MTI Global Solutions SYMPOSIUM 2022

Measuring the ROI in Knowledge Management

March 3, 2022

Orlando, FL

Dr. Patti P. Phillips, CEO, ROI Institute, Inc.

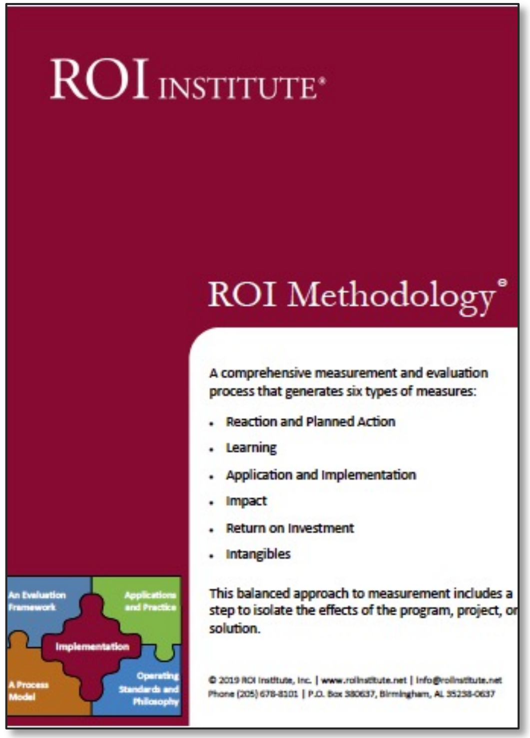
Practical Knowledge and Innovative Solutions for the Process Industries

Objectives

After attending this session, participants should be able to:

- Make the business case for investing in knowledge management.
- Describe the five levels of outcomes that are possible in evaluating a knowledge management system.
- Describe how a knowledge management system should be implemented to deliver results.
- Use the feedback gained from the measurement process to make improvements and ultimately optimize the ROI.

Resources



ROI INSTITUTE®
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
An Evaluation Framework
Applications and Practice
Implementation
A Process Model
Operating Standards and Philosophy
This balanced approach to measurement includes a step to isolate the effects of the program, project, or solution.
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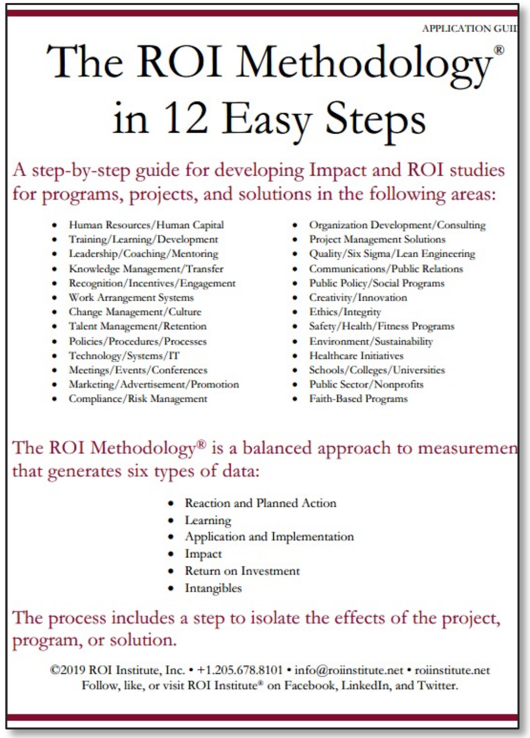

