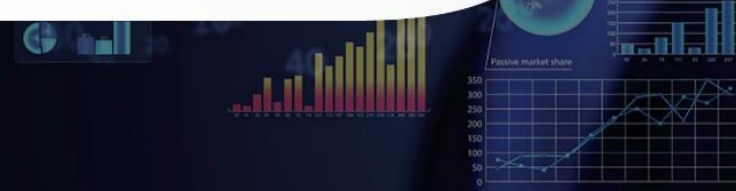


# ROI INSTITUTE® BENCHMARKING REPORT 2019



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# 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. We received 246 complete responses out of a sample of approximately 1,000 contacts. This response represents a cross-section of the users of the ROI Methodology, including those in the one to three years of usage timeframe (30% of respondents). This is the time period during which 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. These consultants are working with organizations who do not have, or are in the process of building capability in measurement, evaluation, and the use of the ROI Methodology. 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 perceive 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

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The key to a successful implementation is 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 areas.

### Organizing for ROI Practice

Some survey questions focused on getting organized and prepared to develop an ROI practice. One area included in the survey was the average number of full-time ROI 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 provides the structure, philosophy, and instruction for the entire organization. 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 approximately 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.

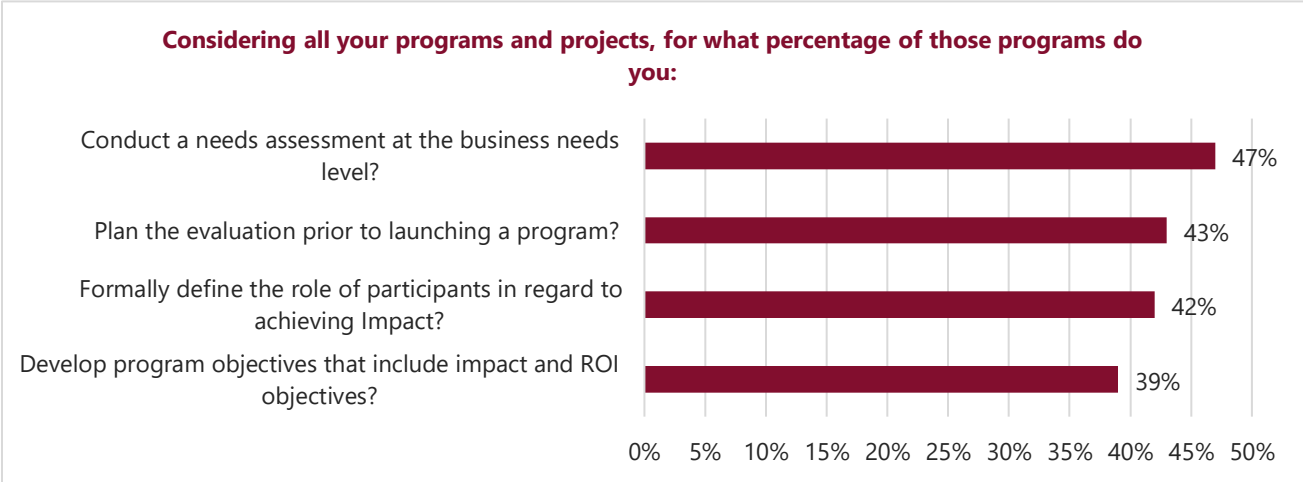
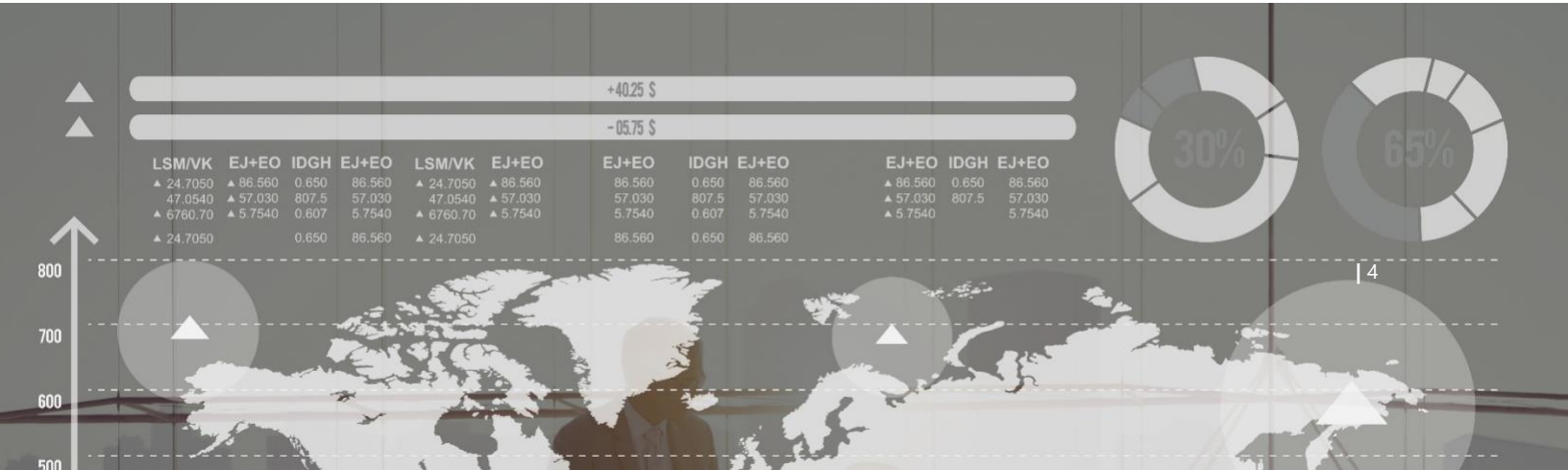


