



What is Your Knowledge of ROI?

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The concept of ROI conjures up images of complex formulas, extensive mathematics, and an extreme dose of finance and accounting. There is also concern that it may take too much time, and it could engulf the entire team into paralysis by analysis. These are all myths and misunderstandings about ROI. So, check your status of ROI with this simple 16-item quiz. It is great for the entire HR team as you begin to consider conducting ROI studies for some of your programs.

True or False? Please choose the answer you feel is most correct.

	T	F
1. The ROI Methodology collects or generates just one data item, expressed as a percentage.	☐	☐
2. A program with monetary benefits of \$200,000 and costs of \$100,000 translates into a 200% ROI.	☐	☐
3. The ROI Methodology is a tool to strengthen and improve programs, projects, and processes.	☐	☐
4. After reviewing a detailed ROI impact study, senior executives will usually require ROI studies on all programs.	☐	☐
5. ROI studies should be conducted very selectively, usually involving 5-10% of programs.	☐	☐
6. While it may be a rough estimate, it is always possible to isolate the effects of a program on impact data.	☐	☐
7. A program costing \$100 per participant, designed to teach basic skills to 100 participants is an ideal program for an ROI study.	☐	☐
8. Data can always be converted to monetary value, credibly.	☐	☐
9. The ROI Methodology contains too many complicated formulas.	☐	☐
10. The ROI Methodology can be implemented for about 3-5% of my functional budget.	☐	☐
11. ROI is not future oriented; it only reflects past performance.	☐	☐
12. ROI is not possible for soft skills programs.	☐	☐
13. A negative ROI will kill my program.	☐	☐
14. The best time to consider an ROI evaluation is three months after the program is completed.	☐	☐
15. In the early stages of implementation, the ROI Methodology is a process improvement tool and not a performance evaluation tool for the project team.	☐	☐
16. If senior executives are not asking for ROI, there is no need to pursue the ROI Methodology.	☐	☐

So, how did you do?

Let's see how you fared. Tally your scores.

Question	Correct Answer
1	False
2	False
3	True
4	False
5	True
6	True
7	False
8	False
9	False
10	True
11	False
12	False
13	False
14	False
15	True
16	False

Based on the interpretations below, what is your ROI acumen?

Number of Correct Responses	Interpretation of Your Results
14-16	You could be an ROI consultant
10-13	You could be a speaker at the next ROI Conference
7-9	You need a copy of a thick ROI book
4-6	You need to attend a two-day ROI workshop
1-3	You need to attend the ROI certification