



Delivering Results that Executives Will Love

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

The ROI Methodology[®] in 12 Easy Steps

A step-by-step guide for developing Impact and ROI studies
for programs, projects, and solutions in the following areas:

- Human Resources/Human Capital
- Training/Learning/Development
- Leadership/Coaching/Mentoring
- Knowledge Management/Transfer
- Recognition/Incentives/Engagement
- Work Arrangement Systems
- Change Management/Culture
- Talent Management/Retention
- Policies/Procedures/Processes
- Technology/Systems/IT
- Meetings/Events/Conferences
- Marketing/Advertising/Promotion
- Compliance/Risk Management
- Organization Development
- Project Management
- Quality/Six Sigma
- Communications/PR
- Public Policy/Social
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Fitness
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Non-Profit
- Faith Based Programs

The ROI Methodology[®] is a balanced approach
that generates six types of data:

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

The process includes a step to isolate the effects of
program, or solution.

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ROI INSTITUTE[®]

ROI Methodology

A comprehensive measurement

process that generates six types

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

This balanced approach to measurement
step to isolate the effects of the

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ROI INSTITUTE[®]



Delivering Results that Executives
Will Love

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MEASURING AND ACHIEVING
SUCCESS IN ANY ENDEAVOR

Show the Value of What You Do

Patricia Pulliam Phillips
CEO of ROI Institute

Jack J. Phillips
Chair of ROI Institute

Resources

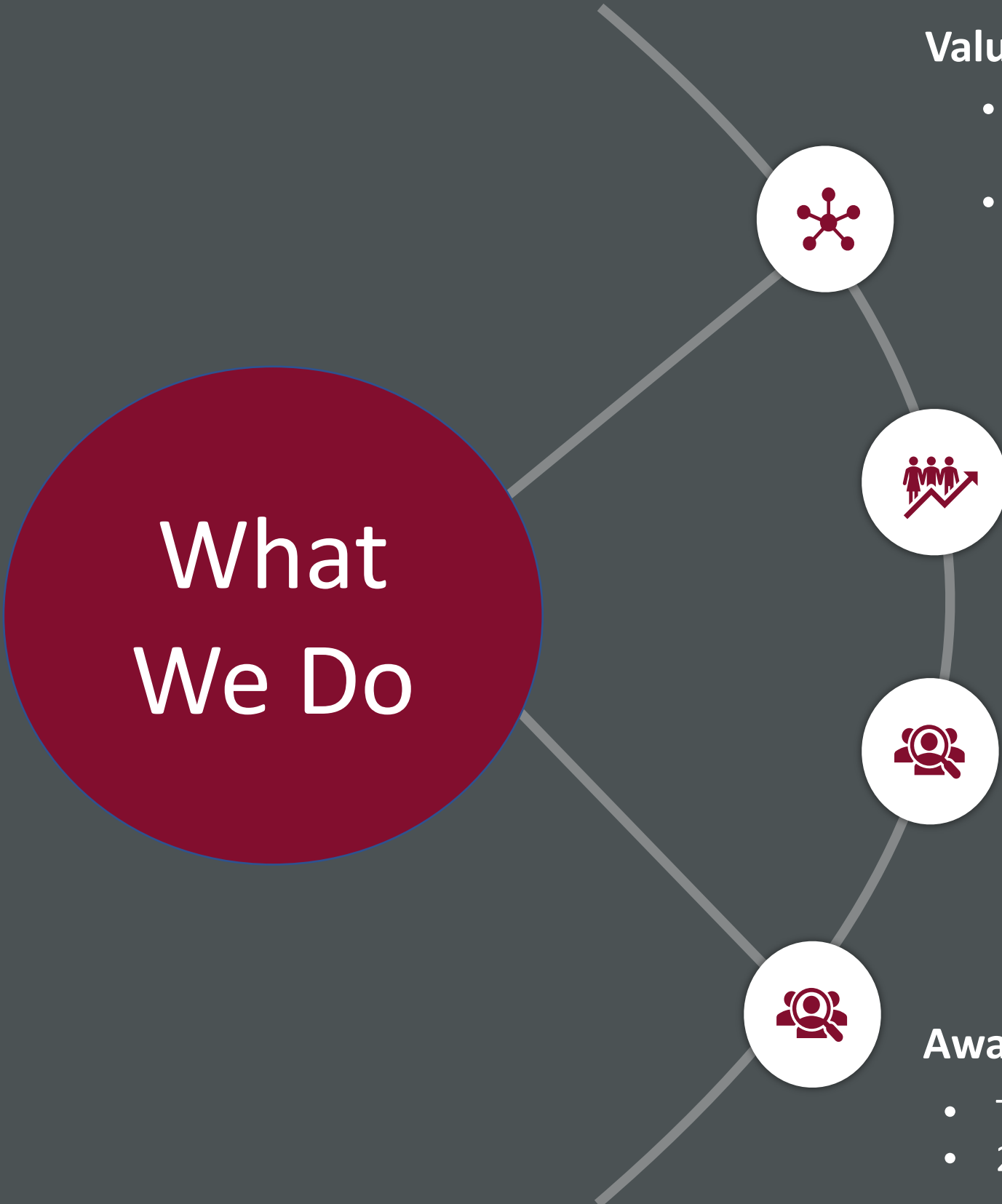
ROI INSTITUTE[®]



Delivering Training Results that
Executives Will Love

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

What We Do



Value Creation

- We are accountability, evaluation, and measurement thought leaders.
- We work across industries and sectors to help all professionals achieve success.

