

2015 Corporate Alumni Networks Benchmarking Study

Changes in the world's leading corporate alumni programs between 2014 and 2015

September 2015





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Introduction

Last year, Conenza conducted our inaugural corporate benchmarking survey. While corporate alumni management isn't a new topic, many factors in recent years have driven the adoption of formal alumni networks worldwide.

At the same time that companies strive to stay relevant, be competitive, and hire the best talent, social networking has amplified the voices of those both satisfied and dissatisfied with their tenure at their previous employer. This in turn has necessitated that companies adopt not only a cohesive approach to building and maintaining relationships with former employees, but that they are aware of and actively manage their talent brand.

In 2014, we were interested in getting a baseline understanding of the key business drivers underlying alumni initiatives, the benefits that were most important to alumni, and which metrics for success resonated most with corporate alumni network leaders. This year, we were interested to see how the industry had changed in the last twelve months and to begin making some observations regarding trends in the alumni management space.

Additionally, we added a new question this year pertaining to data challenges. We feel data quality and its impact on segmentation and targeting within alumni networks will be a significant driver going forward. The need for accurate, trustworthy and timely data will continue to increase as companies begin to quantify and assess their talent brand.

Survey Background & Participation

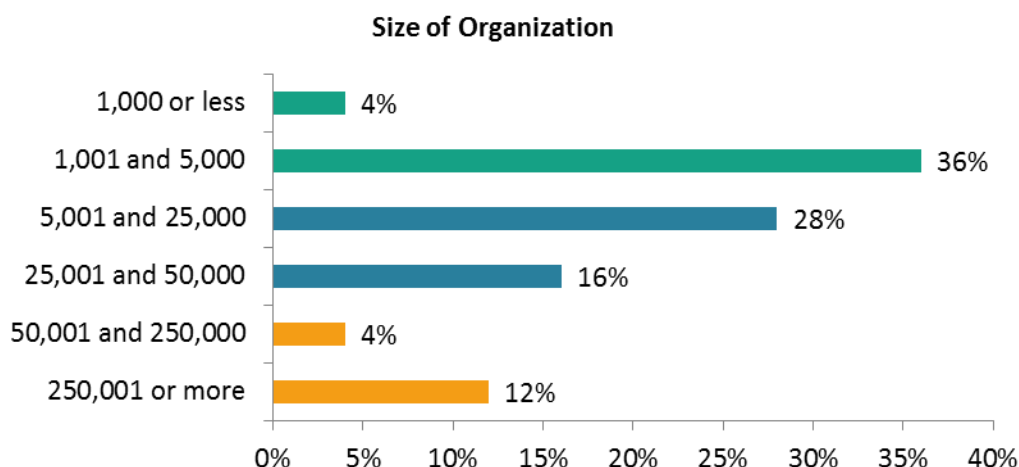
In June and July of 2015, Conenza invited leaders of corporate alumni programs from a wide variety of industries including professional services firms, technology companies, and financial services to participate in our online survey. The benchmarking survey was made up of 27 questions that explored the defining characteristics of a Corporate Alumni Network.



Adoption by Company Size and Industry

Organizations of various sizes and industries continue to realize the value and benefits of corporate alumni programs and invest time and resources to ensure their success. While some think of corporate alumni programs as relevant to only the very largest organizations, 40% of the companies surveyed this year had 5,000 or fewer employees, while only 16% had more than 50,000 employees.