APPLICATION GUI
The ROI Methodology® in 12 Easy Steps
A step-by-step guide for developing Impact and ROI studies for programs, projects, and solutions in the following areas:
Human Resources/Human Capital
Training/Learning/Development
Leadership/Coaching/Mentoring
Knowledge Management/Transfer
Recognition/Incentives/Engagement
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
The ROI Methodology® is a balanced approach to measuremen that generates six types of data:
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Learning
Application and Implementation
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Intangibles
The process includes a step to isolate the effects of the project, program, or solution.
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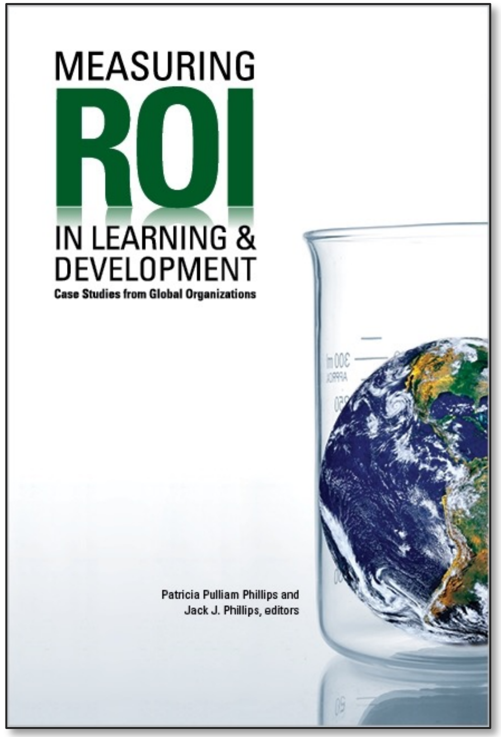

MEASURING ROI IN LEARNING & DEVELOPMENT
Case Studies from Global Organizations
Patricia Pulliam Phillips and Jack J. Phillips, editors

ROI Defined

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

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

ROI Defined

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

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

ROI Defined

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

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

Framework: Five Levels of Outcomes

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs & Indicators	The input into the project in terms of scope, volume, efficiencies, costs	Participants/Users, Hours, Costs, Timing
1. Reaction & Planned Action	Measures participant/user satisfaction, operational status and effectiveness,	Relevance, Importance, Usefulness, Appropriateness, Effectiveness, Motivation to use, Accuracy of findings
2. Learning	Measures changes in knowledge, skills, information, insights	Skills, Knowledge, Capacity, Competencies, Confidence, Contacts
3. Application & Implementation	Measures changes in behavior, actions, implementation, utilization	Extent of use, Task completion, Utilization rate, Accessibility, Frequency of use, Actions completed, Success with use, Barriers/Enablers to use
4. Business Impact	Measures changes in business impact measures	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Employee Engagement
5. Return on Investment	Compares benefits to costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

