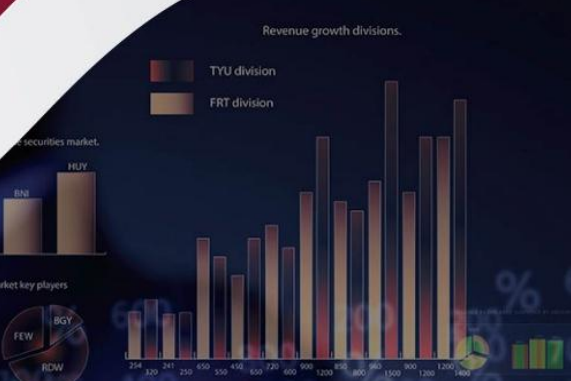


ROI INSTITUTE® BENCHMARKING REPORT 2019



Revenue growth divisions. Legend: TYU division (dark blue), FRT division (light blue).

	TYU division		FRT division	
GHT	254	550	254	415
RDW	650	320	754	825
TRG	341	450	144	954
RTG	650	874	657	274
WEF	784	145	124	741
HRT	453	784	954	241



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A nighttime photograph of a city street. In the background, two tall skyscrapers with a grid-like facade are illuminated with blue light. To the left, a smaller building has 'MANGO' and 'ESPLANADE PLACE' signs. The foreground shows a multi-lane highway with long-exposure light trails from cars, appearing as streaks of red, yellow, and white. The overall scene is dark, with the city lights providing the primary illumination.

Background

In order to provide a snapshot of trends and usage, ROI Institute occasionally conducts a benchmarking study with the users of the ROI Methodology. The participants in the study are those who have participated in ROI Certification and are charged with implementing the ROI process in their organization. This study is highly comprehensive, focusing on many aspects of developing a successful ROI practice. This data provides ROI users and prospective users with a glimpse of current trends, as well as the progress that has been made since ROI Certification was first introduced to the public 25 years ago, in 1995.

Process

The process involved surveying randomly selected individuals who attended ROI Certification within the last five years. The goal was to examine organizations that are getting started with ROI and are making progress. A total of 33 questions were asked, making this a lengthy survey. Consequently, it was a challenge for people to respond, but we were fortunate to have 246 responses out of a distribution of approximately 1,000 contacts. This is a good response rate, and it represents a cross-section of the users of the ROI Methodology, particularly those in the one to three years of usage timeframe (30% of respondents). This is the sweet spot for implementation because, within this space of time, the projects, programs, and initiatives have been organized and progress is occurring.

Who Is Involved?

Of those who responded, 74% are practitioners within an organization while 24% are external consultants. This is largely what was anticipated, although the number of external consultants seems to be growing in terms of ROI users. Respondents' job titles range from specialist to analyst, to managers and directors, to vice presidents and C-suite executives. Managers were the most common title, representing 37% of respondents, followed by directors with 17%, then consultants at 15%.

This response underscores the importance of having a manager or higher-ranked professional driving the ROI process as it is sometimes necessary in order to have adequate support and be able to obtain the resources needed to make it work. Another interesting data point is the types of organizations that responded to the survey. Forty-three percent of the organizations are businesses, which means that the other 57% of organizations are not considered traditional businesses. This follows what we perceived to be our penetration in many markets, where much of our work is in governments, nonprofits, nongovernmental organizations (NGOs), and higher education.





Planning for Serious Evaluation

The key to a successful implementation is the planning for the implementation and evaluation of specific programs. It all starts with organizing for the practice, followed by the individual steps throughout the process. Presented here are the results of the collected survey responses for these important areas.

Organizing for ROI Practice

Some survey questions focused on getting organized and prepared to develop an ROI practice. A particularly interesting area included in the survey was the average number of full-time staff. Respondents had the opportunity to select anywhere from one to 12 full-time staff members working in ROI, and the average number was 6.6. Many of the respondents were from very large organizations where full-time staff is required. This highlights the necessity of coordinating the work associated with the projects, activities, and processes centered around an ROI practice. However, we caution not to let the staff get too large because others in the function may not want to absorb any additional duties. For this to work best, tasks and shared responsibilities are pushed to all stakeholders in the organization.

Another issue is the extent to which a formal evaluation policy exists. This is important because it provides the structure, philosophy, and instruction for many people. Forty-eight percent of respondents indicated

that their organization has a formal policy while 41% did not. This is an area where improvement is needed. Working with loosely organized policies and ad hoc activities is not always an efficient method of work. Another issue in organizing is the amount of time the policy was actually in use. According to the respondents, the policy was used 45% of the time.

Planning for Evaluation

Several questions addressed planning for evaluation. The first question asked respondents to indicate what percentage of their projects and programs met four criteria, shown in Figure 1:

1. Conduct a needs assessment at the business needs level
2. Plan the evaluation prior to launching a program
3. Formally define the role of participants in regard to achieving impact
4. Develop program objectives that include impact and ROI objectives

Respondents indicated that they conducted a needs assessment at the business needs level for about 47% of their projects and programs. Similarly, 43% of projects and programs had their evaluation planned before being launched. Forty-two percent of projects and programs formally defined the role of participants in regard to achieving impact, while 39% had program objectives that included impact and ROI objectives.