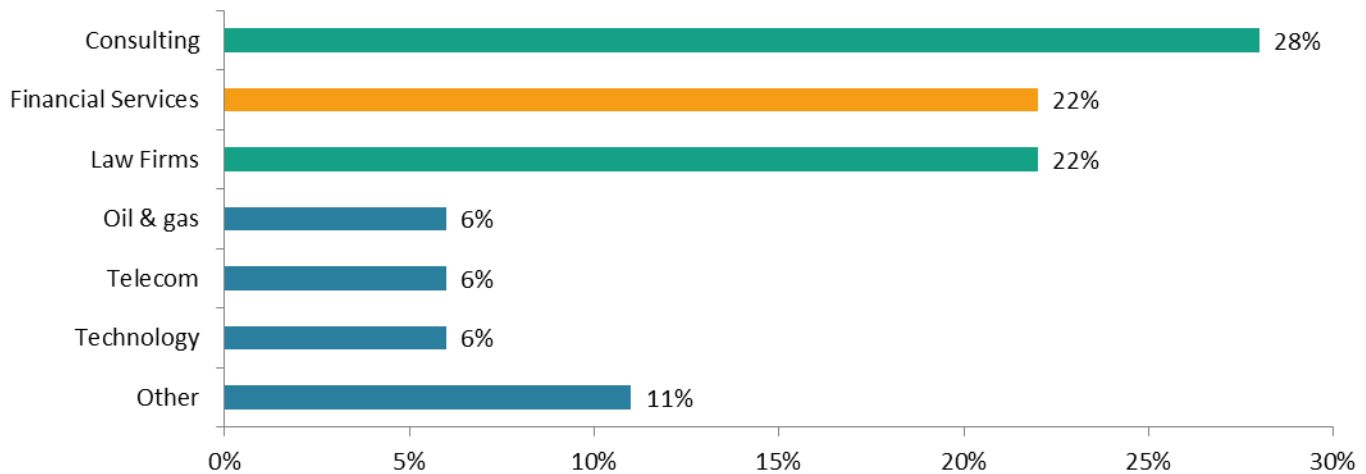
50% of responding organizations were law or consulting firms.



Professional service organizations such as law firms and consulting practices are typically power users of alumni networks. Again this year, a variety of industries were represented, with law and consulting firms making up half the survey sample. Financial services also had significant representation (22%) among respondents.



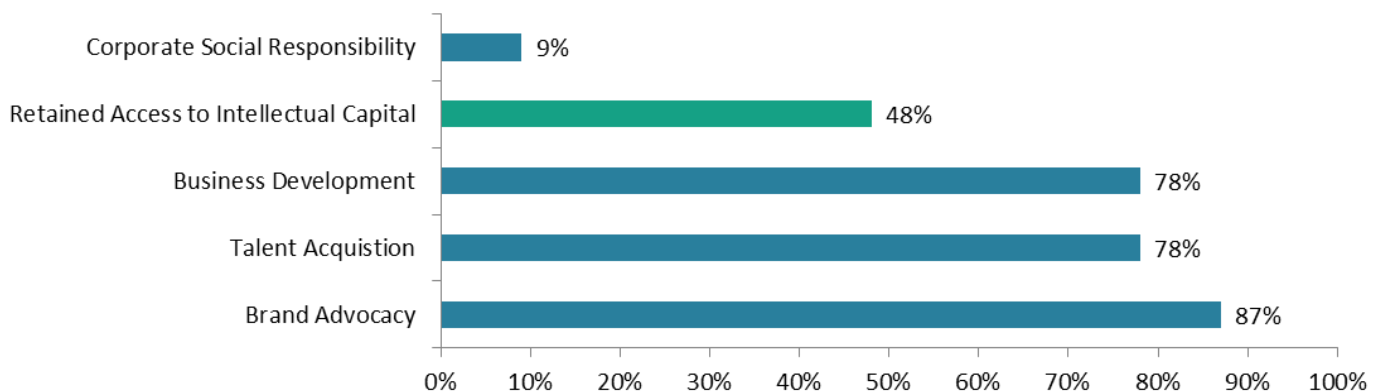
Industries



Corporate Alumni Network Business Drivers

This year, talent acquisition (including rehires and referrals), business development, and brand advocacy, a major component of talent brand, continued to be the three main drivers for investing in and maintaining a corporate alumni network. It is interesting to note however, that between 2014 and 2015 one other driver - *retained access to intellectual capital* - nearly doubled, from 25% to 48%. This jump could be due to the fact that as competition increases, intellectual capital becomes more important as a strategic asset and provides a competitive advantage, especially within the industries where alumni networks are most prevalent.

Business Drivers





Retained Access to Intellectual Capital

In 2015 23% more respondents cited "Retained Access to Intellectual Capital" as a key business driver for their corporate alumni network.



