



Learning and Development ROI: A Virtual Workshop

Presented by: Jack J. Phillips, Ph.D.
Chairman, ROI Institute, Inc.

1



Poll: Why are you pursuing this subject now? Check all that apply.

- ☐ Top executives are requiring impact. I must pursue this.
- ☐ I have pressure to justify my budget. I need to pursue this.
- ☐ I know I will need to demonstrate more value in the future.
- ☐ I want to show increased accountability for our expenditures.
- ☐ I want to experiment with and explore new techniques to measure program success.

2

2

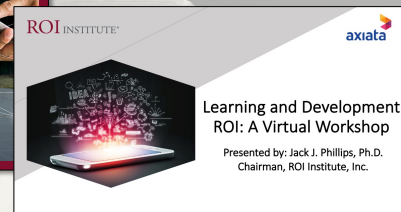
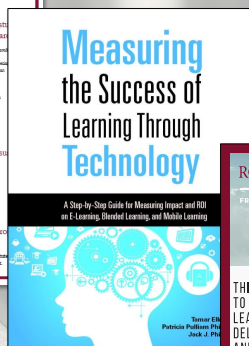
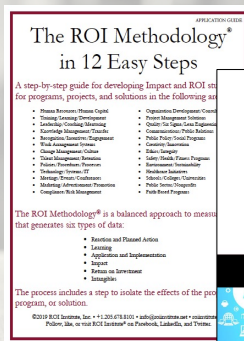
Session Objectives

After attending this session, participants should be able to:

- Identify the five levels of outcomes hybrid and e-learning programs deliver.
- Explain the need to deliver impact and ROI for selected hybrid and e-learning programs.
- Design hybrid and e-learning programs to deliver results using design-thinking principles.
- Identify seven ways to ensure hybrid and e-learning programs deliver a positive ROI.

3

Resources



4



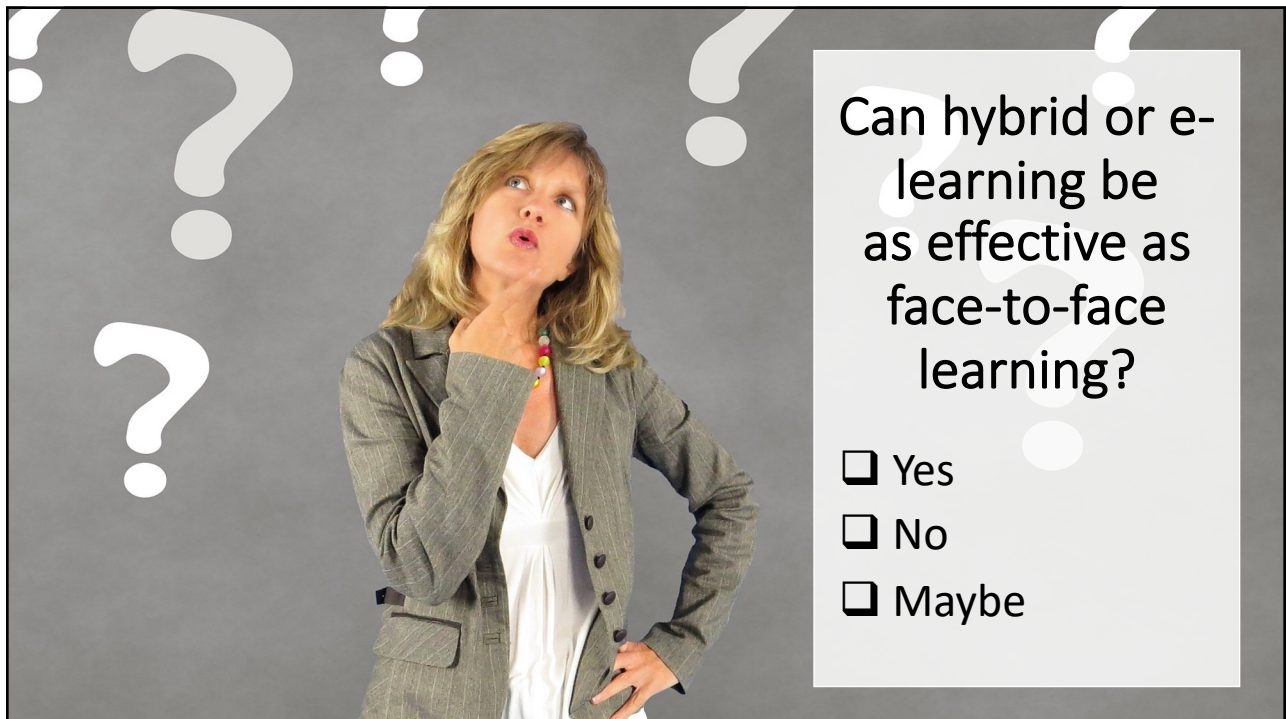
Serious Performance Challenges

**True
or
False?**

1. Most learning and development is wasted (not used).
2. The learning outcomes desired by executives is rarely measured.
3. Most learning providers do not have data showing they make a difference in the organization.
4. Most executives see learning as a cost and not an investment.
5. Most executives view hard skills more valuable than soft skills.

