

Does It Pay to Attend Clinical Research Conferences?

By Norman M. Goldfarb

Organizations send their employees to clinical research conferences for four main reasons:

- To increase the value of the employee to the organization.
- To gather knowledge that benefits the organization more broadly.
- To advance the business mission.
- To make contacts and build personal relationships.

These goals have to justify the time and expense of conference participation. By selecting the right conferences and participating in the right ways, employees can earn a healthy return on investment (ROI) on conference participation.

For purposes of discussion, this article assumes the attendee is an employee of a for-profit company, but the analysis applies equally to contractors and non-profit organizations.

The Investment

The cost of attending a conference includes:

- Conference registration fees
- Travel, lodging and other out-of-pocket costs
- Employee's time.

Registration fees and other out-of-pocket costs are easy to calculate, but what price should be put on the employee's time? There are two main ways to estimate this number:

- **The cost of the employee to the company.** If the employee costs the company \$60,000 per year in salary and benefits for 240 days of work, the direct cost per day is \$250. Indirect (overhead) costs like office rent, telephone and supplies vary widely, but might double the effective cost of the employee to the company.
- **The value of the employee to the company.** This number is also known as the "opportunity cost" because it measures value of what the employee could have contributed had he or she not attended the conference. If the employee on his or her own generates \$120,000 of revenue per year in 240 days of work, his or her contribution to revenue is \$500 per day. However, most employees work in teams or in roles that do not directly generate revenue, so their individual contribution to revenue is more difficult to estimate. Further, revenue is not the correct metric, since it does not consider the profitability of that revenue. ("Contribution from Operations" is the relevant accounting term, which leaves out items such as interest on debt and income from investments.) A much simpler metric is to assume that each employee is compensated fairly according to his or her contribution to the company. In other words, if an employee generates 10% of the company's costs, his or her value to the company equals his or her costs plus ten percent of the profits.

Both of these calculations are estimates and can be adjusted for various factors specific to the employee and the company. For example, if the company simply cannot survive without the employee during the conference, his or her value is much higher for that period of time. Attending a conference probably cannot justify missing a key project milestone or an FDA inspection. The cost to the company also depends on whether the conference and travel days occur on work days (without overtime wages or compensatory time off).

The above calculations assume the employee is fully employed and has other productive work that could be done during the conference. However, if the employee is between projects or can get his or her work done despite attending the conference, the cost of the employee's time to the company is zero. The extreme case is a new, untrained employee whose only job is to learn. In the short term, such employees make a negative contribution to the company; not only do they not contribute productive work, but they distract productive employees from their work.

The Return

The benefits of attending a conference are much more difficult to estimate than the costs. Some benefits may be direct and measurable, but most are usually indirect and ambiguous. Also, while the costs are incurred in the short-term, the benefits may take months or years to achieve. On the other hand, the benefits can continue for years. A major influence on the cost/benefit analysis is the company's attitude toward the benefits. If a company is interested only in the direct, short-term, easily measured benefits, it is relatively unlikely to send its employees to conferences.

Attending a conference can generate a return on the investment in the following ways:

Increase the value of the employee to the organization. Gather knowledge that benefits the company more broadly.

The personal and organizational impacts of new knowledge are intertwined, so we will discuss them together.

The educational value of a conference depends on the relevance of the program to the employee and the practical content of the material. A program that sounds great on paper will be useless unless the speakers can transfer their expertise to the audience. For example, a presentation about a new regulation may be interesting, but it is much more useful if the speaker explains how to deal with the new requirements at the operational level. Speakers with fancy titles may deliver high-level information of no practical use. A charismatic speaker may enthrall the audience but deliver nothing of practical value. On the other hand, a site monitor or study coordinator who is in the trenches every day may deliver a wealth of practical information.

By attending sessions and workshops, employees can learn how to perform their jobs more efficiently. They can also gain expertise for promotion. The most useful information consists of practical tips and insights, preferably those that can be applied immediately to increase efficiency, increase revenue, or reduce costs. Such information can have a direct and obvious impact on the company, for example, a technique for more effective budget negotiation. Other information can have significant but less obvious impact. For example, a single improvement to the protocol development process could potentially save millions of dollars for a study sponsor. A global study manager may realize that his or company is wasting time and money by conducting research in too many countries. A study coordinator may learn that radio ads are an efficient way to recruit subjects in a particular therapeutic area, or perhaps community outreach has been proven to be effective.

Employees can also learn how to improve quality. Higher quality can reduce costs, e.g., by reducing time spent on data queries, notes to file, and audits. It can also have many indirect positive effects, e.g., by improving relationships with business partners. Higher quality reduces the risk of regulatory violations, FDA inspections, debarments and the countless other ways clinical studies can go seriously astray.

Efficiency, quality and risk-reduction information can have literally priceless benefits, but how can such benefits be measured or even estimated? A simple way is to estimate the impact of the conference on the employee's value to the company. Ideally, the company has a training budget that has already concluded that the benefits of training outweigh the costs. In the absence of a training budget, the company has to ask these questions:

- By attending this conference, how much will the information learned by the employee increase his or her value to the company?
- By not attending the conference, how much will his or her value decrease?

