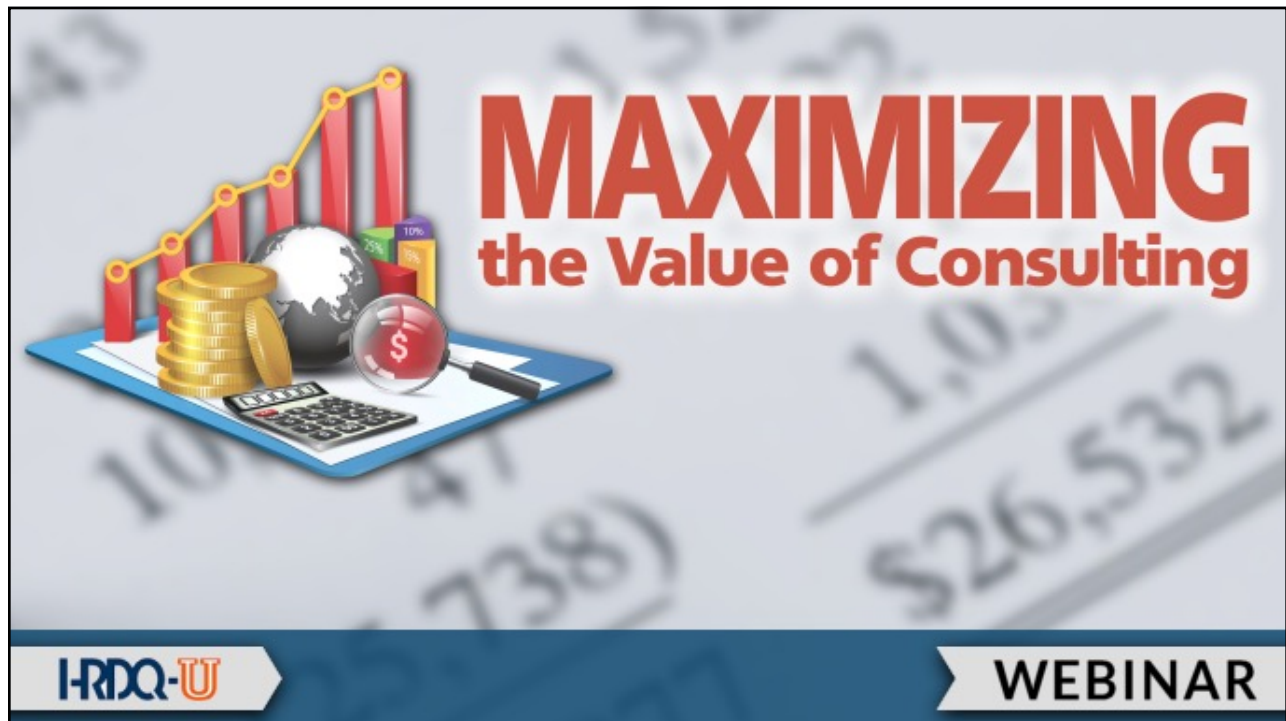




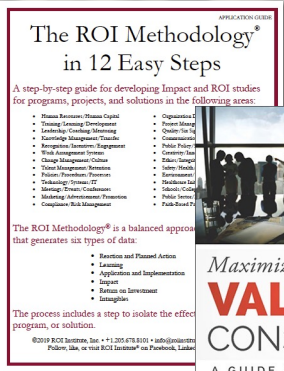
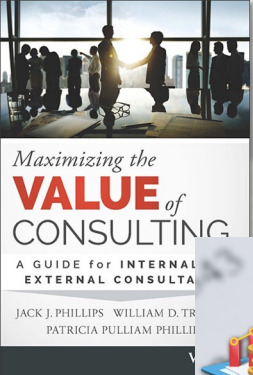
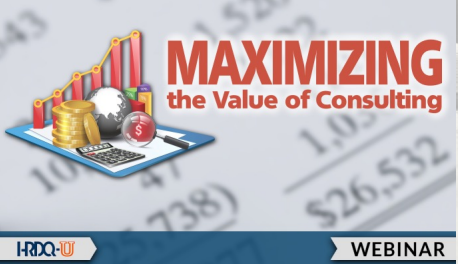
1

This webinar is sponsored by

HRDQ-U
Virtual Seminars

Learn more at
HRDQU.com/virtualseminars

2

Resources



SCAN ME

3

Poll: What is your role?

