



The Green Scorecard

Measuring the ROI in Sustainability Initiatives

Wednesday, March 2, 2022

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

Objectives

After attending this session, participants should be able to:

- Identify the five levels of outcomes from sustainability programs.
- Explain the need to deliver impact and ROI for selected sustainability programs.
- Design sustainability programs to deliver application, impact, and ROI, using design thinking principles.
- Plan next steps to ensure sustainability programs deliver value.



Why Organizations Are Investing in Green*

- Brand or image
- Cost savings
- Competitive advantage
- Employee satisfaction, morale, or retention
- Product, service, or market innovation
- Business or process innovation
- New sources of revenue or cash flow
- Effective risk management
- Shareholder relations

Notes:

- ◇ Unfortunately, cost savings is a distant second.
- ◇ Eighty percent of green initiatives will deliver a positive ROI, if implemented properly.
- ◇ The other 20% are required by regulation.

**Various MIT studies*

Resources

APPLICATION GUIDE

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 21st century.

- Human Resources/Human Capital - Training/Learning/Development - Leadership/Coaching/Mentoring - Knowledge Management/Transfer - Recognition/Incentives/Engagement - Work Management Systems - Change Management/Culture - Talent Management/Retention - Policies/Procedures/Processes - Technology/Systems/IT - Marketing/Advertising/Promotions - Compliance/Risk Management	- Organizations - Project & Quality - Community - Public Policy - Construction - Education - Safety/H - Environment - Healthcare - Schools - Public Safety - Faith-Based
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The ROI Methodology® is a balanced approach that generates six types of data:

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

The process includes a step to isolate the effect of the program, or solution.

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The Green Scorecard

MEASURING THE RETURN ON INVESTMENT IN SUSTAINABILITY INITIATIVES

Presented By:
Dr. Jack J. Phillips
Chairman, ROI Institute

When the issue of global warming first surfaced in the 1980s, it stirred up much debate and concern. However, business leaders resisted the issue of global warming, expecting they would have to pay a lot of money to address the problems causing it. While most agreed that climate change was occurring, it differed regarding its origins, and finding solutions was not a priority to the business world at large.

Today, most (if not all) organizational leaders recognize that climate change is a problem, and some making attempts to solve it, resulting in a wave of sustainability and environmental projects. However, many organizations are currently caught in what may be called a green slump, struggling to engage projects and making far less progress than is required.

From an organizational perspective, going green offers employees, contractors, volunteers, and others an opportunity to influence the green movement through involvement and contribution. The challenge is to create the correct approach to involve these people—one that includes teaching, convincing, communicating, enabling, supporting, and encouraging participation in the process. And, most of all, a process must be in place to measure success with impact and ROI.

ROI INSTITUTE®

Patricia Pulliam Phillips
OF THE ROI INSTITUTE

MTI Global Solutions SYMPOSIUM 2022

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Practical Knowledge and Innovative Solutions for the Process Industries

