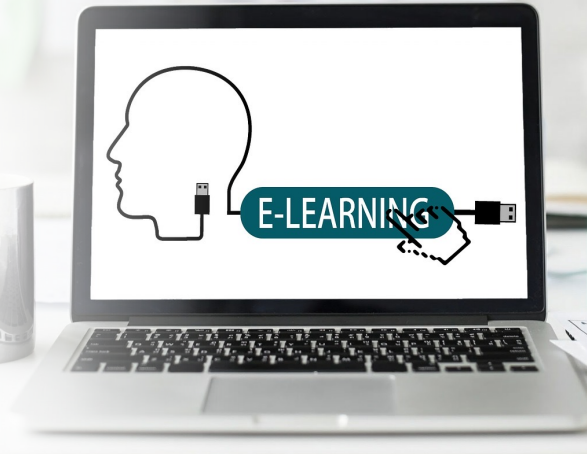


NELC ROI Framework: Measuring ROI in eLearning, Platforms, and Systems

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

ROI INSTITUTE®



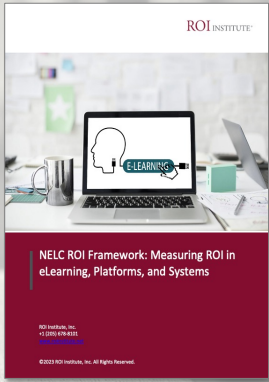
1

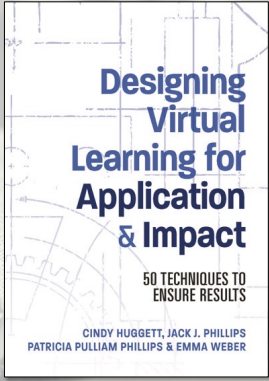
NELC ROI Team

- Alhanoof Alohalay
- Sara Mazen
- Reef Bijad F Alharbi
- Bashayer Ali M Alghamdi
- Amal Mohammad Aljzmi
- Lokesh Rajendran
- Hajar Salman Binasfour
- Ahmad Abdulrahman Albhaishi



2



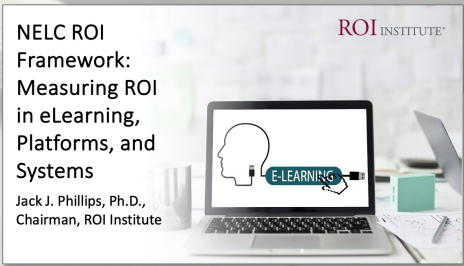


Resources



NELC ROI Framework: Measuring ROI in eLearning, Platforms, and Systems

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



3

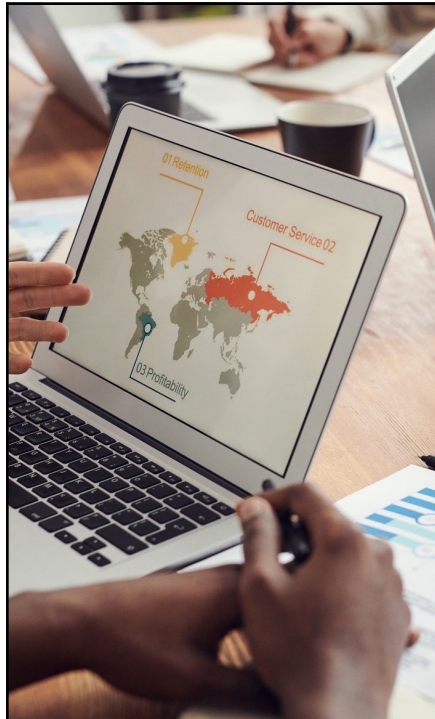
Objectives

After completing this session, you will be able to:

- Identify the five levels of outcomes from any type of program or project.
- Describe why eLearning platforms and programs fails to deliver application and impact.
- Explain the need to deliver results, including impact and ROI, for selected eLearning programs.
- Design eLearning to deliver application, impact, and ROI, using design thinking principles.
- Plan the next steps to ensure eLearning delivers value.