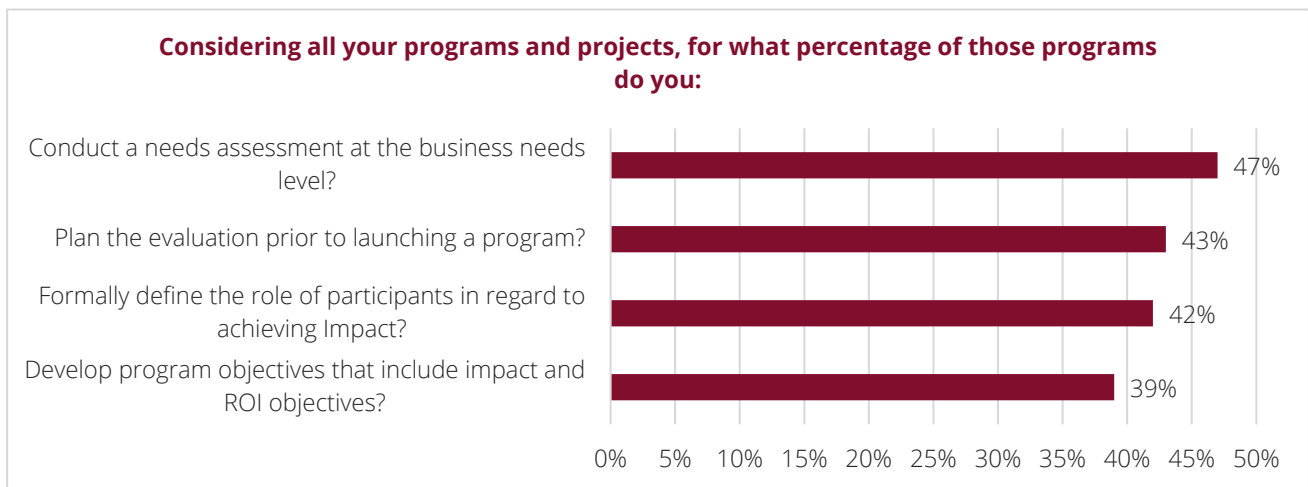


Figure 1. Setting Up Programs for Success



Respondents were asked when the evaluation plan was typically developed for a particular program. For many years, ROI Institute has advocated for developing the evaluation plan at the time of conception of the program and certainly no later than when the program is designed. As shown in Figure 2, this is done 58% of the time, which is an improvement over previous years.

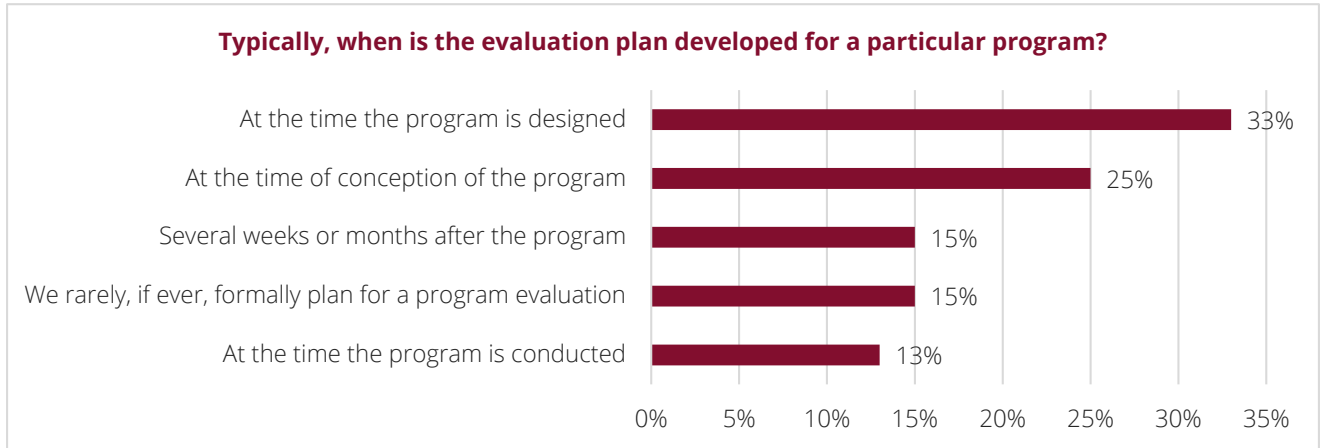


Figure 2. When Do you Decide to Evaluate for Impact and ROI?

Another important area is setting objectives, and progress is being made in this area. ROI Institute has advocated setting objectives for all five levels with ROI, the fifth level, set only when there is an ROI calculation planned. We wanted to see many more objectives at levels three and four, which is occurring. Figure 3 shows that 52% of programs have those objectives at level three, and 39% have impact objectives. These results represent dramatic improvements and shifts from previous benchmarking.

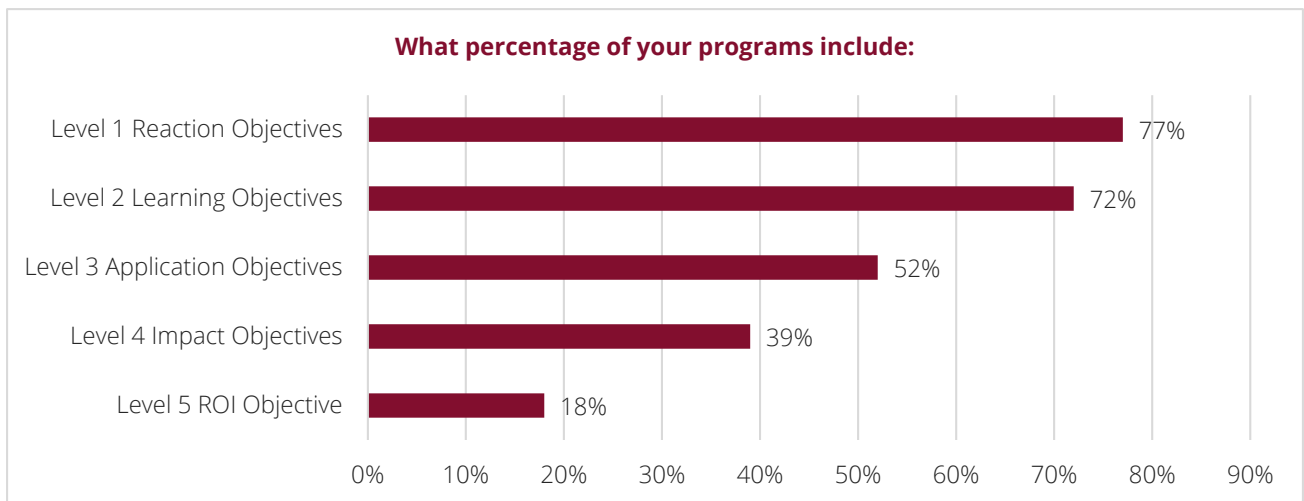


Figure 3. Profile of Objectives

As shown in Figure 4, less than a hundred percent of respondents (80%) reported evaluating at level one. The percentage of respondents who evaluated at the learning level was quite high (70%). Application evaluation was at 49%, and evaluation at the impact level was at 37%. Additionally, 18% of the projects, programs, and initiatives represented in this research were evaluated at the ROI level.