Green ROI Offers

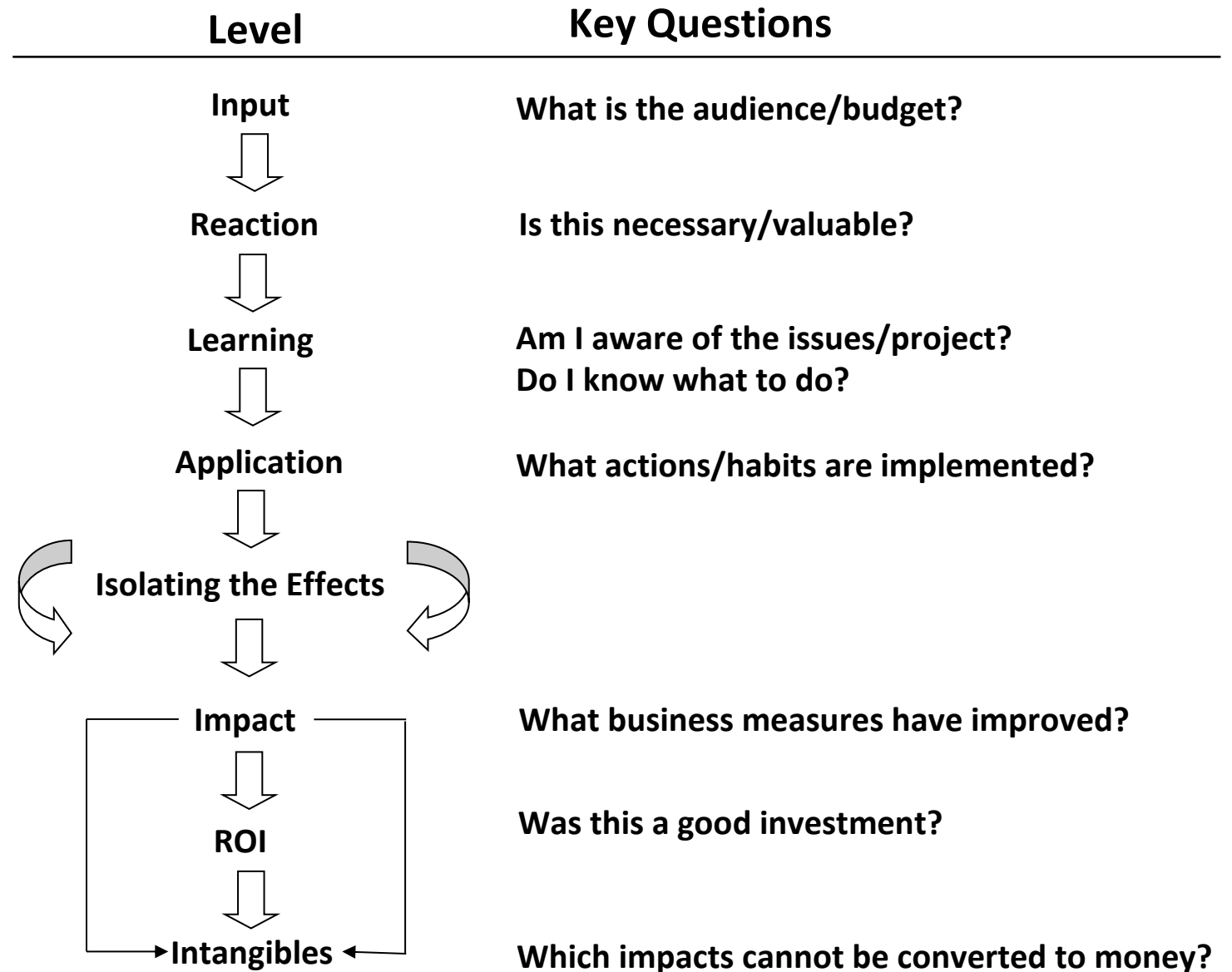
- A proven methodology to evaluate the success of all programs and projects
- A balanced profile of success that represents the viewpoints of many stakeholders
- A results-based methodology to ensure that the projects are successful
- A process improvement system that shifts the focus from evaluating the performance of those involved to improving the process to make the projects more successful
- A set of standards for a CEO- and CFO-friendly evaluation process

Green ROI can be used with projects involving:

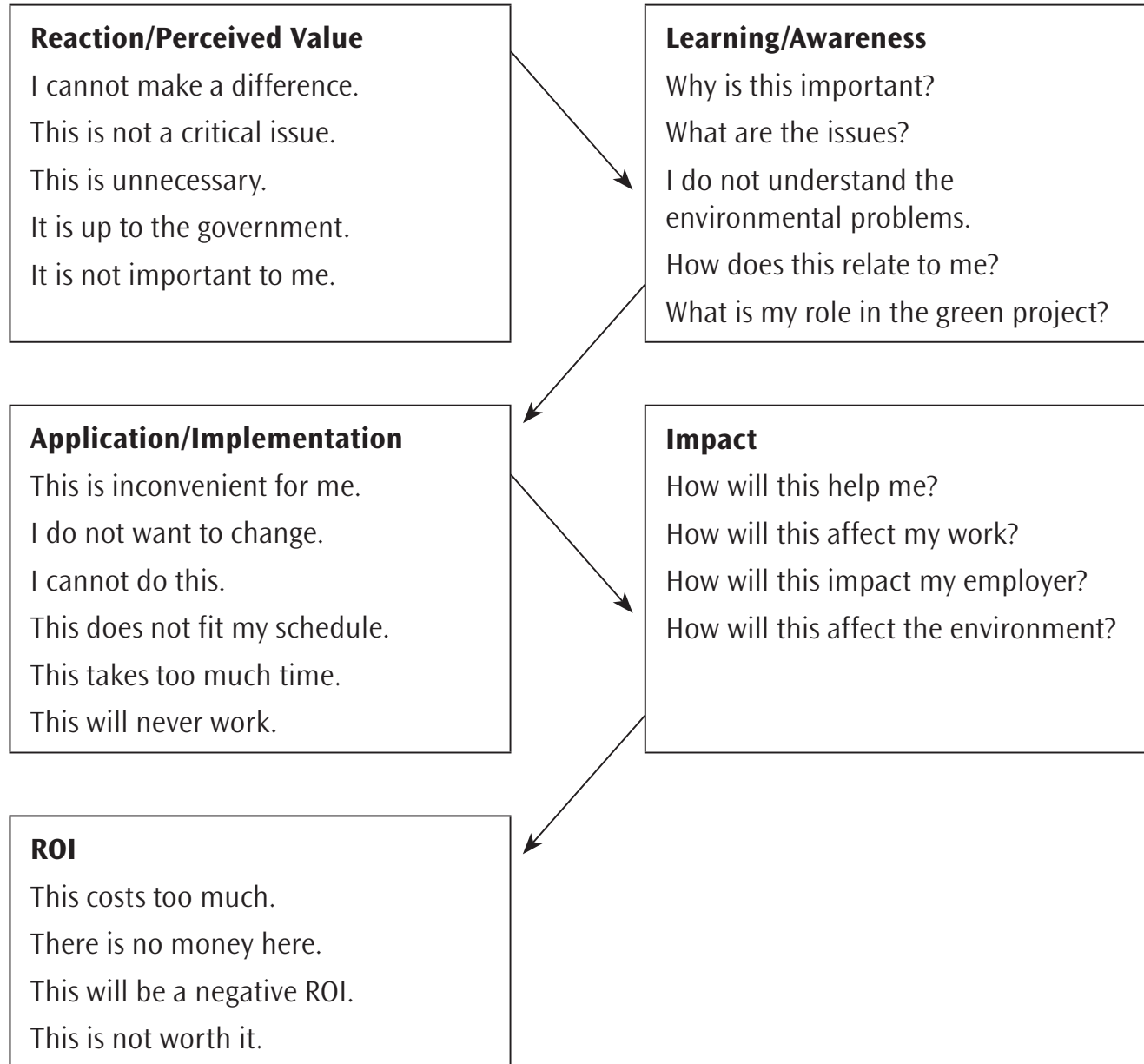
- Energy savings
- Green energy
- Water conservation
- Green technology
- Green meetings and events
- Air pollution
- Waste management solutions
- Green training programs
- Sustainable food
- Deforestation
- Green innovations
- Green marketing
- Green workplaces



