



1



2

Objectives

After participating in this session, participants will:

- Perceive this session as important to the success of their role.
- Be able to describe the challenges facing the organization today and the need to connect to the business value desired by top executives.
- Be able to identify the actions needed to implement a successful evaluation strategy.
- Decide on specific actions needed for an evaluation strategy.
- Internalize the evaluation strategy plan and be prepared to make it successful.
- Create an evaluation strategy plan document.
- Communicate the plan to others.
- Execute the strategy and monitor successes.

3

Agenda

Introduction

- Purpose, Scope, Resources
- Objectives
- Brief Review of ROI Methodology
- What Gets in the Way?
- Specific Actions for Strategy
- Exercise: What's Possible

Setting Goals

- Current Status of Delivering Results
- Goals for the Evaluation at Different Levels
- Criteria for Selecting Programs to be Evaluated at Impact and ROI Levels

Building the Team

- Assigning Roles and Responsibilities
- Developing Champions, Implementors, Supporters
- Creating an ROI Network

4

Agenda

Designing for Results

- Alignment Philosophy
- Role of Objectives
- Learning Transfer Strategies
- Leveraging Results

Streamlining the Resources

- Data Collection Preferences
- Isolation Technique Preferences
- Data Conversion Preferences
- Use of Technology
- Reporting Results
- Cost-Savings Approaches

Building Support

- Management Involvement and Support
- Briefing for Managers
- Annual Review & Adjustment
- The Evaluation Strategy Plan

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Levels of Evaluation	Measurement Focus	Typical Measures
0. Input	Input into programs, including indicators representing scope, volumes, times, costs, and efficiencies	Types of programs, Number of programs, Number of people involved, Hours of involvement, Costs
1. Reaction and Planned Action	Reaction to the programs, including participants' perceived value and planned action to make them successful	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivational, Recommended to others
2. Learning	Knowledge and success gained, learning how to develop concepts and how to use skills and competencies to drive program success	Skills, Learning, Knowledge, Capacity, Competencies, Confidences, Contacts
3. Application and Implementation	Application and use of knowledge, skills, and competencies, including progress made and implementation success	Behaviors, Extent of use, Task completion, Frequency of use, Actions completed, Success with use, Barriers to use, Enablers to use, Engagement
4. Impact	The impact of the programs and processes expressed as business impact measures	Graduation rates, Infant mortality, Crime rates, Productivity, Revenue, Quality, Jobs created, Efficiency, Incidents of disease, Retention, Customer satisfaction
5. Return on Investment	Comparison of monetary benefits from the project to project costs	Benefit-Cost Ratio (BCR), ROI%, Payback period

Six Categories of Data

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The Value Chain

	LEVEL	ISSUE	MEASURES	TARGETS**
*Can Predict	0	Inputs	Volume, Hours, Convenience, Cost	100%
	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to others	100%
	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
Executives prefer	3	Application	Use of content, Frequency of Use, Success with use, Barriers, Enablers	30%
	4	Impact	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
	5	ROI	Benefit-Cost ratio or Return on Investment, expressed as a percent	5%

**Best Practice: Percent of programs evaluated at this level each year.

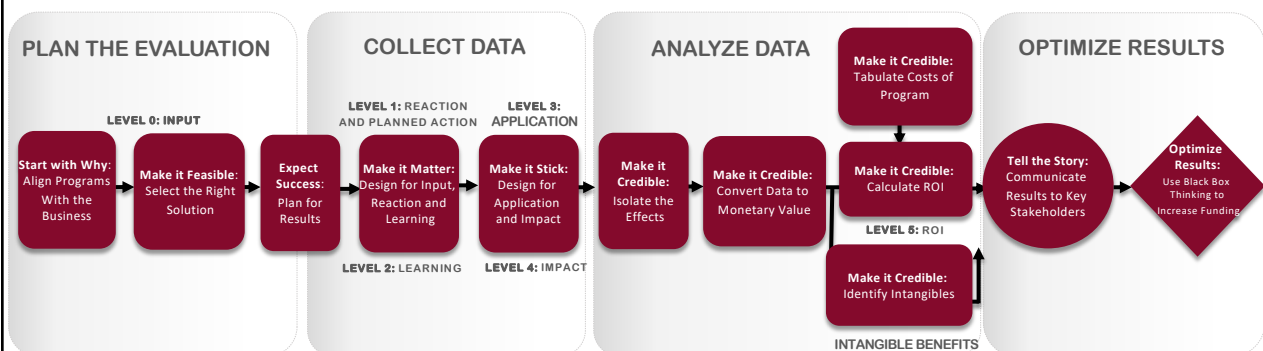
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The ROI Methodology Process Model

