

ROI INSTITUTE®

45th Annual
training 2022
conference & expo

Delivering Results That Executives (and Others) Will Love

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

1

Objectives

After attending this session, participants should be able to:

- List the data sets possible from talent development programs by categories, including ROI.
- Identify the categories that are desired by top executives and other key stakeholders.
- Explain how these measures are derived and developed.
- Pursue a plan to measure results and communicate results to different audiences.



2

2

Resources



3

Serious Performance Challenges

**True
or
False?**

1. Most of learning and development is wasted (not used).
2. The learning outcome desired by executives in client organizations is rarely measured.
3. Most learning providers do not have data showing that they make a difference in the organization.
4. Most executives see learning as a cost and not an investment.
5. Most executives view hard skills more valuable than soft skills.

4



What CEOs Want

ROI Institute and ATD research show that the data CEOs receive are not demonstrating what they want out of their talent investment. (N=96)

Measures	Currently Measure	Should Measure	Importance
Inputs and Indicators	94%	86%	6
Efficiency	78%	82%	7
Reaction	53%	22%	8
Learning	32%	28%	5
Application	11%	61%	4
Impact	8%	96%	1
ROI	4%	74%	2
Awards	40%	44%	3

5

5

CLOs Use or Plan to Use ROI

- 35.6% → Use business data to demonstrate the impact of the training organization on the broader enterprise.
- 21.6% → Use ROI for that purpose.
- 22.6% → Plan to implement ROI within twelve months.
- 9.7% → Plan implementation in twelve to twenty-four months.
- 17.3% → Plan implementation with no time frame.

71.2%

(N=335)

2015 Measurement and Metrics Study by CLO Magazine

6

6



“Ultimately, the success of any program is based on whether it improves business results.”

— *Training Top 10 Hall of Fame – May 2017*

7



A 2020 benchmarking report indicates that **37%** of programs are evaluated at the **impact** level and **18%** at the **ROI** level.

— *ROI Institute, Inc. User Survey*

8

Scotland Yard

Think About It: Is this typical?

Who is responsible for this situation?

- A. Mayor of London
- B. Head of Metropolitan Police
- C. The person who contracted the training supplier
- D. The Leadership development training provider
- E. All the above



9

9



Kansas City Police

Is it possible to “start with why” (the business measure) with every project?

10

10

Changing Paradigms for Learning

	Traditional	Emerging
	Job Training	Talent Development
	Scale and Scope	Speed and Adaptability
✓	Input Focus	Outcome Focus
✓	Cost	Investment
	Necessity	Value Driver
	Standardization	Customization
	Fixed Setting and Time	Agile and Flexible
✓	Science of Learning	Learning Analytics
	Command and Control	Empowerment
✓	Needs Assessment	Alignment
✓	Reaction and Learning	Impact and ROI

11

11

What is Design Thinking?

Basic Principles*

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

A mind-set for curiosity and inquiry

A framework to balance needs and feasibility

A way to take on design challenges by applying empathy

A culture that fosters exploration and experimentation

A fixed process and a tool kit

A storytelling process to inspire Senior Executives

A new competitive logic of business strategy

A means to solve complex or wicked problems

A means to reduce risks

*Mootee, Idris. (2013). *Design Thinking for Strategic Innovation*. Hoboken, NJ: Wiley.

12

12

What is ROI?

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

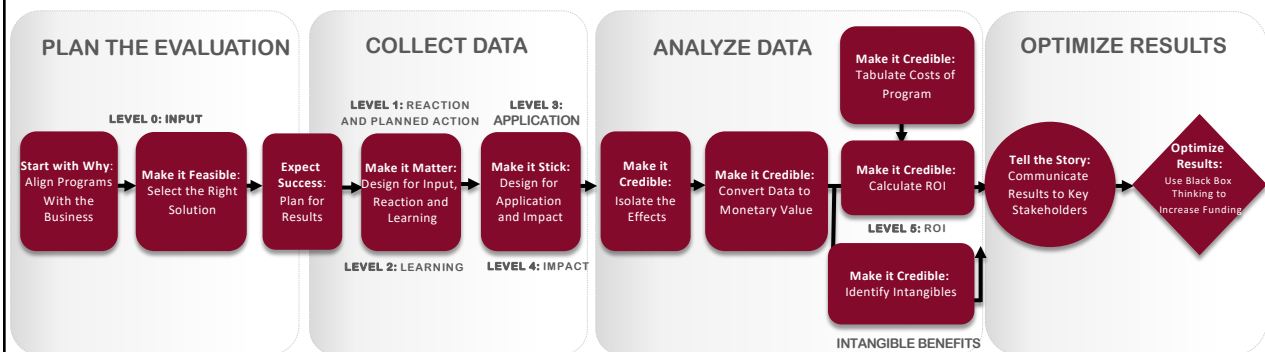
$$\text{ROI} = \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} \times 100$$