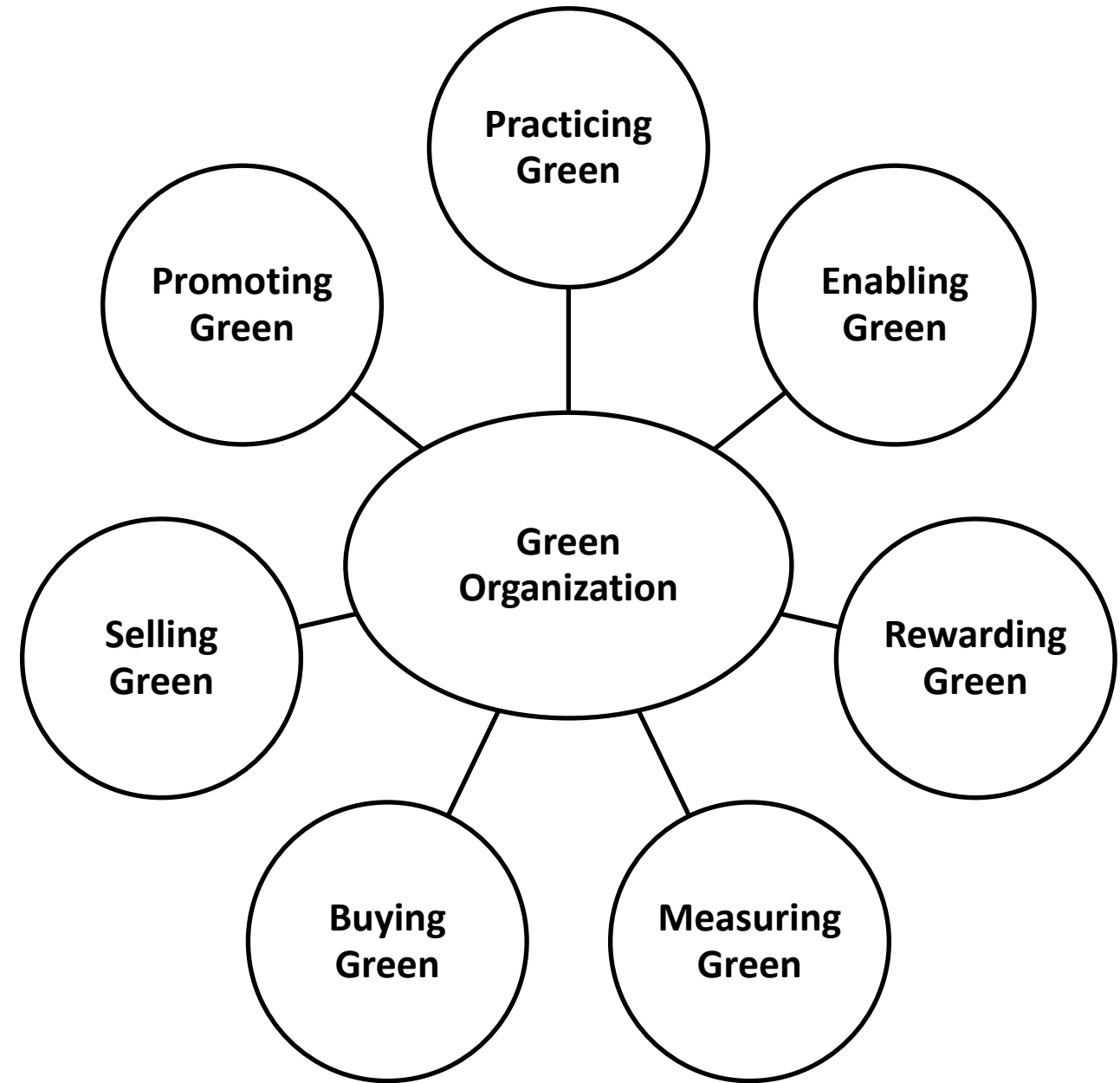
Green Projects Chain of Value



The Green Killers



Becoming a Green Organization



Levels and Types of Data

Level	Measurement Focus	Typical Measures
0: Inputs and Indicators ↓	Inputs into the project, including costs, project scope, and duration	Types of projects Number of projects Number of people Hours of involvement Cost of projects
1: Reaction and Perceived Value ↓	Reaction to the project, including the perceived value of the project	Relevance Importance Value Appropriateness Fairness Commitment Motivation

Levels and Types of Data

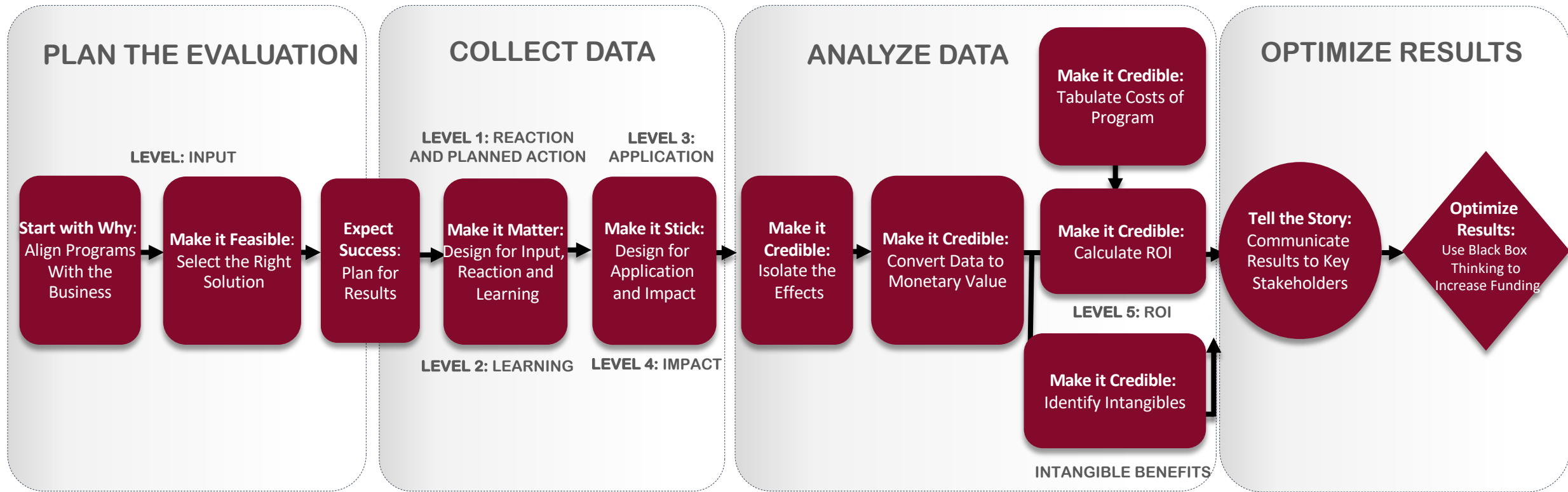
2: Learning and Awareness ↓	Acquisition of knowledge, skill, and/or information to prepare individuals to move the project forward	Skills Knowledge Capacity Competencies Confidence Awareness Attitude
3: Application and Implementation ↓	Use of knowledge, skill, and/or information and system support to implement the project	Extent of use Actions completed Tasks completed Frequency of use Behavior change Success with use Barriers to application