Figure 1. Setting Up Programs for Success



Respondents were asked when the evaluation plan was typically developed for a particular program. 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.

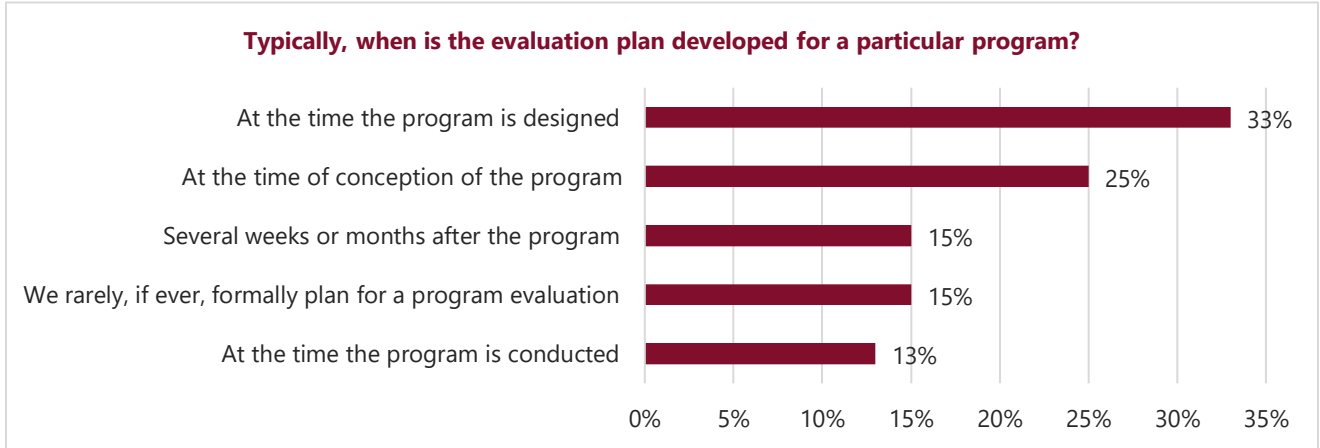


Figure 2. When Do you Decide to Evaluate for Impact and ROI?

Another important area is setting objectives. ROI Institute has advocated setting objectives for all five levels with ROI, the fifth level, set only when there is an ROI calculation planned. Figure 3 shows that 52% of programs have objectives at level three, and 39% have impact objectives. These results represent improvements and shifts from previous benchmarking.