ROI Methodology

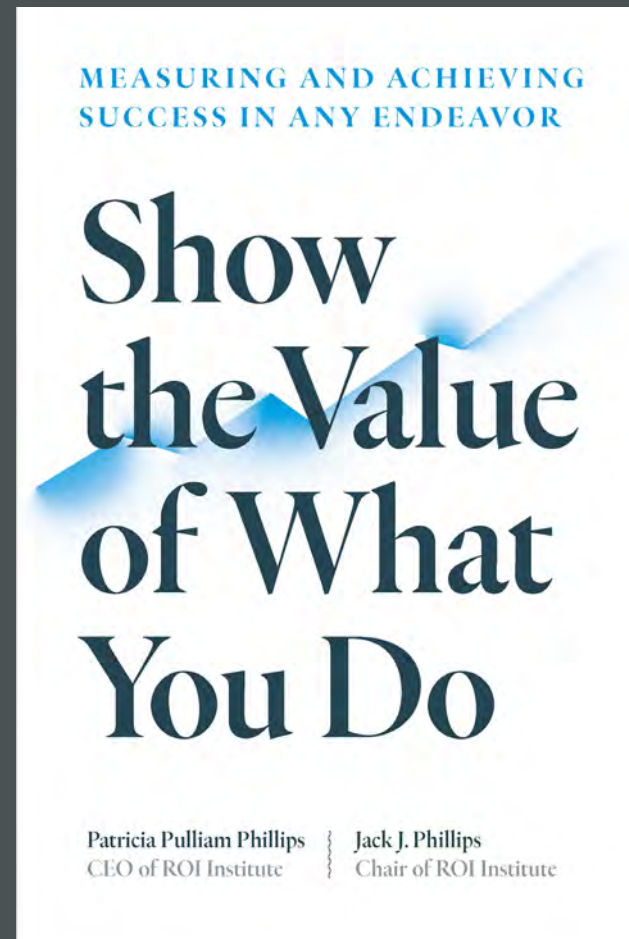
- We developed the ROI Methodology as a comprehensive system to measure the success of any type of endeavor.
- The methodology is the most used evaluation system in the world because it's a credible, CEO-friendly, and is a user-centered process.

Training Excellence

- We have trained more than 50,000 managers and professionals.
- Almost 20,000 individuals have participated in ROI Certification.

Awards & Recognition

- Top 50 Coaches in the World
- 2022 ATD Thought Leader Award Recipients



Relatable

It's full of stories and examples representing a broad range of settings.



Methodical

This book will show you how to measure and improve the success of your work in six easy steps.



Accountable

It's a process that will help you design for, deliver, and measure success.



The Value of Colleges and Universities:

How to Use ROI to Survive and Thrive in Turbulent Economic Times

Jack J. Phillips, Ph.D. and Patti P. Phillips, Ph.D.

The Many Applications of ROI in University Settings



Topics Covered

- Introduction to Show the Value Process
- Why? Start with Impact
- How? Select the Right Solution
- What? Expect Success with Objectives
- How Much? Collect Data along the Way
- What's It Worth? Analyze the Data
- Making it Work

How do you measure the success of your projects now?

(Select all that apply.)

- A. I capture the number of people involved in the project.
- B. I capture reaction and perception data.
- C. I measure what team members know to make it successful.
- D. I measure what team members are doing to make it successful.
- E. I measure the impact of the project.
- F. I measure the financial ROI.
- G. I do not measure the success of my projects.



Objectives

After completing this session, participants should be able to:

- Change your approach to defining and achieving success while improving future results.
- Describe how University of Miami can help to seamlessly integrate measurement and evaluation into your programs, projects, and practices.
- Pursue a plan to measure results and communicate results to different audiences.



Delivering and Measuring Success

Traditional Approach	Show the Value Approach
Start doing things with no end goal.	Start with the end in mind.
Have no system or process to achieve success.	Follow six steps to achieve success.
Rarely achieve the end goal.	Design for and achieve desired goals.
Focus on activities instead of results.	Deliver results on activities including impact and ROI.



What's Your Project?

1. What's the project?
2. Why is it important?
3. Why are you implementing it (business need)?
4. How will you measure success?

Level 1
Reaction

Expectations of how people involved in the project should react to and perceive the project so that you know the extent to which they buy-in.

Level 2
Learning

Expectations of what people must know or be able to do in order to do what you want them to do.

Level 3
Application

Expectations of what people should do to make the project successful.

Level 4
Impact

Expectations of achievement in addressing the why of the project or the impact the project has on the key measures.

Level 5
ROI

Expectations of the amount returned over and beyond the investment in the project.

Five Levels of Success

Developing the Value Chain: Crime in Atlanta

1. At what level of data is the focus of the success in the “8 Million Downloads” advertisement?
2. Could this project be measured at the reaction level? If so, what reactions would you desire?
3. Can the project be measured at the learning level? If so, how would this data be captured?
4. Can the project be measured at the application level? If so, how would this data be captured?
5. Is this project primarily for entertainment or information, or is it a call to action? Explain.
6. Could this project be evaluated at the impact level as it is designed? If not, how could it be redesigned to focus on impact?

What is your experience with ROI? (Select all that apply.)

- A. No experience with it.
- B. It's been suggested, but no action has been taken.
- C. I have attempted it.
- D. I have conducted an ROI study.
- E. I wish ROI would go away.