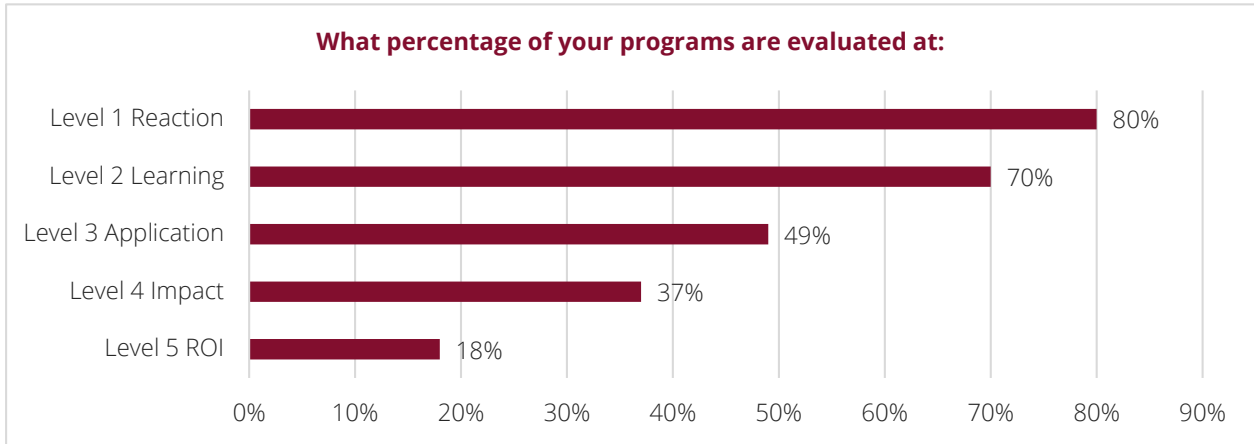


Figure 4. Percentage of Programs Evaluated at Each Level



ROI Utilization

The key content of this report is how individuals are using the various aspects of the ROI Methodology. This includes how they are making progress and using it to show the value of different types of programs, projects, and initiatives, and using that data to drive important changes, such as process improvements. One of the first issues is data collection.

Data Collection

There are a variety of possible data collection methods. One question asked users which methods they use most. As shown in Figure 5, surveys and questionnaires are still the dominant methods for collecting data with 71% use. The efforts of ROI Institute have been focused on helping users make surveys and questionnaires more credible by ensuring the accuracy of the data, removing any biases that might arise in data collection, and increasing response rate.

The use of interviews (35%) and observations (39%) has increased. Observation is one of the most important and accurate methods for collecting data for level three. However, for observation to be successful, observers must be invisible or unnoticeable. According to respondents, 51% of the studies represented are utilizing performance records and databases.

There was a notable increase in the use of action plans and performance contracts. These are very powerful alternatives to surveys and questionnaires, and it appears that their usage is significant with 43% of respondents using them. As expected, focus groups are the least-used method at 27%.

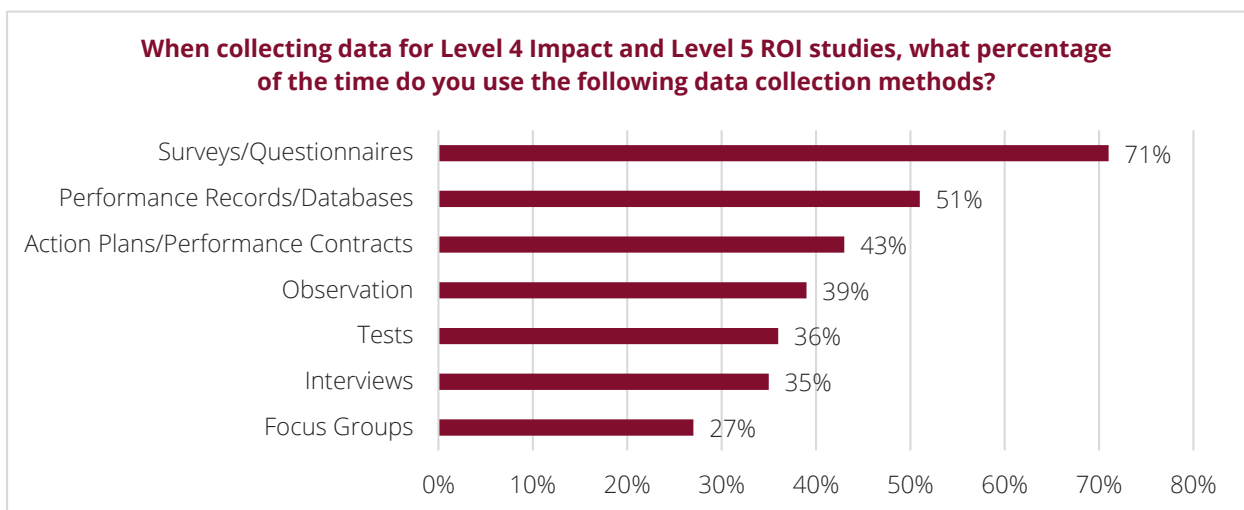


Figure 5. Use of Data Collection Methods



Isolating the Effects of the Program

The most critical credibility issue is the method of sorting out the effects of a particular program on impact data. In almost every case, there are multiple influences on a particular impact dataset. Guiding Principle #5 states that we must always use at least one method to isolate the effects of a program.

Figure 6 shows the percentage of time respondents use particular techniques to isolate the effects of their programs. The figure shows some dramatic changes; previously, about one-third (34%) of the programs were being evaluated with experimental vs. control groups. The use of trendline analysis alone has increased to 40%.

The use of mathematical modeling has increased as well. The previous benchmarking study reported modeling use at 5%, but it is now 28%. This is a payoff of analytics practices that are implemented in organizations. Analytics teams are often charged with developing relationships between variables, so some of the factors or influences that are injected into a process are often changed into variables. Some mathematical relationships can be used. The setting is simple: there is a program implemented and a business impact measure has improved, but there is another influence. The key is to find a mathematical relationship between the other influence and the business measure. Then, relationship modeling can be used to forecast the actual impact of the other influence. If there is an additional impact not accounted for, it can be claimed for your program if those are the only two influences.

Participant estimates are close to where they previously were at 57%. Please note that we encourage for 100% to be used, but the participant estimate should only be used in the analysis if the first three methods do not work.