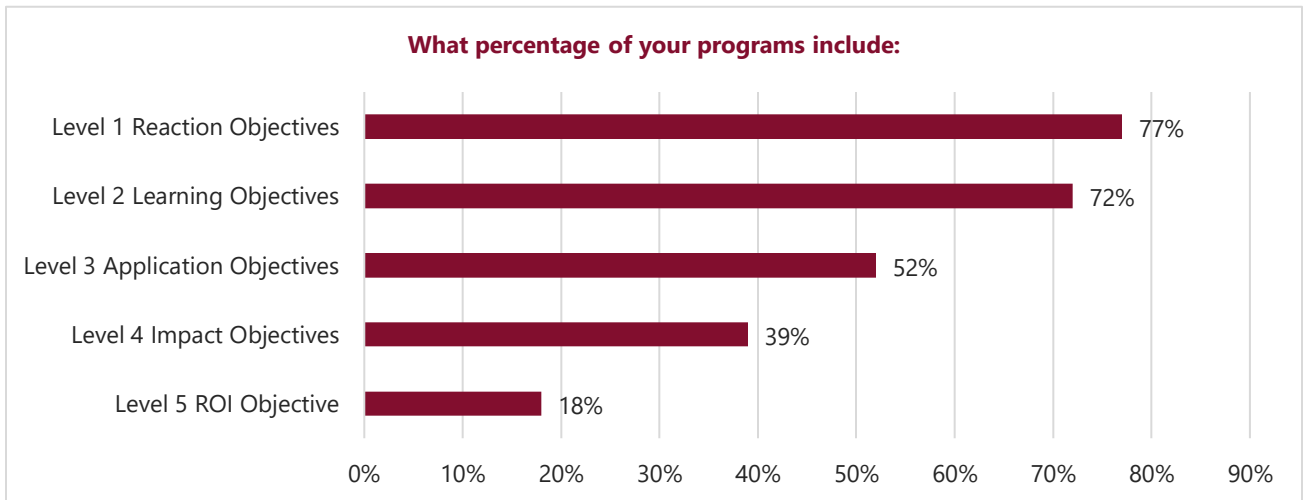


Figure 3. Profile of Objectives

As shown in Figure 4, less than a hundred percent of respondents (80%) reported evaluating at the reaction level. The percentage of respondents who evaluated at the learning level was 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.

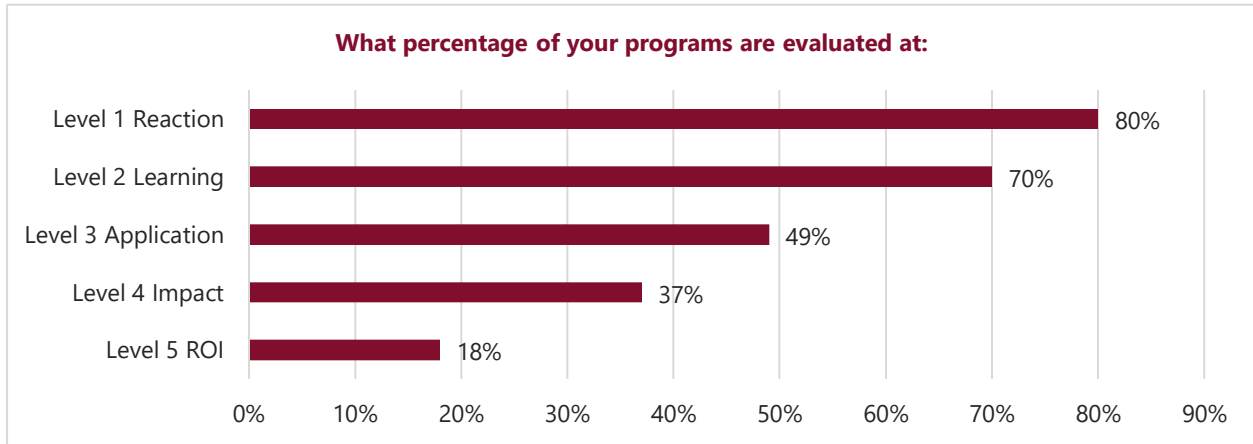


Figure 4. Percentage of Programs Evaluated at Each Level





# 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, as well as using that data to drive important changes, such as process improvements. One of the first topics 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 use 71% of the time. 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 accurate methods for collecting data for level three. However, for observation to be successful, observers must be invisible or unnoticeable. According to respondents, the respondents represented are utilizing performance records and databases 51% of the time.

There was an increase in the use of action plans and performance contracts. These are alternatives to surveys and questionnaires, and respondents using them 43% of the time. Focus groups are the least-used method at 27%.