5

5



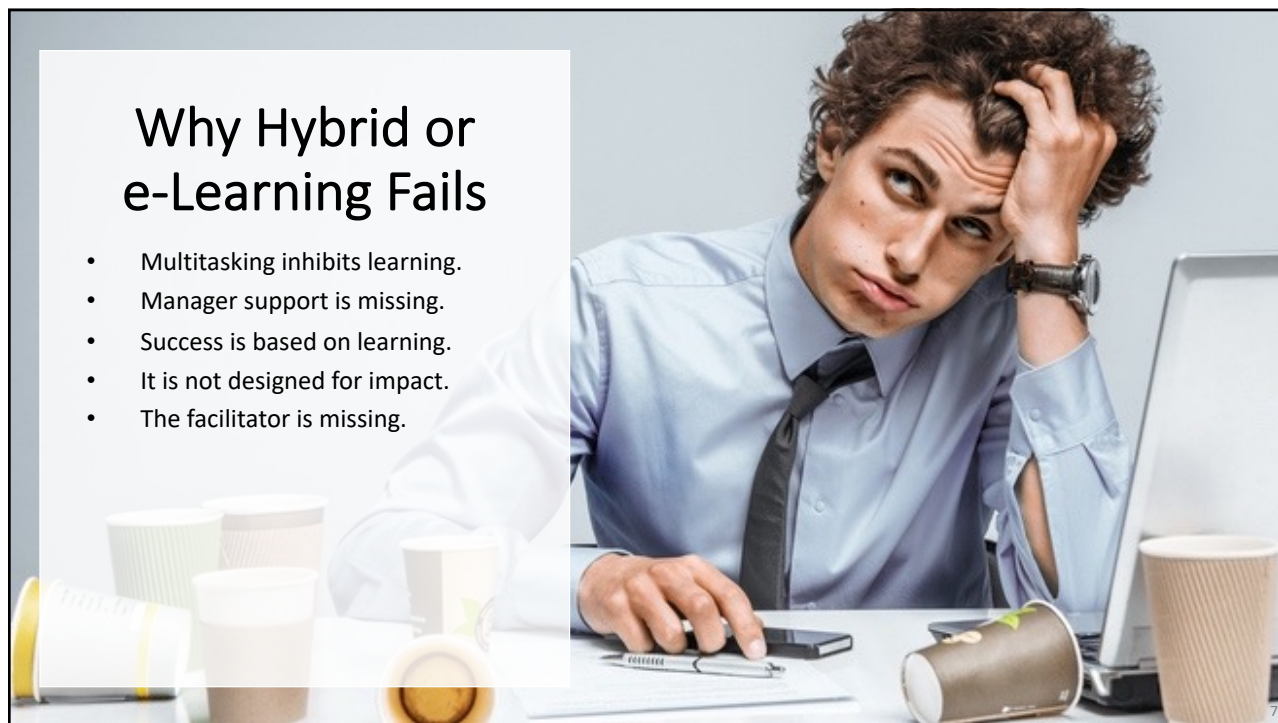
Can hybrid or e-learning be as effective as face-to-face learning?

- ☐ Yes
- ☐ No
- ☐ Maybe

6

Why Hybrid or e-Learning Fails

- Multitasking inhibits learning.
- Manager support is missing.
- Success is based on learning.
- It is not designed for impact.
- The facilitator is missing.



7

What CEOs Want

Demonstration of Value

ROI Institute and ATD research show that the data CEOs receive are not demonstrating what they want out of their talent investment. (N=96)

Measures	Currently Measure	Should Measure	Importance
Inputs and Indicators	94%	86%	6
Efficiency	78%	82%	7
Reaction	53%	22%	8
Learning	32%	28%	5
Application	11%	61%	4
Impact	8%	96%	1
ROI	4%	74%	2
Awards	40%	44%	3

8

8

What is ROI?

