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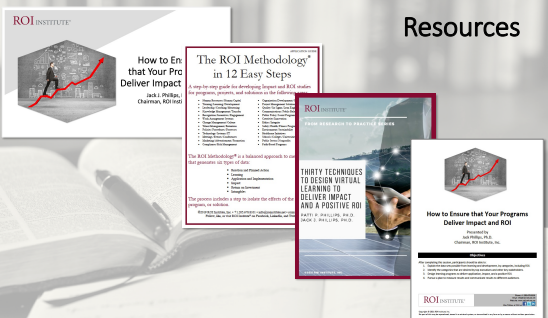
How to Ensure that Your Programs Deliver Impact and ROI

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

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Resources



How to Ensure that Your Programs Deliver Impact and ROI
Jack J. Phillips, Chairman, ROI Institute

The ROI Methodology® in 12 Easy Steps
A step-by-step guide for developing, testing, and evaluating ROI studies for programs, projects, and initiatives in the workplace.

THIRTY TECHNIQUES TO DESIGN VIRTUAL LEARNING TO DELIVER IMPACT AND A POSITIVE ROI
Jack J. Phillips, Ph.D. and Robert W. Phillips, Ph.D.

How to Ensure that Your Programs Deliver Impact and ROI
Jack J. Phillips, Ph.D. and Robert W. Phillips, Ph.D.

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Session Objectives

After attending this session, participants should be able to:

1. Explain the data sets possible from learning and development, by categories, including ROI.
2. Identify the categories that are desired by top executives and other key stakeholders.
3. Design learning programs to deliver application, impact, and a positive ROI.
4. Pursue a plan to measure results and communicate results to different audiences.

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Why Are You Interested in Measuring ROI Now?

- Top executives are requiring this. I must pursue it.
- I have pressure to justify my budget. I need to pursue this.
- I know I will need to demonstrate more value in the future.
- I want to show increased accountability for our expenditures.
- I want to experiment with and explore new techniques to measure program success.

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Serious Performance Challenges

**True
or
False?**

1. Most 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.

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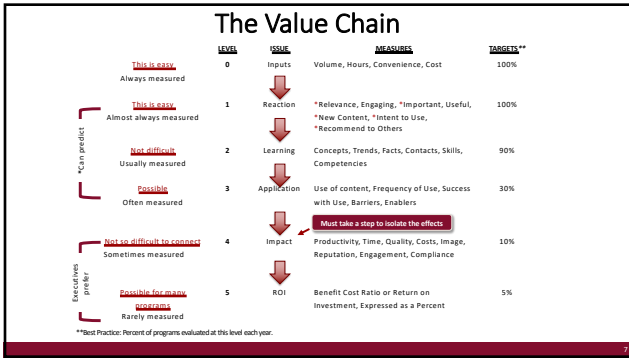
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It's much worse for virtual.

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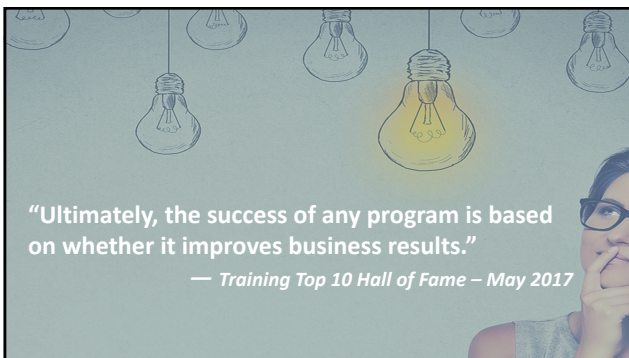
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What CEOs Want

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

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

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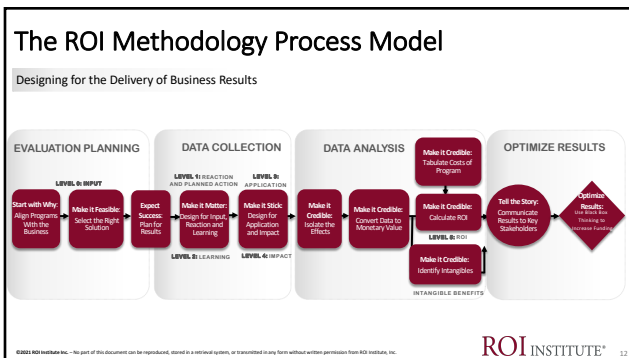
What is Design Thinking?

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.

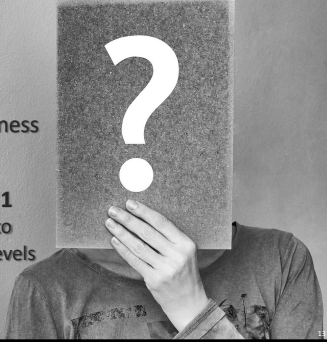
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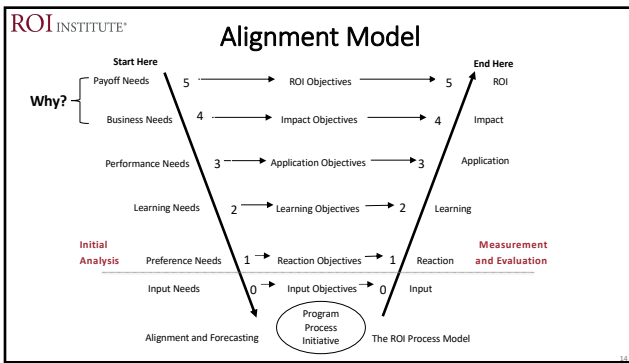
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Start with Why
Align Programs with the Business