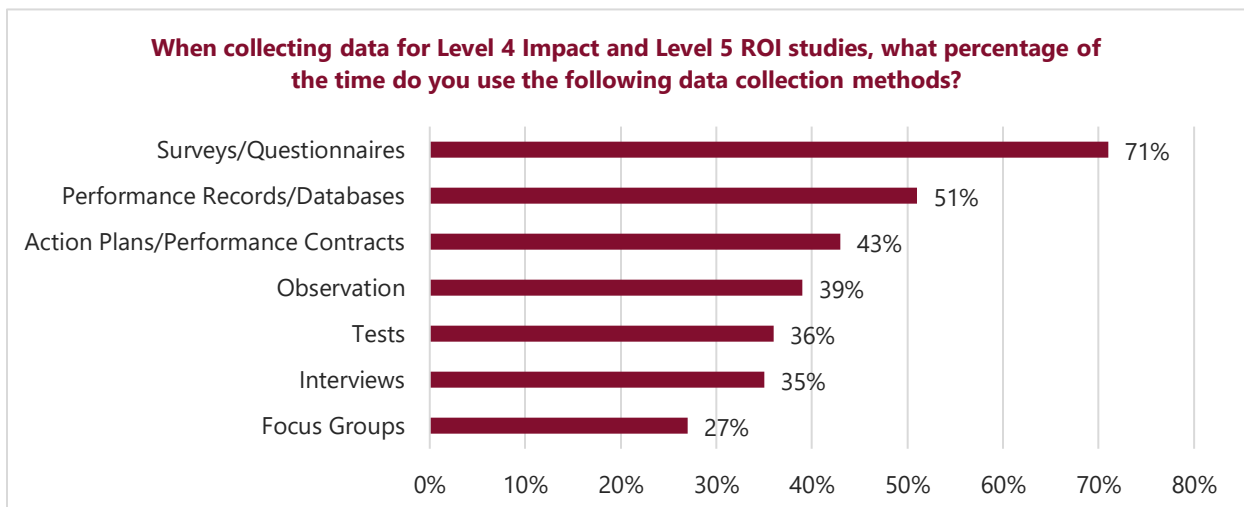


Figure 5. Use of Data Collection Methods



## 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. Previously, approximately 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 grown to 28%. This is a payoff of analytics practices that are implemented in organizations. Analytics teams are often charged with developing relationships between variables; some of the factors or influences that are injected into a process are often changed into variables. 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 used the most at 57%. While we encourage for them to be collected 100% of the time, participant estimates should only be used in analysis if the other methods do not work.

Manager estimates are used 49% percent of the time. In most cases, managers are not close enough to the situation to credibly sort out the influence of other factors. Of all the sources, it is the participant who is

often the most credible. Expert input is being used 37% of the time. It is vital for experts to based their opinion on credible studies and can provide credible input.

Customer input is used 38% of the time, which means that many projects involve customer-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.

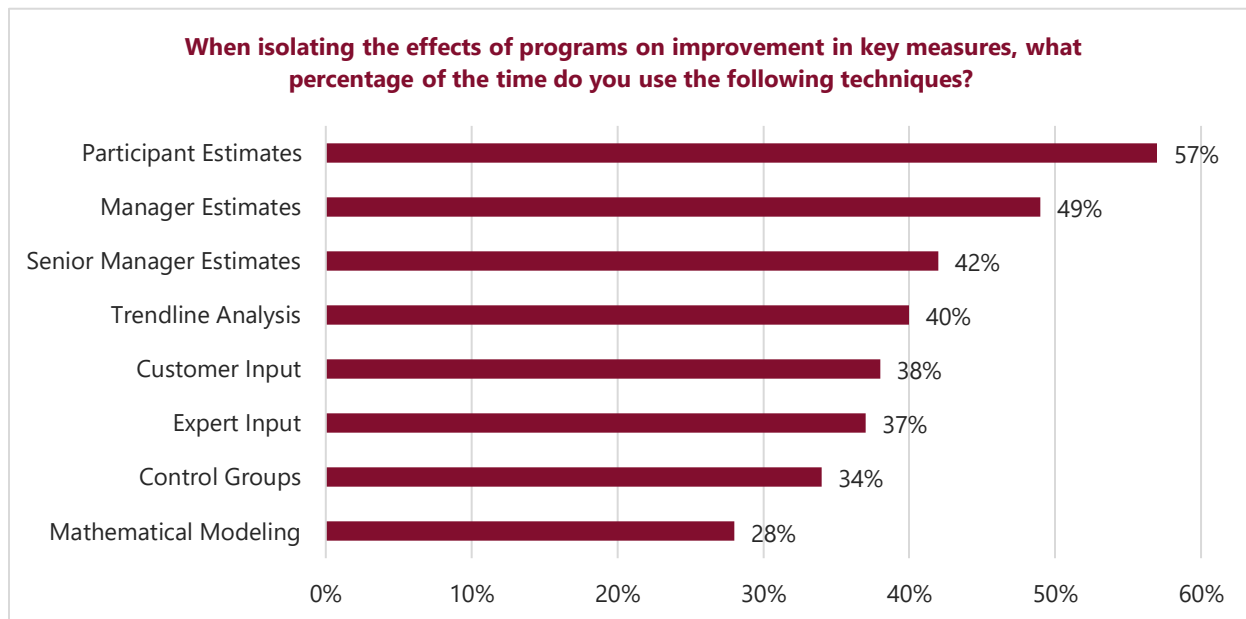


Figure 6. Methods Used to Isolate the Effects of Programs

## 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. Based on this research, 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. This use could mean that this source was attempted in the final analysis. The same is true with staff estimates (41%). Respondents 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.

