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Objectives

After attending this session, participants should be able to:

1. Describe the need for more investment in measurement and evaluation.
2. Identify the levels of outcomes needed for top executives.
3. Design learning and development to deliver business value.
4. Measure learning and development at the impact and ROI levels.

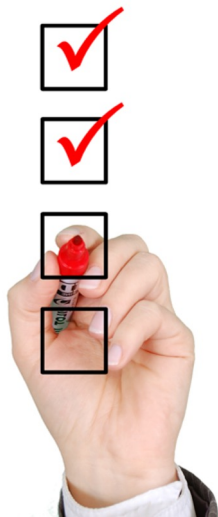


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How do you measure the success of your projects now? (Select all that apply.)



- ☒ I capture reaction and perception data.
- ☒ I measure what team members know to make it successful.
- ☐ I measure what team members are doing to make it successful.
- ☐ I measure the impact of the project.
- ☐ I measure the financial ROI.

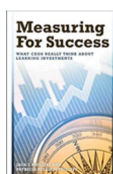
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Senior leaders want value from people investments.

67% of CEOs say they get at least a basic set of human capital metrics from HR – but **only 24% of survey respondents** said HR also provides data that connect their people metrics to business metrics.

Really, the question isn't about relevance of the (HR) function or a 'seat at the table;' rather, it is **what impact has HR made on the business.**

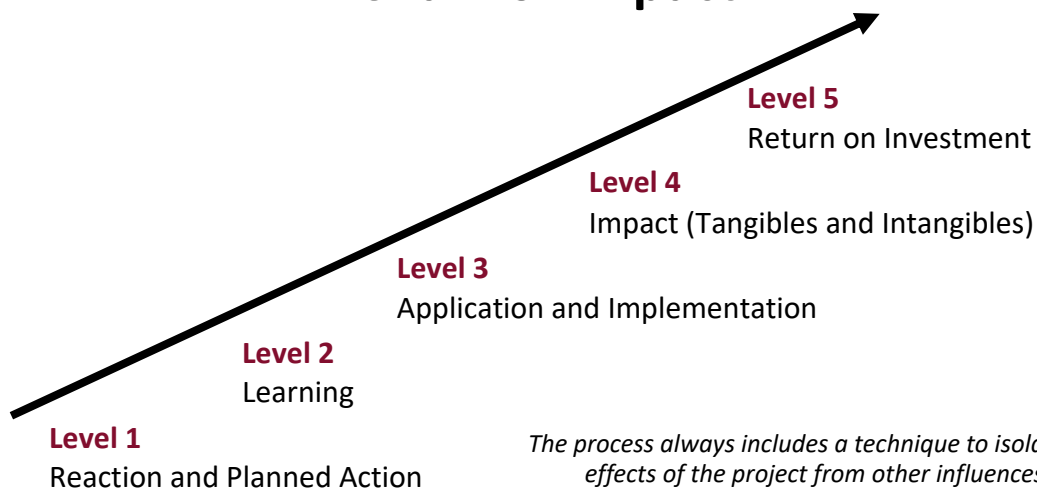
74% of CEOs report that they want ROI from training and development investments, but only 4% are getting it. Next to business impact data, **ROI is the most important metric** in their decision making.



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Chain of Impact



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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

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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.

(N=335)

71.2%

2015 Measurement and Metrics Study by CLO Magazine

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

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

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Progress is Being Made

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

— *ROI Institute User Survey*

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Serious Performance Challenges

**True
or
False?**

1. Most of learning and development is wasted (not used).
2. The HR outcome desired by executives in client organizations is rarely measured.
3. Most HR 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.