13

13

The ROI Methodology Process Model

Designing for the Delivery of Business Results



© 2022 ROI Institute Inc. All rights reserved.

ROI INSTITUTE®

14

14



Level	Recommended % of Programs	**Benchmarking %
0 Input	100%	100%
1 Reaction	100%	80%
2 Learning	80-90%	70%
3 Application	30%	49%
4 Impact	10%	37%
5 ROI	5%	18%

*Percentage of programs evaluated at each level each year

**Benchmarking 2020

What is your status?

15

Characteristics of Programs Suitable for Impact & ROI

- Cost of the program
- Linkage of program to operational goals and issues
- Importance of program to strategic objectives
- Top executive interest in the evaluation
- Visibility of the program
- Size of target audience
- Investment of time required

16

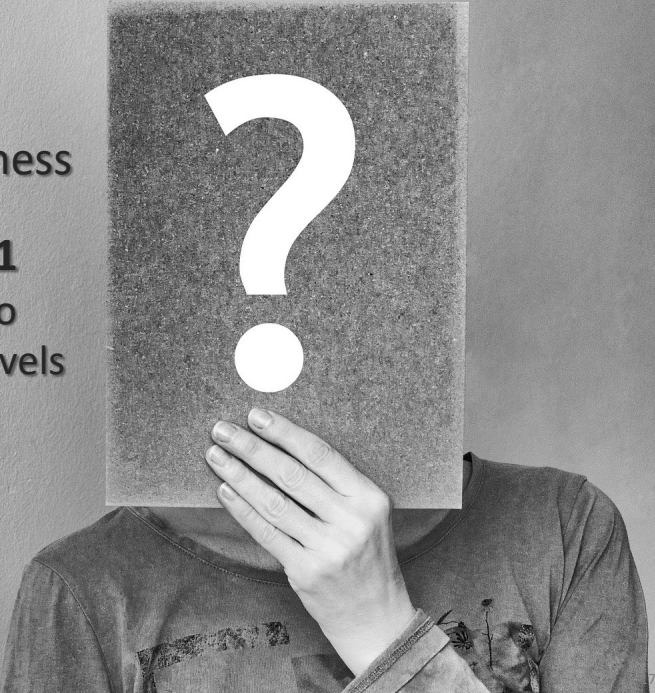
Start with Why

Align Programs with the Business

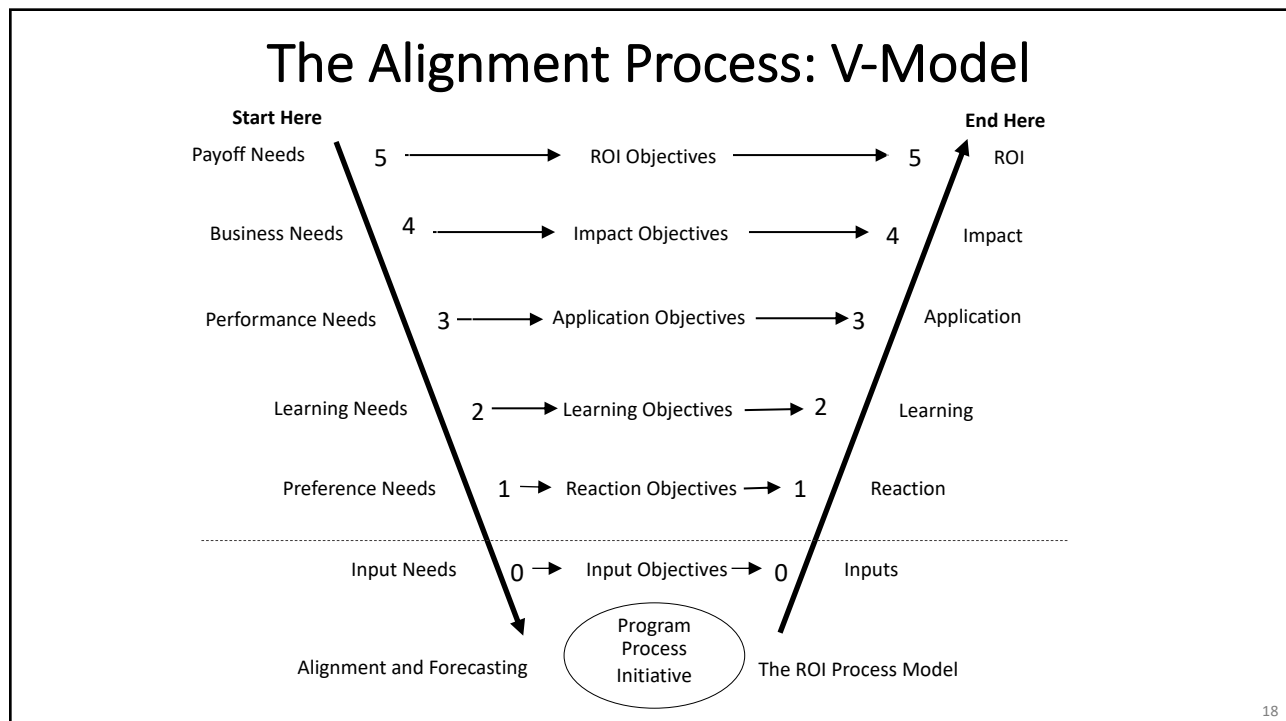
Design Thinking Principle 1

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

- Alignment is the key.
- Is it a problem or opportunity?
- Need specific business measures.



17



18

Make It Feasible

Select the Right Solution

Design Thinking Principle 2

A mind-set for curiosity and inquiry

- What are we doing (or not doing) that's influencing the business measure?
- How can we achieve this performance?



19

19

Is it the Right Solution?

1. Examine the data and records.
2. Initiate the discussion.
3. Reference a case study.
4. Use benchmarking from similar solutions.
5. Use evaluation as the hook.
6. Involve others in the discussion.
7. Discuss disasters in other places.