Designing for the Delivery of Business Results

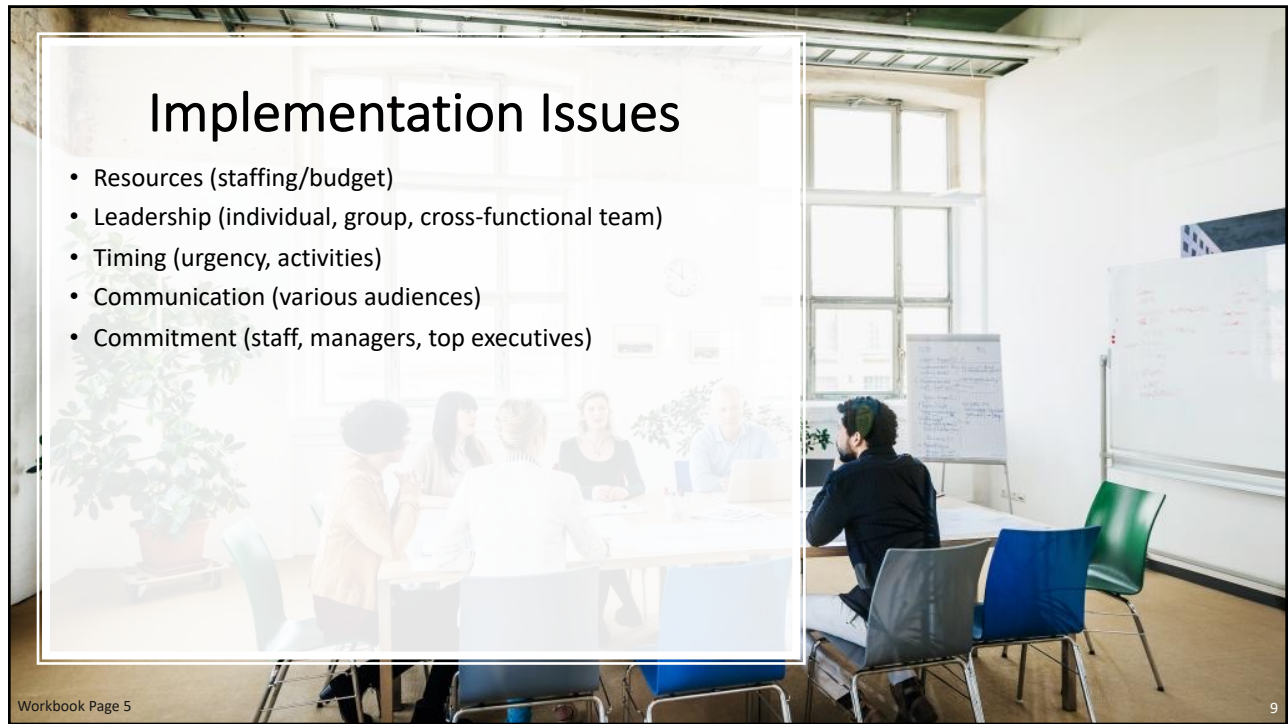


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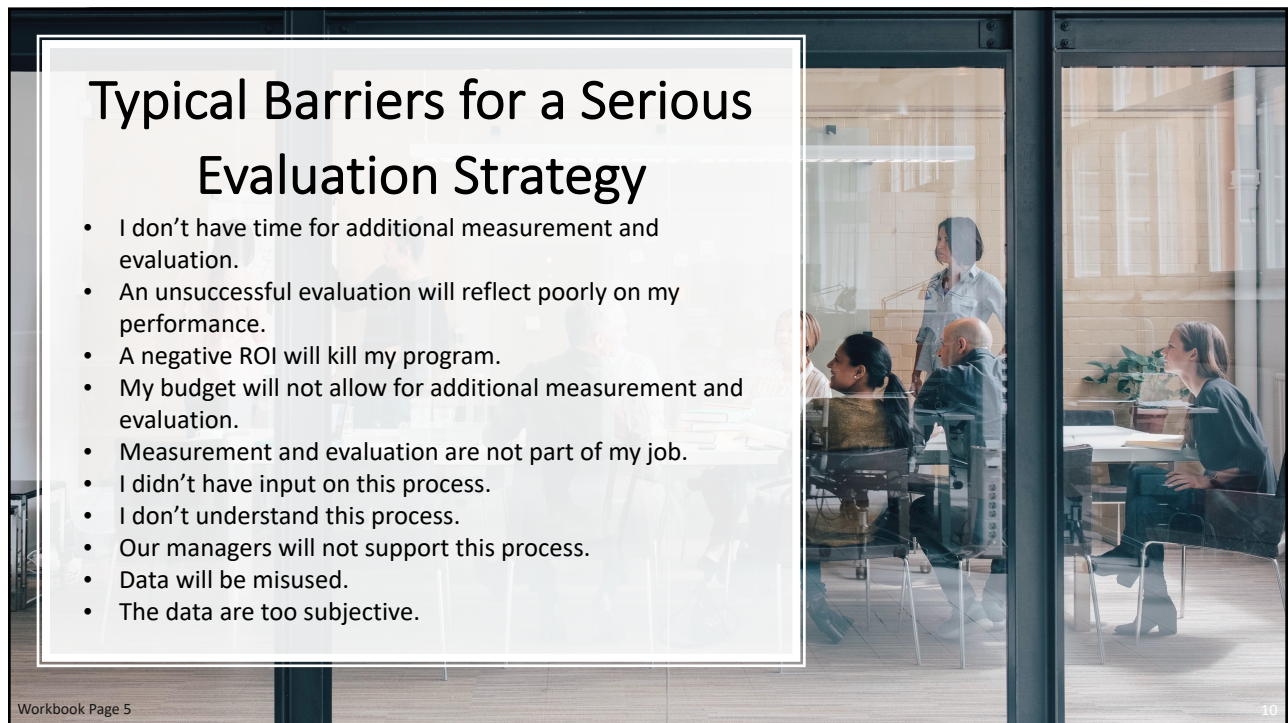
Implementation Issues

- Resources (staffing/budget)
- Leadership (individual, group, cross-functional team)
- Timing (urgency, activities)
- Communication (various audiences)
- Commitment (staff, managers, top executives)

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Typical Barriers for a Serious Evaluation Strategy

