



Corporate Alumni Networks

2014 Benchmarking Study

This report takes a closer look at the world's leading corporate alumni programs:

- Types of organizations and industries that are leading adoption
- Key business drivers
- Network size and growth rates
- Program budgets and resources
- Metrics for success, and more
- **Also included:** *Special Supplement on Corporate Alumni Management Best Practices*

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Introduction

The concept of corporate alumni management has been around for more than fifty years, with early adopters in the management consulting arena coordinating activities for their ex-employees as a means to stay connected. In the mid-2000s, the advent of social networking helped drive increasing adoption of this strategy across companies of different sizes and industries.

Today, Corporate Alumni Networks continue to be a valuable source of talent and new business as companies struggle to find skilled workers and rely more heavily on their extended networks as brand advocates and sources of qualified referrals (talent and new business).

In addition, historic concerns around the cost of creating and managing a network have diminished as third party alumni management solutions have brought the overall investment in a Corporate Alumni Network down.

In the inaugural edition of our annual Corporate Alumni Networks Benchmarking Study, we take a closer look at leading Corporate Alumni Networks around the world. The study explores a broad range of topics from business drivers and benefits to budgets and metrics for success.

We hope you find this research insightful and inspiring and that it helps successfully guide your organization's alumni management strategy. We also welcome any comments or suggestions on how to make this study more valuable to you and your colleagues in the future.



Adoption by Company Size & Industry

Organizations often question whether they are “big” enough to benefit from a corporate alumni program. This year’s Corporate Alumni Network Benchmarking Study, which includes 23 of today’s leading corporate alumni management programs, shows that companies of all sizes and across various industries are investing in staying in touch with their former employees. (Figures 1 & 2)

Professional services (accounting, consulting, and law firms), financial services and technology companies are still leading the charge when it comes to corporate alumni management. However, in recent years we have seen increasing adoption in various other industries; including oil and gas, consumer goods, telecommunications, pharmaceuticals, and automotive. (Figure 2)

Figure 1: Size of Organization

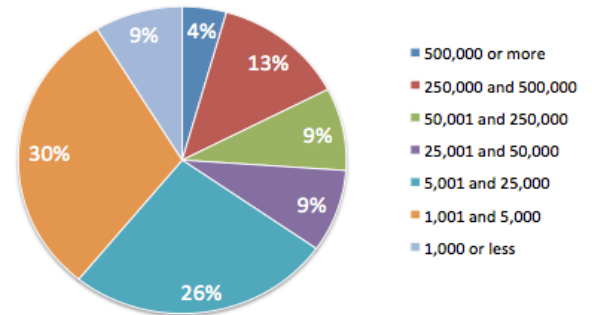
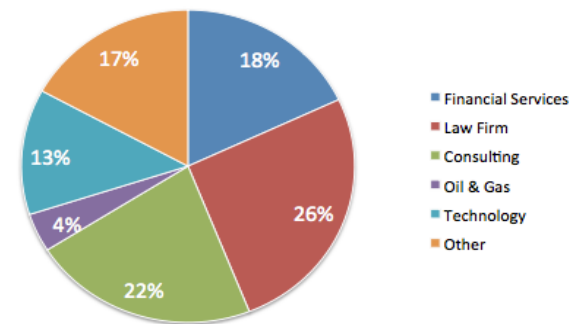


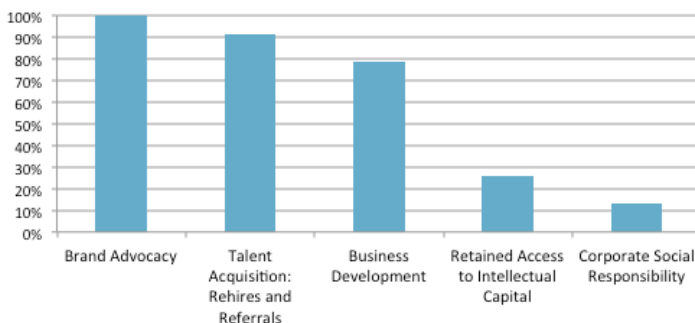
Figure 2: Industries



Corporate Alumni Network Business Drivers

There are a wide range of reasons why companies want to stay in touch with their former employees and these reasons can vary by company and industry. However, in Figure 3 you will see that brand advocacy, talent acquisition, and business development are the leading drivers behind creating a corporate alumni program in the majority of organizations.