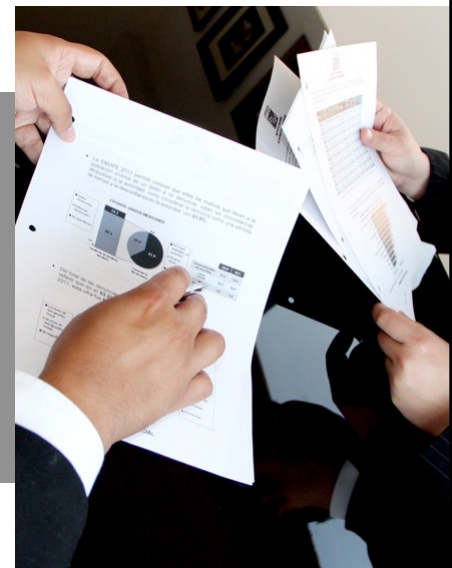
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CFO to All Employees:

*"All **unnecessary expenses** should be **eliminated**. Effective immediately, all training, recruiting, external consultants, and off-site meetings are **suspended**."*

The CFO had concluded that those expenses produced little, if any, positive ROI. It was easy to cut them, and that was what he was doing, or at least postponing them for a while.



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What Gets In the Way of Delivering Impact and ROI?

- Fear of the outcome
- Lack of business alignment
- Inappropriate solution
- Lack of focus
- Not designed for impact

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If an ROI Evaluation is Negative...

1. The content is usually not the problem.
2. Lack of support is.

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Why You Should Measure Now

- Being proactive places you in a good position.
- Lack of results is an opportunity.
- Process improvement is key.
- Keep ROI on your agenda.



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What is Serious Evaluation?

- Evaluation that focuses on **what happens after** the laptop or classroom
- Having as much concern about the **contribution of participants** as the happiness of participants
- Providing data that convinces administrators and executives that **learning is an investment** not a cost
- **Proactively designing** for, and **delivering impact**
- Using evaluation data to **influence funding decisions**



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Why Serious Evaluation is Needed

- Influence
- Commitment
- Support
- Funding



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**We have
underinvested in
measurement and
evaluation.**

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The L&D Team's Reaction to the Evaluation Team

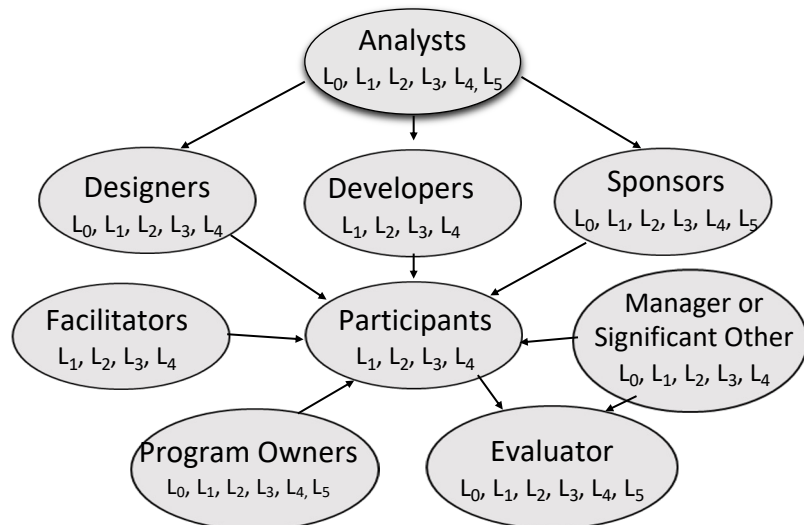
- I don't have time for additional measurement and evaluation.
- An unsuccessful evaluation will reflect poorly on my performance.
- A negative ROI will kill my program.
- My budget will not allow for additional measurement and evaluation.
- Measurement and evaluation are not part of my job.
- I didn't have input on this process.
- I don't understand this process.
- Our managers will not support this process.
- Data will be misused.
- The data are too subjective.



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It takes the entire team to make it work.



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ROI Thinking is Needed!

- Start with the end in mind.
- Make sure the right solution is implemented.
- Provide focus with objectives.
- Design for impact.
- Evaluate more at impact and ROI.
- Improve the program.