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

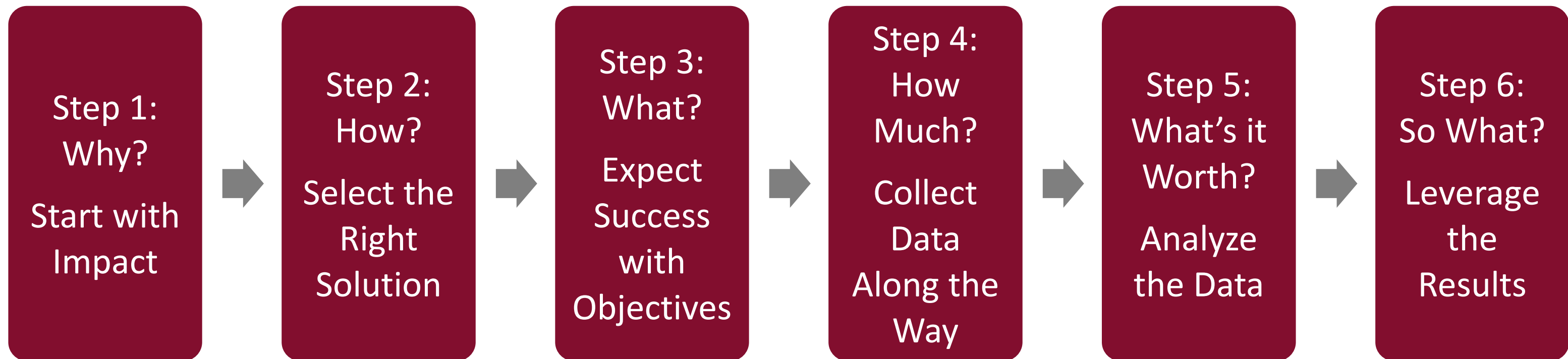
What CEOs Want

**True
or
False?**

Serious Performance Challenges

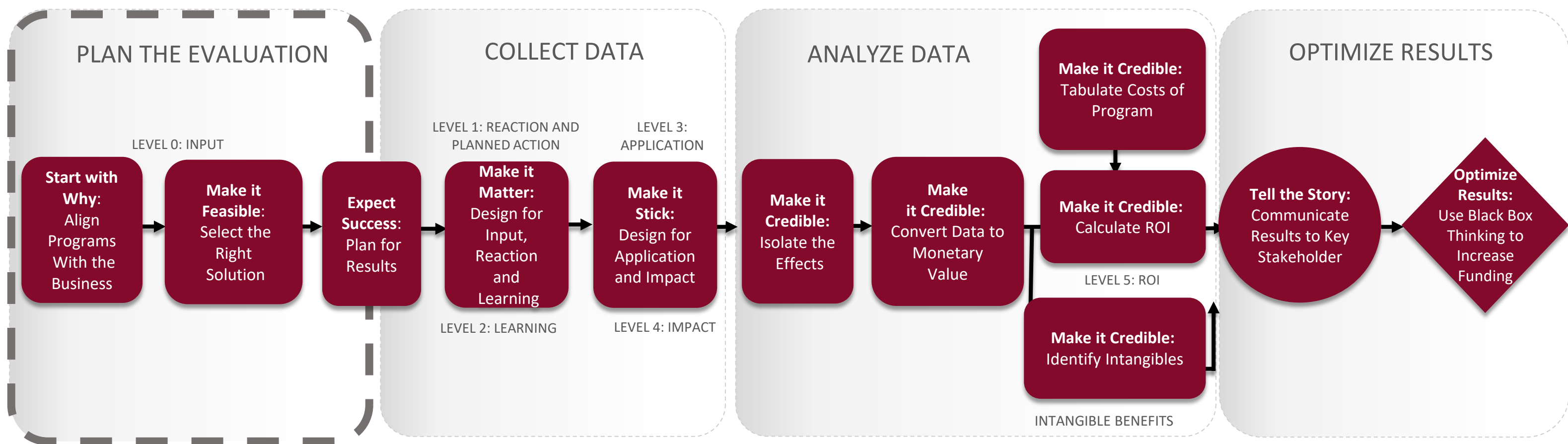
1. Most of learning and development is wasted (not used).
2. The learning outcome desired by executives in client organizations is rarely measured.
3. Most learning providers do not have data showing that they make a difference in the organization.
4. Most executives see learning as a cost and not an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