4



Poll: Why are you pursuing impact/ROI now?

- ☐ Executives and administrations require impact and ROI. I must pursue this.
- ☐ 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.

5

5

A Variety of ROI Applications

The Possibilities are Endless...

What do you see in common with the examples?
What is driving this level of accountability for these programs?

Workbook page 1

6

Application of This Methodology

- Publicly traded businesses
- Privately held businesses
- Governments (federal, state, and local level)
- Nongovernment organizations
- Nonprofits
- Universities
- Community colleges and technical institutes
- K-12 school systems
- Foundations
- Charities
- Healthcare organizations
- Networks and alliances
- Associations
- Religious organizations

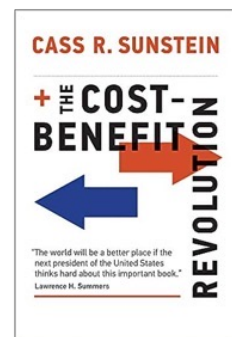
Workbook page 2

7

7

Pressures Facing the Public Sector

- Budget constraints
- Need to do more with less
- Need process improvements (effectiveness and efficiency)
- Need to show value of projects and programs
- Need for public accountability and transparency



Workbook page 3

8

8

The “New” Definition of Value

Workbook page 3

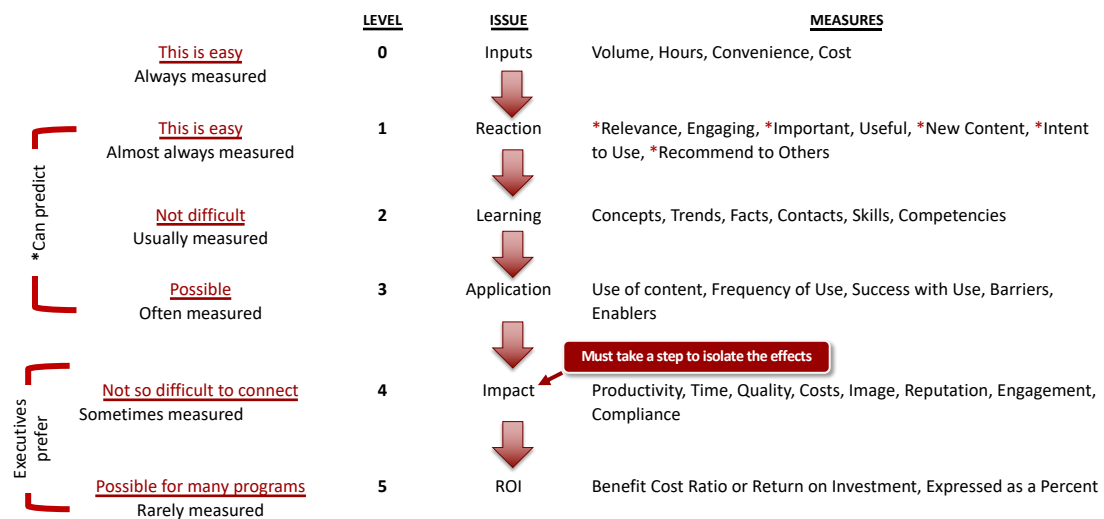
Value must:

- Be balanced, with qualitative and quantitative data
- Contain financial and non-financial perspectives
- Reflect strategic and tactical issues
- Satisfy all key stakeholders
- Be consistent in collection and analysis
- Be grounded in conservative standards
- Come from credible sources

9

9

The Value Chain is Always There!



* Best Practice: Percent of Programs Evaluated at this level each year.

10

10

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.



11

What is ROI?