(select one)

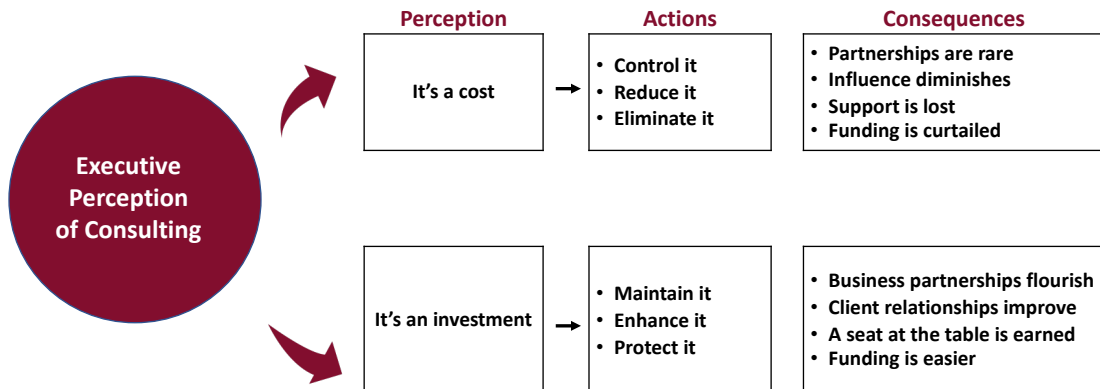
- A. External consultant
- B. Internal consultant
- C. I employ consultants
- D. Professor/Researcher
- E. Other



4

Rapid Fire Chat:

Do leaders/clients view your consulting as a cost or investment?



5



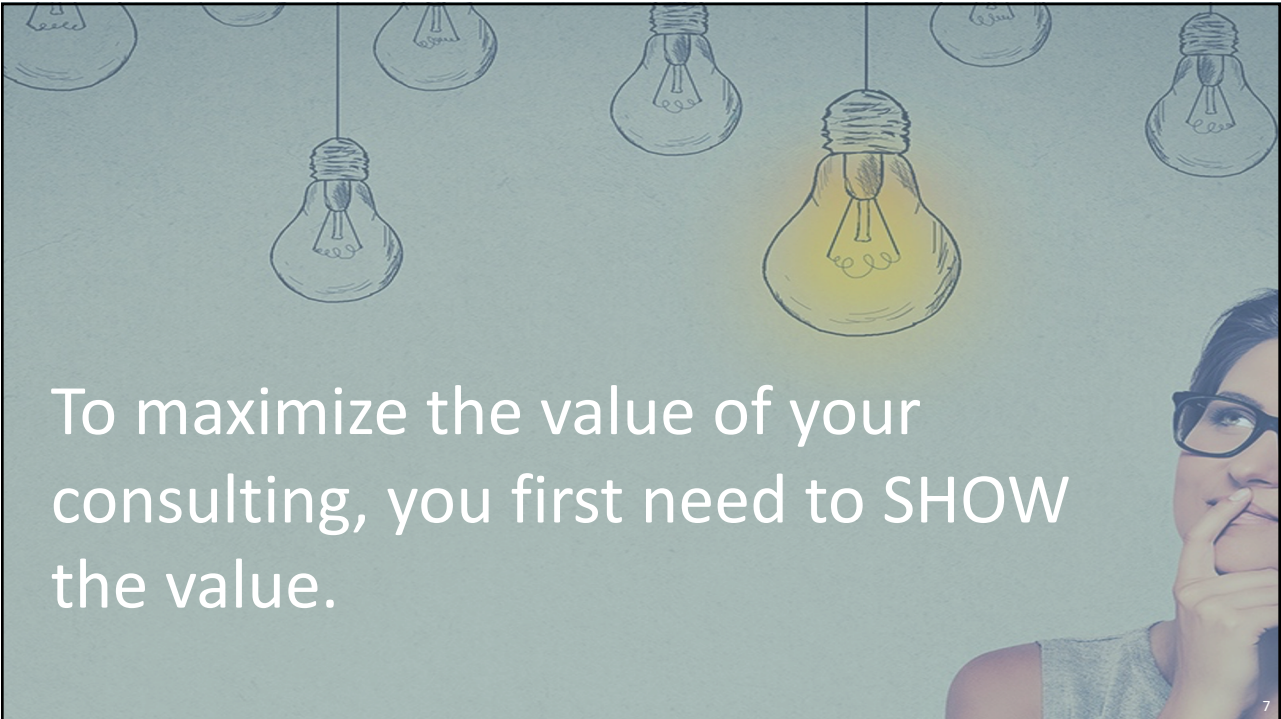
Poll: Why are you pursuing ROI?