The manager estimates are at 49%, up from 37%, and this is concerning. In most cases, managers are not close enough to the situation to be able to sort out the influence of other factors. Of all the sources, it is the participant who is often the most credible. Expert input is now at 37%. This could be viewed as both good news and bad news. It is good news if the experts are there and can provide credible input. It is bad news if the expert opinion is not based on credible studies.

Customer input has increased to 38%, which means that many projects involve customers facing situations. In those cases, the customer becomes an important input to help sort out the effects of a particular program. However, it is important to remember that customers can sort out only what they see.

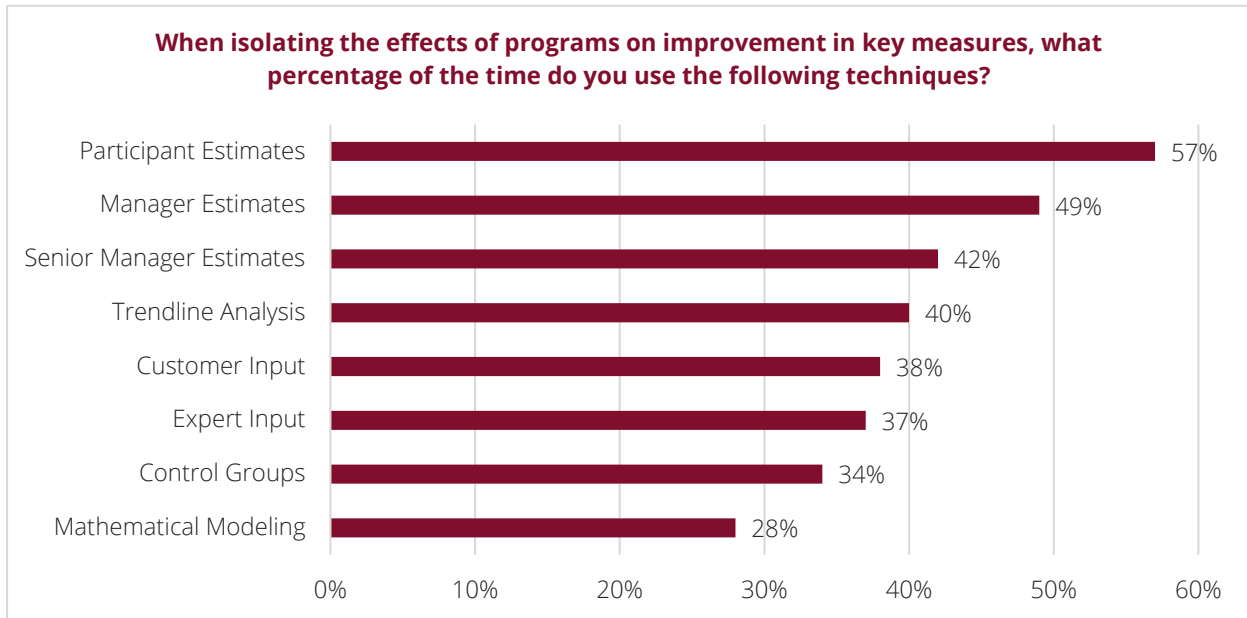


Figure 6. Methods Used to Isolate the Effects of Programs

Converting Data to Money

What is sometimes perceived as another important challenge is converting data to money. In reality, these datasets are often available somewhere within the organization. As shown in Figure 7, standard values are available many times (52% in this case). Monetary values that are standard values are available, reported to participants in the program, and accepted by executives. Internal experts are used 45% of the time. Internal experts are often the individuals who are involved in collecting, analyzing, and reporting the data. These two responses emphasize the fact that most of the time, there is already a standard value in the organization or an internal expert who is available to help. From this data, it appears that data are readily available from one method or another 97% of the time.





External databases are used 42% of the time, which indicates that their use has increased due to more data reported on the internet. This use may mean that this source was attempted in the final analysis. The same is true with staff estimates (41%). It was indicated that 32% of the time, users are finding a link between a hard-to-value measure and an easy-to-value measure. This occurs as a byproduct of the analytics described earlier.

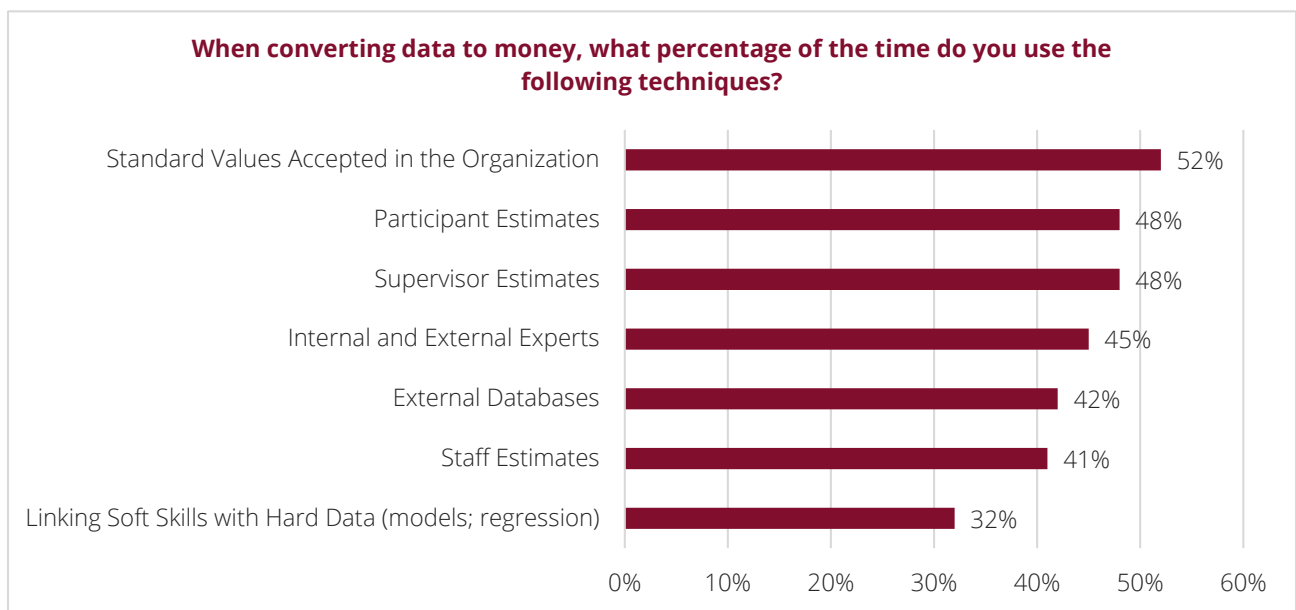


Figure 7. Methods Used to Convert Data to Money

Communication

It is important to communicate results to a variety of groups and to use the results to make important decisions. The last two steps of our 12-step model focus on this issue, telling the story and optimizing the results. Communication is often dispersed to a variety of different groups in many ways. One of the most important communication areas where much is at stake is the face-to-face meeting to present an impact study. The audience for this meeting is often an executive group. If the meeting is not conducted properly, presenters not only lose the value of the study but can also lose support for the entire ROI implementation.