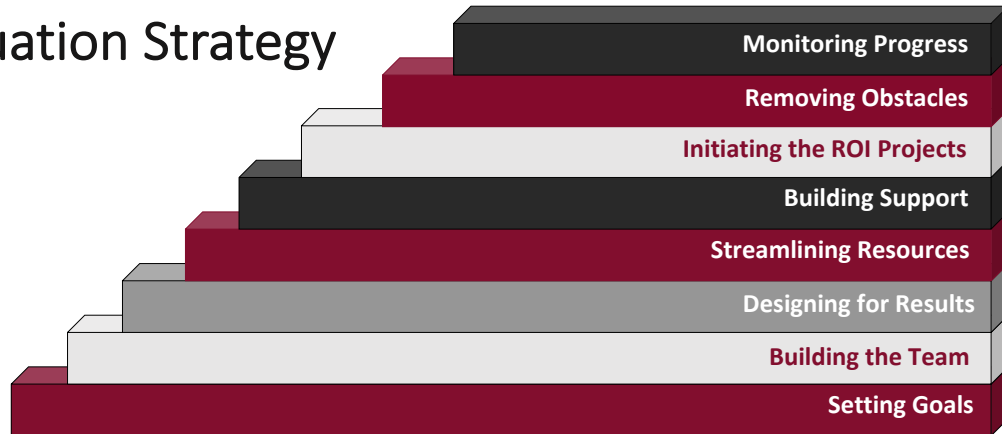
- I don't have time for additional measurement and evaluation.
- An unsuccessful evaluation will reflect poorly on my performance.
- A negative ROI will kill my program.
- My budget will not allow for additional measurement and evaluation.
- Measurement and evaluation are not part of my job.
- I didn't have input on this process.
- I don't understand this process.
- Our managers will not support this process.
- Data will be misused.
- The data are too subjective.

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Building Blocks to Implement a Serious Evaluation Strategy



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	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N
Team Formed																							
Policy Developed																							
Targets Set																							
Workshops Developed																							
Application Evaluation Project (A)																							
Impact Evaluation Project (B)																							
Impact Evaluation Project (C)																							
ROI Project (D)																							
Staff Trained																							
Providers Trained																							
Managers Trained																							
Support Tool Developed																							
Evaluation Guidelines Developed																							

Measurement and Evaluation Implementation Project Plan — Sample

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How Results-Based are Your Programs? A Self-Assessment Instrument



Assessing the Climate for results

- Survey staff (team members)
- Survey staff from management perspective
- Develop gaps (actual vs. desired)
- Plan actions

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	Level	Recommended % of Programs	**Benchmarking %
0	Input	100%	100%
1	Reaction	90-100%	80%
2	Learning	60-90%	70%
3	Application	30-40%	49%
4	Impact	10-20%	37%
5	ROI	5-10%	18%

*Percentage of programs evaluated at each level each year

**Benchmarking 2020

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What is your status?

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Project/Program Selection Criteria

Selecting Programs for Level 4 and 5 Evaluation



Cost of the program



Linkage of program to operational goals and issues



Importance of program to strategic objectives



Top executive interest in the evaluation



Visibility of the program



Size of target audience



Investment of time required

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Identifying Champions

- Champions conduct ROI studies.
- Champions have a passion for accountability.
- Consider a champion from each area.
- Prepare the champions.
- Recognize the champions.



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Identifying Implementors

- Needs assessment team (Intake)
- Performance consultants
- Designers
- Developers
- Coordinators
- Facilitators
- Program owners



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Identifying Supporters

- L&D leaders
- Advisory board members
- L&D advocates
- Key clients
- Support leaders—outside of L&D
- Senior leaders



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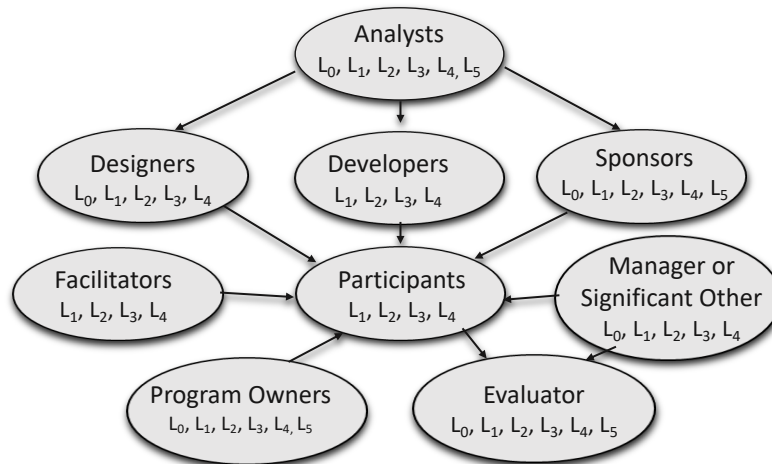
Responsibilities for Champions

- Design data collection instruments.
- Provide assistance for developing an evaluation strategy.
- Analyze data, including specialized statistical analyses.
- Interpret results and make specific recommendations.
- Develop an evaluation report or case study to communicate overall results.
- Provide technical support in any phase of measurement and evaluation.
- Assist in communicating results to key stakeholders.

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Roles and Responsibilities

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Key Roles

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Responsibilities for Implementors

- Ensure that the needs assessment includes specific business impact measures.
- Develop application objectives and business impact objectives for each program.
- Focus the content of the program on the objectives of business performance improvement; ensuring that exercises, case studies, and skill practices relate to the desired objectives.
- Keep participants focused on application and impact.
- Communicate rationale and reasons for evaluation.
- Assist in follow-up activities to capture business impact data.
- Provide assistance for data collection, data analysis, and reporting.
- Design simple instruments and procedures for data collection and analysis.
- Present evaluation data to a variety of groups.