(select all that apply)

- A. Top executives require impact and ROI. I must pursue this.
- B. I have pressure to justify my budget. I need to pursue this.
- C. I know I will need to demonstrate more value in the future.
- D. I want to show increased accountability for our expenditures.
- E. I want to explore new techniques to measure program success.

6

6



To maximize the value of your consulting, you first need to **SHOW** the value.

7

Why show value?

1 **Stand out**

2

3

4



- Consulting continues to grow (externally & internally).
- Long live consulting!

8

8

Why show value?

- 1 Stand out
- 2 **Have proof**
- 3
- 4

Executives and CFOs want to see business value.



9

9

Why show value?

- 1 Stand out
- 2 Have proof
- 3 **Opportunity**
- 4

- Eighty percent of new independent consultants fail in the first two years.
- Consulting is dying.



10

10

Why show value?

- 1 Stand out
- 2 Have proof
- 3 Opportunity
- 4 **Win a seat at the table**



11

11

Evaluation Framework

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs	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 act, Net Promoter Score
2. Learning	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Mindset, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Behavior change, Success with use, Barriers to use, Enablers to use, Utility, Scrap
4. Impact	Measures changes in impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Patient Satisfaction, Employee Engagement, Talent Mobility, Innovation
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

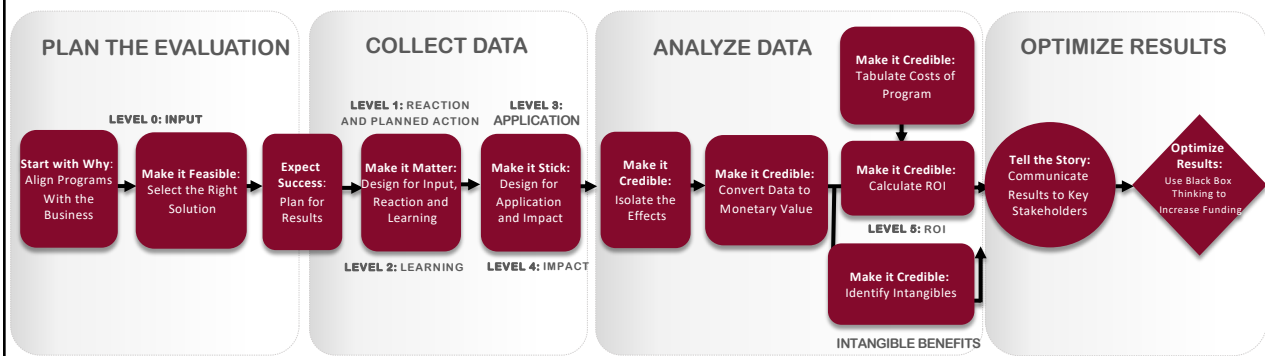
Katzell developed four steps of training evaluation; Kirkpatrick wrote about four steps of training evaluation; Phillips added economic theory and operationalized the framework by adding process and standards and applying it in practice.

13

13

The ROI Methodology Process Model

Designing for the Delivery of Business Results



©1995-2021 ROI Institute Inc. All rights reserved.

ROI INSTITUTE®

14

14

What is ROI?

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

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



15

15

ROI Calculation

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

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

16

16

ROI Calculation

$$\text{BCR} = \frac{\$750,000}{\$425,000} = 1.76:1$$

$$\text{ROI} = \frac{\$750,000 - \$425,000}{\$425,000} \times 100 = 76\%$$

17

17



Poll: What is Your Experience with ROI?

- A. No experience with it.
- B. It's been suggested, but no action has been taken.
- C. I have attempted it.
- D. I have conducted an ROI study.
- E. I wish ROI would go away.