Respondents to the benchmarking survey were asked to provide the percentage of time they had face-to-face meetings to present an impact study, and 39% answered positively. This shows that these briefings have been conducted. This is important because they allow for good communication and clarification. Respondents were also asked to provide the percentage of time that the results of studies were used systematically and formally. They reported that this happens around 30% of the time. This is an opportunity for improvement.

Building Partnerships

The key to any implementation is to have good partners, principal individuals in an organization who will support and use the ROI Methodology. Figure 8 shows the specific actions used to improve partnership relationships. The number one technique, with 20% of respondents selecting it, was to present results from specific programs. Eighteen percent have involved key managers in program delivery or implementation. Sixteen percent reviewed needs assessment and analysis data, while 15% helped key managers solve a problem or meet a goal. Twelve percent reviewed the success of all programs, and 10% asked key managers to serve on an advisory committee. Eight percent recognized ideal supporters. Eight percent recognized ideal supporters.



Figure 8. Building Partnerships

Cost and Time Savings Approach

One of the big challenges for the use of the ROI Methodology is the perception that it takes too much time and/or costs too much. As shown in Figure 9, respondents were asked to indicate the cost-saving approaches that have been used to lower the costs (and time) for implementing the ROI Methodology. The number one approach is to build evaluation into the process.

Number two is technology. Technology is critical, whether Qualtrics, Excel, or other tools designed specifically for ROI implementation are being used. Using estimates to isolate the effects of the program is a time-saving approach but be cautious; it should only be used if there is not a more credible method that can be used.

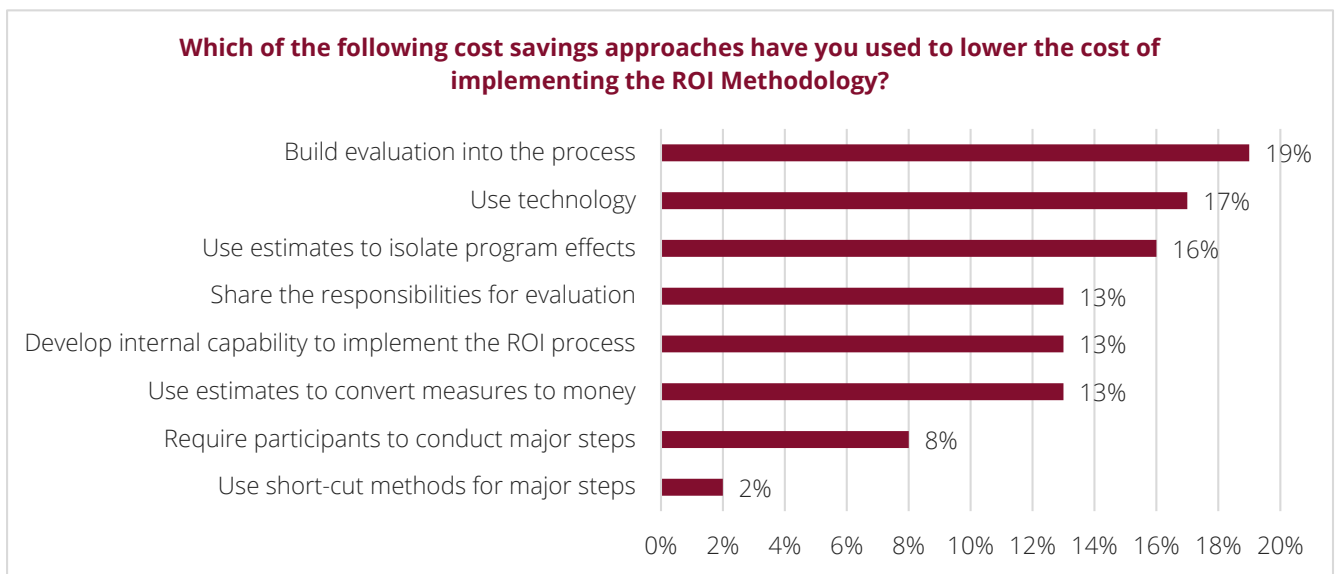


Figure 9. Cost Savings Approaches



Supporting ROI Use

To make ROI systematic, routine, and efficient, certain steps and actions must be taken. This includes building capability for the team to make it work. Presented here are the collected responses for this topic.

ROI Training

Breaking down resistance during implementation is important to help other individuals see the value of the ROI Methodology and understand how it is used. This requires training for the team tasked with implementation. In this study, respondents were asked directly if they had facilitated ROI training. Seventy-two percent answered that they had not, while 28% had facilitated ROI training. This may mean that the principal ROI implementer is not the one conducting the training. This role could be delegated to others.

The following question sheds some light on the number of facilitations conducted by other individuals. Respondents were asked if any formal training facilitated by someone else had been offered, and 36% answered positively while 64% indicated that it had not been done. This shows that a solid percentage of respondents delegated the task of training to someone else.

Respondents were asked what percentage of their functional team received ROI training, and 37% was the average response. This is encouraging because ideally, all members of the functional team need some type of training. While 37% is an increase from previous benchmarking data, this shows how aspects of ROI implementation have changed over time; it is an opportunity for improvement.



Who is Driving This?

It is interesting to know who is causing ROI to be implemented. As shown in Figure 10, the number one reason is that a business leader or operating executive has requested it at 22% of the time. This is followed closely by a CEO, a managing director, or top executive at 21%, as well as by program or project owners with the CFO in the mix at 7%. Only 17% of respondents selected the evaluation/analytics team. When we include all executives, the total is 57%. This means that 57% of ROI implementations are driven by senior executive leaders. Ideally, this should be driven by the internal team, not the executives.