Design Thinking Principle 1
A problem-solving approach to handle problems on a systems levels



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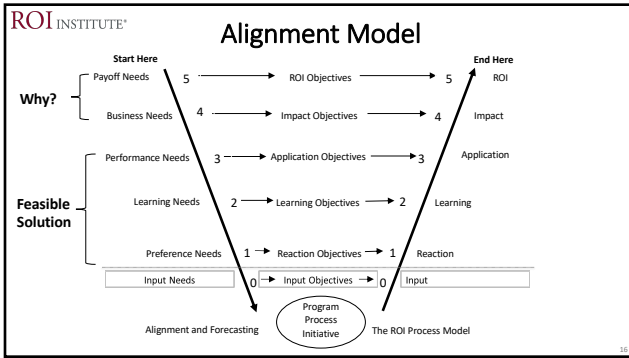
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Make it Feasible
Select the Right Solution

Design Thinking Principle 2
A mind-set for curiosity and inquiry



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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



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Expect Success

Design for Results

Design Thinking Principle 3
A framework to balance needs and feasibility

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Developing Objectives for Each Level

Levels	Focus
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 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

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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.

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Evaluation Levels with Objectives

After completing this program or project, participants should be able to:

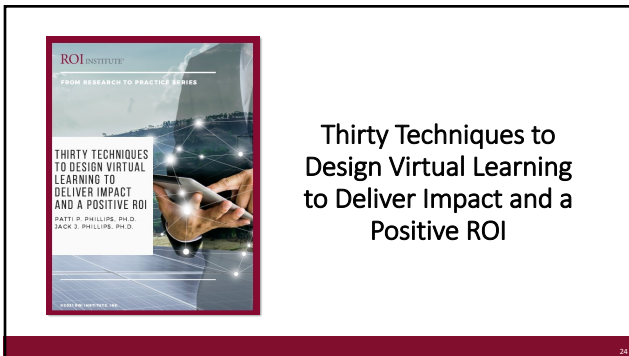
1.	Decrease citizen complaints by 20% in one year.		
2.	Use problem-solving skills to uncover product defect causes.		
3.	Be able to demonstrate the five steps to calm an upset customer.		
4.	Perceive the content to be relevant their situation (4.5 out of 5).		
5.	Decrease security breaches by 25% in six months.		
6.	Achieve a 20% ROI one year after implementation of sales incentive system.		

1 = Reaction 2 = Learning 3 = Application 4 = Impact 5 = ROI

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Data Collection Methods

Method	Level			
	1	2	3	4
• Surveys	✓	✓	✓	
• Questionnaires	✓	✓	✓	✓
• Observation				
• Interviews	✓	✓	✓	
• Focus Groups	✓	✓	✓	
• Tests/Quizzes		✓		
• Demonstrations		✓		
• Simulations		✓		
• Action planning/improvement plans			✓	✓
• Performance contracting			✓	✓
• Performance monitoring				✓

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Make it Credible

Measure Results and Calculate ROI

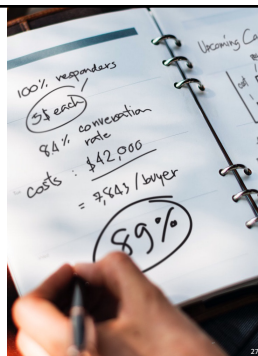
- Isolating the effects of the program
- Converting impact data to money
- Identifying intangible benefits
- Tabulating cost of the program
- Calculating ROI

Design Thinking Principle 6
A fixed process and a tool kit

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What percent of your programs are evaluated at the impact level per year?

- A. None
- B. About 5%
- C. About 10%
- D. About 15%
- E. More than 20%



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Measurement Targets

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

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What is ROI?

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

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

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ROI Calculation Example

Program: Inclusive Leadership
 Program Benefits = \$762,393
 Program Costs = \$387,708

*Data taken from an inclusive leadership case study.

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What is ROI?

$$\text{BCR} = \frac{\$762,393}{\$387,708} =$$
$$\text{ROI} = \frac{\$762,393 - \$387,708}{\$387,708} \times 100 =$$

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Executives and chief financial officers need ROI data for major programs.

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Tell the Story
Communicate Results to Key Stakeholders

Design Thinking Principle 7
A storytelling process to inspire senior executives

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Optimize Results

Use Black Box Thinking to Increase Funding

Design Thinking Principle 8
A new competitive logic of business strategy

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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".

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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.

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Congratulations!
Winners can choose a digital copy of one of these books.

- *Proving the Value of Soft Skills: Measuring Impact and Calculating ROI*
- *ROI Basics, 2nd Edition*
- *The Business Case for Learning*
- *The Bottomline on ROI, Third Edition*

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Click the link below to access resources from today's session.

<https://roiinstitute.net/talsuccess-roi-training/>

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