18

18

**Measurement
Targets**

*Benchmarking Percentages

Level		**Benchmarking %
0	Input	100%
1	Reaction	80%
2	Learning	70%
3	Application	49%
4	Impact	37%
5	ROI	18%

*Percentage of projects evaluated at each level per year.
 ROI Institute Benchmarking Report 2020

19

19

Characteristics of Investments Suitable for Impact & ROI

Linkage of project to operational goals and issues

Importance of project to strategic objectives

Top administrator/executive interest in the evaluation

Cost of the project

Visibility of the project

Size of target audience

Investment of time required

20

20



To show value you need to DESIGN
for value.

21

21

Scotland Yard

Consultant's Solution

- Leadership Development
- Classic blend of soft skill tools
- 50,000 hours of one-to-one coaching
- Five days of workshops per person
- 360-degree feedback processes
- 4D personality profile (blue, red, green, yellow personality)

The Feedback

"Everyone who attended was angry as they felt it was a waste of money and it took us out of the borough at a time when we have so much work to do."

--- Participant

"We are on our knees. Crime is going up, and that is serious crime going up as well, the public are concerned, and we haven't got the resources that we need."

--Metropolitan Police Federation Chairman

The Defense

"As London's single biggest employer, we absolutely must support our leaders by giving them the skills they need to do their jobs. Well-led and well-trained people deliver better, and ultimately that means Londoners get a great service."

--Spokesperson for the Met

¹H. Dixon. "Scotland Yard 'wasting' £10M on leadership training." *The Sunday Telegraph*. June 3, 2018. 1-2.

²J. Ungeod-Thomas, K. Shveda, S. Joiner, and D. Collins. "Under 5% of all burglaries and robberies solved." *Sunday Times*. June 17, 2018. 1.

The Telegraph

HOME NEWS

Metropolitan Police Service



PREMIUM

Met police accused of 'wasting' £10m on leadership training programme as crime soars

Rapid Fire Chat Discussion

- Who owns the problem?
- How could it have been avoided?