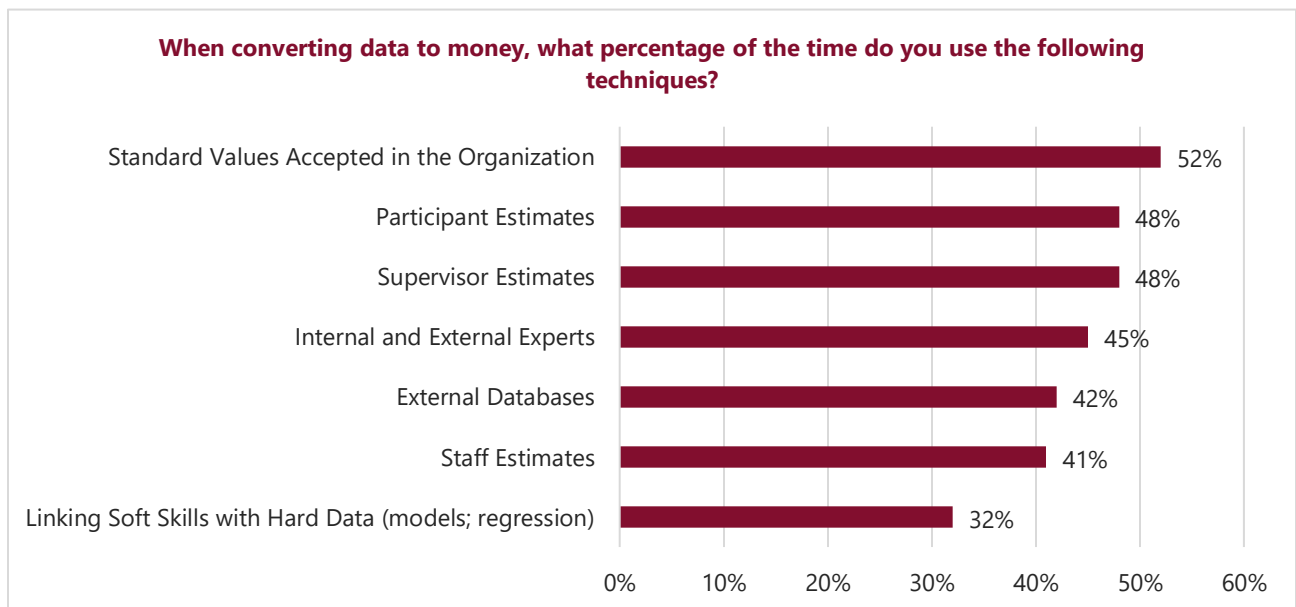


Figure 7. Methods Used to Convert Data to Money

## 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 groups in different ways. One of the most important communication areas is a face-to-face meeting during which an impact study is presented. 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 these meetings allow for 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 approximately 30% of the time. This is an opportunity for improvement.

## Building Partnerships

The key to any implementation is to have good partners. These are 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.



Figure 8. Building Partnerships

## Cost and Time Savings Approach

One challenge in implementing 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.

The second most selected approach 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 a more credible method cannot be used.

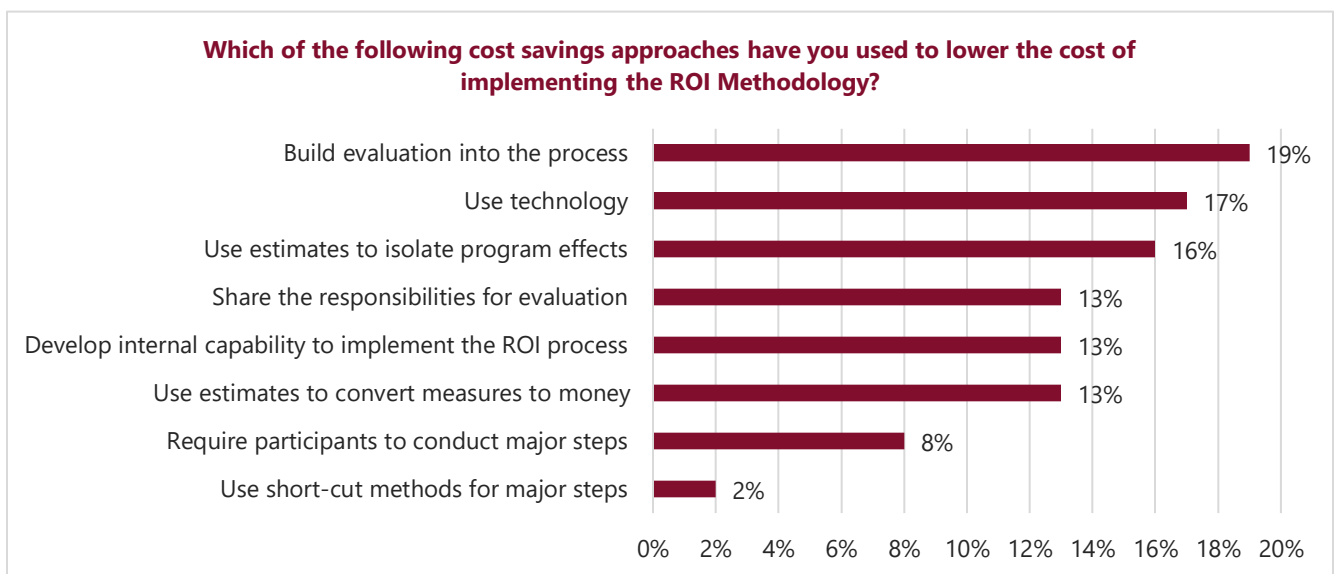


Figure 9. Cost Savings Approaches



# Supporting ROI Use

To make ROI systematic, routine, and efficient, specific 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 question that followed addressed 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 respondents delegate 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. 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?