20

20

Have a Discussion and 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



21

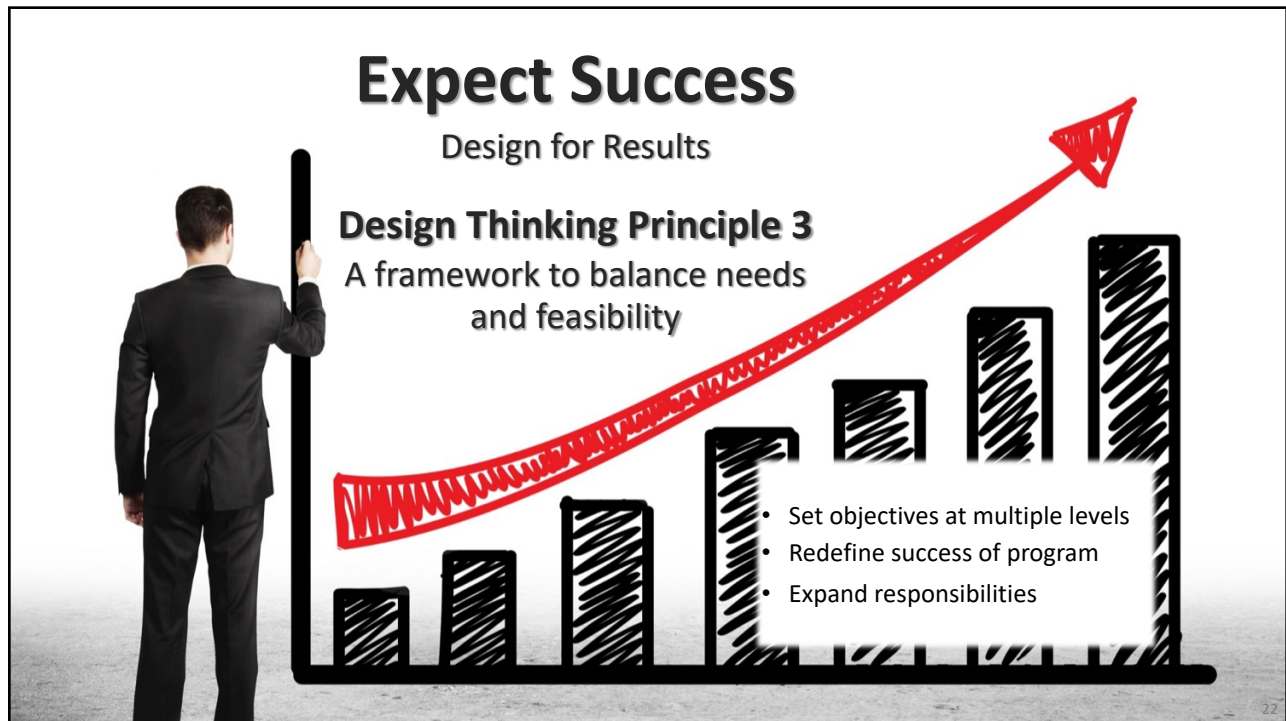
21

Expect Success

Design for Results

Design Thinking Principle 3

A framework to balance needs and feasibility



- Set objectives at multiple levels
- Redefine success of program
- Expand responsibilities

22

22

Developing Objectives for Each Level

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

23

23

Rules for Objectives

1. Must be measurable and represent minimum acceptable performance.
2. Fewer objectives are better than many objectives.
3. Involve subject-matter experts and key stakeholders.
4. Keep them relevant to the situation, program, and key stakeholders.
5. Create stretch objectives, but make sure they are achievable.
6. Allow for the flexibility to change as conditions change.
7. Failure is OK; process improvement is the key.
8. Objectives are tools for progress, not weapons for performance review.
9. Most objectives should be time-bound.
10. Objectives provide the focus for design, development, implementation, and evaluation.

These rules are from a combination of publications:

J. J. Phillips and P. P. Phillips. *Beyond Learning Objectives: Develop Measurable Objectives that Link to the Bottom Line*. Alexandria, VA: ASTD Press. 2008.

P. P. Phillips and J. J. Phillips. *10 Steps to Successful Business Alignment*. Alexandria, VA: ASTD Press. 2012.

J. Doerr. *Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs*. New York: Penguin. 2018.

24

24

Matching Evaluation Levels with Objectives

After completing this program, participants should:

1.	Decrease employee complaints by 20% in one year.	4
2.	Use problem-solving skills to uncover conflict causes.	3
3.	Be able to demonstrate the five steps to calm an upset colleague.	2
4.	Rate the facilitator 4 out of 5 on presentation skills.	1
5.	Decrease the amount of turnover by 30% in six months.	4
6.	Achieve a 20% ROI one year after implementation of conflict resolution program.	5
7.	Perceive the content to be relevant their situation (4.5 out of 5).	1
8.	Decrease transfers by 25% in six months.	4
9.	Conduct a proper investigation using the seven-step process in 95% of complaint situations.	3
10.	Score an average of 20 or better on a conflict resolution quiz.	2
11.	Improve productivity by 10% in six months.	4
12.	Use all 10 negotiation skills in at least 50% of negotiation situations.	3

1 = Reaction

2 = Learning

3 = Application

4 = Impact

5 = ROI

25

25

Make it Matter

Design for Input, Reaction,
and Learning

Design Thinking Principle 4

A way to take on design challenges
by applying empathy

- Focus on the objectives
- Think about the definition of success
- Make it relevant
- Make it important
- Make it action-oriented