Figure 3: Key Business Drivers



Survey Background & Participation

In May 2014, Conenza invited the leaders of more than fifty Corporate Alumni Networks to participate in this year’s Benchmarking Study and received approximately a 50 percent response rate. The benchmarking survey was made up of over twenty questions that explored the key aspects of a Corporate Alumni Network.



Network Age, Size & Growth Rate

As would be expected, the size and growth rates for Corporate Alumni Networks vary based on the total employee size of the organization and the age of the program (*Figures 4 & 5*). Most organizations estimate that the total population of their former employees is approximately one to two times the size of their current employee population.

Traction (of registered alumni) within the total alumni pool directly correlates with the age of the program. More mature programs (6+ years) show greater reach within the total existing pool but have slower year-over-year growth rates (8% growth rate), while younger programs (2-5 years old) are working to gain traction and display higher annual growth rates (30% growth rate).

Estimated size of former employee population:

- 65% 1X current employee base
- 35% 2X current employee base

Average annual growth rates:

- 30% for new communities (2-5 years old)
- 8% for established communities (6 years+)

Geographic Focus & Alumni Membership Requirements

Most organizations (70%) take an open, inclusive approach to their Corporate Alumni Networks, welcoming all former employees in good standing to join and stay connected. These programs are often global in nature. This approach is in line with the underlying concept behind an alumni community — to create lasting, mutually beneficial relationships with your people. There are a small percentage of programs (30%) that have opted to take a more targeted approach to their programs, focusing on specific types of alumni (retired alumni, former executives, etc.) or within a specific region. (*Figures 6 & 7*)

Figure 6: Membership Requirements

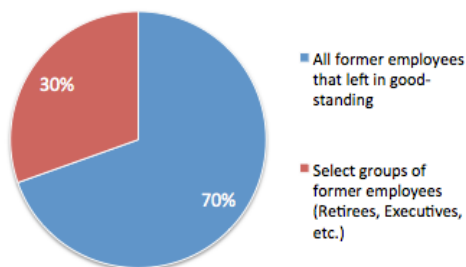


Figure 7: Global Program

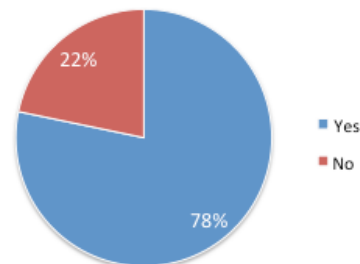


Figure 4: Size of Registered Corporate Alumni Network

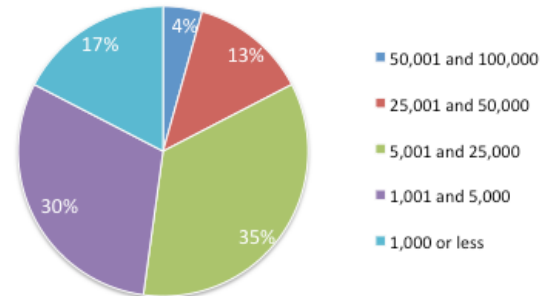
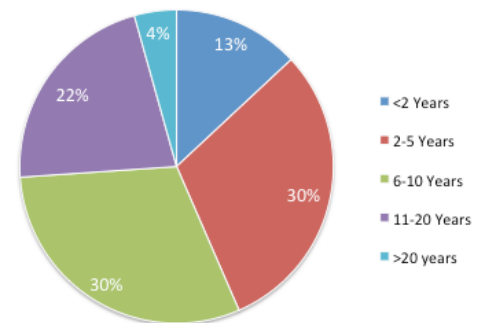