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI} = \frac{\text{Net Program Benefits}}{\text{Program Costs}} \times 100$$

9

9

What is ROI?

$$\text{BCR} = \frac{\text{RM 750,000}}{\text{RM 425,000}}$$

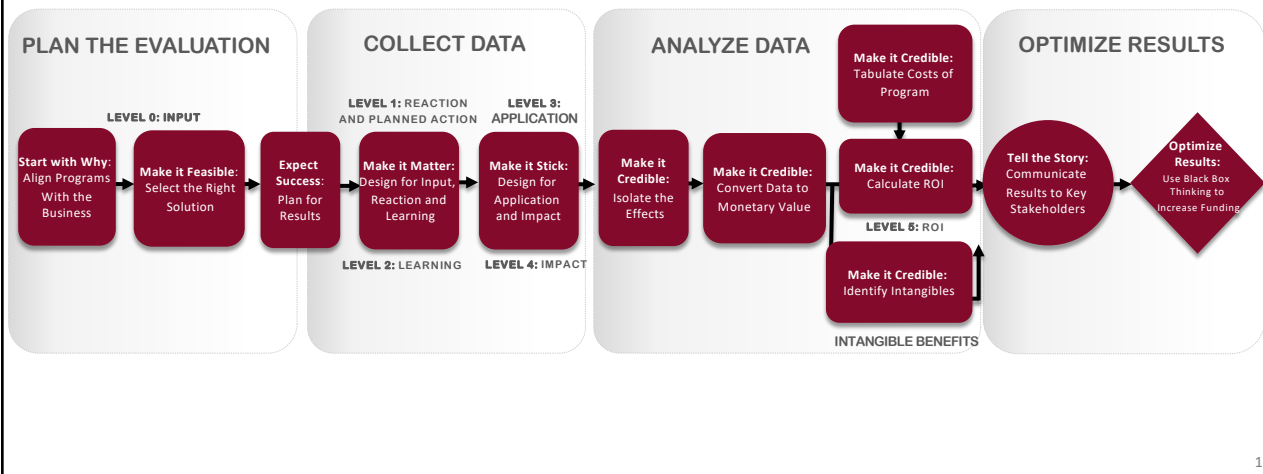
$$\text{ROI} = \frac{\text{RM 750,000} - \text{RM 425,000}}{\text{RM 425,000}} \times 100$$

10

10

The ROI Methodology Process Model

Designing for the Delivery of Business Results



11

The Value Chain

	LEVEL	ISSUE	MEASURES	TARGETS**
	0	Inputs	Volume, Hours, Convenience, Cost	100%
*Can Predict	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to others	100%
	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
	3	Application	Use of content, Frequency of Use, Success with use, Barriers, Enablers	30%
Executives prefer	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.

12

ROI Methodology Levels of Evaluation

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs & Indicators	The input into the project in terms of scope, volume, efficiencies, costs	Participants, Hours, Costs, Timing
1. Reaction & Planned Action	Measures participant satisfaction and captures planned actions, if appropriate	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivation to take action
2. Learning & Confidence	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Success with use, Barriers to use, Enablers to use
4. Business Impact	Measures changes in business impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer satisfaction, Employee engagement
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback period

©2022 ROI Institute Inc. All rights reserved.

13

13



Seven Ways to Make Hybrid and e-Learning Deliver a Positive ROI

- ✓ Start with WHY.
- ✓ Ensure its feasibility.
- ✓ Expect success with objectives.
- ✓ Design for application and impact.
- ✓ Use sampling to measure application and impact.
- ✓ Use process improvement.
- ✓ Blend solutions to make learning better.