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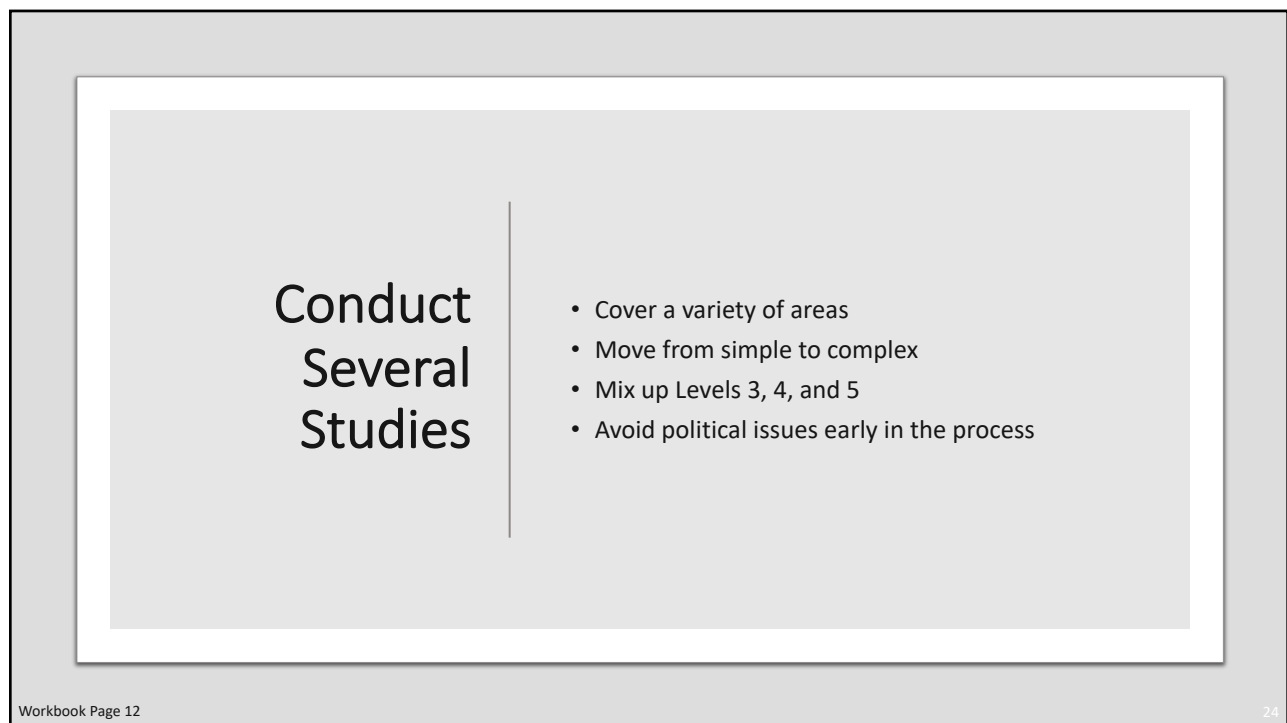


Implementor Involvement

- Developing plans
- Establishing responsibilities
- Designing tools and templates
- Selecting programs for higher level evaluation
- Driving changes / improvements

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Conduct Several Studies

- Cover a variety of areas
- Move from simple to complex
- Mix up Levels 3, 4, and 5
- Avoid political issues early in the process

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Conduct Workshops and Briefings

- 1 to 1½-hour briefings
- 1-day workshops
- 2-day workshops
- Special topics

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ROI Certification Components

Pework	Identify a project or program for ROI evaluation. Prepare for the basics.
Comprehensive Learning Program	Engage in content-rich, interactive sessions that focus on your evaluation project.
Materials	Utilize a 300-page action-oriented workbook, several reference books, and job aids.
Virtual Assistance through Group Coaching	Seek help with your ROI evaluation, receive review and approval of your ROI study.
ROI Academy Library	Access dozens of tools, templates, and job aids in members-only portal.
Right to Use Materials	Receive reproducible ROI materials to use internally with clients and colleagues.
Certified ROI Professional (CRP)	Join more than 6,000 others who hold this unique, sought-after credential.

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Creating an ROI Network

- Within the organization
- Within the local area
- Within the community

Typical Network Issues

- Communication methods
- Membership rules
- Meeting times
- Topics/Issues
- Monitoring/Managing

Typical Network Topics

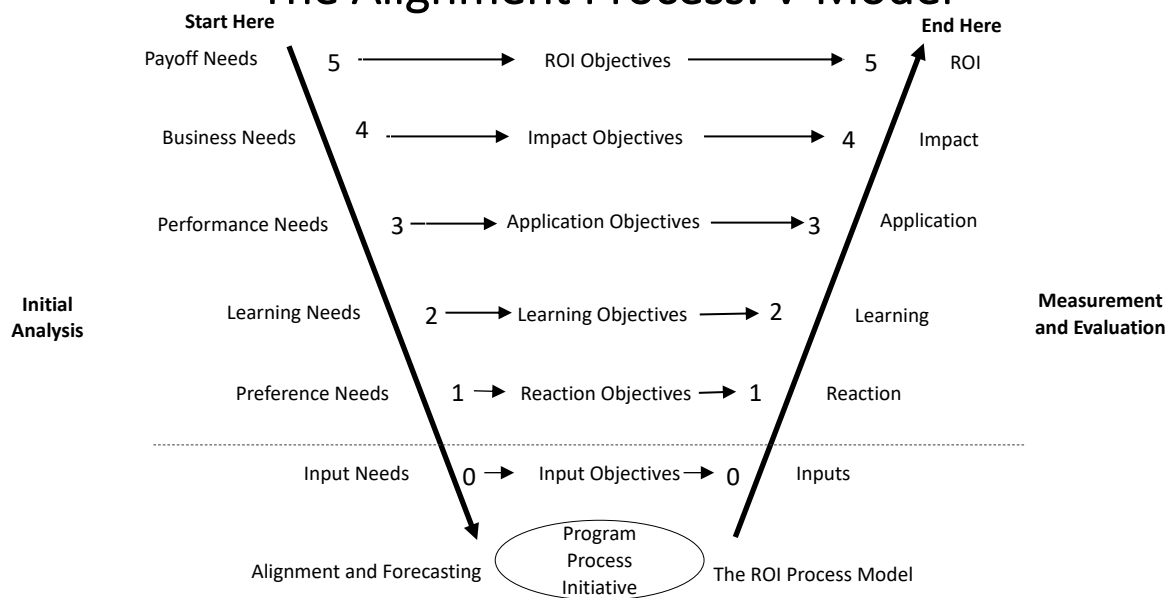
- Tool/Template sharing
- Collaborative projects
- Research/Benchmarking
- Sounding board
- Project critiques
- Technology review

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The Alignment Process: V-Model