Figure 5: Age of Corporate Alumni Network

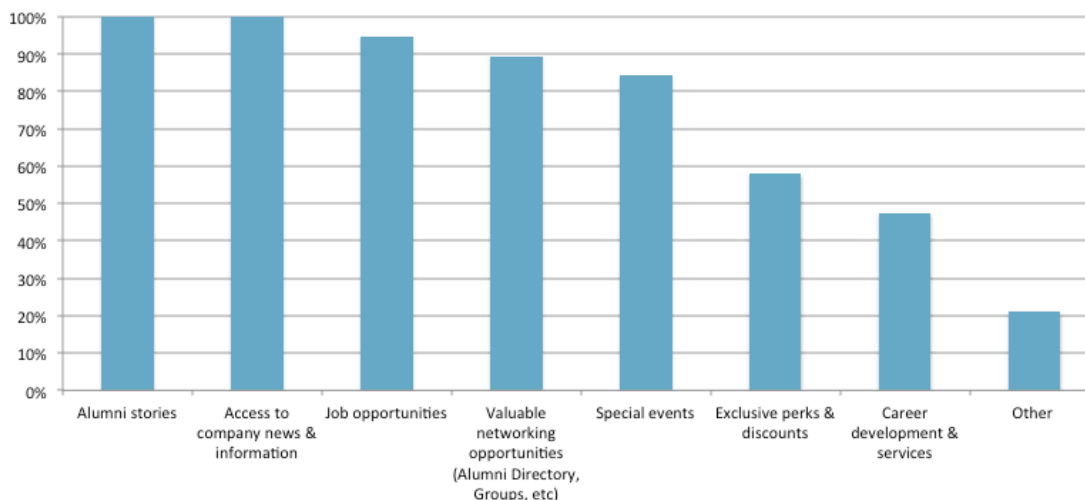




Network Benefits

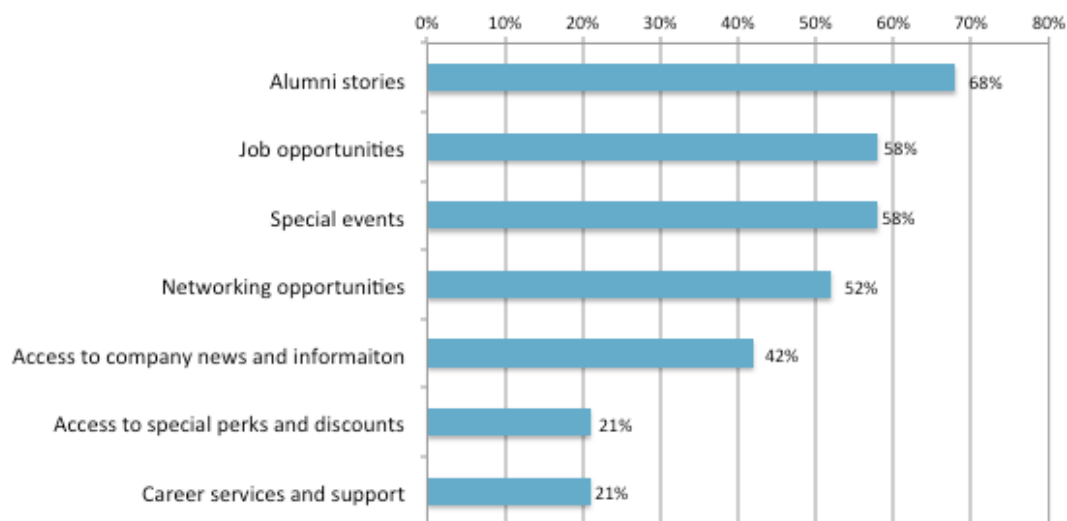
One of the keys to driving adoption and engagement within a Corporate Alumni Network is providing a robust set of benefits to former employees. In Figure 8, you will find that most companies are providing their corporate alumni with access to job opportunities, company news, networking opportunities, information about former employees, and access to special events. Some companies are also extending unique benefits, such as access to an employee-only company store, bonuses for talent referrals, and exclusive company research.

