible to better plan purchases for upcoming events, but abnormal fluctuations can also be an indicator of theft (especially if you buy the soft and more expensive stuff).

CALCULATING FULL TIME EQUIVALENTS

In most convention centers, labor is the typically the largest expense for the organization. To understand the production of a convention center, it is important to understand the ratio of revenues and expenses to Full-Time Equivalents and not simply employee headcount. To calculate Full Time Equivalents, the following definitions and worksheet are provided to assist the venue operator.

Full Time Equivalents (FTE) – The sum of the total number of salaried employees plus the ratio of the total hours worked by hourly employees divided by the maximum regular pay compensable hours in the period.

1. $FTEs = (\# \text{ of Salaried Employees}) + \frac{\text{Hours Worked by Hourly Employees}}{\text{Maximum Regular Pay Hours in Period}}$
2. **Salaried Employees** – An employee that is paid a salary for work performed and is not subject to overtime pay under existing labor laws.
3. **Hourly Employees** – An employee that is paid hourly or is subject to overtime pay under existing labor laws.

Compensable Hours Worksheet

	Common US Example	Your Venue
Hours in Typical Work Week	40	
x Weeks in Year	52	
Maximum Compensable Hours (MCH)	2,080	
MCH per Month (MCH divided by 12)	173.33	
MCH per Week (MCH divided by 52)	40	

Full Time Equivalents (FTE) Worksheet

	Max	Your Venue
Hours Worked by Hourly Employees / Maximum Compensable Hours	37,543.00 2,080.00	
FTE's of Hourly Employees	18.05	
+ Number of Salaried Employees	16.00	
Total Full Time Equivalents	34.05	

*This is only one model for calculating FTE’s. Venue Operators should choose a model that best fits their organization and maintain that model for consistency over time.