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Levels of Objectives	Focus of Objectives
Level 1, Reaction	Defines specific measures of expected reaction to the program as it is revealed and communicated to the stakeholders
Level 2, Learning	Defines specific measures of improvement in knowledge, information, contacts, and skills as the participants and other stakeholders learn how to make the program successful
Level 3, Application	Defines specific measures of actions taken that define success with application and implementation of the program
Level 4, Impact	Defines the specific impact measures that will change or improve as a consequence of the program's implementation
Level 5, ROI	Defines the minimum return on investment from the program, comparing program costs with monetary benefits from the program

Developing Objectives for Each Level

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Rules for Objectives 1. Must be measurable and represent minimum acceptable performance. 2. Fewer objectives are better than many objectives. 3. Involve subject-matter experts and key stakeholders. 4. Keep objectives relevant to the situation, program, and key stakeholders. 5. Create Stretch Objectives, but make sure they are achievable. 6. Allow for the flexibility to change as conditions change. 7. Failure is OK; process improvement is the key. 8. Objectives are tools for progress, not weapons for performance review. 9. Most objectives should be time-bound. 10. Objectives provide the focus for design, development, implementation, and evaluation. J. J. Phillips and P. P. Phillips. <i>Beyond Learning Objectives: Develop Measurable Objectives that Link to the Bottom Line</i>. Alexandria, VA: ASTD Press. 2008. P. P. Phillips and J. J. Phillips. <i>10 Steps to Successful Business Alignment</i>. Alexandria, VA: ASTD Press. 2012. J. Doerr. <i>Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs</i>. New York: Penguin. 2018. Workbook Page 16 30

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Level	Percent of Programs with Objectives at This Level	Goal Percent of Programs with Objectives at This Level
Reaction		
Learning		
Application		
Impact		
ROI		

Objectives Profile

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Typical Reaction Objectives

Typical Reaction Objectives

At the end of the program, participants should rate each of the following statements at least a 4 out of 5 on a 5-point scale:

- The program is relevant to my (our) situation.*
- The facilitators/organizers were effective.
- The program is valuable to this mission, cause, or organization.*
- The program is important to my (our) success.*
- The program is motivational for me (us).
- The program is practical.
- The program contained new information.
- The program represented an excellent use of my time.*
- I will recommend the program to others.*
- I will use the concepts and materials from this program.*

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Learning Objectives

Learning objectives can have three components:

- **Performance**—what the participant or stakeholder will be able to do to make the program successful
- **Conditions** under which the participant or stakeholder will perform the various tasks and processes
- **Criteria**—the degree or level of proficiency necessary to perform a new task, process, or procedure that is part of the program

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Typical Learning Objectives

After completing the program, participants will be able to:

- Name the three pillars of the new AIDS strategy in 3 minutes.
- Identify the four conditions for a microfinance loan.
- Complete the leadership simulation in 15 minutes.
- Identify the six features of the new ethics policy.
- List five benefits of healthy living.
- Demonstrate the use of each software routine in the standard time.
- Use problem-solving skills, given a specific problem statement.
- Determine whether they are eligible for the early retirement program.
- List 7 out of 10 harmful effects of pollution.
- Score 75 or better in 10 minutes on the new-product quiz on the first try.
- Demonstrate all five customer-interaction skills with a success rating of 4 out of 5.
- Explain the five benefits of diversity in a work group in 5 minutes.
- Document suggestions for award consideration.
- Follow the steps to secure an appropriate job.
- Score at least 9 out of 10 on a sexual harassment policy quiz.
- Identify five new technology trends presented at the conference.

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Typical Questions for Application Objectives

- What new or improved knowledge will be applied?
- What is the extent of skills used?
- What specific new tasks will be performed?
- What new steps will be implemented?
- What new procedures will be implemented or changed?
- What new guidelines will be implemented?
- Which meetings need to be held?
- Which tasks, steps, or procedures will be discontinued?

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Typical Application Objectives

When the program is implemented:

- Within one month, participants will be involved in five job interviews.
- In 15 days, participants will apply for a microfinance loan.
- Ninety-five percent of high-potential employees will complete the steps of their individual development plans within two years.
- At least 50 percent of participants will join a hiking/walking group in 20 days.
- At least 99.1 percent of software users will be following the correct sequences after three weeks of use.
- Diabetic patients will implement three of the four critical behaviors in 30 days.
- Within one year, 10 percent of participants will submit documented suggestions for saving costs.
- Participants will routinely use problem-solving skills when faced with a quality problem.
- Participants will take steps to engage team members each day.
- Sexual harassment activity will cease within one month after the zero-tolerance policy is implemented.
- Thirty percent of citizens will start recycling household waste.
- Eighty percent of employees will use one or more of the three cost-containment features of the healthcare plan in the next six months.
- Fifty percent of conference attendees will follow up with at least one contact from the conference within 60 days.
- By November, pharmaceutical sales reps will communicate adverse effects of a specific prescription drug to all physicians in their territories.
- Customer service representatives will use all five interaction skills with at least half the customers within the next month.
- The average 360-degree leadership assessment score will improve from 3.4 to 4.1 on a 5-point scale in 90 days.

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Impact Objectives

Impact objectives are critical to measuring business performance because they:

- Describe expected business outcomes.
- Describe business unit performance that should be improved by the program.
- Provide basis for measuring the consequences of application of skills and knowledge.
- Place emphasis on achieving bottom line results.

The best impact objectives:

- Must contain measures that are linked to the program.
- Describe measures that are easily collected.
- Are results-based, clearly worded and specific.
- Specify what the participants have accomplished in their work unit as a result of the program.