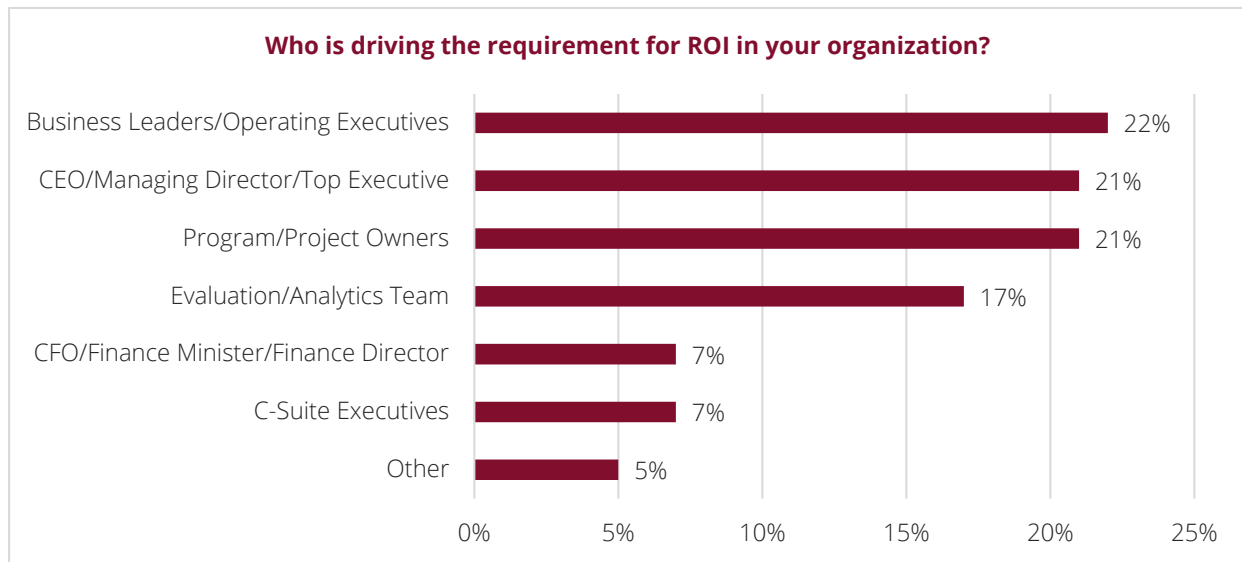


Figure 10. Drivers for ROI Implementation

Barriers and Enablers

It is important to examine barriers to the use of ROI. As shown in Figure 11, the number one barrier is that it takes too much time (30%). That is understandable, but there are a variety of approaches to make it work, as described previously under the heading “Cost Savings.” The number two barrier is a lack of knowledge (18%). ROI Institute attempts to train as many professionals as possible while encouraging them to train others. The third-ranked barrier is a lack of support (17%), which is common, though several actions can be taken to improve support. Fear of a negative ROI, which is often perceived as a higher-ranked barrier, does seem to get in the way at 10%. The “Other” category (12%) listed several issues such as lack of cooperation, too complicated, competing priorities, fear of transparency, and lack of technology. No clear trends evolved.

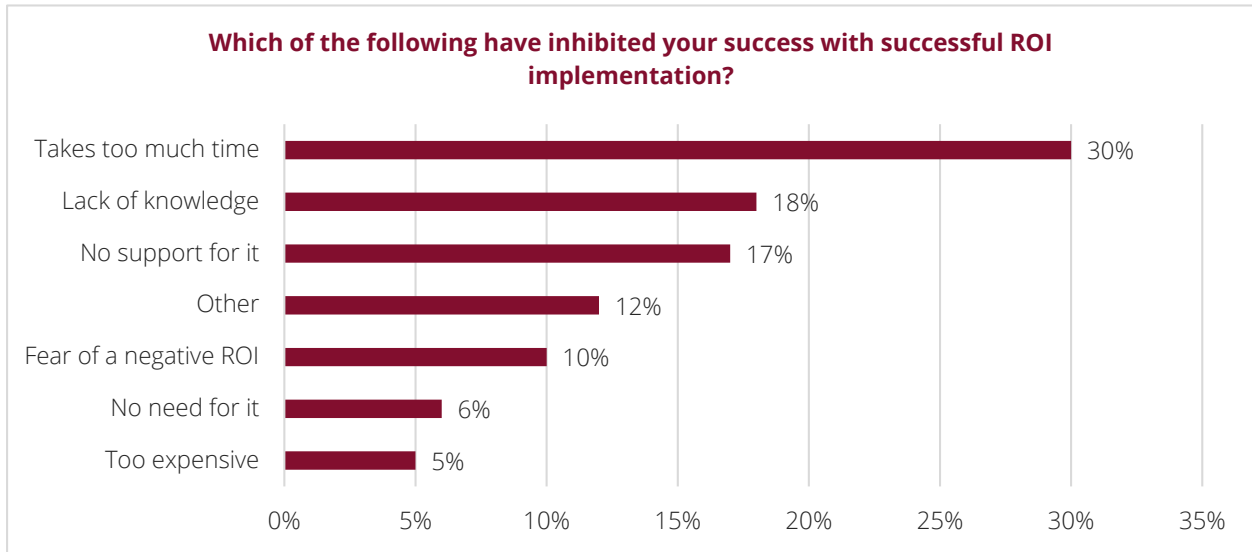


Figure 11. Barriers to ROI Implementation

Enablers to implementation are equally important to analyze, as shown in Figure 12. Management support is listed at number one (23%). This further illustrates that management support can be an enabler while lack of support becomes a barrier. The model and standards represented in the ROI Methodology were ranked number two at 18%. Training was a key enabler as well, which was also selected by 15%. ROI Institute support was the next enabler (13%) and the members-only portal was 6%, tied with adequate budget.