26

26

Make it Stick

Design for Application and Impact

Design Thinking Principle 5

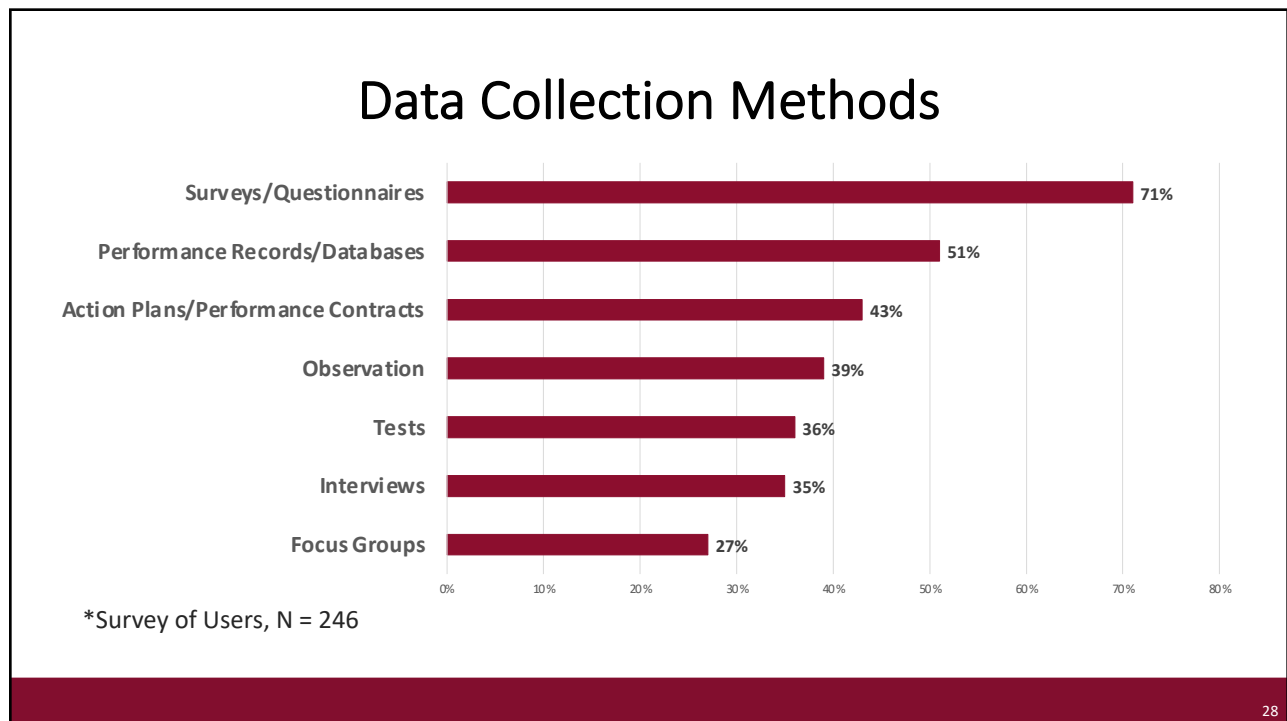
A culture that fosters exploration and experimentation

- Collect data
- Focus on objectives
- Ensure transfer to the workplace
- Design for application