14

14

14

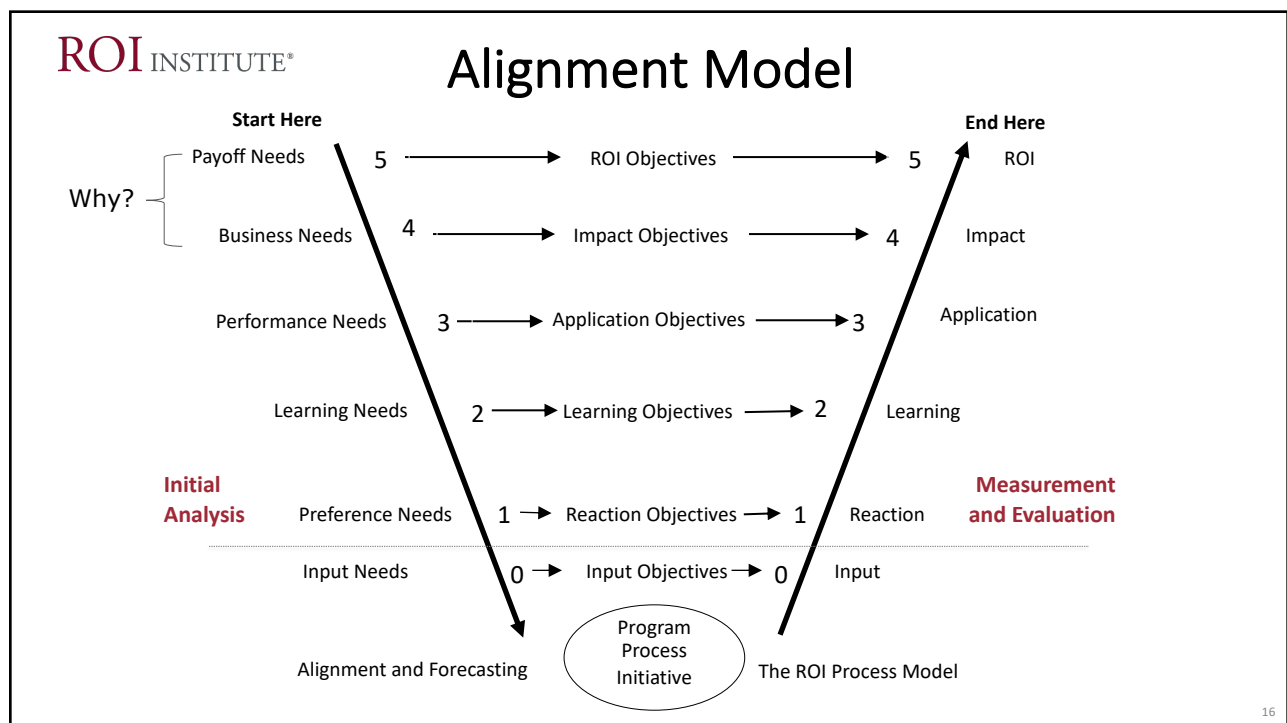
Start with Why

Align Programs with the Business

Design Thinking Principle

A problem-solving approach to handle problems on a systems levels

15



16

Ensure its Feasibility

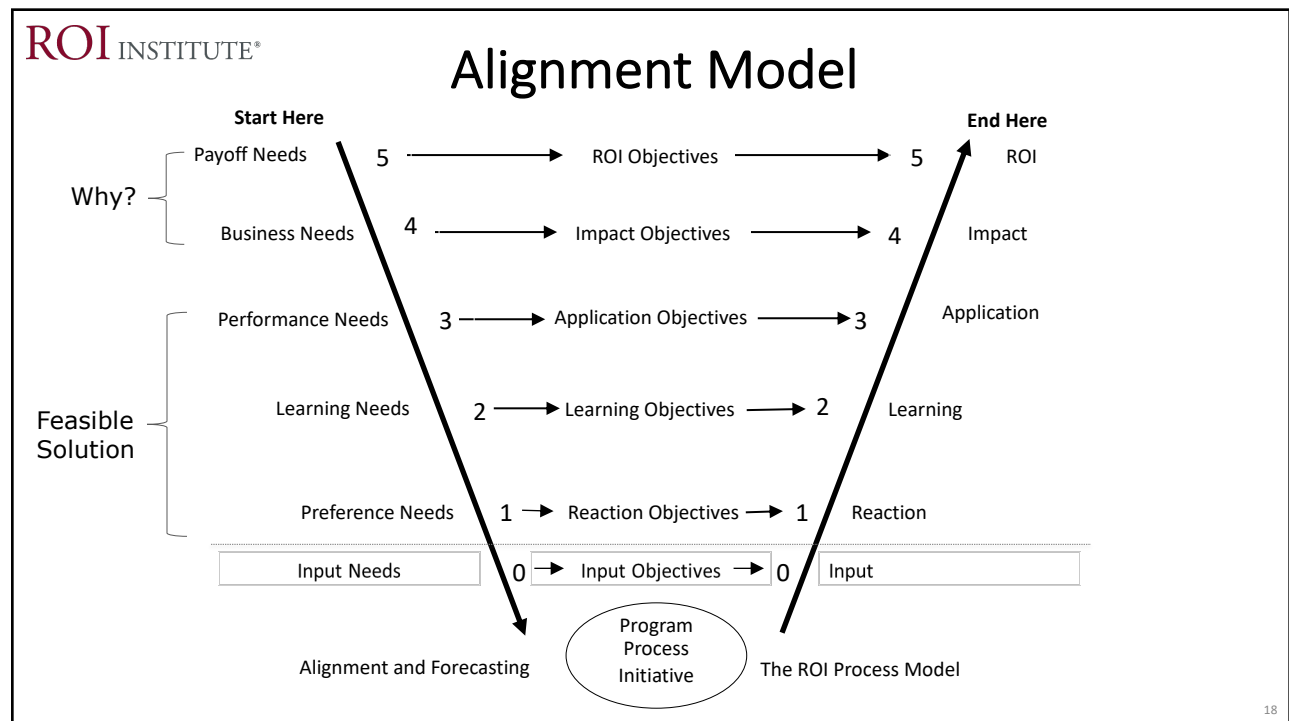
Select the Right Solution

Design Thinking Principle

A mind-set for curiosity and inquiry



17



18

Diagnostic Tools

Feasible solutions evolve through the understanding of context, empathizing with the target audience, and identifying performance gaps. The next step is to identify learning needs and how best to deliver relevant information. Forecasting outcomes based on inputs is sometimes helpful.