Show the Value Process



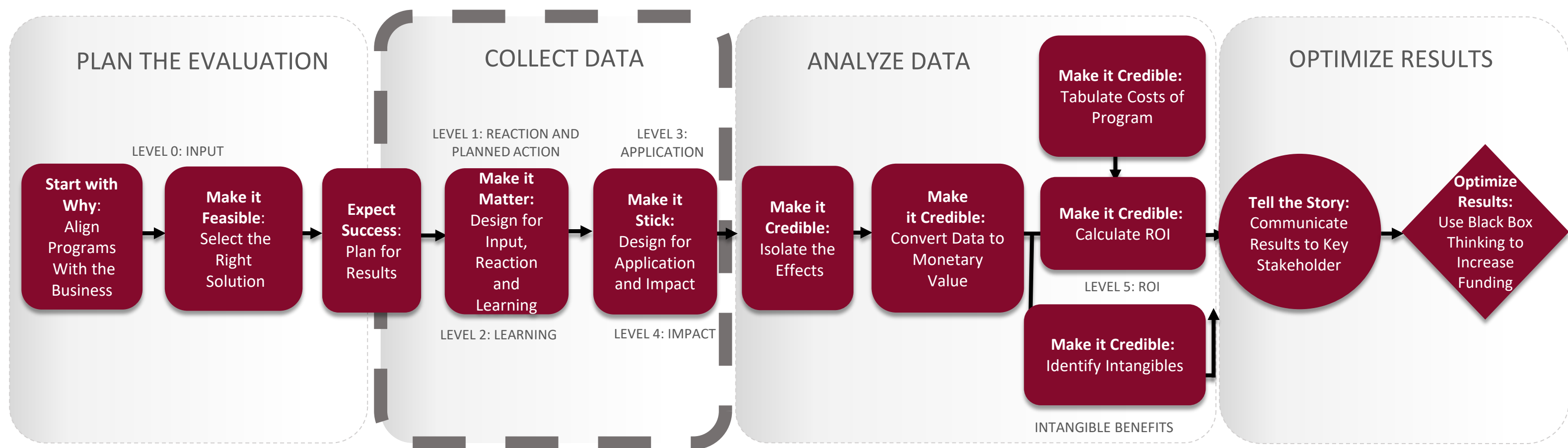
The ROI Methodology Process Model

Designing for the Delivery of Business Results



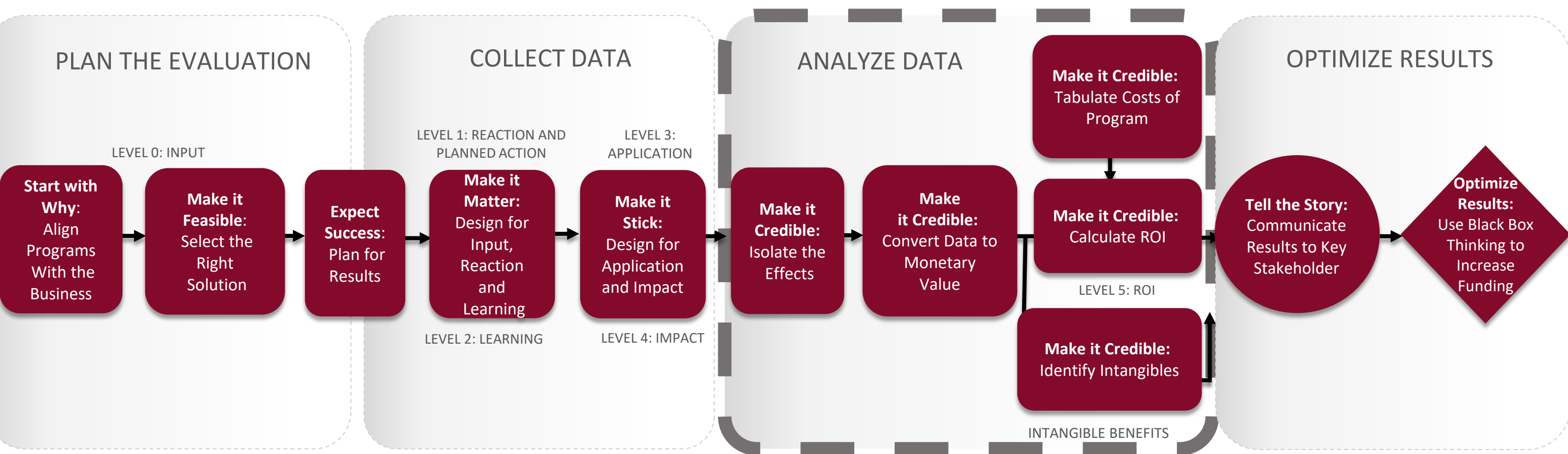
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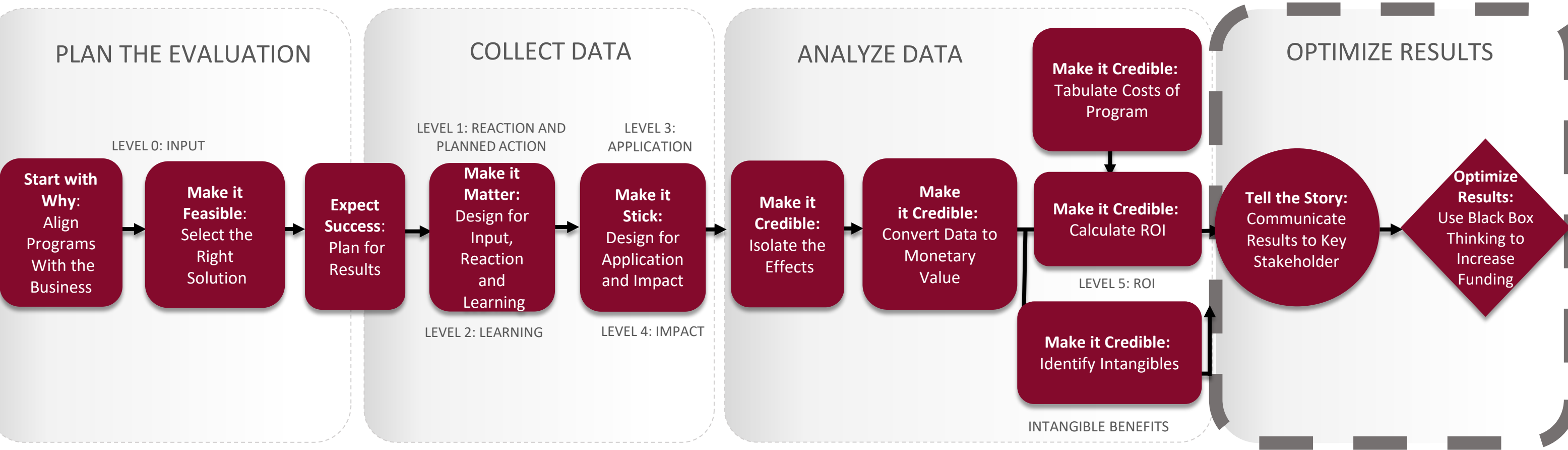
The ROI Methodology Process Model

Designing for the Delivery of Business Results



The ROI Methodology Process Model

Designing for the Delivery of Business Results



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

What Happens When Results are Surprising: Katie Westwood



Why? Start with Impact: Scotland Yard

1. Is this a typical situation?
2. What went wrong with this program?
3. Is the leadership development provider partially responsible? Explain.
4. What should have been the approach?







How? Select the Right Solution: Kansas City Swat Team

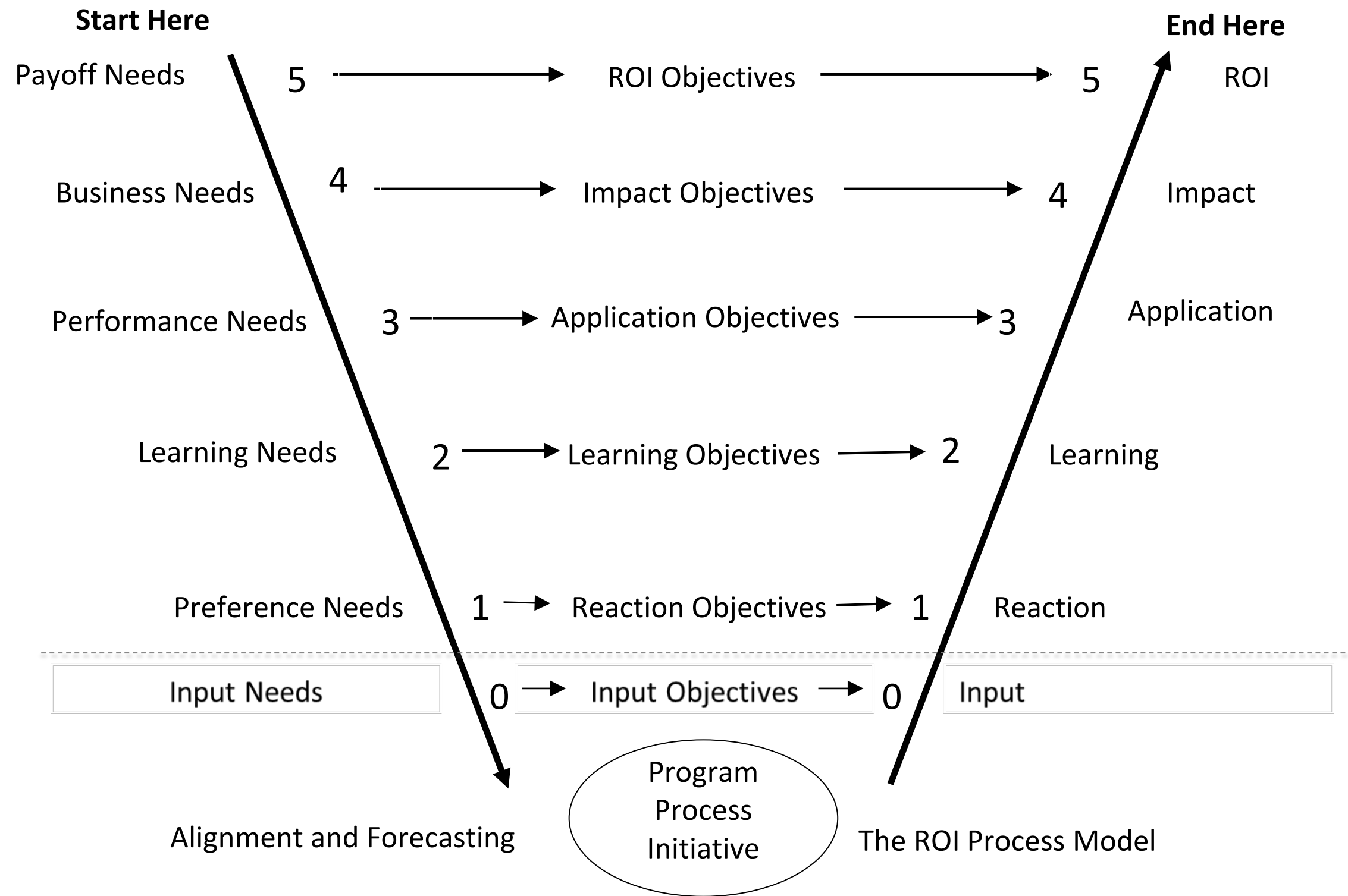
- What was the principal impact measure? Are there others? Explain.
- Is this appropriate validation of the right solution? Explain.