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Typical Impact Objectives

After program completion, the following conditions should be met:

- The infant mortality rate will reduce by 10 percent per year for five years.
- The health status index should improve by five percent during the next calendar year.
- The student debt load should be reduced by 30 percent in three years.
- After nine months, grievances should be reduced from 30 per month to no more than five per month in six months at the VA center.
- Incidents of malaria should reduce by 17 percent in one year.
- Turnover of high-potential employees should be reduced to 10 percent in nine months.
- Complaints of abusive force by police should reduce by 10 percent in six months.
- The average number of new accounts should increase from 300 to 350 per month in six months.
- Unplanned absenteeism of call center associates should decrease by 30 percent within the next calendar year.
- At least 50 microfinance loans will be approved in quarter one.
- At least 90 percent of microfinance loans will be paid back on schedule.
- A 20 percent reduction in overtime should be realized for staff in the third quarter of this year.
- Citizen complaints should be reduced from an average of three per day to an average of one per day.
- Process time for work visas will be reduced by 30 percent in two months.
- By the end of the year, the average number of product defects should decrease from 210 per month to 150 per month.
- Operating expenses should decrease by 10 percent in the fourth quarter.
- There should be a 10 percent increase in brand awareness among physicians during the next two years.
- Product returns per month should decline by 15 percent in six months.

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Defining the ROI Calculation

$$\text{Benefit Cost Ratio (BCR)} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI (\%)} = \frac{\text{Benefits} - \text{Costs}}{\text{Program Costs}} \times 100$$

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Defining the ROI Calculation

$$\text{Benefit Cost Ratio (BCR)} = \frac{\$240,000}{\$80,000}$$

$$\text{ROI (\%)} = \frac{\$240,000 - \$80,000}{\$80,000} \times 100$$

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Defining the ROI Calculation

$$\text{Benefit Cost Ratio (BCR)} = \frac{\$240,000}{\$80,000} = 3$$

$$\text{ROI (\%)} = \frac{\$240,000 - \$80,000}{\$80,000} \times 100 = 200\%$$

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ROI Objective Options

1. Set the value at the same level as other investments: 15%
2. Set slightly above other estimates: 25%
3. Set at breakeven: 0%
4. Set at client expectations.

Private sector organizations usually go with option #2; public sector organizations prefer #3.

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Making the Program Work

Timeframe

	Before	During	After
Manager			
Participant			
Facilitator/ Organizer			

*Replace role players with whomever is most influential for your program.

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Ideal Management Support

- Gives endorsement and approval for participants to be involved in program.
- Volunteers personal services or resources to assist in the program's implementation.
- Makes a pre-program commitment with the participant concerning expected efforts.
- Reinforces the behavior change resulting from the program.
- Conducts a follow-up on program results.
- Gives positive rewards for participants who experience success with the program.



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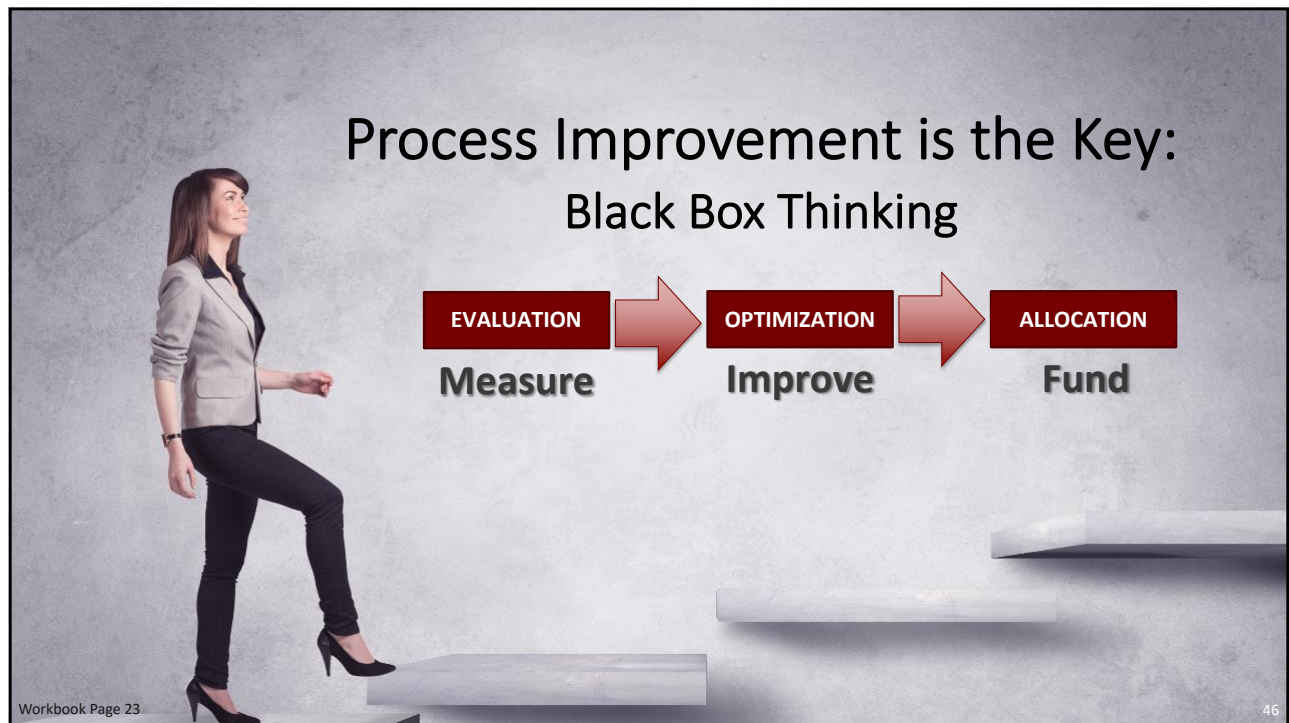
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	% of Mgrs
Supportive: Strongly and actively supports all programs,	_____
Responsive: Supports programs, but not as strongly as the supporting manager.	_____
Non-Supportive: Privately voices displeasure with programs on a formal basis.	_____
Destructive: Works actively to keep participants from being involved in programs with a variety of excuses.	_____
	Total (100%)

Levels of Management Support

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Failures in Programs

1. More than half of programs are wasted (not used or implemented, although we want them to be used). The culprit: failure in the system.
2. Most program evaluators do not measure success at the levels desired by top executives (Levels 4 and 5). The culprit: fear of results (perceived failure).