- Statistical process control
- Brainstorming
- Problem analysis
- Cause-and-effect diagram
- Force-field analysis
- Mind mapping
- Affinity diagrams
- Simulations
- Diagnostic instruments
- Focus groups
- Probing interviews
- Job satisfaction surveys
- Engagement surveys
- Exit interviews
- Exit surveys
- Nominal group technique



19

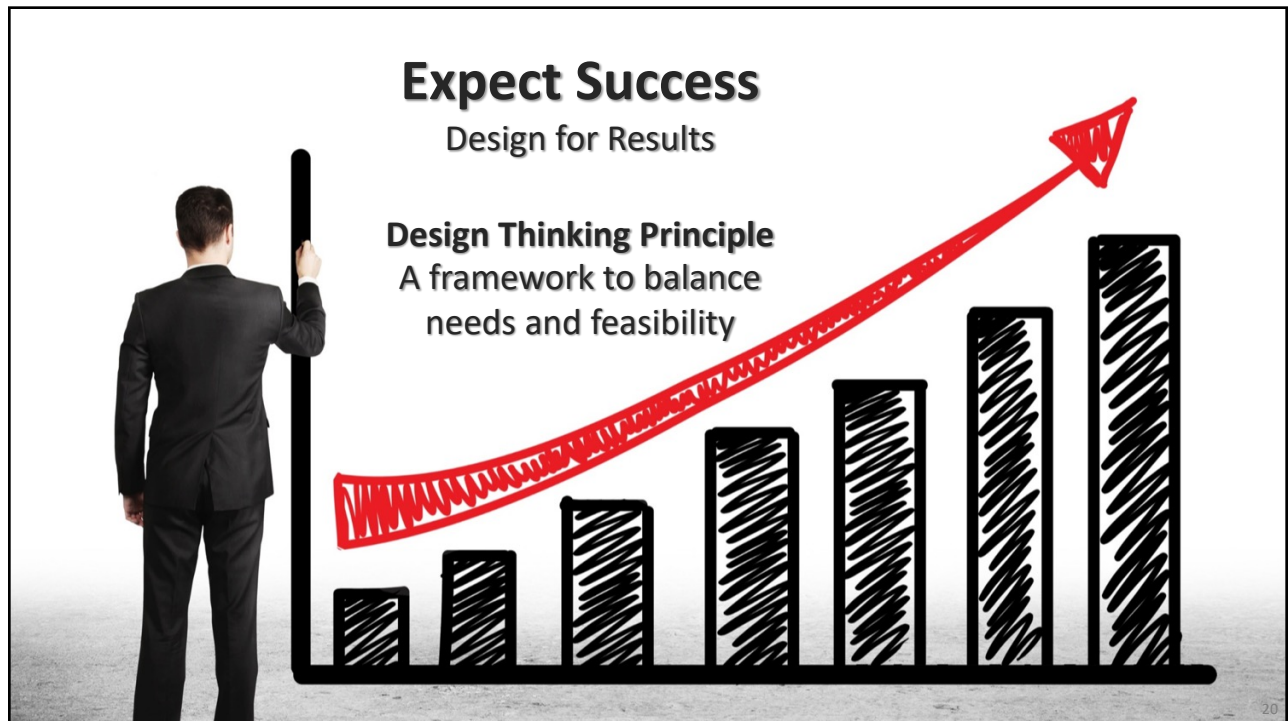
19

Expect Success

Design for Results

Design Thinking Principle

A framework to balance
needs and feasibility



20

20

Developing Objectives for Each Level

Levels	Focus
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 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

21

21

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 them 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.

22

22

Matching Evaluation Levels with Objectives

After completing this program, participants should:

1.	Decrease citizen complaints by 20% in one year.	
2.	Use problem-solving skills to uncover product defect causes.	
3.	Be able to demonstrate the five steps to calm an upset customer.	
4.	Rate the facilitator 4 out of 5 on presentation skills.	
5.	Decrease the amount of time required to develop a proposal.	
6.	Achieve a 20% ROI one year after implementation of sales incentive system.	
7.	Perceived the content to be relevant their situation (4.5 out of 5).	
8.	Decrease security breaches by 25% in six months.	
9.	Conduct a proper investigation using the seven-step process in 95% of complaint situations.	
10.	Score an average of 75 or better on new strategy quiz.	
11.	Complete a disclosure form each year as part of the new ethics policy.	
12.	Use all 10 negotiation skills in at least 50% of negotiation situations.	

1 = Reaction

2 = Learning

3 = Application

4 = Impact

5 = ROI

23

23

Make it Matter

Design for Input, Reaction, and Learning

Design Thinking Principle

A way to take on design challenges by applying empathy

24

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.*

*The measures will usually correlate with application.