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

- Cost savings
- Cost reduction
- Cost avoidance

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

- Program costs
- Platform costs
- System costs

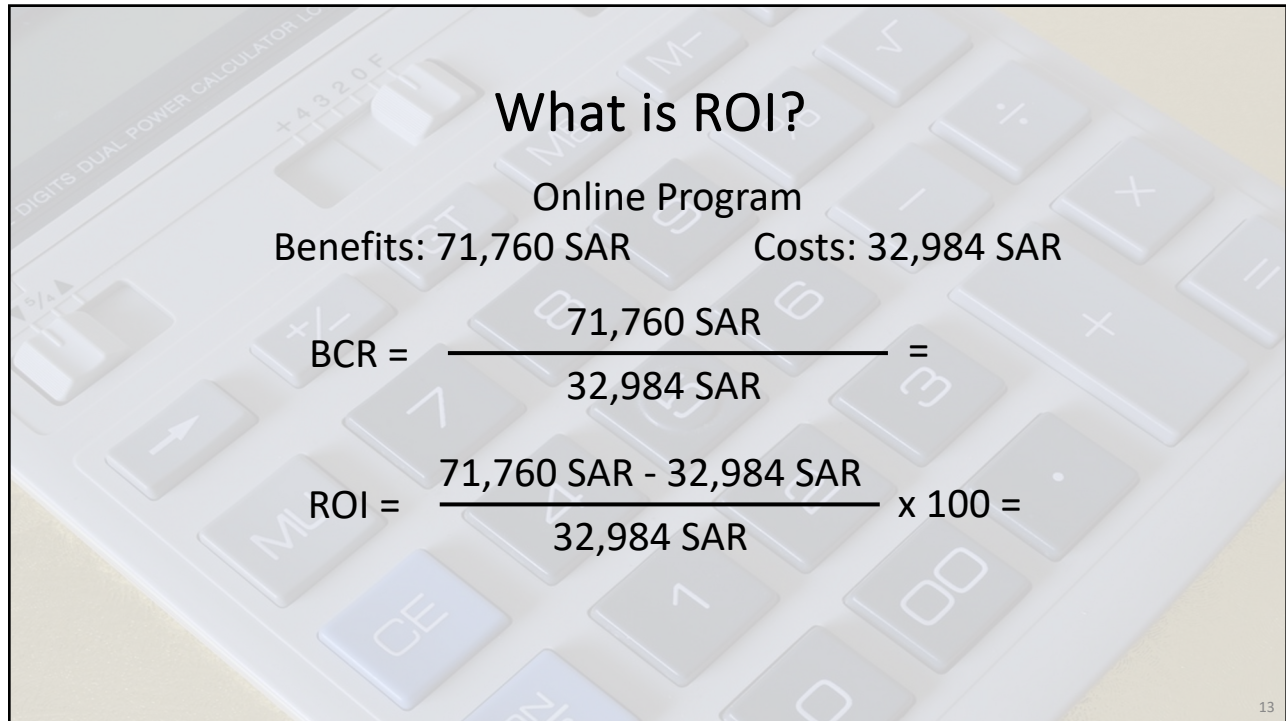
12

12

What is ROI?

Online Program

Benefits: 71,760 SAR Costs: 32,984 SAR

$$\text{BCR} = \frac{71,760 \text{ SAR}}{32,984 \text{ SAR}} =$$
$$\text{ROI} = \frac{71,760 \text{ SAR} - 32,984 \text{ SAR}}{32,984 \text{ SAR}} \times 100 =$$
A background image of a white calculator with various buttons and a display screen. The calculator is slightly out of focus, serving as a backdrop for the text.