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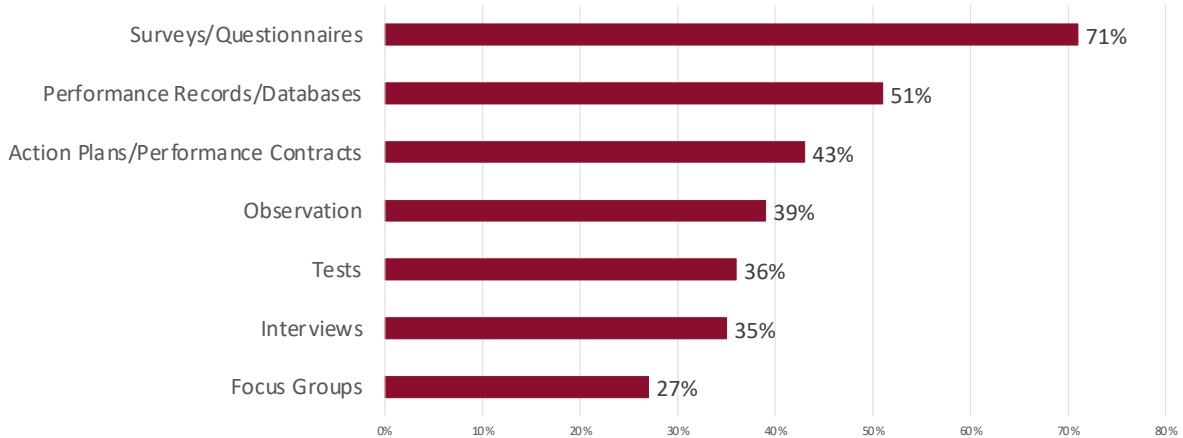
Use of Evaluation Data	Appropriate Level of Data				
	1	2	3	4	5
Adjust Program Design	✓	✓			
Improve Program Delivery	✓	✓			
Influence Application and Impact			✓	✓	
Enhance Reinforcement			✓		
Improve Management Support			✓	✓	
Improve Stakeholder Satisfaction			✓	✓	✓
Recognize and Reward Participants		✓	✓	✓	
Justify or Enhance Budget				✓	✓
Develop Norms and Standards	✓	✓	✓		
Reduce Costs		✓	✓	✓	✓
Market WLP Programs	✓		✓	✓	✓
Expand Implementation to Other Areas				✓	✓

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Data Collection Methods



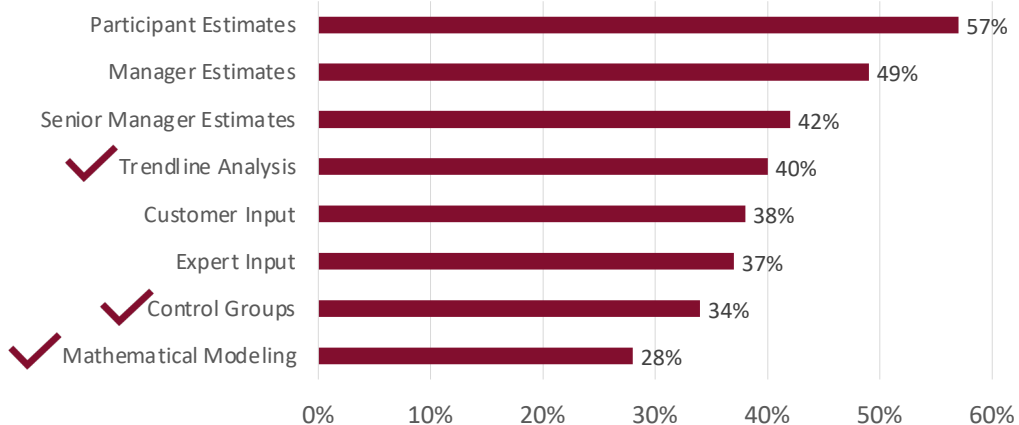
*Survey of Users, N = 246

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Isolation Methods



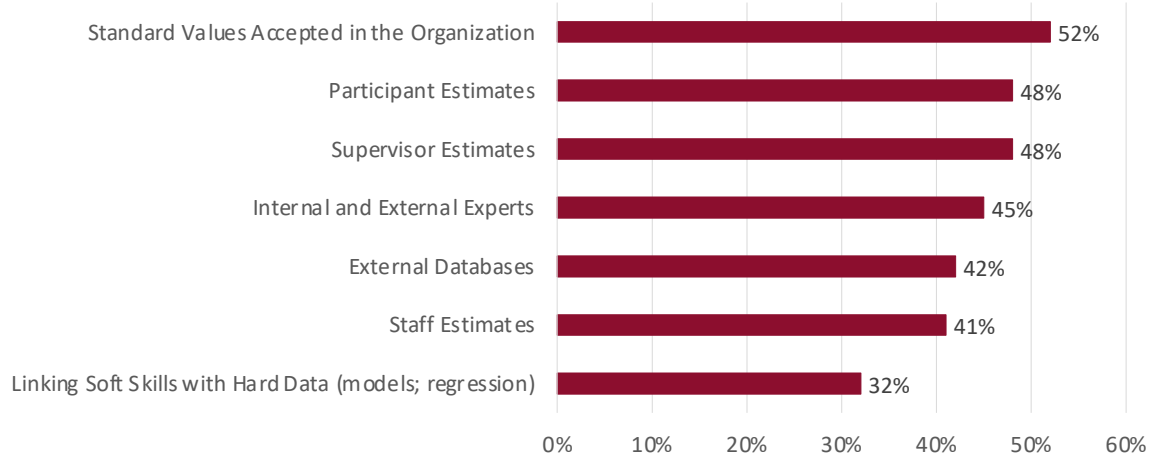
*Survey of Users, N = 246

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Data Conversion Methods



*Survey of Users, N = 246

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Use of Technology

- Data Collection
- Analysis
- Reporting



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Complete Report

- General information
- Methodology for impact study
- Data analysis
- Costs
- Results
- Barriers and enablers
- Summary of findings
- Conclusions and recommendations
- Exhibits



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The Impact Study Serves Several Purposes

- The method of communicating results, only for those audiences needing detailed information.
- As a reminder of the resources required to produce major studies.
- As a historical document of the methodology, instruments, and processes used throughout the impact study.
- A teaching and discussion tool for staff development.