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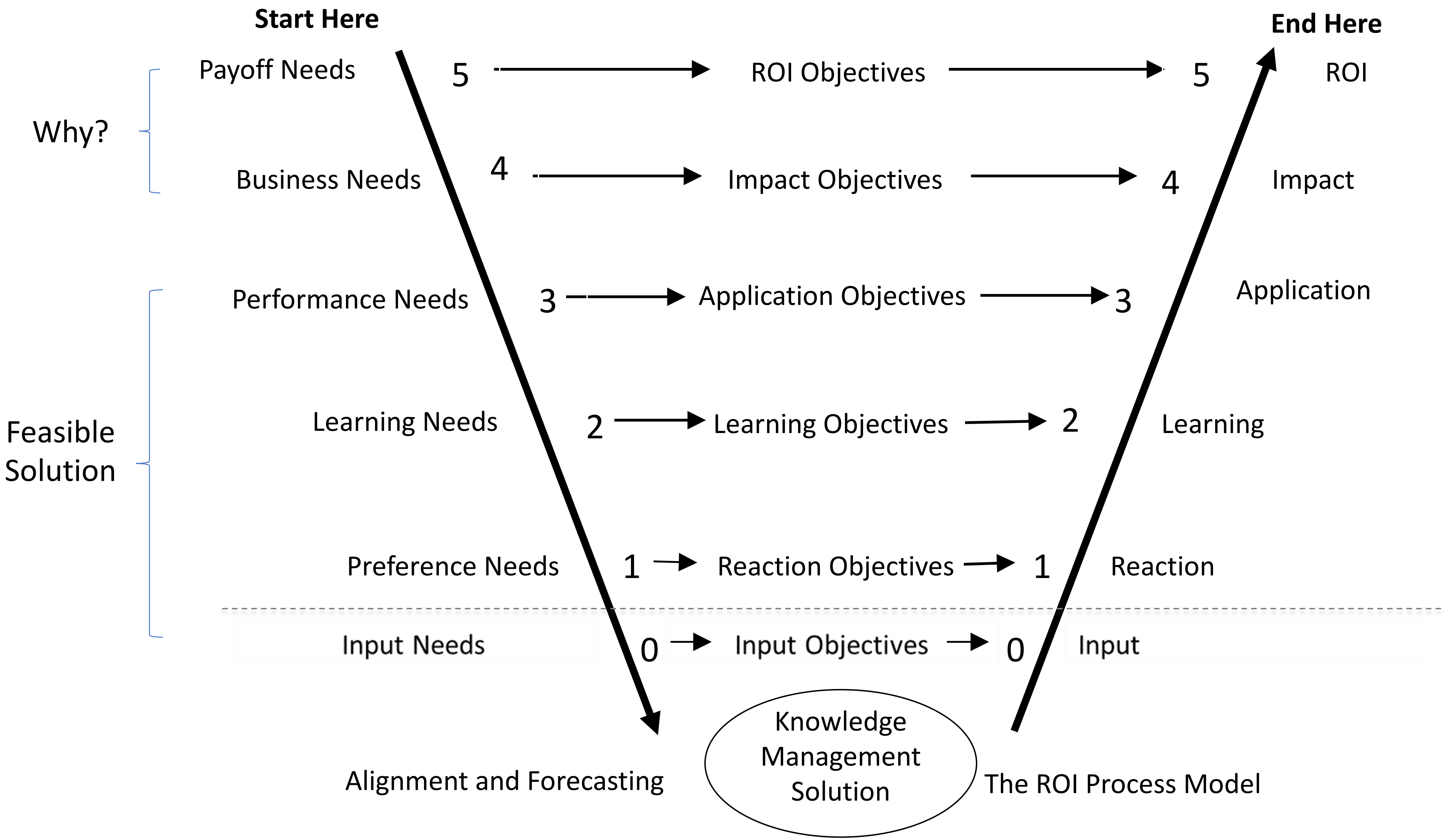
Alignment Model



Reduce NAVSUP Unmatched Transactions: Streamlining and Standardizing Processes

Study presented to NAVSUP leadership in January 2021. Conducted by

NAVSUP WSS Philadelphia PA
Common Branch Deputy, N98232A

NAVSUP HQ SUP 3422
T2 NAVSUP WFM Lead

Payoff Need

Disbursements and collections fail first and second pass processing, thus division N8 deals with most difficult transactions. This requires ongoing rework.

Business Need

Time (hours) spent reworking transactions due to unmatched transaction remediation (UMT).

Feasible Solution

Performance Needs

Survey results alluded to difficulty to resolve UMTs and lack of communication, access to standard operating procedures and guides, and training. Determined need for centralized location for standardized information and procedures.

Solution

NAVSUP Unmatched Transactions Portal

- Common Systems
- ERP Processing
- Forms
- Policy

Learning Needs

Robust training on system including how to access most current information. Need real-world examples.

Preference Needs

Most current information on main hub. Demonstrate efficacy through ROI forecast from perspective of a sample of user group and supporters of entire user population.