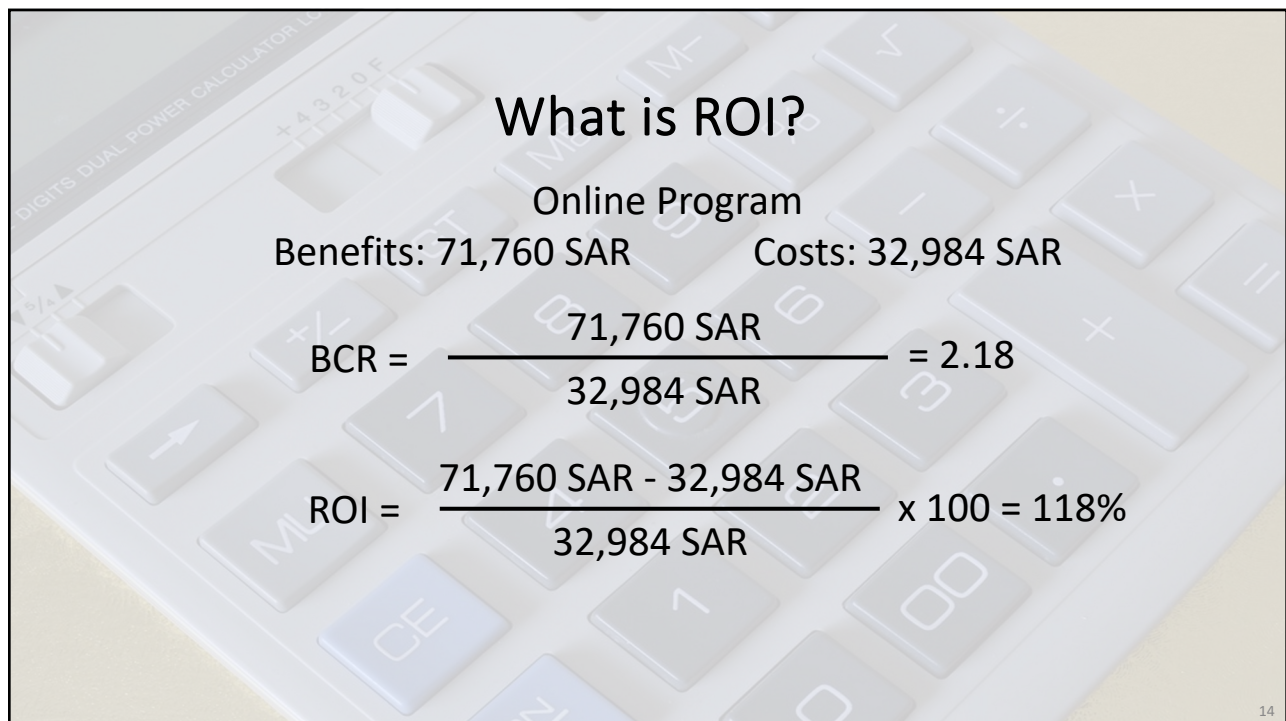
13

13

What is ROI?

Online Program

Benefits: 71,760 SAR Costs: 32,984 SAR

$$\text{BCR} = \frac{71,760 \text{ SAR}}{32,984 \text{ SAR}} = 2.18$$
$$\text{ROI} = \frac{71,760 \text{ SAR} - 32,984 \text{ SAR}}{32,984 \text{ SAR}} \times 100 = 118\%$$
A background image of a white calculator with various buttons and a display screen. The calculator is slightly out of focus, serving as a backdrop for the text.

14

14

The value chain exists
whether the learning
takes place in person or
online.



15

What are we Evaluating?

- Course
- Program
- Platform
- System
- Initiative
- Policy
- Procedure
- Project



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Whose ROI?

Learner/Student

School/University

Organization/Employer

Government

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Whose ROI? Learner/Student

- Reaction
- Learning
- Application
- Impact
- ROI

Not usually calculated—reaction and learning are sufficient.

Why?

Is it worth their time/investment?



18

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Whose ROI? School/University

- Reaction
- Learning
- Application
- Impact
- ROI

Important in most cases for
platforms, systems.

Why?
Is it worth their time/investment?



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Whose ROI? Organization/Employer

- Reaction
- Learning
- Application
- Impact
- ROI

Important for eLearning, platforms,
systems, technology

Why?
Is it worth the cost/investment?



20

20

Whose ROI? Government

- Reaction
- Learning
- Application
- Impact
- ROI
- Important for government accountability.
- Cost-benefit analysis is an important concept in government.