Consider two extreme cases:

- A new, untrained employee has to learn a lot in a short period of time. If attending a conference will accelerate the process by one month, the value of attending is equal to one month of that employee's cost or potential value to the company, as described above. If the company is short-handed, the value of that month could be very high.
- An experienced employee has to stay current with new developments and be reminded of information he or she has forgotten. Without this information, the value of the employee depreciates over time. The clinical research enterprise is full of erroneous information that has been passed down from employee to employee through "on the job training." Experienced employees are ideal for picking up practical information and facilitating its propagation in the company.

Advance the business mission

Employees from sites, CROs and other service providers can identify potential clients and perhaps move through the first steps of the sales process at a conference. With potential clients already in the process, they can move the process forward. They can strengthen relationships with current clients.

Sites can estimate the business development value of a conference by counting the number of qualified leads or new studies eventually obtained. Making an *accurate* estimate is more complicated. On one hand, there are multiple steps in the sales process that happen outside the conference. On the other hand, a new client can place multiple studies at the site.

Sponsor personnel who attend clinical research conferences are probably not selling their drugs and devices, but they should be looking for good research sites, as well as other service and product providers. Clinical studies are notorious for the significant percentage of sites that underperform, often enrolling zero subjects. Finding a single good site to replace a bad site can be worth tens of thousands of dollars on a single study. Good sites are more likely than bad sites to send employees to conferences because they appreciate the value of training and have enough satisfied clients to pay the training costs.

Conferences are excellent places to enhance market awareness. Business relationship decisions are made in mysterious ways. Nevertheless, they all require each partner to become aware of the other partner's existence and comfortable with doing business with that partner. Many companies invest substantial sums sponsoring and exhibiting at conferences simply to increase market awareness.

Make contacts and build personal relationships

Making and building personal contacts— networking — is a major activity at conferences that can yield many benefits. Done right, it can double the value of a conference.¹

Networking can:

- Open the door to new business relationships and strengthen existing ones.

- Secure future sources of information. A friendly expert can answer questions for years.
- Enable access to contacts' contacts.
- Build market awareness, as discussed above.

Measuring the value of networking is difficult. However, it is relatively easy to count the number of business cards collected and assess the value of each contact as high, medium or low. The high-value contacts can be reassessed three months later to make a better estimate of their value.

Assessing Conferences

The process of determining which, if any, conference to attend is like any other purchase decision:

- What do you hope to achieve by attending the conference(s)?
- Which conference(s), if any, best meet your objectives?

This article argues for an objective assessment. Ideally, each cost and benefit can be reduced to monetary terms. However, just going through the process will clarify the decision. The spreadsheet at http://firstclinical.com/journal/2010/Conference_ROI_Calculator.xls can be used to assess the return on investment from attending conferences. It includes a blank form and an example. It is not necessary to calculate the exact number, just whether the benefits roughly outweigh the costs. By changing the assumptions in the spreadsheet, it is possible to assess the impact of the assumptions on the bottom line.

Alternatives to Conferences

The decision to attend a conference should consider other options. Information is also available from seminars, webinars, books and magazines. Employees and consultants can provide in-house training. Different people have different learning styles and different availabilities. Conferences excel in providing:

- Multiple speakers with various perspectives
- Opportunities to ask speakers (and other attendees) follow-up questions
- Forums for networking, since attendees share common or complementary interests.

Training programs often include a mixture of educational media.

The Deliverables

Merely attending a conference does not necessarily deliver value to the employee or the company. To obtain the value, the employee should commit to specific, objective, measurable, realistic and important deliverables, such as:

- Attendance at 18 hours of sessions and workshops relevant to the employee's job
- A conference report that describes 20 important insights, 10 practical actions that can be implemented immediately, five recommendations for longer-term improvements, an assessment of the conference, and a statement as to how the conference increased the value of the employee to the company
- Contact information from 20 people worth following up with after the conference, including at least 10 solid business leads

- After returning, a seminar to fellow employees on important points learned or a specific topic covered by the conference

A conference report template is available at <http://www.magiworld.org/standards>.

Conference assessments and reports can be reviewed on a quarterly basis to determine whether the deliverables were actually delivered, and their impact on the employee and the company. Based on these reviews, the performance of different conferences can be compared; the conference assessment process can be improved; and priorities can be adjusted.

Conclusion

Conference attendance is a popular and effective way to gain useful knowledge, advance the business objectives of the company, and expand the employee's network of contacts. Attending conferences can pay handsomely. A single practical tip can pay the entire cost, provided it is put into use. Maximizing the return on investment requires understanding the objectives, deliverables, costs and benefits of the conference and then working to achieve them.

Reference

1. "How to Meet People at Conferences", Norman M. Goldfarb, Journal of Clinical Research Best Practices, September 2006

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