▲
23%

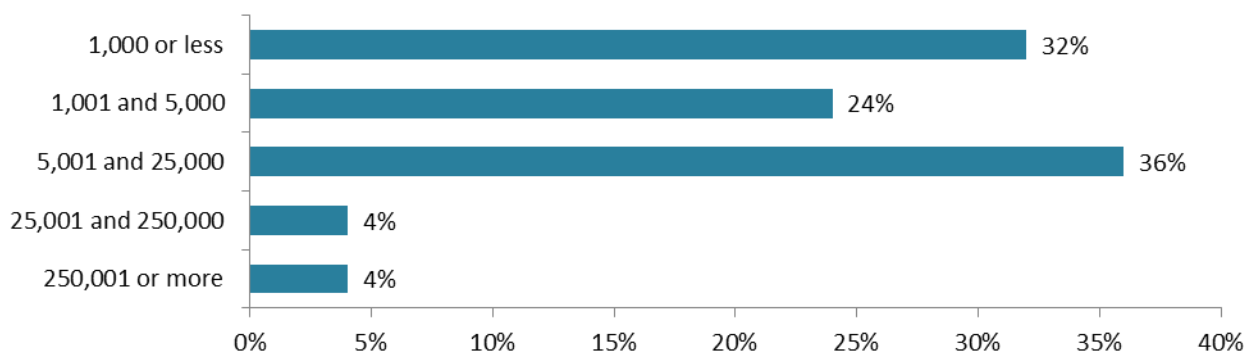
2014

2015

Network Age, Size, and Growth Rate

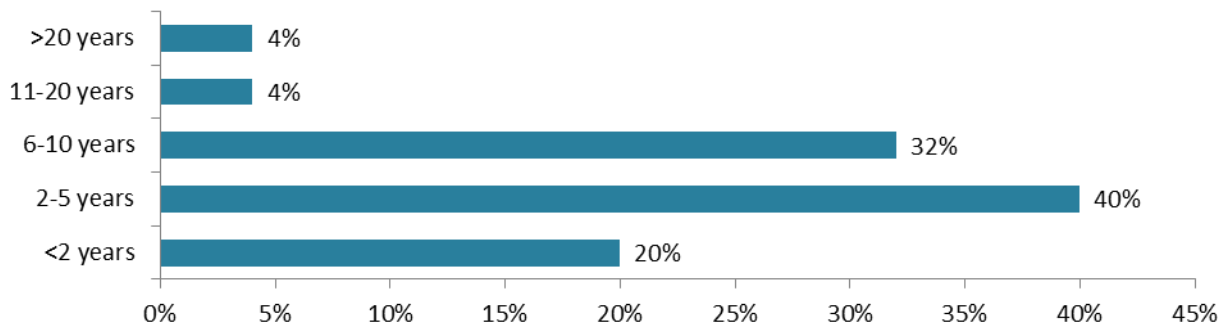
It's no surprise that the size of an alumni program is based not only on the number of employees overall in an organization, but also the age of the program itself. Older programs typically mean more outreach, boosting overall awareness and participation in the program. As companies look to understand and manage their talent brands, bringing more and more alumni into the program will be vital. We expect that this demand, along with creating brand ambassadors, will impact the growth of alumni programs in the future.

Size of Registered Corporate Alumni Network





Age of Corporate Alumni Program



Geographic Focus and Membership Requirements

In 2015, 72% of organizations continued to be geographically inclusive and have broad membership requirements, with 78% allowing all former employees in good standing to participate in the network.

78% allow all alumni to participate

22% limit participation based on certain criteria

A smaller percentage of the companies surveyed (22%) were more targeted in their approach, allowing only select groups of alumni to participate. For many of these, this was either a geographic limitation (e.g., only North America, only Australia-based, etc.) or based on employee status (e.g., retirees, executives, and years of service.)