Why?

Is it worth their time/investment?



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1. Is this ROI evaluation necessary? Explain.
2. Who's ROI are we most interested in? What are other ROI perspectives?

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Cost Savings ROI

- When it's difficult to convert impact to money
- When a lower-cost option is available
- When you want to know the ROI of the lower-cost option

Benefits = Cost Differential

Cost = Cost of New Option

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

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The image shows a person in a striped shirt sitting at a desk, looking at a laptop. The laptop screen displays a video conference with four participants. A semi-transparent circular overlay is positioned on the right side of the image, containing text about justifying an eLearning program.

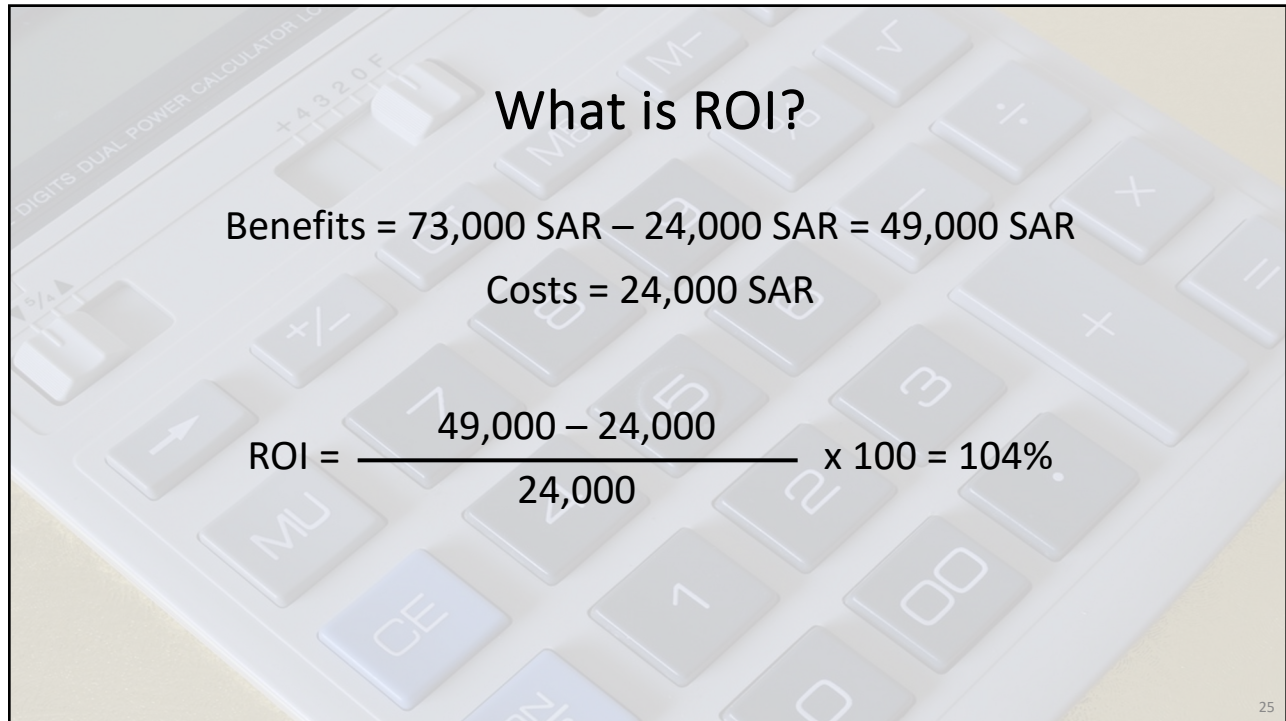
Justifying an eLearning Program

1. Calculate the ROI based on cost savings.
2. Under what conditions is this credible?

Workbook page 8

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What is ROI?