As shown in Figure 10, the number one reason for implementing the ROI Methodology is that a business leader or operating executive has requested it. 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 added together, executives are involved 57% of the time. 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.

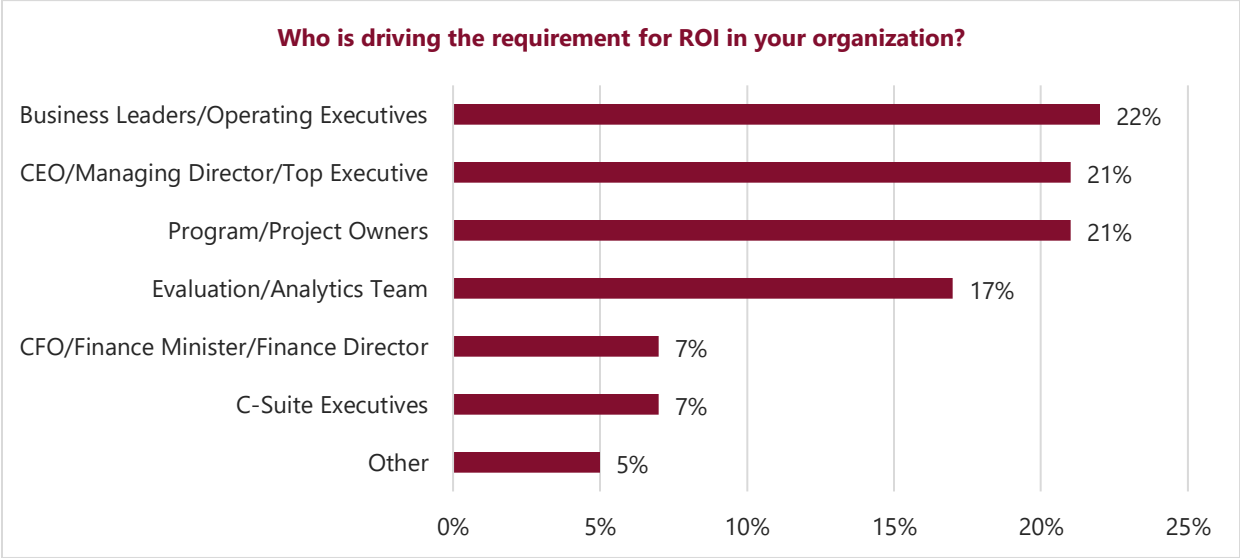


Figure 10. Drivers for ROI Implementation

## 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%). Several actions can be taken to improve support. Fear of a negative ROI, which is often perceived as a higher-ranked barrier, was selected by 10% of respondents. The “Other” category (12%) listed several issues such as lack of cooperation, too complicated, competing priorities, fear of transparency, and lack of technology.



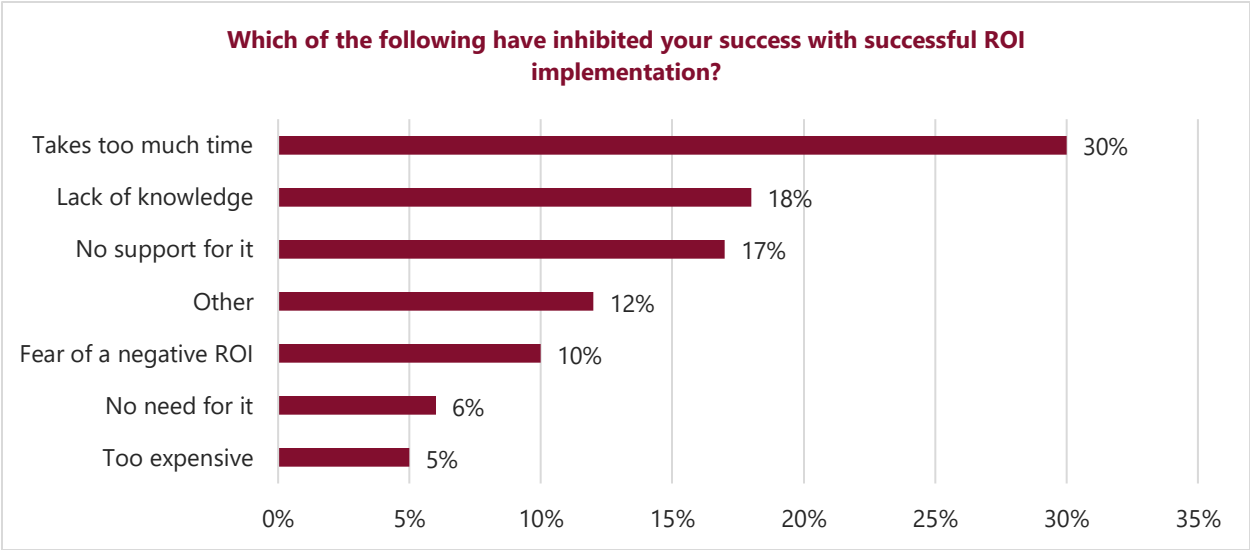


Figure 11. Barriers to ROI Implementation

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 followed at 18%. Having a capable team (training) was a key enabler, as well as tools, templates, and job aids which was also selected by 15%. ROI Institute support was the next enabler (13%), and the members-only portal was selected by 6% of respondents, tied with adequate budget.