Finding 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.
8. Conduct an appropriate analysis.



Alignment Model



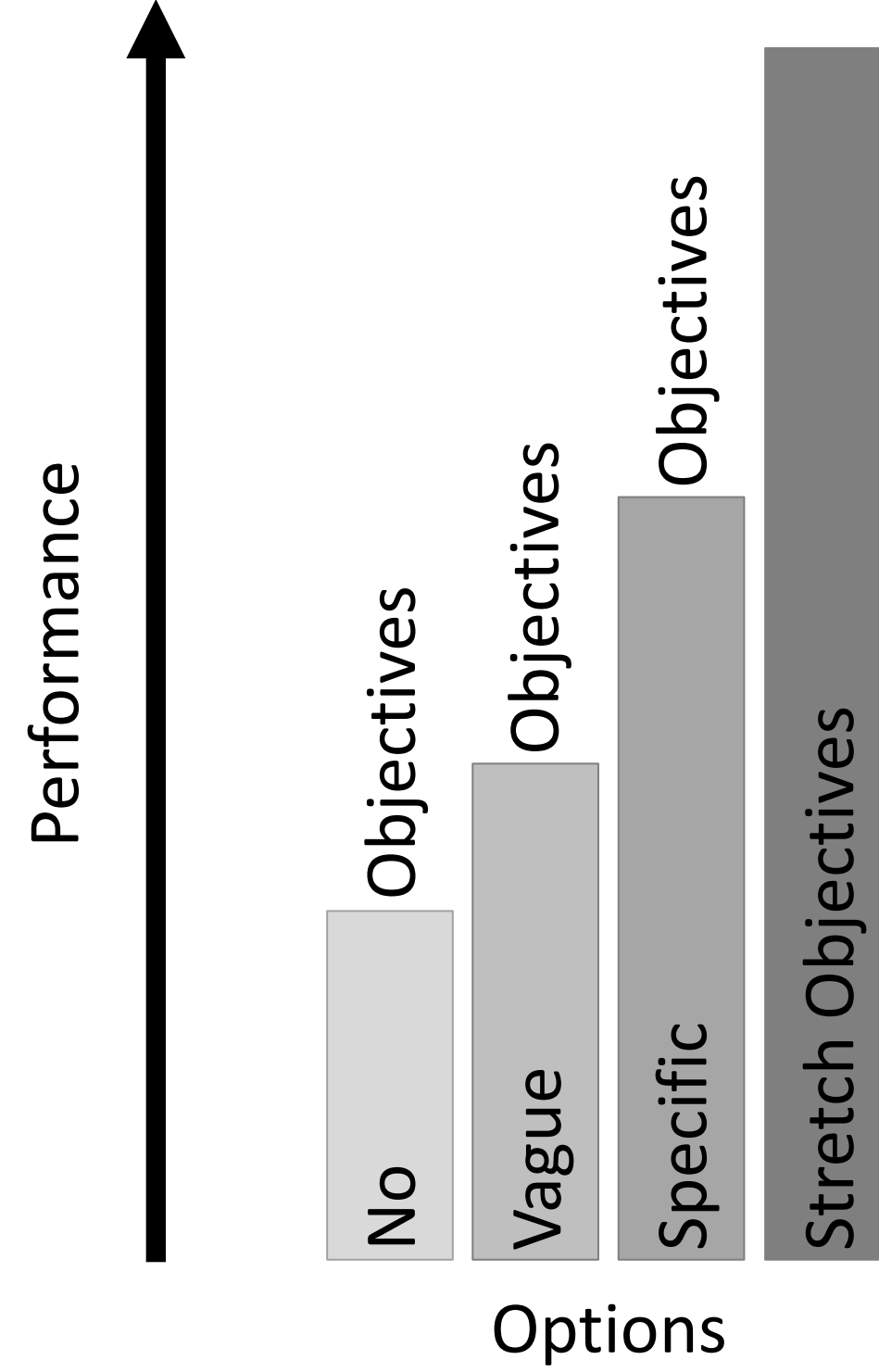
An aerial photograph of a pine nursery. Rows of young pine trees are planted in neat lines in a field. Several cardboard boxes are scattered on the ground, some containing more seedlings. A person is visible in the upper left, working in the field.

What? Expect Success with Objectives:

Martin Burt, Poverty Stoplight

1. Is it possible to have specific objectives for each level of outcome? Explain.
2. Why are objectives important?
3. What are the objectives for your project?
 - Reaction
 - Learning
 - Application
 - Impact

The Power of Objectives



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

Do you develop objectives at multiple levels? Explain.