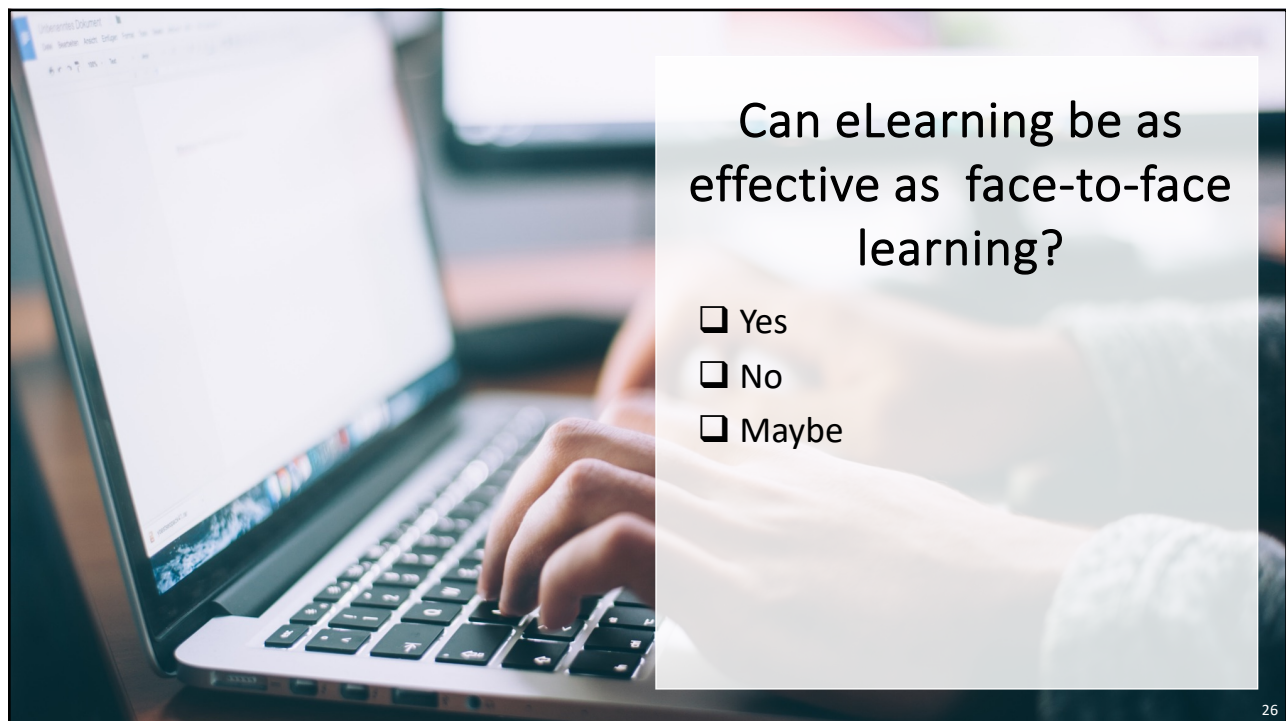
Benefits = 73,000 SAR – 24,000 SAR = 49,000 SAR

Costs = 24,000 SAR

$$\text{ROI} = \frac{49,000 - 24,000}{24,000} \times 100 = 104\%$$

25

25



Can eLearning be as effective as face-to-face learning?