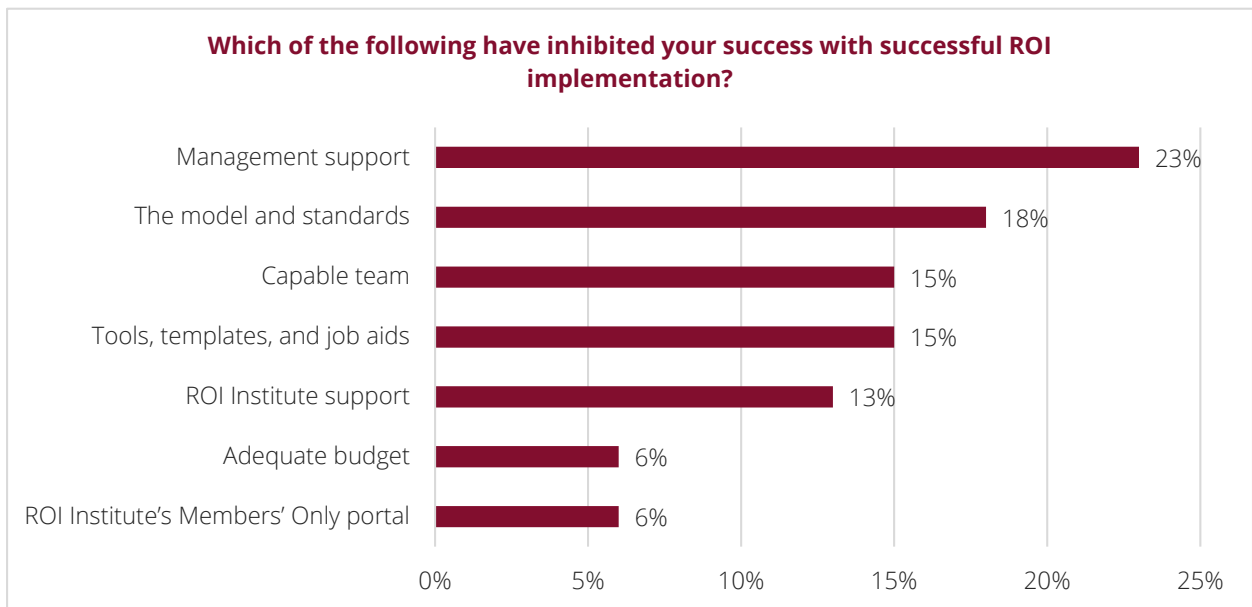


Figure 12. Enablers to ROI Implementation

Exploring the benefits of ROI implementation is also vital. As shown in Figure 13, the number one benefit is business alignment for programs at 21%. This illustrates that survey respondents can show the business alignment, followed closely by justifying the budget (19%). Process improvement was ranked third at 19%; ideally, this would be the number one benefit of the methodology. Building relationships was ranked fourth at 16%. These are critical benefits that must be underscored routinely. Improved image of any function was selected by 15%, and satisfaction of my team (8%) round out the benefits.

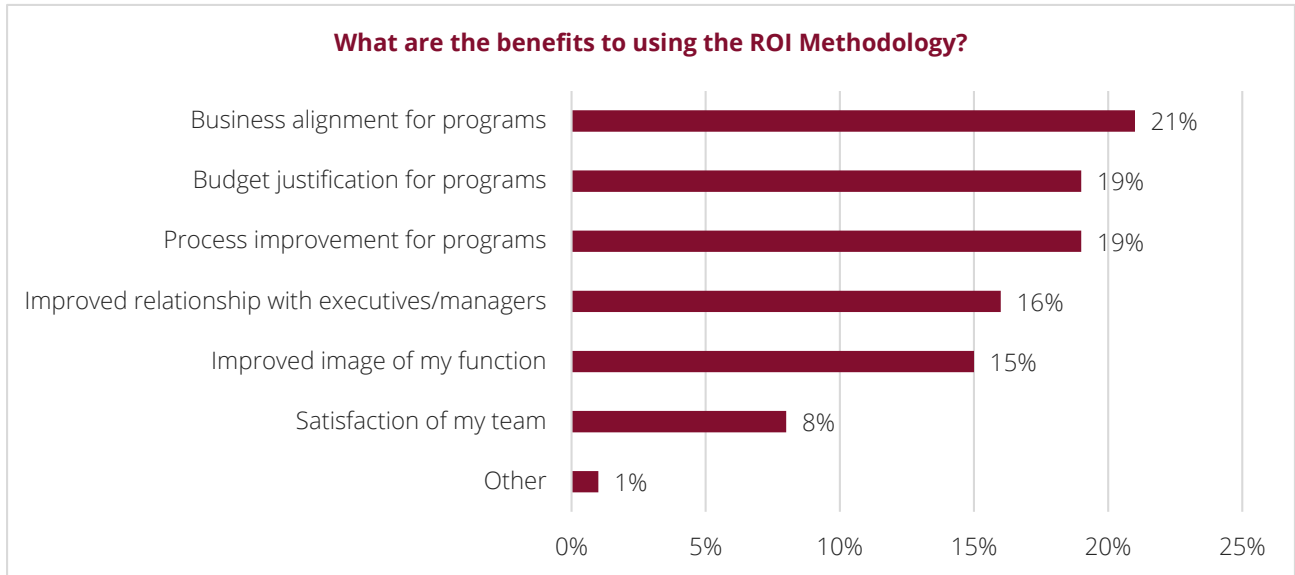


Figure 13. Benefits of ROI Implementation

Networks

One of the great ways to build relationships, knowledge, and experience with ROI is to network with others. Networking groups can be internal, or centered within a city, state, or country. Building a network within your organization can be very helpful. Respondents were asked if they had formed an internal ROI network, and 33% responded favorably.

Technology

The use of technology to assist ROI implementation is an area of continuing growth. Respondents were asked to indicate the importance of 12 key technical systems relating to the implementation of measurement and evaluation within organizations. Using the data provided, ROI Institute was able to rank the perceived importance, as shown in Figure 14.

- | | |
|--|-------------------|
| 1. Excel | 7. SPSS |
| 2. In-house Learning Management System | 8. Tableau |
| 3. SurveyMonkey | 9. Qualtrics |
| 4. Metrics-that-Matter | 10. ROI Navigator |
| 5. Artificial Intelligence Platforms | 11. Qlikview |
| 6. Open Source Analytics Tools (e.g. Python) | 12. Performativ |

Figure 14.