25

25

Make it Stick

Design for Application and Impact

Design Thinking Principle 5

A culture that fosters exploration
and experimentation



26

26

Learning Transfer Strategy

		Timeframe		
		Before	During	After
Role-Players*	Manager			
	Participant			
	Facilitator/ Organizer			

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

27

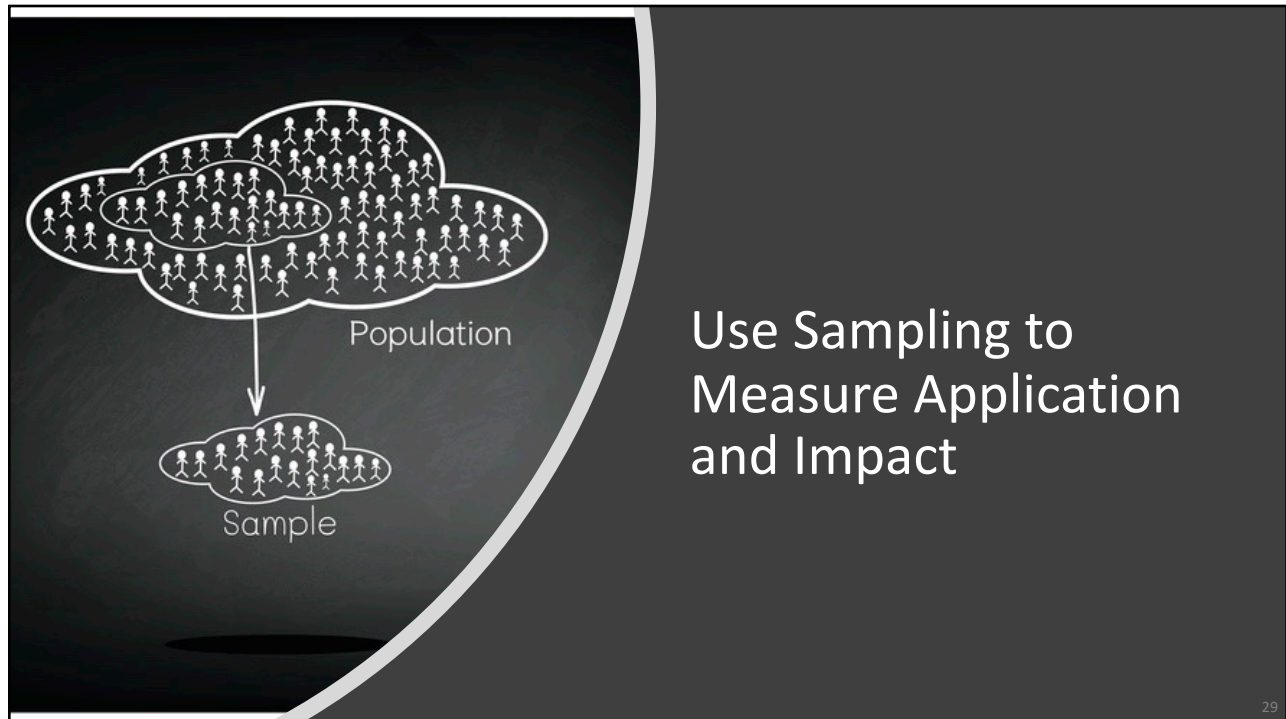
27

Data Collection Methods

Method	Level			
	1	2	3	4
Surveys	✓	✓	✓	
Questionnaires	✓	✓	✓	✓
Observation	✓	✓	✓	
Interviews	✓	✓	✓	
Focus Groups	✓	✓	✓	
Tests/Quizzes		✓		
Demonstrations		✓		
Simulations		✓		
Action planning/improvement plans			✓	✓
Performance contracting			✓	✓
Performance monitoring				✓