Levels and Types of Data

4: Impact 	Immediate and long-term consequences of application and implementation expressed as business measures usually contained in the records	Productivity Revenue Quality/Waste Costs Time/Efficiency CO ₂ emissions Brand Public image Customer satisfaction Employee satisfaction
5: ROI	Comparison of monetary benefits from project to the project costs	Benefit-cost ratio (BCR) ROI (percentage) Payback period

The ROI Methodology Process Model

Designing for the Delivery of Business Results



Examples of Hard Data

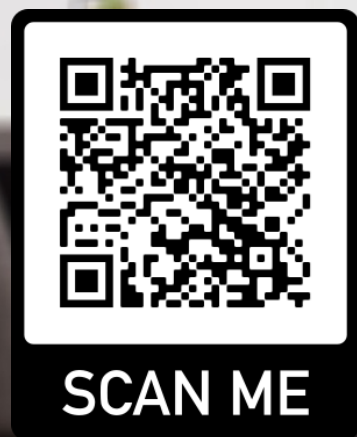
Output	Quality	Costs	Time
Energy use	Failure rates	Energy costs	Cycle time
Units produced	Scrap	Supplies costs	Equipment downtime
Carbon emissions	Waste	Fuel costs	Overtime
Recycle volume	Rejects	Budget variances	On-time shipments
Items assembled	Error rates	Unit costs	Time to project completion
Money collected	Rework	Cost by account	Processing time
Items sold	Shortages	Variable costs	Supervisory time
Materials consumed	Product defects	Fixed costs	Time to proficiency
New accounts generated	Deviation from standard	Overhead costs	Adherence to schedules
Forms processed	Product failures	Project cost savings	Repair time
Inventory turnover	Inventory adjustments	Material costs	Efficiency
Applications processed	Incidents	Sales expense	Work stoppages
Tasks completed	Compliance discrepancies		Order response
Output per hour	Agency fines		Late reporting
Productivity			Lost-time days
Work backlog			
Shipments			

Examples of Soft Data

Work Habits Excessive socialization Wasteful activities Visits to the dispensary Violations of rules Communication breakdowns	Customer Service Customer complaints Customer satisfaction Customer dissatisfaction Customer impressions Customer loyalty Customer retention Lost customers	Work Climate/Satisfaction Grievances Discrimination charges Employee complaints Job satisfaction Organization commitment Employee engagement Employee loyalty Intent to leave
Initiative/ Innovation Creativity Innovation New ideas Suggestions New products and services Trademarks Copyrights and patents Process improvements Partnerships/alliances	Employee Development/ Advancement Promotions Capability Intellectual capital Requests for transfer Performance appraisal ratings Readiness Networking	Image Brand awareness Reputation Leadership Social responsibility Environmental friendliness Social consciousness External awards

Green Leadership for Results

1. Allocate appropriate resources for green projects and sustainability efforts.
2. Assign responsibilities for green projects and programs.
3. Link green projects and programs to specific business needs.
4. Address performance issues involving the key stakeholders in the project identifying the behavior that must change.
5. Understand what individuals must know how to make projects successful, addressing the specific learning needs.
6. Develop objectives for the projects at multiple levels including reaction, learning, application, impact, and yes, ROI.
7. Create expectations for success of the projects with all stakeholders involved, detailing what their role and responsibilities are for the project's success.
8. Address the barriers to the successful project early in the project so that the barriers can be removed, minimized, or diminished.
9. Establish the level of evaluation need for each project at the beginning so that participants will understand the focus.
10. Develop partnerships with key administrators and managers who can make the project successful. For many, this is the manager or the person who is the principal participant in the project.
11. Ensure that measures are taken, and the evaluation is complete with collection and analysis of a variety of types of data.
12. Communicate project results to the appropriate stakeholders as often as necessary to focus on process improvement.



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

<https://roiinstitute.net/mti-symposium-2022-the-green-scorecard/>





Questions

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