Respondents also had the opportunity to indicate whether or not they use any of the technologies listed. Figure 15 shows that the percentage of use relates directly to the order of importance shown in Figure 14. Once again, users reported that they mostly use Excel, their in-house learning management system, and SurveyMonkey, followed by artificial intelligence platforms and Metrics-that-Matter.

The remaining 12 key technologies were not used by more than half of the respondents. There are a variety of reasons why these technologies do not have a high degree of usage by ROI users (such as cost). However, it is possible that users do not know about these platforms and how they may be used to enhance ROI implementation.

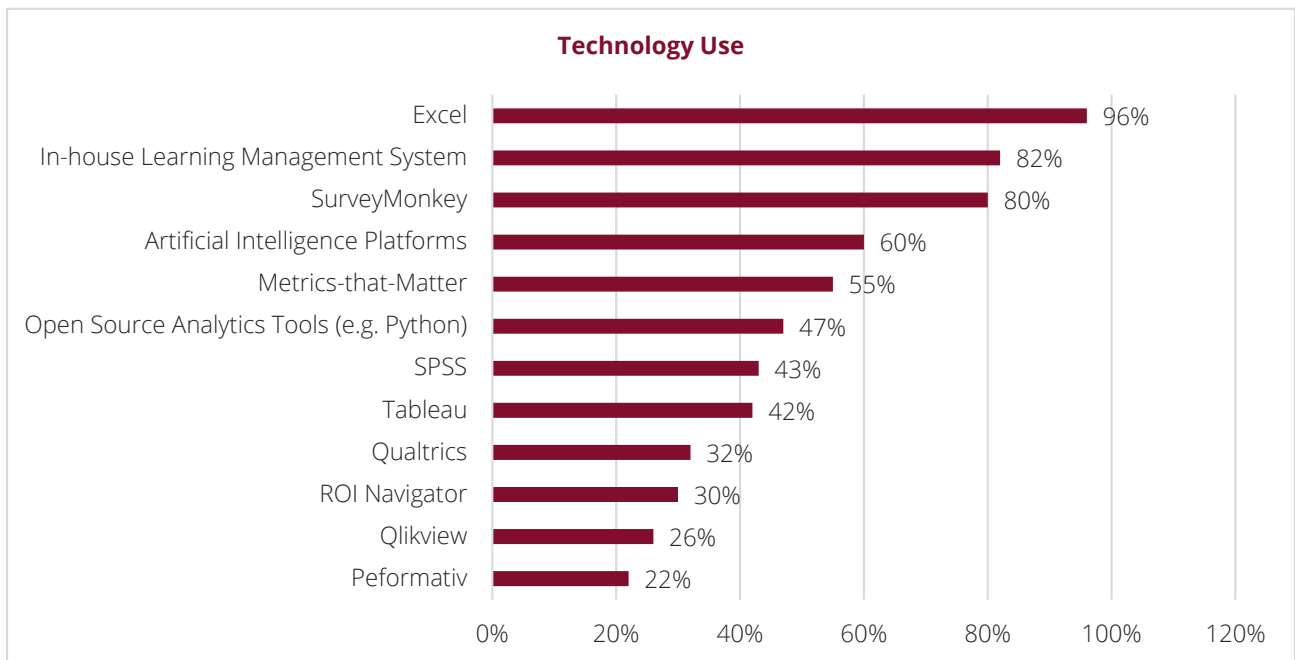


Figure 15.

Conclusions

This benchmarking data presents some positive results which indicate that tremendous progress is being made in a variety of ways in diverse areas. The good news is that the ROI Methodology has become the most used evaluation system in the world and is successfully working in all types of industries and geographic locations.

The data also provides guidance as to certain areas that require improvement. The use of a formal evaluation policy is important and the 41% of respondents who indicated that their organization does not have this type of policy shows an opportunity for growth. An evaluation policy should be used routinely, therefore, this is an area for improvement.

The use of evaluation plans (Figure 2) also offers an opportunity for positive change. While 58% indicated they are developing plans within the correct timeline, 43% did not. Ideally, the 58% will increase exponentially while the 43% will decrease as the importance of timely evaluation plan creation is advocated.

The relatively high percentage of programs evaluated at level four, Impact, was impressive, as was the number evaluated at level five, ROI (Figure 4). This exceeds what ROI Institute normally recommended in the past, but it shows the aggressive approach that some organizations are taking.

As Figure 5 shows, 51% of the studies represented in this research used performance records and databases. This should be the dominant method for level four and is becoming increasingly available for level three. This is encouraging, and we hope this trend continues to grow.

The use of manager and senior manager estimates, illustrated in Figure 6, is not ideal. While managers and senior managers may present a different perspective in terms of program effectiveness, they are a few steps removed. The participant is generally the most credible source, so we hope that more emphasis is placed on their data in the future. Similarly, the use of expert input at 37% is both good and bad news, meaning they are credible if their opinion is based on credible studies.



The techniques used to convert data into money (Figure 7) produced higher estimates than we anticipated. Hopefully, they are used in order to report another input and not as the final decision-maker. However, there are legitimate situations where these inputs are appropriate.

We were disappointed by the communication data collected. Only 39% of respondents indicated they had conducted a face-to-face meeting to present an impact study, while it was estimated that study results were used in a systematic and formal way an average of 30% of the time. Both of these percentages need to be higher in the future.

As shown in Figure 8, survey respondents are using a variety of methods to improve partnership relationships with key managers. It is comforting to see that results from specific programs are presented 20% of the time. However, the seven actions presented should be taken as often as possible as they are all tried and true methods of building these important partnerships.

The data related to the people driving the requirement for ROI in respondent organizations, shown in Figure 10, shows areas that need improvement. While it is expected that top executives are actively seeking ROI implementation, it is disappointing that professionals are not pursuing ROI on a more proactive basis as we advocate.

The enablers identified by respondents (Figure 12) included the ROI Methodology model and standards at 18%. This is comforting because we work to improve this model constantly, and it plays a large role in developing tools and templates, which was selected by 15% of respondents.

The use (or lack thereof) of an internal ROI network was reported by 33% of respondents. This number is low and shows an opportunity for more improvement.

The spectrum of use for the technologies presented in Figures 14 and 15 presents an opportunity to educate ROI users on the merits of these technologies.

We appreciate all of the respondents who provided data and the thousands of ROI Methodology users for their continued implementation and support. Thank you.

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