28

28



29

Make it Credible

Measure Results and Calculate ROI

Design Thinking Principle

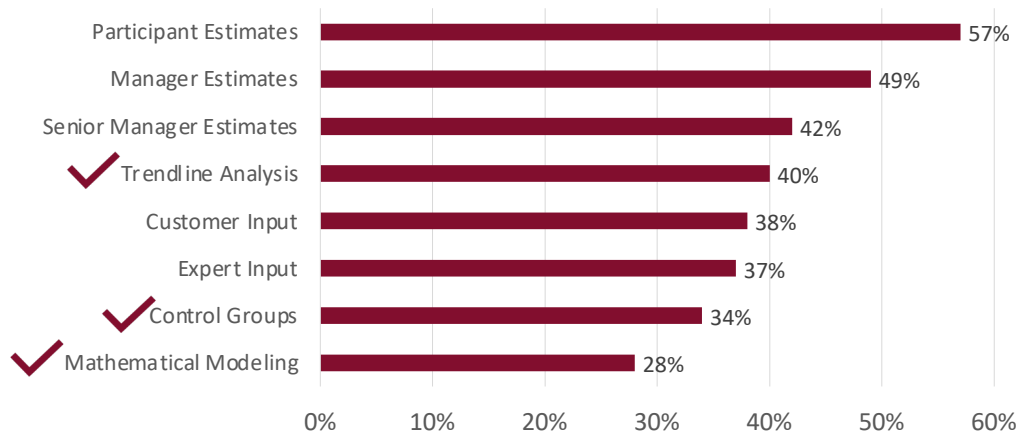
A fixed process and a tool kit

- Isolating the effects of the program
- Converting Impact data to money
- Identifying intangible benefits
- Tabulating cost of the program
- Calculating ROI

30

30

Isolation Methods

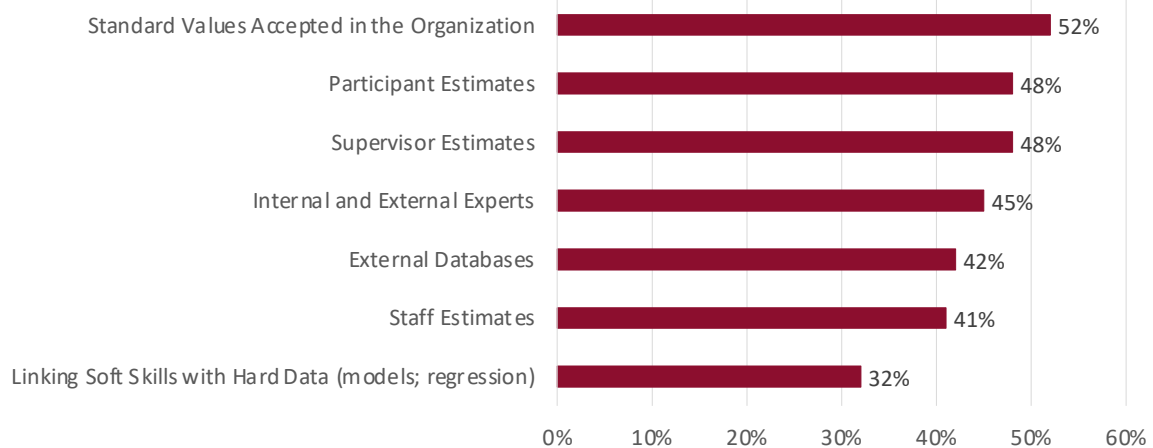


*Survey of Users, N = 246

31

31

Data Conversion Methods



*Survey of Users, N = 246

32

32



33

Mobile Learning Solution

- Target ROI: 20%
- Associates should reach \$10,000 in sales per month within three months
- Sales should occur within three weeks
- Routine use of each major skill within one month
- Immediate use of skills
- Five modules (five quiz questions per module)
- Target first 25 Sales Representatives accessing modules
- Content must be relevant

34

Level	Broad Program Objectives	Measures of Success	Data Collection Methods	Data Sources	Timing	Responsibilities
1	REACTION Achieve positive reaction on the following • Relevance to my work • Recommend to others • Important to my success • Intent to use	Rating of 4 out of 5 on a composite of four measures	LMS survey, built into the program	Participants	End of program	Program manager
2	LEARNING Learn to use five concepts to sell new upgrade: • Rationale for upgrade • Features of upgrade • How upgrade will increase client profit • Pricing options • Implementation and support	Achieve 4 out of 5 correct answers on each module Achieve 20 of 25 total correct answers	True/False Quiz, built into program	Participants	End of program	Program manager

35

35

Level	Broad Program Objectives	Measures of Success	Data Collection Methods	Data Sources	Timing	Responsibilities
3	APPLICATION Use of five skills • Explain rationale for upgrade • Identify key features of upgrade • Describe how upgrade increases client profit • Identify pricing options • Explain implementation and support • Make first call in 5 days	Rating of 4 out of 5 on 1-5 scale System check	Questionnaire, web-based Performance monitoring	Participant Salesforce	1 month after the program	Evaluator
4	BUSINESS IMPACT • Increase sales to \$10,000 per month • Sell first upgrade in 3 weeks	Monthly sales per associate Actual sale	Business performance monitoring	Salesforce	3 months after program 1 month after program	Evaluator
5	ROI 20%	Comments:				

