Internal Recharges Explained

Below is designed to explain how Informa Engage charges internal Informa businesses for the services & support it provides. Further questions regarding recharges should be directed to Claudio Goldbarg or John Ecke.

- Informa Engage operates on a zero operating profit basis: Engage recognizes no revenues. Engage cost base is recharged out to the various businesses for which it provides support.

- All revenues associated with services (campaigns, programs, projects, etc.) delivered by Engage are recognized 100% on the market P&Ls.

- Businesses supported by Engage have recharges included within their annual Budget. Budgeted recharges are based on prior year activity and the projected cost basis of the Engage support by departments. If a business starts receiving services after annual budgets are set, recharges will be included with each Quarterly true-up.

- Approximately 85% of Informa Engage cost base is staff, the collective team handling all the various parts of setup & delivery. The remaining cost base is primarily shared tech/platforms needed to execute on the delivery of products & programs e.g., Google Ad Manager, Ceros, etc.

- The primary base methodology used to determine quarterly recharges is the time spent by the Engage team on campaigns/programs specific to a given business. Engage teams track their time spent using a project management system called Workfront. For Digital Advertising (ASG) and Research, recharges are based on volume (which is an indicator of time spent) - Ad Solution Group by number of campaigns in Fattail (the ad booking system).

- Engage uses $135 per hour as a forecasting rate to help in-market business: 1) estimate the recharge costs associated with any specific product, project, or program proposed and ultimately sold, delivered by Engage, and comes back to them via the quarterly recharge, and 2) to set product and client pricing accordingly.

- Recharges are trued-up on a quarterly basis, to reflect the actual work done for each business and the actual expenses incurred by the Engage team. For legacy Penton businesses on Oracle, the true-ups are done automatically via a journal entry to each brand. For legacy Informa or UBM businesses, the true-up entries to each brand are pushed through the Hub intercompany process, for which business manager approval is necessary.

- If a business decides to change (add or withdraw) a notification in writing is requested. If it is a withdraw, a minimum of 4–6-month notice, depending on support level and area, is required to ramp down and transition, in order to properly address any potential stranded overhead. For adds, it depends on how quickly we can scale up in areas of support needed.

Internal Recharges FAQs

Q: If we want to use Engage but haven't factored any recharge into our budget how best to proceed?

If your brand's P&L leader and finance manager are aware of recharge associated with using Engage and sign-off on proceeding, we can begin to scope the support needed and develop a plan to provide that support.

Q: What are the top variables that drive up recharges?

Product customization- deviating from standard (by market or client), strict lead filters, and high lead goals are three key variables that lead to extended execution times, and thus recharge costs. The other variable worth noting is if Engage needs to hire outside freelancer for content creation rather than leveraging your in-market content team.

Q: Why is an Engage recharge the most cost-effective approach to MS execution?

Program delivery excellence requires unique skills and platforms from various Engage teams working in lockstep with each other. To truly replicate in-market would require multiple hires with unique skills, platform investments, and management oversight. The cost of doing so would far exceed an Engage recharge. Attempting to replicate Engage delivery by layering onto backs of in-market teams, or via a few generalists, will give false perception of cheaper execution but in-reality only leads to lesser quality execution while pulling in-market resources out of their swim lanes, ultimately increasing time to deliver, and increased costs. Outsourcing simply shifts the dollars externally vs keeping inside Informa, in addition to being less cost-effective for what you receive in return.

Q: What is my cost per product? Do you provide a detailed breakdown of my cost per product?

We can provide an estimated cost per product execution using an estimated cost $80 per hour rate multiplied by the average hours needed (broken out by Engage department) to execute on that specific product. That said, actual recharges are determined quarterly and represent the collective work performed over that quarter by Engage teams so you will not be billed on a per-product basis.

Q: What if we handle some delivery-related function/s from within our own team?

Engage works with some markets in a hybrid model whereas some function/s of delivery is embedded directly within the in-market team. In that case, that will bring recharge cost down due to less hours needed from Engage on overall delivery. However, it often leads to a choppier post-sale workflow which can result in longer execution times and lowers the cost-effectiveness of Engage, not to mention layers in a degree of uncertainty around delivery execution from Engage POV.

Q: How does Engage know/track how much time has been spent on delivery for my business?

Engage uses Workfront, a work management software tool, to help keep track of Engage team time along with product & delivery details. That is the primary for Engage team to track where/how it spends its time by brand, and by product.

Q: How would I have visibility into the various activities that result in the quarterly recharge & true-up?

Engage will provide each group with a quarterly service report that is timed in conjunction with quarterly recharge true-ups. This report will detail the Engage-supported activities – overall activity volumes, volume by product, hours spent by Engage teams, average yields per product, etc. It's designed to provide context to your quarterly recharge.

Q: Outside of recharges, what costs do we get billed directly for?

A handful of certain charges are incurred and billed direct to the market P&Ls during the delivery process. These costs areas include contractors/freelancers, lead purchasing, platform costs per usage from ON24, and small Adaptive fee (our outside partner) for an audience extension campaign.

Q: What's the ramp-up/ wind-down time for Engage support and associated recharges?

The short answer is 4-6 months but it really depends on level support needed or currently given. If it's light support then it's easier to add or reduce. Heavier levels of support take longer to put in place, or unwind from, because it requires shifting or scaling Engage resources up/down which takes time and planning to guard against stranded costs not having to be burdened by other groups.