27

27



28

Make it Credible

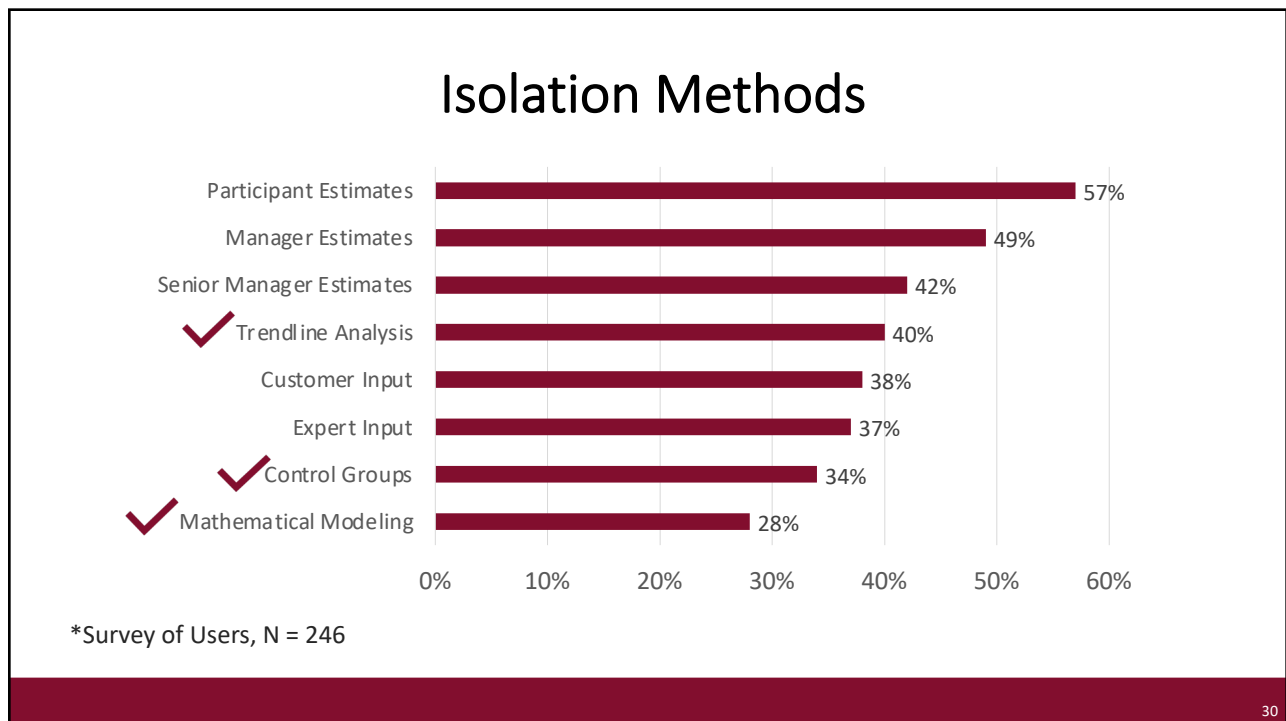
Measure Results and Calculate ROI

Design Thinking Principle 6

A fixed process and a tool kit

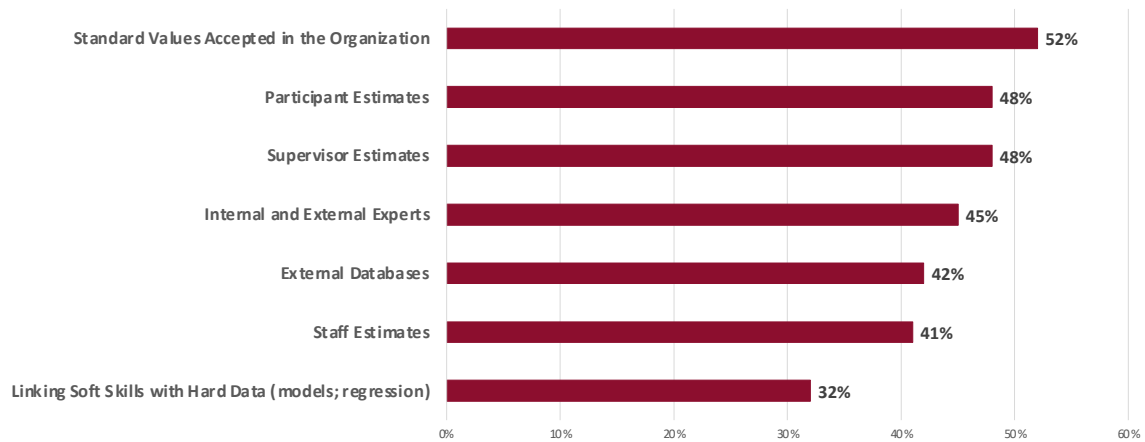
- Isolating the effects of the program
- Converting Impact data to money
- Identifying intangible benefits
- Tabulating cost of the program
- Calculating ROI

29



30

Data Conversion Methods



*Survey of Users, N = 246

31

31

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

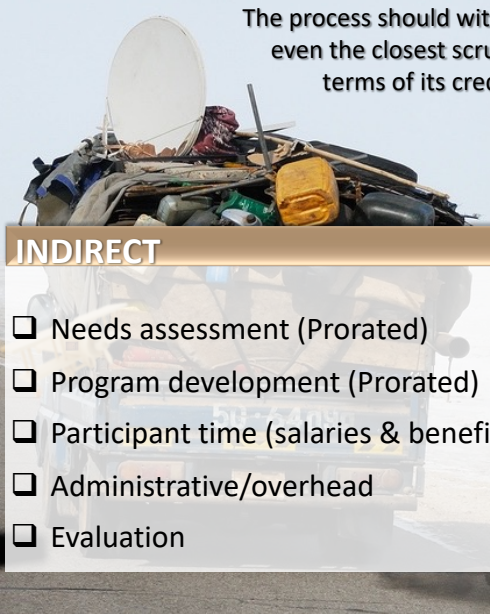


32

32

Fully-Loaded Costs

“When in doubt, put it in.”
The process should withstand even the closest scrutiny in terms of its credibility.