A close-up photograph of a hand holding a silver pen, writing on a notepad. The notepad has a grid pattern and some handwritten text, including "Drive" and "More". The background is blurred, showing a blue surface.

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.

Matching Evaluation Levels with Objectives

After completing this program, participants should:

1.	Decrease citizen complaints by 20% in one year.	
2.	Use problem-solving skills to uncover causes of problems.	
3.	Be able to demonstrate the five steps to determine if there is a food security issue.	
4.	Rate the facilitator 4 out of 5 on presentation skills.	
5.	Decrease the amount of time required to develop a proposal by 25%.	
6.	Achieve a 20% ROI one year after program implementation.	
7.	Perceive the content to be relevant to actual situations (4.5 out of 5).	
8.	Decrease security breaches by 25% in six months.	
9.	Conduct a proper investigation using the seven-step process in 95% of complaint situations.	
10.	Score an average of 75 or better on new strategy quiz.	
11.	Complete a conflict-of-interest questionnaire each year as part of the new ethics policy.	
12.	Use all ten negotiation skills in at least 50% of negotiation situations.	

1 = Reaction

2 = Learning

3 = Application

4 = Impact

5 = ROI



Example of Program Objectives

Case Study: TALF University

How Much? Collect Data along the Way: Renew America Together

1. What issues do have with data collection?
2. How can you address these issues?
3. Which methods will you use on your project evaluation?



Data Collection Methods

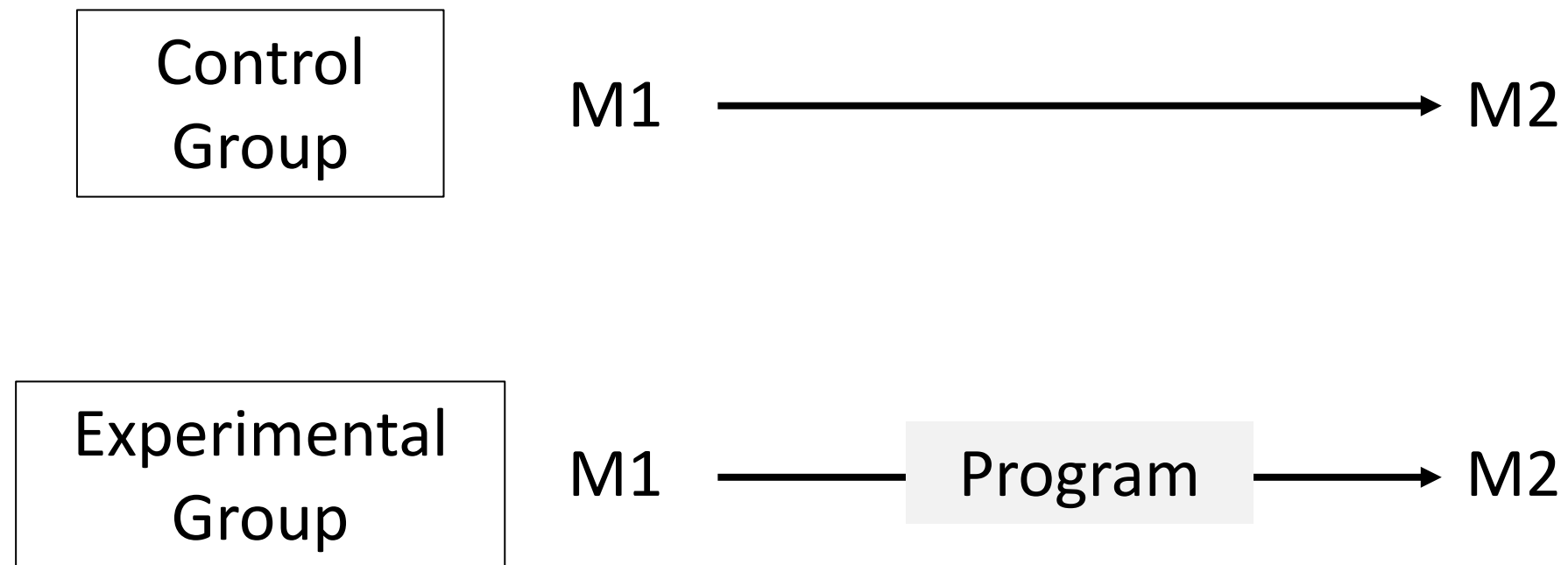
Method	Level			
	1 Reaction	2 Learning	3 Application	4 Impact
Surveys	✓		✓	
Questionnaires	✓	✓	✓	✓
Observation		✓	✓	
Interviews	✓	✓	✓	
Focus groups	✓		✓	
Tests		✓		
Action planning/performance contracting			✓	✓
Performance monitoring				✓