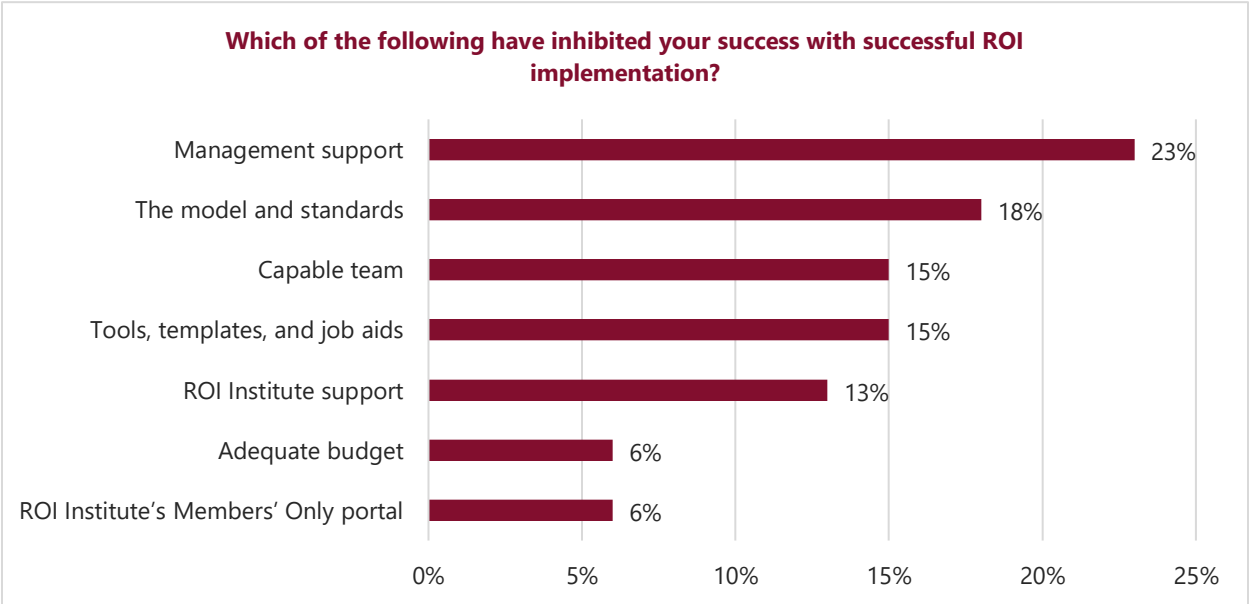


Figure 12. Enablers to ROI Implementation

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. This is followed closely by justifying the budget (19%). Process improvement was also selected by 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 team satisfaction (8%) round out the benefits.