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The Value Chain is Always There

		LEVEL	ISSUE	MEASURES	TARGETS [†]
*Can predict	<u>This is easy</u> Always measured	0	Inputs	Volume, Hours, Convenience, Cost	100%
	<u>This is easy</u> Almost always measured	1	Reaction	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others (NPS)	100%
	<u>Not difficult</u> Usually measured	2	Learning	Concepts, Trends, Facts, Contacts, Skills, Competencies	90%
Executives prefer	<u>Possible</u> Often measured	3	Application	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
	<u>Not so difficult to connect</u> Sometimes measured	4	Impact	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
	<u>Possible for many programs</u> Rarely measured	5	ROI	Benefit Cost Ratio or Return on Investment, Expressed as a Percent	5%

[†] Best Practice: Percent of Programs Evaluated at this level each year.

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What is ROI?

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

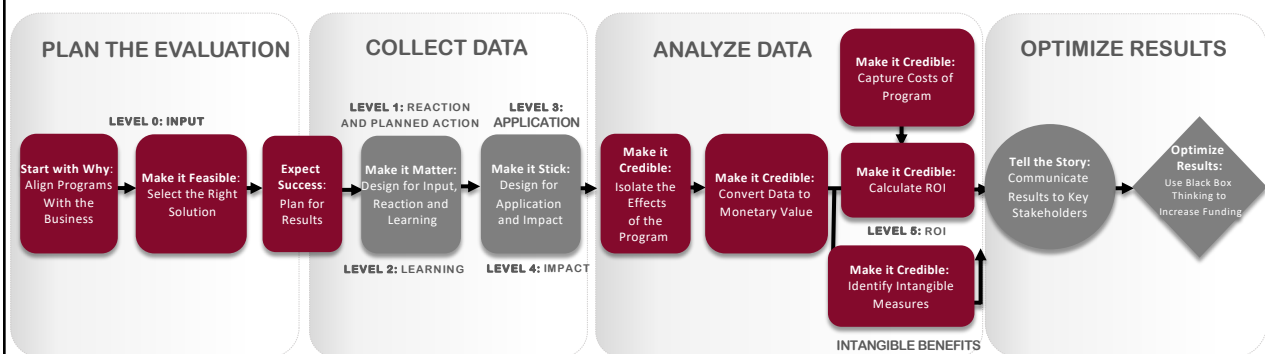
$$\text{ROI} = \frac{\text{Program Benefits} - \text{Program Costs}}{\text{Program Costs}} \times 100$$

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The ROI Methodology Process Model

Designing for the Delivery of Business Results



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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?

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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

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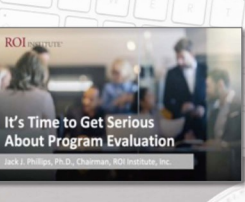
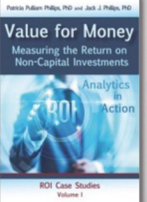
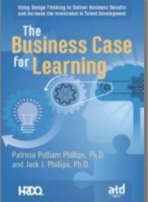
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Resources

Scan the QR Code to Access Today's Session Resources



ROI INSTITUTE®

Training magazine's
47th Annual **training 2024**
conference & expo

Patti Phillips
Show the Value
of What You Do



Jack Phillips
Connecting Soft
Skills to Hard Data



ROI Learning Center

Hosted by Training Magazine Network Created by ROI Institute, Inc.

Four realities occur in today's learning and development environment, globally.

1. Most top executives want learning and development to be aligned with the business.
2. The concept of ROI is familiar to most people.
3. Connecting learning and development to the business is not that difficult.
4. Thousands of L&D professionals are routinely doing this.

The ROI Learning Center provides tools, templates, and case studies to help prepare you for success in today's environment. Our goal is to take the mystery out of the ROI process.

Start at Level 1 and explore each level at your own pace. Each of the five levels will bring you closer to calculating the ROI of your program or project. There is also a calculator to help you calculate ROI when you have the appropriate data.

<https://www.trainingmagnetwork.com/roilearningcenter>



Level 1 Reaction

Level 2 Learning

Level 3 Application

Level 4 Impact

Level 5 ROI

ROI Calculator




Patti Phillips, Ph.D.
Chief Executive
Officer
ROI Institute

Jack Phillips, Ph.D.
Chairman
ROI Institute

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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.



<https://roiinstitute.net/roicertification/>








SCAN ME

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