1. What are the strengths and weaknesses of each method?
2. Which will you use for your project?

What's it Worth? Analyze the Data: Jessica Kriegel

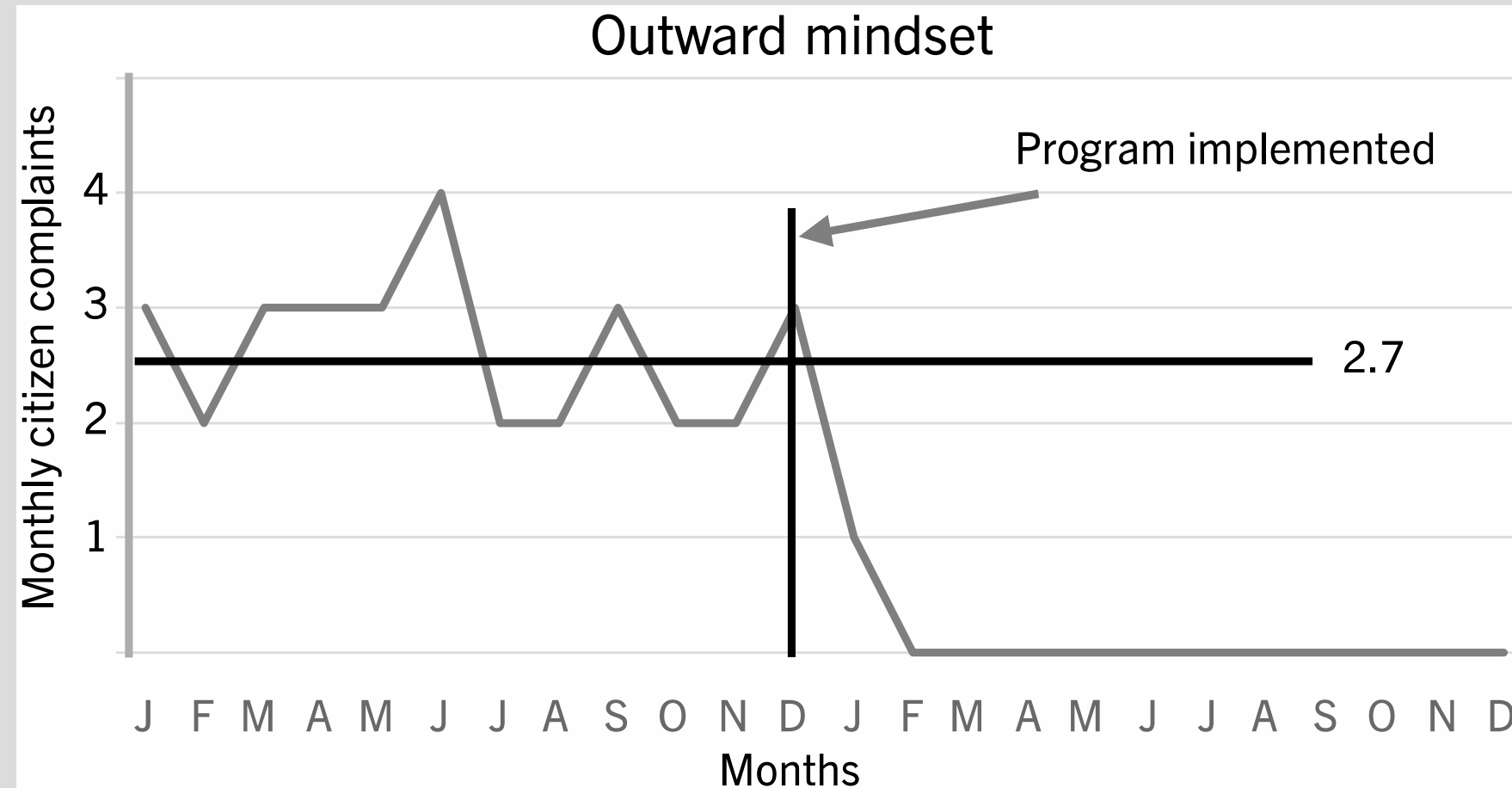
1. What are the impact measures?
2. How could the impact results be isolated from other influences?
3. What isolation method is being used here?
4. How could the impact data be converted to money?
5. Which costs should be included?
6. How is the ROI calculated?





1. Is this method credible? Explain.
2. What are the issues that can make this a success?

Experimental vs. Control Group



1. Is this approach credible? Explain.

Trend Line Analysis

<i>Research and Analytical Models</i>	<i>Estimations</i>
• Experimental versus control group	• Participant's estimate of impact
• Trend line analysis of impact data	• Significant other's/supervisor's estimate of impact
• Use of mathematical modeling	• Management's estimate of impact
• Calculating the impact of other factors	• Use of experts/previous studies
	• Use of customer/client input

1. Discuss the strengths and weaknesses of each method.
2. Can estimates be credible? Explain.
3. Which method(s) will you use for your project?

Techniques to Isolate the Effects of Projects and Programs



The Wisdom of Crowds*

1. What implications does this concept have in evaluation?
2. Can you cite other examples?



Methods of Converting Data to Monetary Values

- Converting output to contribution — standard value (profit/savings)
 - Converting the cost of quality — standard value
 - Converting employee's time (using compensation)
 - Using historical costs/savings
 - Using internal and external experts
 - Using data from external databases/studies
 - Linking with other measures
 - Using participants' estimates
 - Using supervisors' and managers' estimates
 - Using staff estimates
-

1. Discuss the strengths and weaknesses of these approaches.
2. When should a measure be left as an intangible?
3. Which method(s) will you use on your project?

Using External Databases

1. Is this credible? Explain.
2. What makes external data credible?





Common Intangibles

1. How are intangibles connected to a project?
2. What are the intangibles connected to your project?



Project Cost Categories

1. Discuss the issues around and feasibility of collecting these costs. Some may not be applicable to your project.
2. Which costs will be included in your project?

The Benefit-Cost Ratio and ROI Calculations

$$\text{BCR} = \frac{\text{Project benefits}}{\text{Project costs}}$$

$$\text{ROI} = \frac{\text{Project benefits} - \text{Project costs}}{\text{Project costs}} \times 100$$



Example

Project benefits = \$71,760

Project costs = \$32,984

$$\text{BCR} = \frac{\$71,760}{\$32,984}$$

$$\text{ROI} = \frac{\$71,760 - \$32,984}{\$32,984} \times 100$$



Rule	Its Meaning
Tell the complete story of success.	When conducting a higher level of evaluation, collect data at lower levels
Use the most credible sources.	When collecting and analyzing data, use only the most credible sources.
Choose the most conservative alternative.	When analyzing data, select the most conservative alternative for calculations.
Give credit where credit is due.	Use at least one method to isolate the effects of the solution.
Make no assumptions for nonrespondents.	If no improvement data are available for a population or from a specific source, assume that no improvement has occurred.
Adjust estimates for error.	Adjust estimates of improvement for the potential error in the estimates.
Omit the extremes.	Extreme data items and unsupported claims should not be used in ROI calculations.
Account for all project costs.	Fully load costs of the solution when analyzing ROI.

The Rules of the Road

So What?