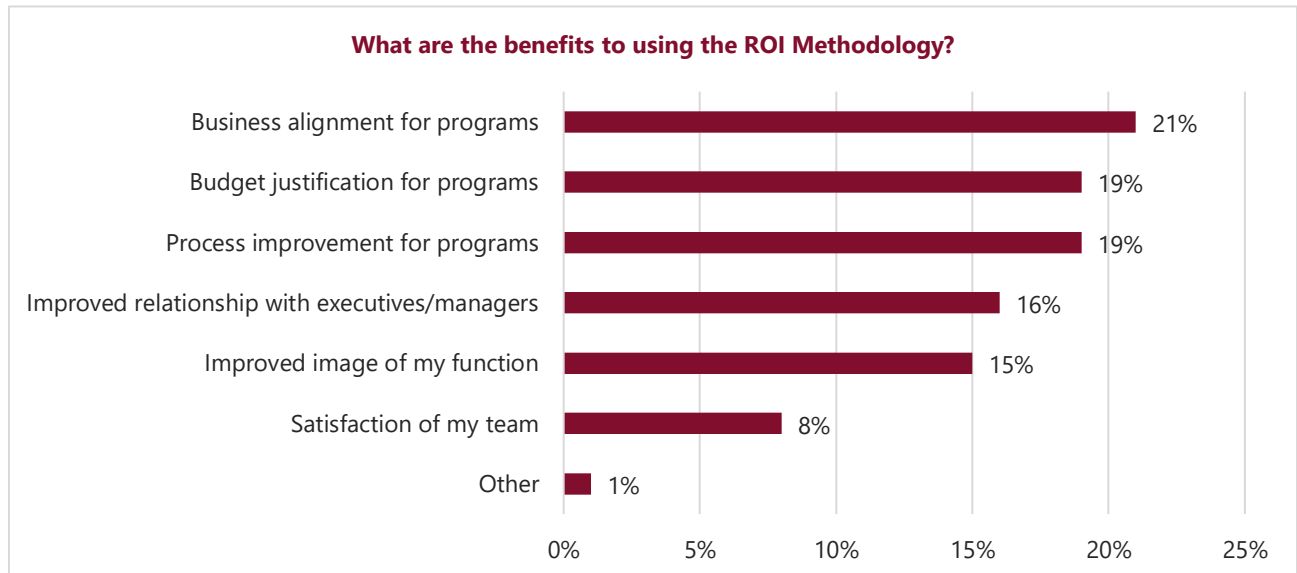


Figure 13. Benefits of ROI Implementation

## Networks

One way 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. 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 possible reasons why these technologies do not have a high degree of usage by ROI users (such as cost). However, users may not know about these platforms and how they can be used to enhance ROI implementation.

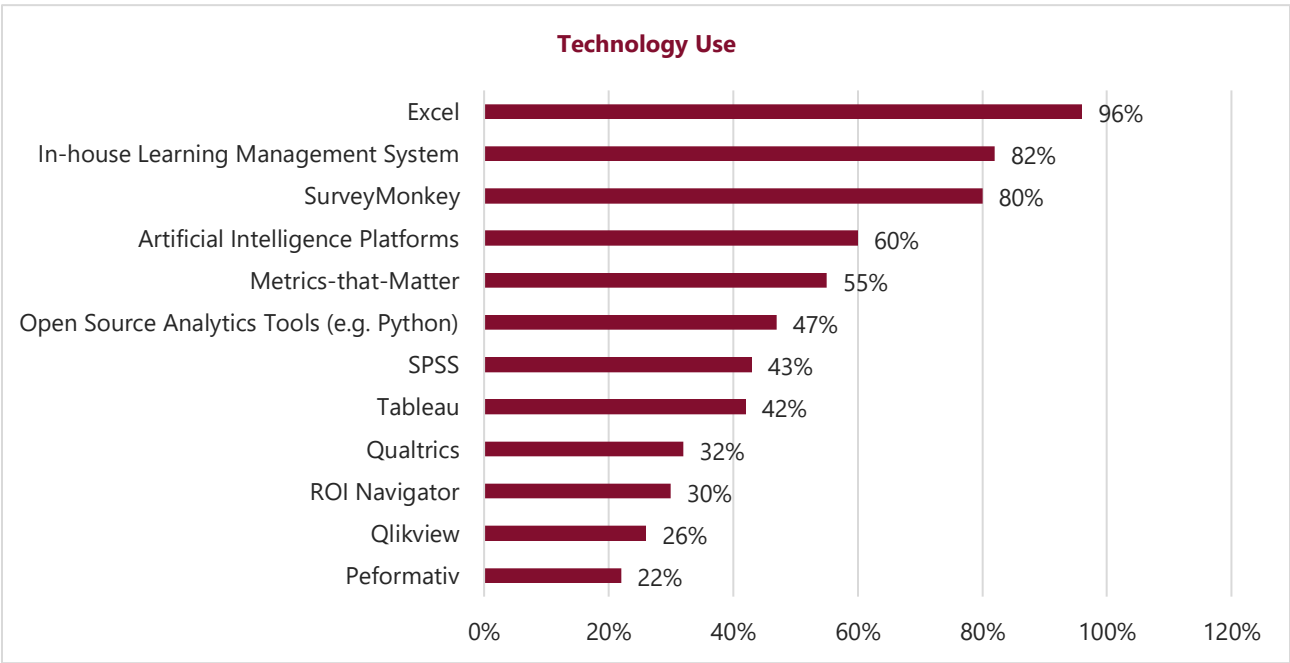


Figure 15.

# Conclusions

This benchmarking data presents data that indicate progress is being made in a variety of ways in diverse areas. 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 improvement. 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 realized.

The relatively high percentage of programs evaluated at Level 4, Impact, is notable, as is the number evaluated at Level 5, 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.

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 removed from the actual program. The participant is generally the most credible source, and more emphasis needs to be placed on their data in the future..



The techniques used to convert data into money (Figure 7) produced high estimates. They should be used in order to report another input and not as the final decision-maker. However, there are legitimate situations where these inputs are appropriate.

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 present areas for future improvement.

As shown in Figure 8, survey respondents are using a variety of methods to improve partnership relationships with key managers. While results from specific programs are presented 20% of the time, the seven actions presented to improve manager relationships should be taken as often as possible; 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 known that top executives are actively seeking ROI implementation, professionals need to pursue ROI on a more proactive basis.

The enablers identified by respondents (Figure 12) included the ROI Methodology model and standards at 18%. 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. Additionally, 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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