Figure 8: Networks Benefits



When Corporate Alumni Network leaders were asked what benefits were most popular with their former employees—alumni stories, job opportunities, and special events were identified as the most popular, followed closely by networking opportunities and access to company news. (Figure 9)

Figure 9: Most Popular Benefits with Corporate Alumni

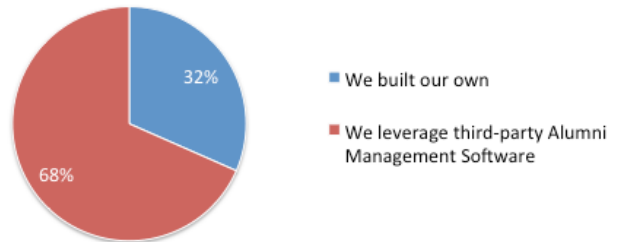




Online Corporate Alumni Networks

All of the organizations surveyed as part of this study have created an online network or community to help manage and nurture ongoing relationships with their former employees. Online networks often include a central alumni database, a searchable directory, and a mix of modules to manage news, job opportunities, events, and group interaction and collaboration. The majority of respondents (68%) are leveraging third-party alumni management software for their online network; the remainder (32%) have built their own (Figure 10). While many of the surveyed organizations have a LinkedIn group for their Alumni, none of the companies surveyed are leveraging these groups as their primary solution for corporate alumni management.

Figure 10: **Online Network – Build vs. Buy**



Teams & Resources

The average team size for all programs surveyed is approximately 2.5 full-time equivalents (FTEs). For newer programs (<5 years) the average team size is 1 FTE, and for more mature programs (>6 years) the average team size is 3.5 FTEs. This makes sense when you consider that more mature networks are often larger and ongoing engagement activities typically are scaled as the program grows.

Fifty percent of study respondents have an annual budget of more than \$100,000 for their Corporate Alumni Program (excluding the cost of FTEs). Thirty-eight percent of companies have an annual budget of \$50,000 or less (Figure 11). Budget size was directly correlated with the age of the program. Budgets grew as programs matured.

The majority of companies (87%) had their budgets remain the same (65%) or increase (22%) in 2014. Only 13% of companies cited a decrease in budget. (Figure 12)

Figure 11: **Budget (Excluding FTEs)**

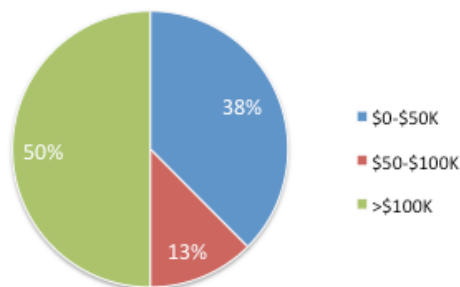
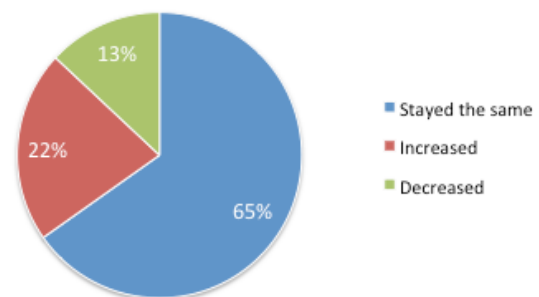


Figure 12: **Budget Growth in 2014**





Metrics for Success

Success metrics for Corporate Alumni Networks mapped back to two key areas: business drivers and alumni engagement. To the right you will find the top success metrics cited by study respondents. Thirty-five percent of survey respondents stated that they do not actively track ROI for their Corporate Alumni Network.

Top Success Metrics

- **40%** rehires and referrals
- **20%** alumni satisfaction
- **15%** revenue tied to alumni
- **15%** alumni event attendance
- **10%** alumni site usage
- **10%** new member growth

Key Challenges

At the conclusion of the survey, we asked survey respondents to share their key challenges in three areas of Corporate Alumni Management: growing a community, engaging a community, and expanding a program internally.

Determining the right set of benefits and mix of content was identified as a challenge in growing a community. Building awareness for the program was a key challenge for those trying to engage alumni. Maintaining current contact details and profile data for former employees were identified as a key challenge for most respondents in both growing and engaging a community.

Determining levers for driving engagement were identified as challenges for engaging with alumni and expanding a program internally. When expanding a program internally, one of the biggest challenges was building an “alumni-embracing” culture. Resourcing and funding were cited as challenges at all stages of a Corporate Alumni Network.