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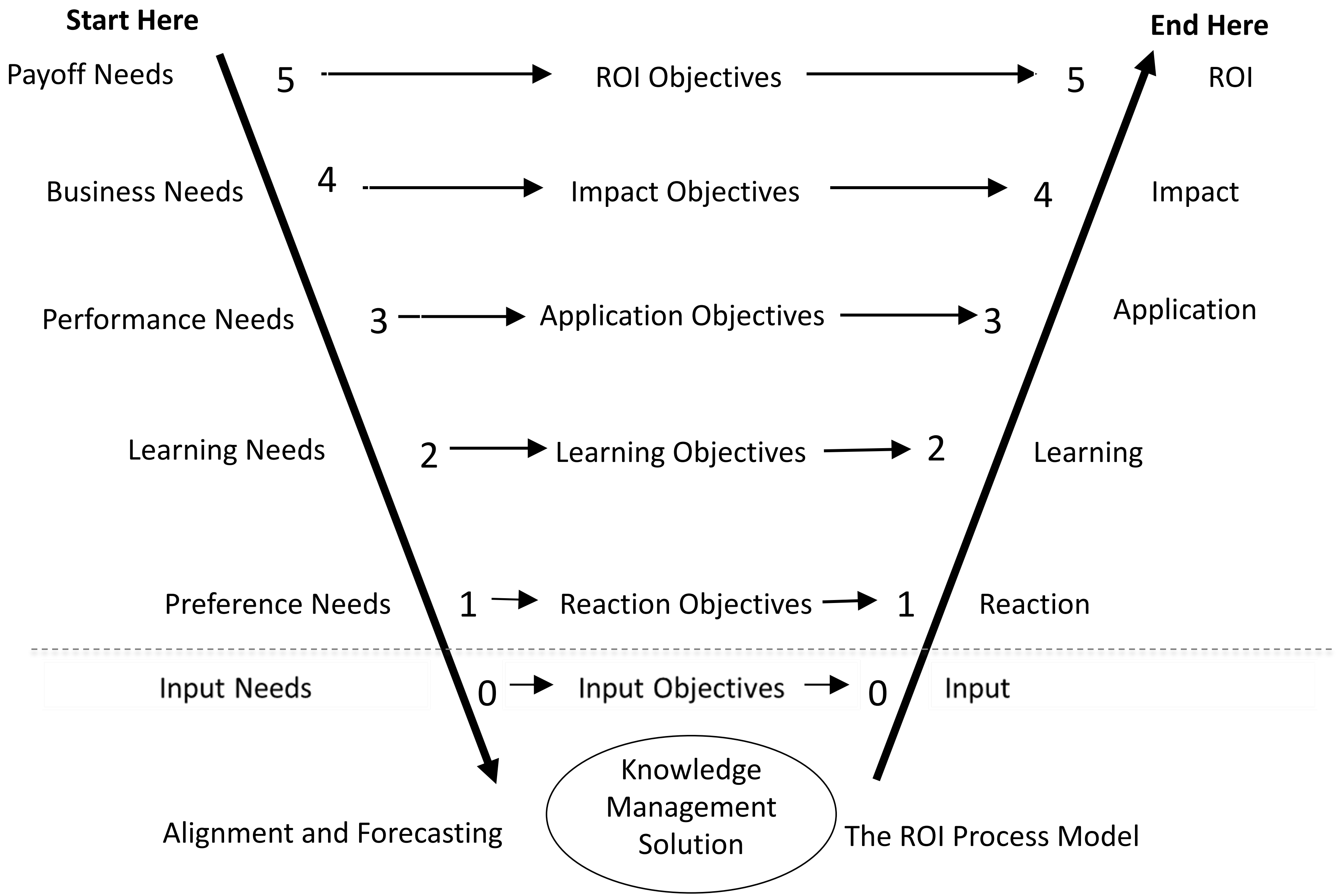
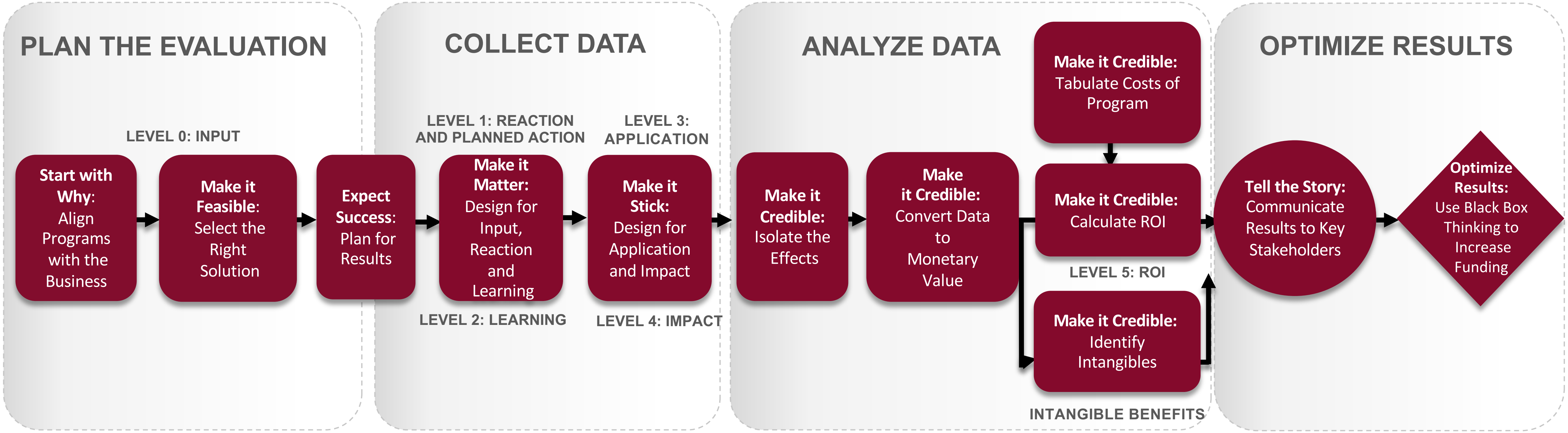
Alignment Model