22

22

Start with Why

Align Programs with the Business

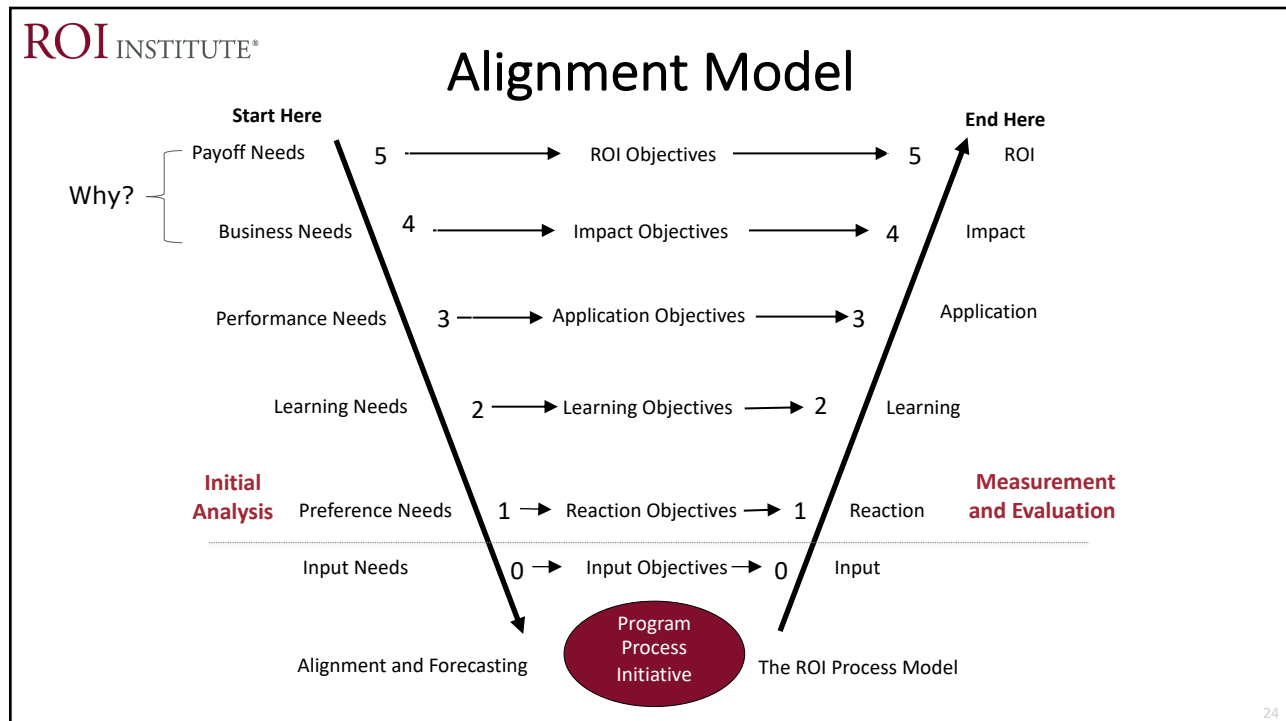
Design Thinking Principle 1

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



23

23

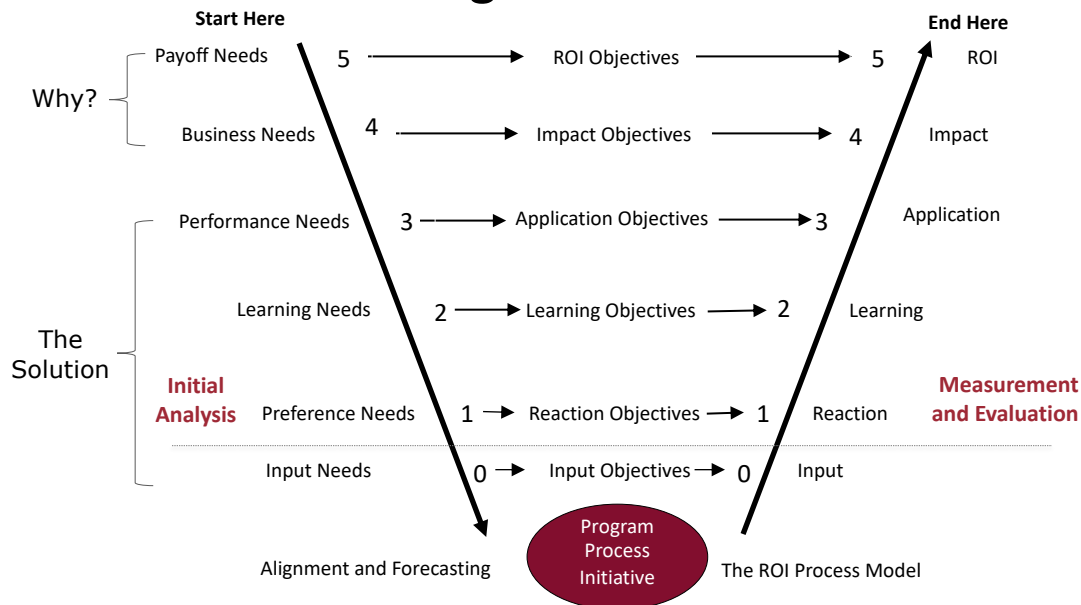


24



25

Alignment Model



26

26

Use Diagnostic Tools

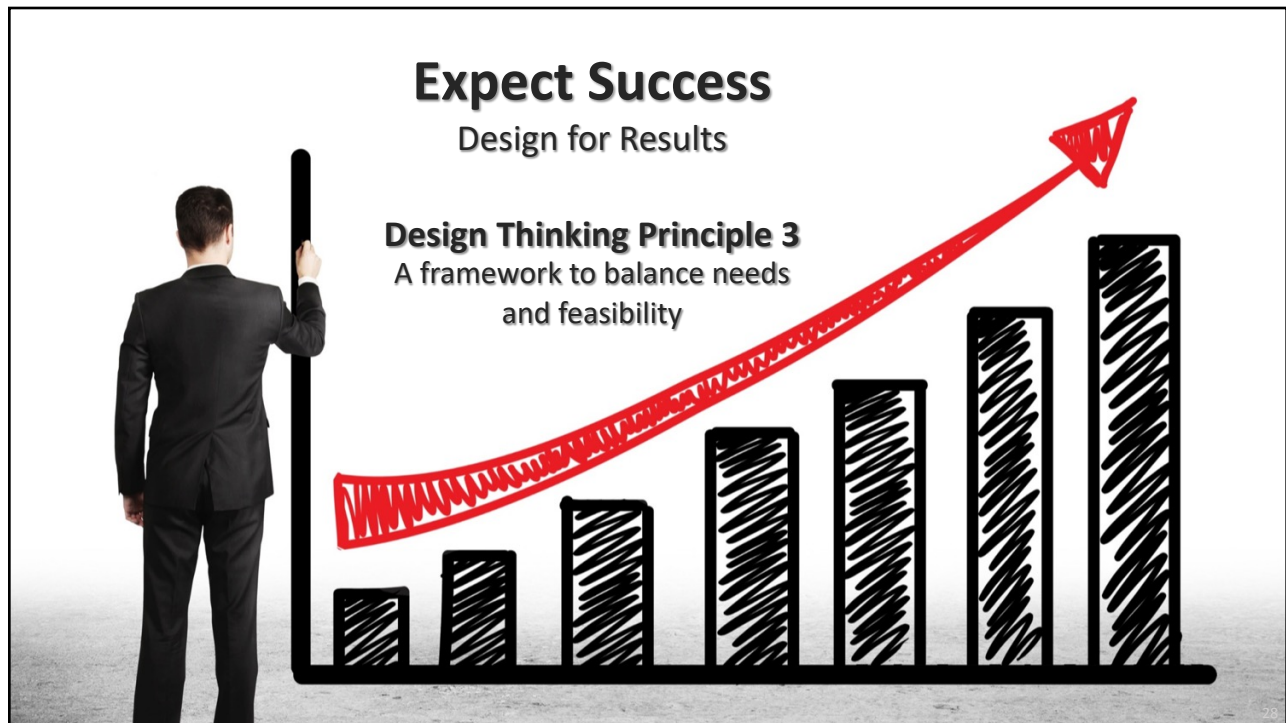
Feasible solutions evolve through the understanding of context, empathizing with the target audience, and identifying performance gaps. The next step is to identify learning needs and how best to deliver relevant information. Forecasting outcomes based on inputs is sometimes helpful.

- 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



27

27



28

Developing Objectives for Each Level

Levels of Objectives	Focus of Objectives
Level 1, Reaction	Defines specific measures of expected reaction to the project 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 project successful
Level 3, Application	Defines specific measures of actions taken that define success with application and implementation of the project
Level 4, Impact	Defines the specific impact measures that will change or improve as a consequence of the consulting implementation
Level 5, ROI	Defines the minimum return on investment from the project, comparing project costs with monetary benefits from the project

29

29



Make it Matter

Design for Input, Reaction, and Learning

Design Thinking Principle 4

A way to take on design challenges by applying empathy

32

32



Make it Stick

Design for Application and Impact

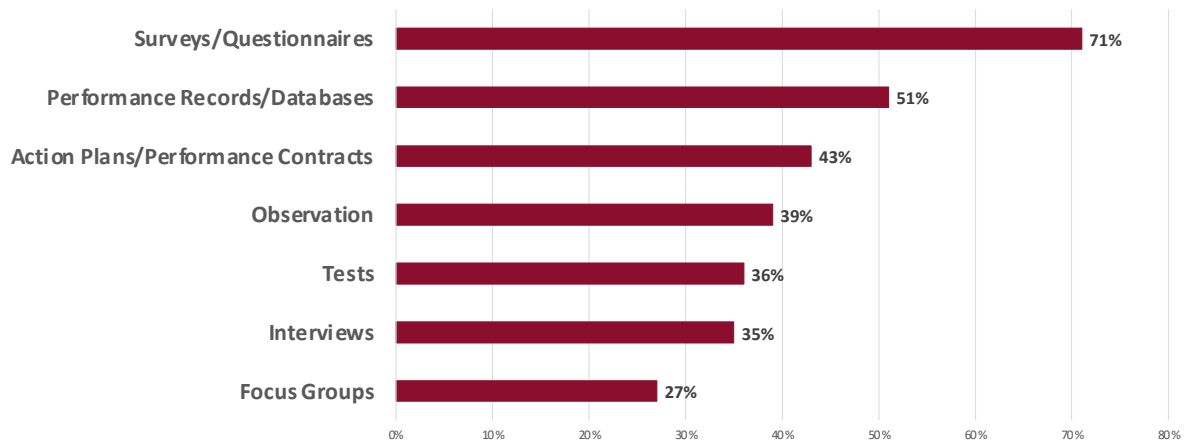
Design Thinking Principle 5

A culture that fosters exploration
and experimentation

33

33

Data Collection Methods



*Survey of Users, N = 246

34

34

Make it Credible

Measure Results and Calculate ROI

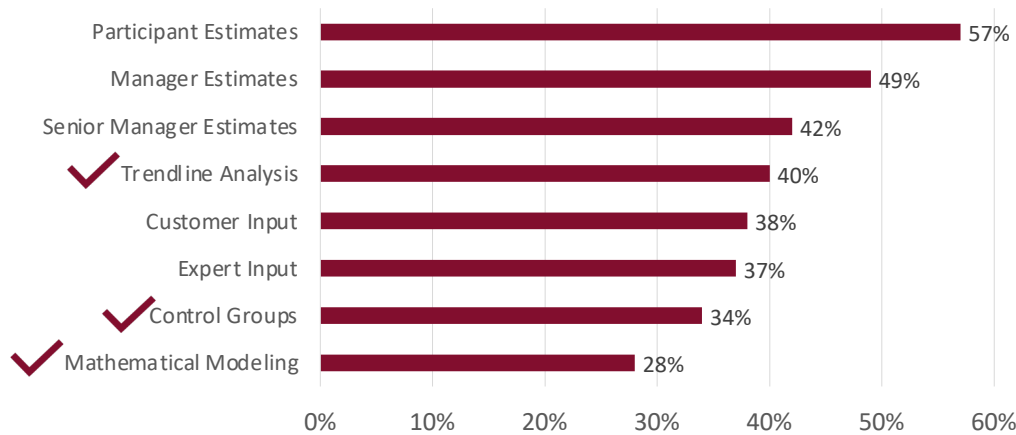
Design Thinking Principle 6

A fixed process and a tool kit

35

35

Isolation Methods



*Survey of Users, N = 246

36

36

Data Conversion Methods



*Survey of Users, N = 246

37

37

Intangibles

- Adaptability
- Awards
- Brand awareness
- Career minded
- Caring
- Collaboration
- Communication
- Conflicts
- Corporate social responsibility
- Decisiveness
- Engagement
- Image
- Innovation
- Job satisfaction
- Leadership
- Networking
- Organizational climate
- Organizational commitment
- Reputation
- Stress
- Talent
- Teamwork



38

38

Fully-Loaded Costs

“When in doubt, put it in.”

The process should withstand even the closest scrutiny in terms of its credibility.



DIRECT

- ☐ Project materials
- ☐ Consulting fees
- ☐ Facilities
- ☐ Travel, lodging, meals

INDIRECT

- ☐ Needs assessment (prorated)
- ☐ Project development (prorated)
- ☐ Participant time (salaries & benefits)
- ☐ Administrative/overhead
- ☐ Evaluation

39

39

Example: Culture Change Project

For Managers: Designed to reduce departures of staff

1. Unit of Measure: 1 regrettable turnover of staff
2. $V = \$21,000$ (60% of annual salary)
3. $\Delta P = 3$ per month
4. $A\Delta P =$
5. $A\Delta P \times V =$

Assume anticipated consulting intervention cost: \$339,400.

What is the ROI?

40

40

Example: Culture Change Project

For Managers: Designed to reduce departures of staff

1. Unit of Measure: 1 regrettable turnover of staff
2. $V = \$21,000$ (60% of annual salary)
3. $\Delta P = 3$ per month
4. $A\Delta P = 3 \times 12 = 36$
5. $A\Delta P \times V = 36 \times \$21,000 = \$756,000$

Assume anticipated consulting intervention cost: \$339,400.

What is the ROI?

41

41

ROI Calculation

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

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



42

42

ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} =$$

$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 =$$

43

43

ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} = 2.2:1$$
$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 = 122\%$$

$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 = 122\%$$

Optimize Results

Use Black Box Thinking to Increase Funding

Design Thinking Principle 8
A new competitive logic of business strategy



```
graph LR; A[EVALUATION] --> B[OPTIMIZATION]; B --> C[ALLOCATION]; A --- D[Measure]; B --- E[Improve]; C --- F[Fund]
```

EVALUATION
Measure

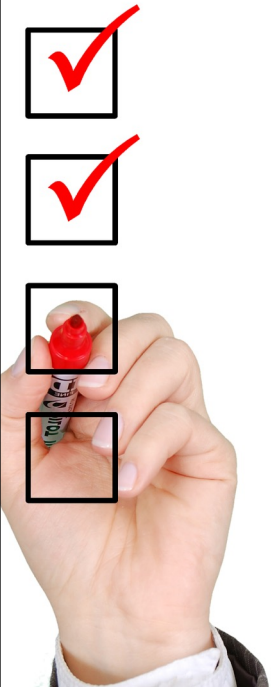
OPTIMIZATION
Improve

ALLOCATION
Fund

46

46

The Payoff



- Align projects to business needs
- Show contributions of selected projects
- Earn respect of senior management/administrators
- Build staff morale
- Justify/defend budgets
- Improve support for projects
- Enhance design and implementation processes
- Identify inefficient projects that need to be redesigned or eliminated
- Identify successful projects that can be implemented in other areas
- Earn a “seat at the table”

47

47

Remember, when it comes to maximizing the value of consulting:

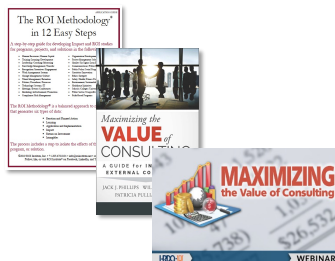
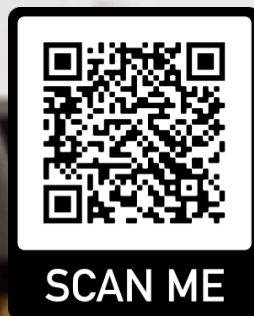
- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable. Progress is optional.



48

48



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

<https://roiinstitute.net/hdrq-maximizing-the-value-of-consulting/>

49

49

ROI CERTIFICATION®

SCHEDULED EVENTS

November 8-12, 2021 – Milwaukee, WI

November 8-19, 2021 – Live Virtual

November 29-December 10, 2021 – Live Virtual

January 10-14, 2022 – Focused on Healthcare

January 17-28, 2022 – Live Virtual

February 28-March 4, 2022 – Orlando, FL

April 11-15, 2022 – New Orleans, LA

May 9-13, 2022 – Orlando, FL

June 13-17, 2022 – Salt Lake City, UT

July 11-15, 2022 – Williamsburg, VA

July 25-29, 2022 – Denver, CO

August 15-19, 2022 – San Diego, CA

September 12-16, 2022 – Boston, MA

October 10-14, 2022 – Seattle, WA

November 14-18, 2022 – Atlanta, GA

December 5-9, 2022 – Charlotte, NC

HRDQ attendees
receive 10% off
Use code
HRDQ10

WHAT IS ROI CERTIFICATION?

ROI Certification is a globally renowned process focused on measuring the true value of tough-to-measure initiatives using the ROI Methodology®. Participating in ROI Certification is the most comprehensive way to gain the skills needed to evaluate major programs and to report the most credible results that drive organizational improvement.

Email: info@roiinstitute.net

Enroll: <http://bit.ly/ROICertification>

Call: +1 205.678.8101

ROI INSTITUTE®



50



Questions?

Visit us online:
www.roiinstitute.net

Email:
patti@roiinstitute.net

Connect with us on:



51

This webinar is sponsored by



Learn more at
HRDQU.com/virtualseminars

52

Come socialize with us!



HRDQ-U
IDEAS FOR LEARNING

53

Patti P. Phillips, Ph.D.

- CEO, ROI Institute, Inc.
- Chair, i4cp People Analytics Board
- Chair, Center for Talent Reporting Board
- Principal Research Fellow, The Conference Board
- Member, UN Institute for Training and Research Board of Trustees
- Member, International Federation of Training and Development Board
- Fellow, ATD Certified Professional in Talent Development
- Author, Educator, Consultant, Coach