Alumni Management Topics	Key Challenges						
	Resourcing & funding	Appropriate benefits	Mix of content	Building awareness	Current contact info	Levers for engagement	"Alumni-embracing" culture
Growing a community	✓	✓	✓		✓		
Engaging a community	✓			✓	✓	✓	
Expanding a program internally	✓					✓	✓

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.



SPECIAL SUPPLEMENT ON CORPORATE ALUMNI MANAGEMENT BEST PRACTICES

Seven Best Practices from Corporate Alumni Leaders

We recently brought together thought leaders from some of today's most innovative corporate alumni programs (McKinsey, Citi, Microsoft and Telstra) to discuss strategies and best practices for building, sustaining, and engaging an alumni network. Below you will find actionable information and insights on how to create and enhance alumni engagement.

1. Integrate Your Corporate Alumni Program into the Exit Process

Companies like McKinsey are tightly integrating their corporate alumni programs with their exit processes. As employees exit, they're automatically welcomed into the alumni network. Providing an "opt-out" process instead of an "opt-in" approach has several benefits. Welcoming employees into the Corporate Alumni Network as they are transitioning:

- reaffirms your employment brand
- makes it easy for your alumni to participate
- enables you to maximize participation
- avoids lost connections

It also ensures that all the valuable data you captured about your employees during their tenure can flow directly into the community as they exit.

2. Leverage Executives to Raise Visibility for Your Community

Your executives can play a key role in marketing and growing your community. As the voice of your company and its initiatives, they can passionately convey the value your organization places on creating lifelong relationships with its employees and the benefits of staying connected to alumni. Telstra provided a great example of this strategy in action, as their CEO has played a pivotal role in the successful launch and growth of their community by creating a welcome video, attending alumni events, and more.

3. Think Global, Act Local

One of the key objectives and challenges for large multi-national companies is how to create a globally consistent and locally relevant program to engage former employees around the world. Citi provides an excellent example of this. They consolidated multiple regional alumni efforts into one global network using a single online platform. However, they still effectively serve regional audiences with locally relevant content in 24 different languages.

4. It's All About the Benefits

Most companies thinking about alumni programs focus on the ROI or the benefit it can provide to the company. While this is important, and certainly a core reason why companies launch alumni initiatives, the best programs balance the value proposition to the company with the value proposition to its alumni. Beyond the job opportunities, networking, and professional development that are at the heart of most successful communities, our expert panelists shared some great examples of alumni benefits:

- Telstra extends great discounts on cell phone plans to their alumni
- Microsoft provides their alumni with access to the "Employee-only" company store, Office 365 online, and Passport discount card
- Citi offers access to great travel discounts to its alumni

As you enhance the benefits to your alumni, you're bound to see a direct impact on alumni participation, engagement and ultimately ROI.



5. Engage with Events

Events are a pivotal part of a successful alumni program. They provide an important forum for corporate alumni to stay connected, informed and engaged throughout the year. Our experts recommended a mix of on- and offline events; social, professional-development, and philanthropic events; and annual global as well as more frequent regional gatherings.

6. Content, Content, and More Content

Content is a key to keeping your alumni engaged. Our corporate alumni experts reinforced the importance of keeping content fresh, interesting, relevant and exciting. They also shared a secret to getting the most out of the content you produce - constantly think about how you can repurpose or repackage content that you are producing to leverage it in multiple ways. For example, if you produce an online event for your alumni, turn the key points of the event into a blog post (similar to what we are doing here). Capturing short video interviews at live events you host for your alumni can be another great way to take advantage of efforts that are already happening to create compelling content. Finally, some alumni want to tell their stories and most want to read the stories from their fellow alumni. Encourage them. The more alumni stories that are told the more that will want to participate.

7. The Importance of Having an "Official" Network

Our expert panelists from McKinsey, Citi, Microsoft and Telstra all believed in the power of open social networks like LinkedIn and Facebook. They recommend leveraging these forums to attract and engage your corporate alumni. But when it comes to effectively creating, managing, and realizing value from a formal corporate alumni program, they felt a secure, branded network is the only way to go. You have control over the branding, the user registration and approval process, and the privacy policy. You also own all the data within the community and can integrate internal applications with the alumni network to facilitate business processes.

For more information on how to launch and grow a thriving Corporate Alumni Network, contact us today at info@conenza.com.