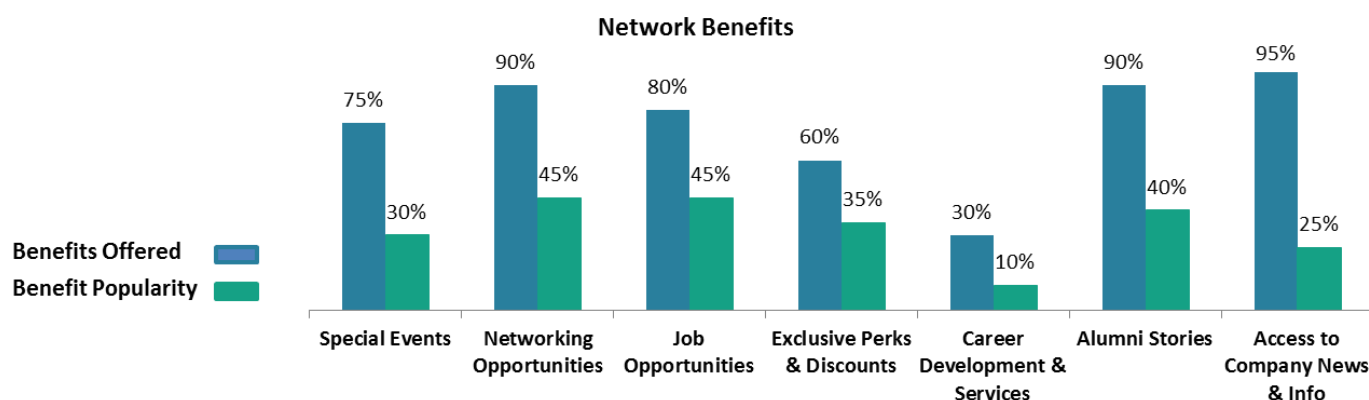
72%
Global

In 2015 72% of respondents indicated that their programs were global in nature.



Network Benefits

Clearly, the benefits a company extends through its alumni program drive both adoption and engagement. This year, companies continued to offer access to job openings, company news, networking opportunities, and special events. However, there was a marked decrease in career and development services, with a decline of close to 15%. This could be due to the fact that as the economy improves and joblessness decreases, the demand for these services declines.



Job opportunities, networking opportunities, and alumni stories were identified as the most popular alumni benefits in 2015, followed closely by perks and discounts, and access to special events. However, both alumni stories and access to special events were down in popularity by almost 30%, while perks and discounts were up 14%.

Career and Development Services

In 2015 companies indicated that Career and Development Services were available to corporate alumni 15% less than in 2014.



15%



2014

2015

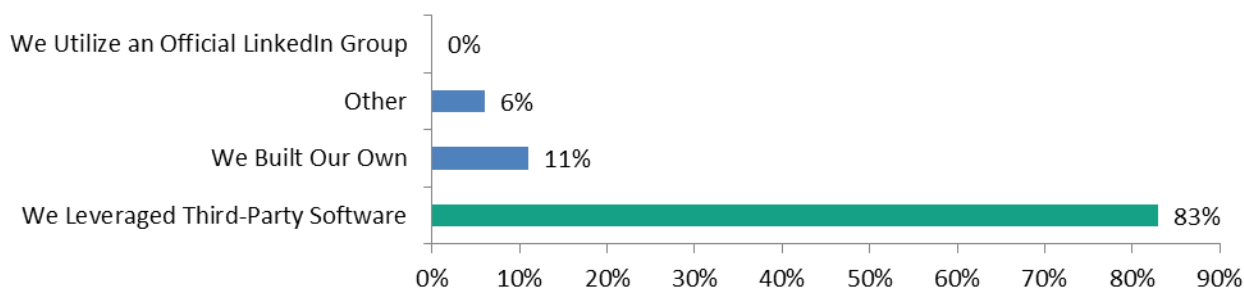


Online Corporate Alumni Networks

This year, 94% of organizations surveyed had an online platform to support their alumni program. A majority (83%) leveraged third-party alumni management software as their platform, an increase of 15%, while only 11% built their own platform. As more companies become focused on alumni solutions it has become increasingly cost effective to utilize third-party software vs. build internally.

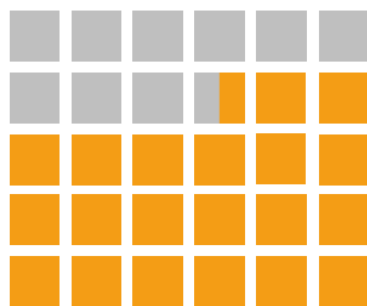
It is interesting to note that while many LinkedIn groups exist for corporate alumni they tend to be grassroots efforts led by alumni themselves. This year none of the programs surveyed utilized LinkedIn as their primary corporate alumni solution. Often companies have concerns around data ownership and security that lead them to choose a private, branded network.

Online Alumni Networks

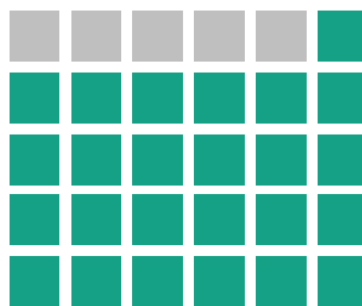


Leveraged Third-Party Software

In 2015 83% of companies indicated that they used third-party software to manage their alumni network, up 15% from 2014.



2014



2015

▲
15%

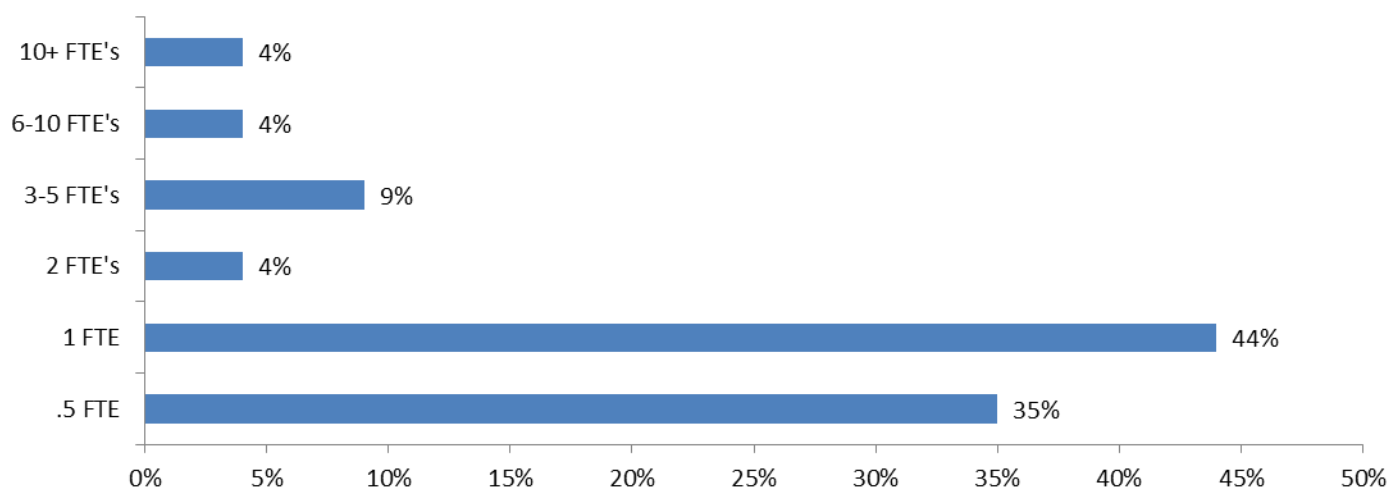


Teams and Resources

In 2015, the average team size was approximately 2 full-time equivalents (FTE's), down from 2.5 last year. This is likely due to increased efficiency of alumni management technology. The ability to communicate via social media outlets may also play a role in the reduction of FTE's. Simpler and more efficient community management, content management, and communication means less FTE's are required to do the same amount of work as in previous years. It is likely that this is a trend that will hold true in future years as these processes continue to be integrated, automated, and refined.

In general, the more mature the network, the more FTE's it has. For newer programs (<5 years), the average team size was 1 FTE, while for more mature programs (>6 years), the average team size was 3.25 FTEs. As noted last year, this makes sense when you consider that more mature programs are often larger and have ongoing engagement activities that scale as a program grows. Also, it is likely that early adopters of alumni programs were larger corporations who had many alumni and the resources to dedicate more FTE's to program management.

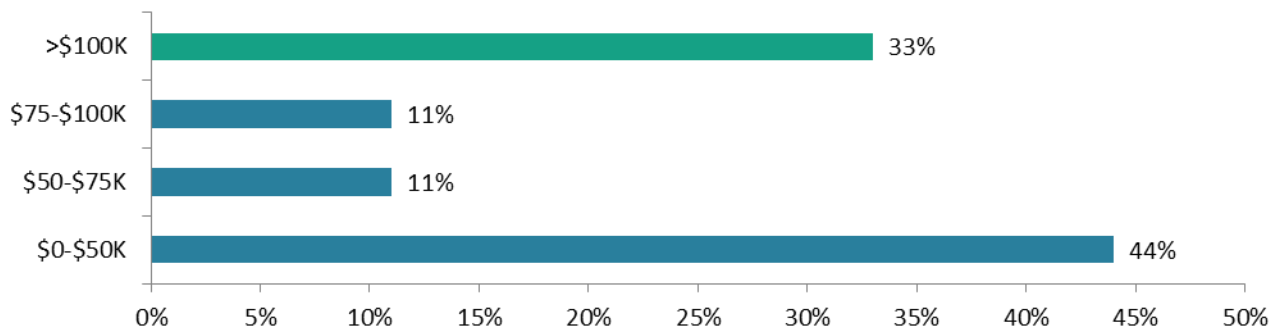
Team Size



In 2015, 33% of respondents had an annual budget of more than \$100,000 for their alumni program (excluding the cost of FTE's), down 17% from last year. Budget growth overall remained flat with the same percentage of companies reporting an increase (22%), decrease (13%), or no change (65%) in both 2014 and 2015.

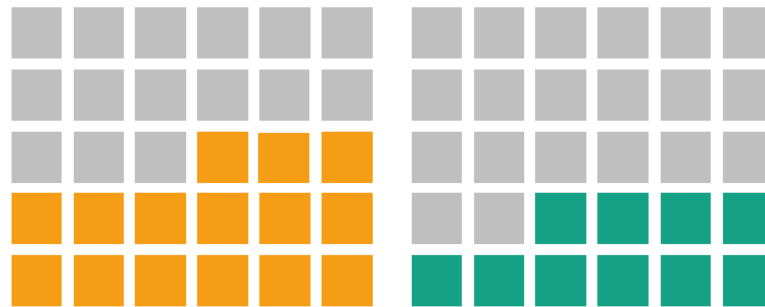


Budget Excluding FTE's



Budgets More than \$100,000

In 2015 33% of companies indicated that they had a budget for alumni programs over \$100,000, down 17% from 2014.



17%
▼

2014

2015

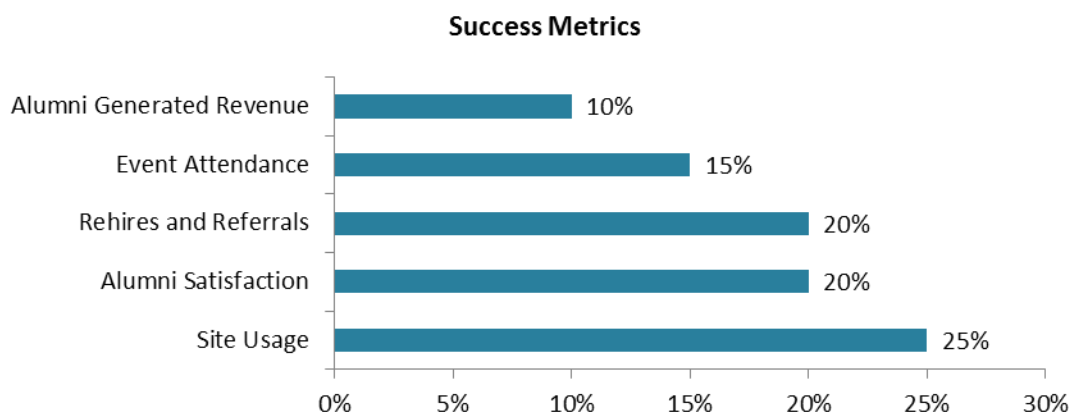
Metrics for Success

This year as last, metrics for success mapped back to three key areas: rehires/referrals, alumni satisfaction, and usage of the alumni site (i.e. number of active users, number of log-in's, etc.) Event attendance and



revenue generated via alumni contacts were also utilized, although not as frequently, as measurements of alumni program effectiveness.

While many companies surveyed have processes in place to measure their return on investment, 35% said they don't actively track ROI for their program. However, most stated that they had plans to begin tracking at some point in the future.



Key Challenges

We asked respondents to share their key challenges in three significant areas of corporate alumni management: growing the community, engaging the community, and expanding the program internally.

The most commonly mentioned challenge in growing the community was access to current alumni information, illustrating a need to begin collection of alumni data in advance of launching the program. When engaging the community, the primary challenges were around building awareness and finding the right mix of benefits to keep alumni interested. Overwhelmingly again this year, the biggest challenge in expanding the alumni program internally was a lack of “alumni embracing culture.” And although not the top challenge in any category, resources and funding were mentioned at every stage of alumni program management development.



This year, data and technology limitations were also listed as a key challenge in growing a community. Many cited inadequate HR & CRM systems, and problems either collecting alumni data or gaining access to existing data, to support alumni programs.

	Challenges to Building Alumni Programs.							
	Resourcing & Funding	Appropriate Benefits	Mix of Content	Building Awareness	Current Info	Engagement Levers	“Alumni” Culture	Data/Tech Limits
Growing a Community								
Engaging a Community								
Expanding a Program								

If you would like more information on this year's Corporate Alumni Networks Benchmarking Study or would like to provide feedback for future reports, please contact us info@conenza.com.