DIRECT	INDIRECT
☐ Program materials	☐ Needs assessment (Prorated)
☐ Instructor/facilitator	☐ Program development (Prorated)
☐ Facilities	☐ Participant time (salaries & benefits)
☐ Travel, lodging, meals	☐ Administrative/overhead
	☐ Evaluation

33

33

Example: Conflict Resolution Program

Presented to Managers: Designed to reduce team member complaints

1. Unit of Measure: 1 complaint
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 blended learning program cost: \$339,400.

What is the ROI?

34

34

ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} = \boxed{2.2:1}$$

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

35

35



Tell the Story
Communicate Results to Key Stakeholders

Design Thinking Principle 7
A storytelling process to inspire senior executives

- Define audience
- Identify why they need it
- Select method
- Move quickly
- Consider one-page summary

36

36



Optimize Results

Use Black Box Thinking to Increase Funding

Design Thinking Principle 8

A new competitive logic of business strategy

EVALUATION → **OPTIMIZATION** → **ALLOCATION**

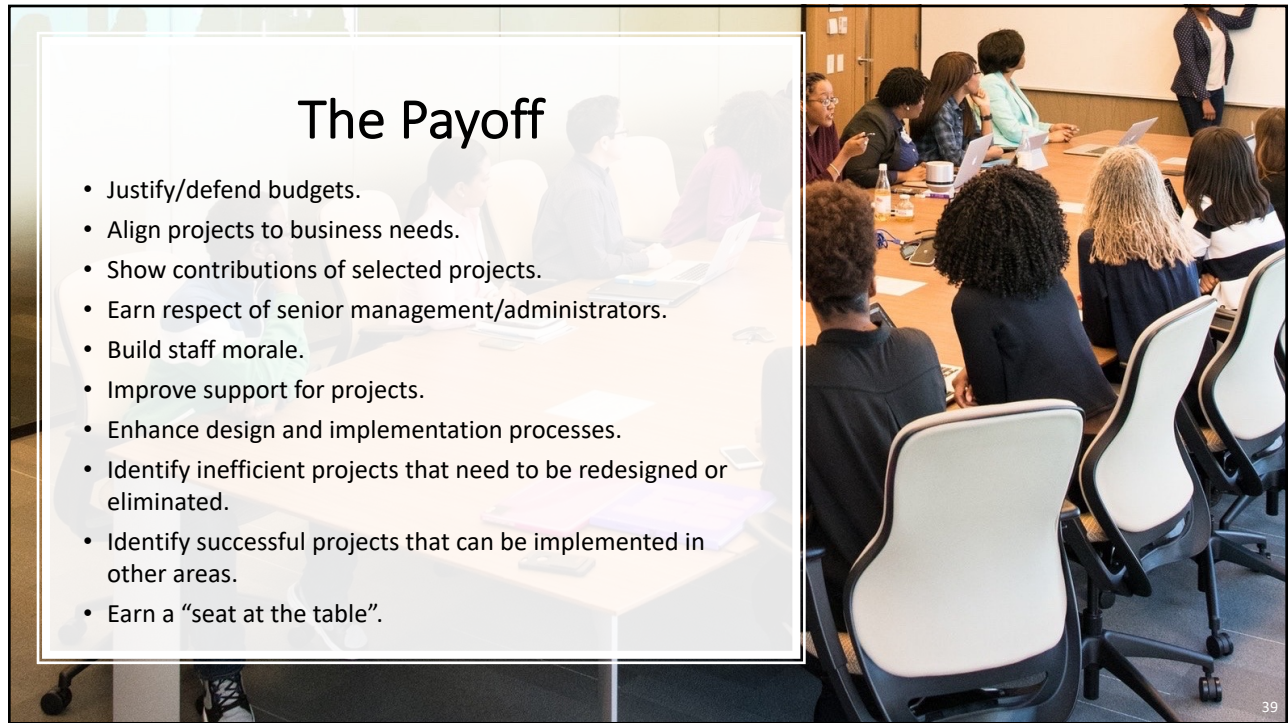
Measure → **Improve** → **Fund**

37

37



38



The Payoff

- Justify/defend budgets.
- Align projects to business needs.
- Show contributions of selected projects.
- Earn respect of senior management/administrators.
- Build staff morale.
- 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”.

39



Be Proactive

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.

40

40



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

<https://roiinstitute.net/training-2022-delivering-results-that-executives-will-love/>



41



Questions?
Visit us online:
www.roiinstitute.net

Email:
Jack@roiinstitute.net

Connect with Us



42