Leverage the Results:

Ministry of Education, Oman

1. Summarize how Haifa leverages the resources of her ROI work.
2. How will you leverage the results of your evaluation?



<i>Primary Target Audience</i>	<i>Reason for Communication</i>
Client	• To secure approval for the project
Managers	• To gain support for the project
Participants	• To secure agreement with the issues
Top executives	• To enhance the credibility of the project leader • To improve the results and quality of future feedback
Immediate managers	• To reinforce the processes used in the project • To prepare participants for the project
Project team	• To drive action for improvement • To create the desire for a participant to be involved
Key stakeholders	• To show the complete results of the project
Support staff	• To explain the techniques used to measure results
All employees	• To demonstrate accountability for expenditures
Prospective participants	• To market future projects

**Which audiences
are best for your
project results?**

Common Target Audiences

-
- **Meetings**
 - Executives
 - Management
 - Stakeholders
 - Staff
 - **Detailed Reports**
 - Impact study
 - Case study (internal)
 - Case study (external)
 - Major articles
 - **Brief Reports**
 - Executive summary
 - Slide overview
 - One-page summary
 - Brochure
 - **Electronic Reporting**
 - Website
 - Email
 - Blog / social media
 - Video
 - **Mass Publications**
 - Announcements
 - Bulletins
 - Newsletters
 - Brief articles
 - Press releases
-

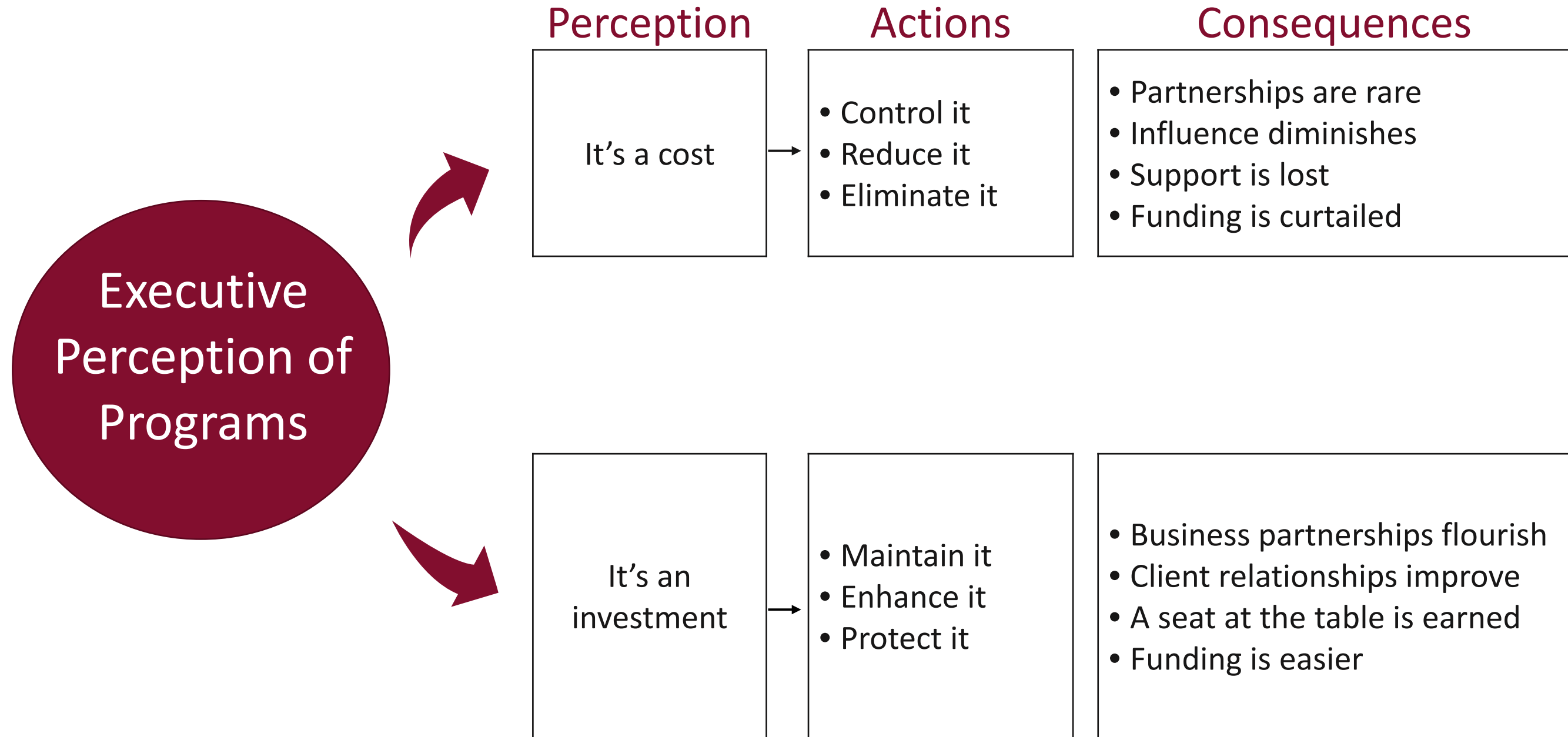
1. Which method(s) will you use to communicate results?

Methods of Communication

Process Improvement is the Key



Cost vs. Investment Perception: The Reality





How will you use the content from today's presentation? (Select all that apply.)

- A. I will do a better job of aligning my project(s) to the business in the beginning.
- B. I will plan (design) for project(s) to deliver impact.
- C. I will improve project objectives, especially at the application and impact levels.
- D. I will evaluate project(s) to the impact level.
- E. I will leverage the project results to secure more funding, support, and respect.

Next Steps



Read the book.



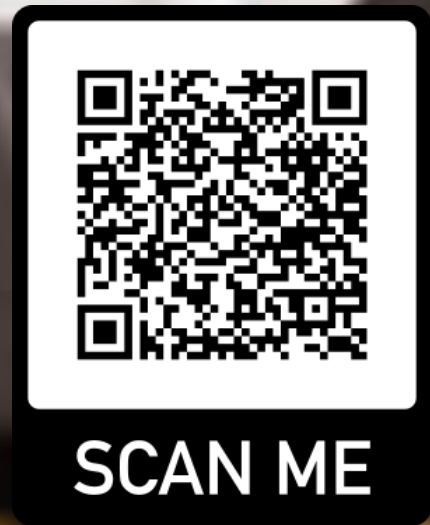
Implement Show the Value Approach



Participate in ROI Certification:
Comprehensive learning program,
coaching, and application.



Pursue a consulting engagement.



Scan the QR code to access
resources from today's session.



Need an ROI study on an important program or project?

ROI Certification is the Solution!

By attending ROI Certification, you will:

- Build serious measurement and evaluation capability.
- Maximize learning through weekly group coaching with ROI Institute leaders.
- Complete an ROI evaluation study on an important program.
- Earn the Certified ROI Professional® (CRP) designation and digital badge.
- Join the ROI Network with more than 6,000 ROI professionals.
- Advance your professional skills and improve organization outcomes.



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