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Methods of Communication

Meetings

- Executives
- Management
- Stakeholders
- Staff

Detailed Reports

- Impact study
- Case study (internal)
- Case study (external)
- Major articles

Brief Reports

- Executive summary
- Slide overview
- One-page summary
- Brochure

Electronic reporting

- Website
- Email
- Blog/social media
- Video

Mass Publications

- Announcements
- Bulletins
- Newsletters
- Brief articles
- Press releases

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Matching Exercise: Reporting Results

Instructions: For each of the following situations, please indicate the method used to report the results from an impact/ROI study for a particular program. Select from these methods:

- Live meeting with executives
- One-page summary of results
- Website summary
- Website video
- Executive summary
- Panel discussion
- Newsletter article
- Brief case summaries
- Case study book
- Executive scorecard

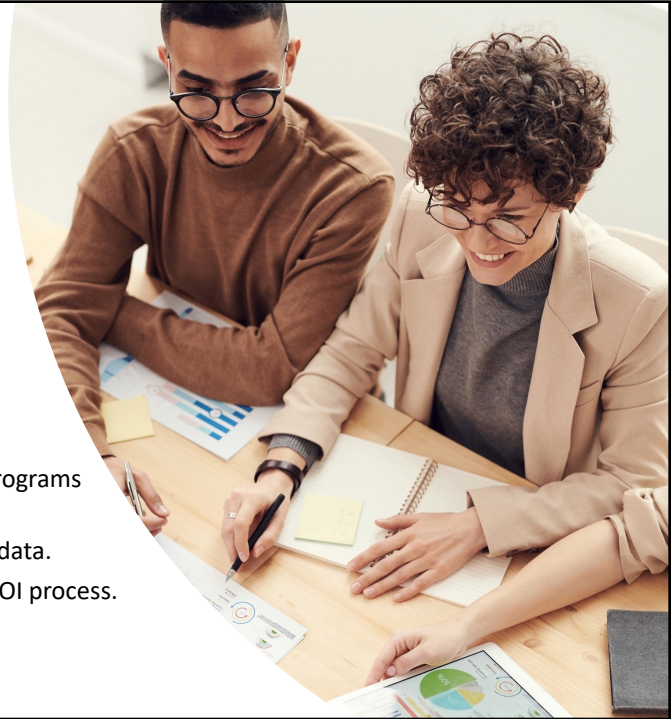
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Cost-Saving Approaches to ROI

- Plan for evaluation early in the process.
- Build evaluation into the process.
- Share the responsibilities for evaluation.
- Require participants to conduct major steps.
- Use short-cut methods for major steps.
- Use sampling to select the most appropriate programs for ROI analysis.
- Use estimates in the collection and analysis of data.
- Develop internal capability to implement the ROI process.
- Utilize web-based software to reduce time.
- Streamline the reporting process.



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Matching Exercise: Implementation Strategies

Instructions: For each of the following situations, please indicate the method used to implement the ROI Methodology. Select from these methods.

- Assess the status of the focus on results for programs
- Assigning roles and responsibilities
- Set goals and targets for the team
- Build capability with the staff
- Conduct ROI studies
- Revise policies and procedures
- Increase funding
- Create ROI network
- Brief managers
- Improve support of programs/team

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Management Involvement

Step in the Results-Based Process	Opportunity for Manager Involvement	Most Appropriate Strategy
Conduct analysis	High	Taskforce
Develop measurement and evaluation system	Moderate	Advisory committee
Establish program objectives	High	Advisory committee
Develop program	Moderate	Taskforce
Implement program	High	Program leader
Monitor costs	Low	Expert input
Collect and analyze data	Moderate	Expert input
Interpret data and draw conclusions	High	Expert input
Communicate results	Moderate	Manager as participant

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Why Programs Do Not Work

1. Immediate manager (or significant other) does not support the program.
2. The culture does not support the program.
3. No opportunity to use the program.
4. No time to implement the program.
5. Didn't learn anything that could be used.
6. The systems and processes did not support the program.
7. Didn't have the resources available to use the program.
8. Changed job and the program no longer applies.
9. This is not appropriate in our work unit.
10. Didn't see a need to use the program.
11. Could not change old habits.

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[illegible]

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Resources



The ROI Methodology®

A step-by-step guide for programs, projects, and services

- Human Resources: The ROI Methodology
- Training Learning & Development: The ROI Methodology
- Leadership: The ROI Methodology
- Marketing: The ROI Methodology
- Work Management: The ROI Methodology
- Change Management: The ROI Methodology
- Project Management: The ROI Methodology
- Technology: The ROI Methodology
- Management: The ROI Methodology
- Consulting: The ROI Methodology

Handbook of Evaluation Measures

2nd Edition

ROI BENCHMARKING

Creating an ROI Network

How Results-Based Are Your Program Assessment Results?

Office of Professional Development, Arizona Department of Economic Security

October 11, 2022

Updating your Evaluation Strategy Session

Arizona Department of Economic Security

October 14, 2022

Jack J. Phillips, Ph.D., Chairman, ROI Institute, Inc.

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Access Resources

<https://roiinstitute.net/arizona-department-of-economic-security-workshop/>

Questions?

Jack@roiinstitute.net



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