36

36

Data Items	Methods for Isolating Program Effects	Methods of Converting Data to Money	Cost Categories	Intangible Benefits	Communication Targets	Other Influences/ Issues During Application
Monthly sales per associate	- Control group analysis (first 25 users compared to 25 non users) - Current sales - Tenure w/company - Overall performance - Total years selling - Participant estimates (both measures)	Direct conversion using standard profit contribution	- Needs assessment - Design - Content development - Mobile device - Participants' salaries plus benefits (time) - Cost of coordination and administration - Project management (time) - Evaluation	- Customer engagement and satisfaction - Job satisfaction of sales associates - Stress reduction - Reputation	- Program participants - Sales managers - Product manager - Senior executives - Learning coordinators, designers, and managers - All sales associates	No comm. with control group
Time to first sale	- Control group analysis - Participant estimates (both measures)	N/A				

37

37

Make it Matter

Reaction Results

Rate the Following	Rating
Relevant to my work	4.3
Important to my success	4.1
Intent to use	4.7
Recommend to others	4.2
Target: 4.0	Average: 4.3

(Scale: 1 = not at all; 2 = some; 3 = average; 4 = above average; 5 = very much)

38

38

Make it Matter

Learning Results

Module Quiz Categories		Avg. Number of Correct Responses
1	Rationale for the upgrade	4.3
2	Key features of the upgrade	4.2
3	How upgrade will increase client profit	4.3
4	Pricing options	4.1
5	Implementation and support	3.9
Possible score: 25		Average: 20.8
Target: 20		

39

39

Make it Stick

Application Results

Extent of Use in One Month	Rating
Make the first call (target: 5 days)	3.5 days
Explaining the rationale for upgrade	4.2
Identifying key features of upgrade	4.3
Describing how the upgrade increases client profit	4.1
Identifying pricing options	3.9
Explaining implementation and support	3.8
Target: 4.0	Average: 4.06

(Scale: 1 = not at all; 2 = some use; 3 = moderate amount of use; 4 = significant amount of use; 5 = very significant amount of use)

40

40

Make it Stick

Enablers and Barriers

Enablers

- Management encouragement 60%
- Easy to use 52%
- Timely 48%
- Convenient 40%
- Relevant 36%
- Other 16%

Barriers

- Lack of time to be involved 12%
- Lack of management encouragement 8%
- Took too long to complete 8%
- Technology issues 4%
- Other 4%

41

41

Make it Credible

Impact Results

Group	Avg. Sales (Month 3)	Avg. Time to First Sale
Trial (Experimental) Group 25 sales associates	\$7,500	11 days
Comparison (Control) Group 19 sales associates (out of 22)	\$3,700	21 days
Difference	\$3,800	
Annualized = \$3,800 x 12 x 25 = \$1,140,000		
20% profit = \$228,000		

42

42

Make it Credible

Program Costs

Needs assessment	\$3,000
Design and development (\$56,000/110 x 25)	\$12,725
Mobile device (prorated)	\$1,700
Sales associate time	\$2,524
Administration time	\$6,000
Project management	\$14,500
Evaluation	\$15,000
Total	\$55,449

43

43

What is ROI?

$$\text{BCR} = \frac{\$228,000}{\$55,449} =$$

$$\text{ROI} = \frac{\$228,000 - \$55,449}{\$55,449} \times 100 =$$

44

44

Make it Credible

Intangible Benefits

- Made the first sale in 11 days, average
- Customer satisfaction
- Brand awareness for ProfitPro
- Job satisfaction of sales associates
- Stress reduction for sales associates
- Company reputation

45

45



46



47



48



Be Proactive

Remember, when it comes to delivering results:

- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

**Change is inevitable.
Progress is optional.**

49

49



Poll: What are your concerns about the ROI Methodology?

- ☐ No concerns.
- ☐ It's too complicated.
- ☐ It takes too long.
- ☐ It's too expensive.
- ☐ No one is asking for this.

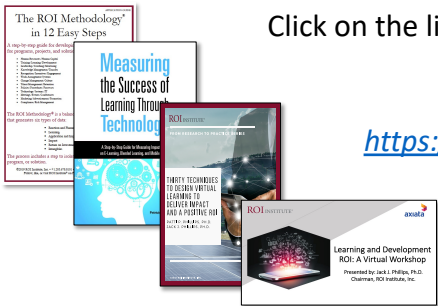
50

50



Click on the link below or scan the QR code to access resources from today's session.

<https://roiinstitute.net/axiata-learning-development/>



51

51

ROI INSTITUTE®

Need an ROI Study on an Important Virtual Learning Project?




Join a select group of participants to:

- Build serious capability to evaluate eLearning, virtual, or hybrid programs.
- Participate in live weekly coaching with ROI Institute leaders.
- Complete an ROI evaluation study on an important virtual program.
- Receive lifetime access to tools, templates, and useful resources.
- Recieve membership to ROI Network.
- Earn the Certified ROI Professional® (CRP) designation.

Visit <https://roiinstitute.net/roi-certification-info/>

52

52



Questions?

Visit Us Online:
www.roiinstitute.net

Email Us:
Jack@roiinstitute.net

Connect with Us:

