

# Guiding Principles (Standards)

- 1. When conducting a higher-level evaluation, collect data at lower levels.
- 2. When planning a higher-level evaluation, the previous level of evaluation is not required to be comprehensive.
- 3. When collecting and analyzing data, use only the most credible sources.
- 4. When analyzing data, select the most conservative alternative for calculations.
- 5. Use at least one method to isolate the effects of a project.
- 6. If no improvement data are available for a population or from a specific source, assume that little or no improvement has occurred.
- 7. Adjust estimates of improvement for potential errors of estimation.
- 8. Avoid use of extreme data items and unsupported claims when calculating ROI.
- 9. Use only the first year of annual benefits in ROI analysis of short-term solutions.
- 10. Fully load all costs of a solution, project, or program when analyzing ROI.
- 11. Intangible measures are defined as measures that are purposely not converted to monetary values.
- 12. Communicate the results of ROI Methodology® to all key stakeholders.

# Selecting Programs, Projects, and Solutions for Impact/ROI Analysis

| EVALUATION TARGETS                |                    | CRITERIA FOR SELECTION                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level                             | Percent Evaluated* |                                                                                                                                                                                                                                                                                                                                                                         |
| 1. Reaction and Planned Action    | 90—100%            | <ul style="list-style-type: none"><li>• Importance of program</li><li>• Linkage of program to problems or opportunities</li><li>• Linkage to strategic objectives</li><li>• Management interest in the evaluation</li><li>• Cost of the program</li><li>• Visibility of the program</li><li>• Size of the target audience</li><li>• Life cycle of the program</li></ul> |
| 2. Learning                       | 60—90%             |                                                                                                                                                                                                                                                                                                                                                                         |
| 3. Application and Implementation | 30—40%             |                                                                                                                                                                                                                                                                                                                                                                         |
| 4. Impact                         | 10—20%             |                                                                                                                                                                                                                                                                                                                                                                         |
| 5. ROI                            | 5—10%              |                                                                                                                                                                                                                                                                                                                                                                         |
| *Best Practice Minimum            |                    |                                                                                                                                                                                                                                                                                                                                                                         |

# Application and Practice

The step-by-step process for developing Impact and ROI studies for programs, projects, and solutions is being used in the following areas:

- Human Resources/Human Capital
- Training/Learning/Development
- Leadership/Coaching/Mentoring
- Knowledge Management/Transfer
- Recognition/Incentives/Engagement
- Work Arrangement/Systems
- Change Management/Culture
- Talent Management/Retention
- Policies/Procedures/Processes
- Technology/Systems/IT
- Meetings/Events/Conferences
- Marketing/Advertisement/Promotion
- Compliance/Risk Management
- Organization Development/Consulting
- Project Management Solutions
- Quality/Six Sigma/Lean Engineering
- Communications/Public Relations
- Public Policy/Social Programs
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Fitness Programs
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Nonprofits
- Faith-Based Programs

More than 400 case studies have been published.

# Implementation of the ROI Methodology®

To implement the ROI Methodology and sustain its use for years requires several steps:

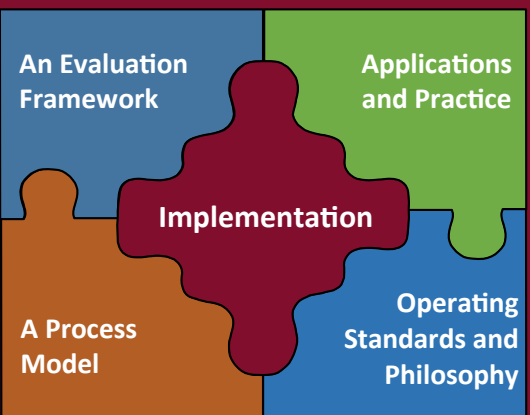
- Set specific goals and targets for implementation.
- Determine specific roles and responsibilities for analytics, measurement, and evaluation.
- Conduct meetings and formal sessions to develop awareness and capability.
- Establish an internal ROI/analytics network for sharing information (if feasible).
- Conduct ROI studies routinely.
- Use tools and templates to make the process easier and more efficient.
- Report progress and adjust tactics.
- Improve management commitment and support for the ROI Methodology.
- Consider measuring the ROI on the ROI implementation.

# ROI Methodology®

A comprehensive measurement and evaluation process that generates six types of measures:

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

This balanced approach to measurement includes a step to isolate the effects of the program, project, or solution.



# ROI Methodology®

## Designing for the Delivery of Business Results