The ROI Methodology®

Designing for the Delivery of Business Results



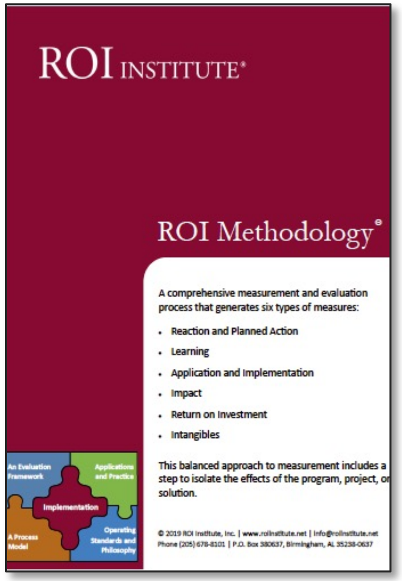
Twelve Guiding Principles of ROI

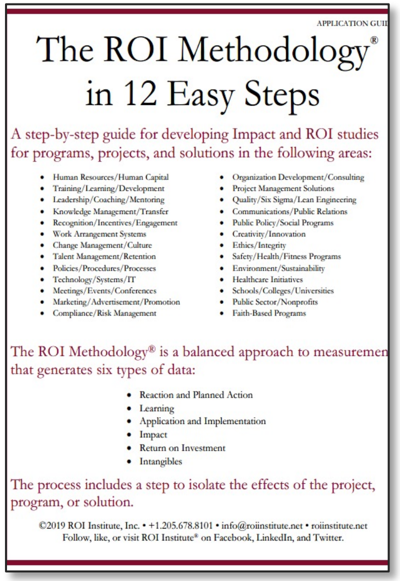
1. When conducting a higher-level evaluation, collect data at lower levels.
2. When planning a higher-level evaluation, the previous level of evaluation is not required to be comprehensive.
3. When collecting and analyzing data, use only the most credible sources.
4. When analyzing data, select the most 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.

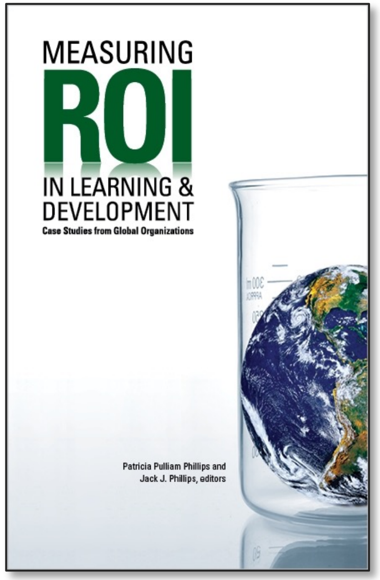
Resources

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

https://roiinstitute.net/mti-symposium-2022-measuring-the-roi-in-knowledge-management-2/







SCAN ME

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.

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