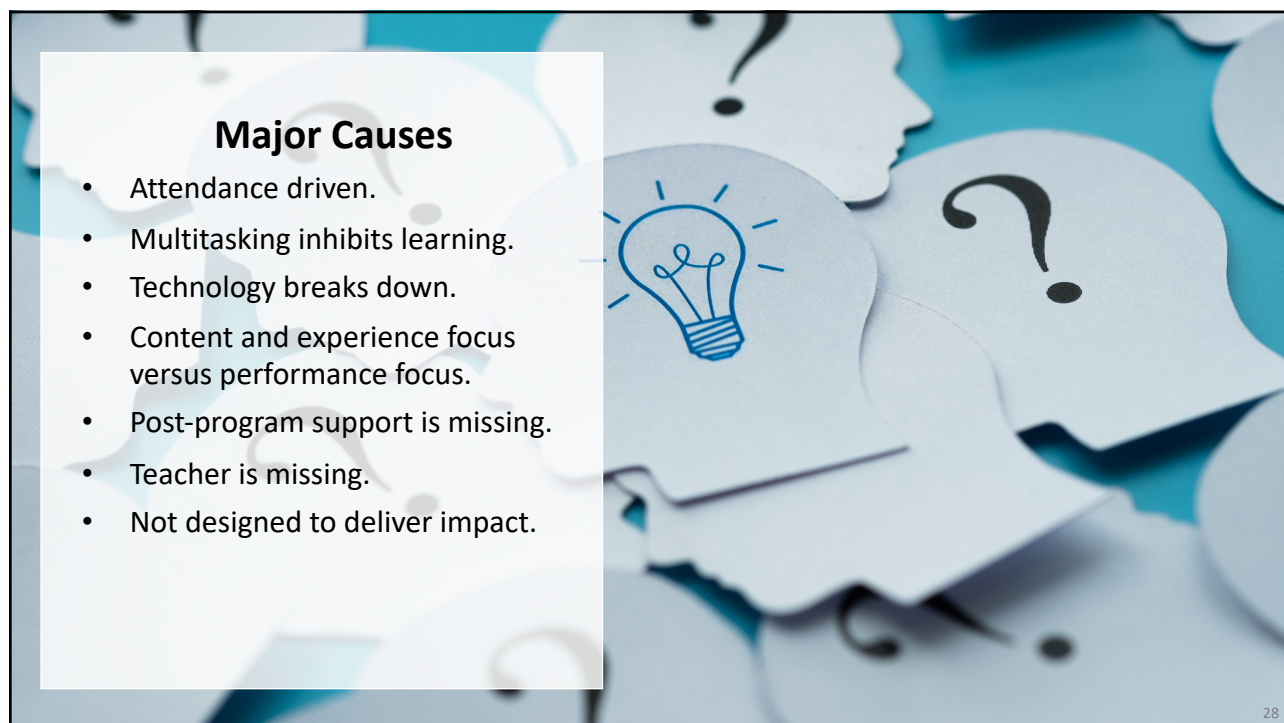
- ☐ Yes
- ☐ No
- ☐ Maybe

26

26



27



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How do we design
eLearning to deliver
application, impact,
and ROI?

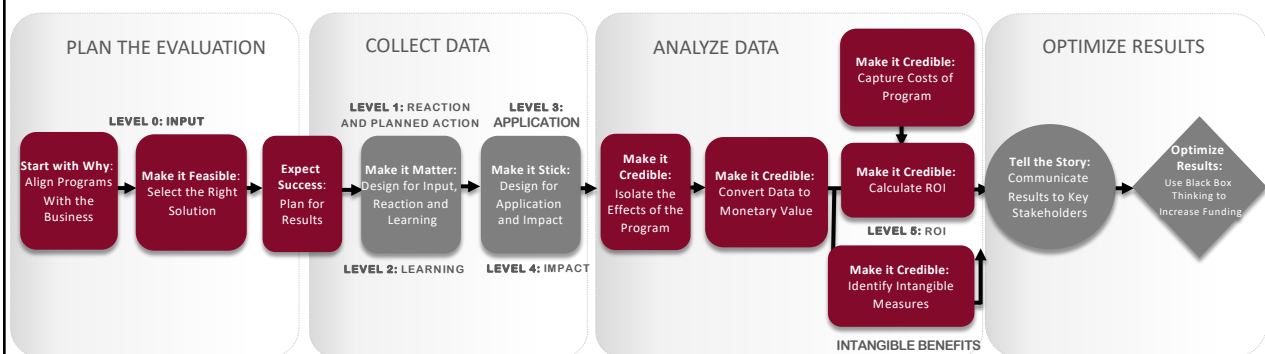


29

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The ROI Methodology Process Model

Designing for the Delivery of Business Results

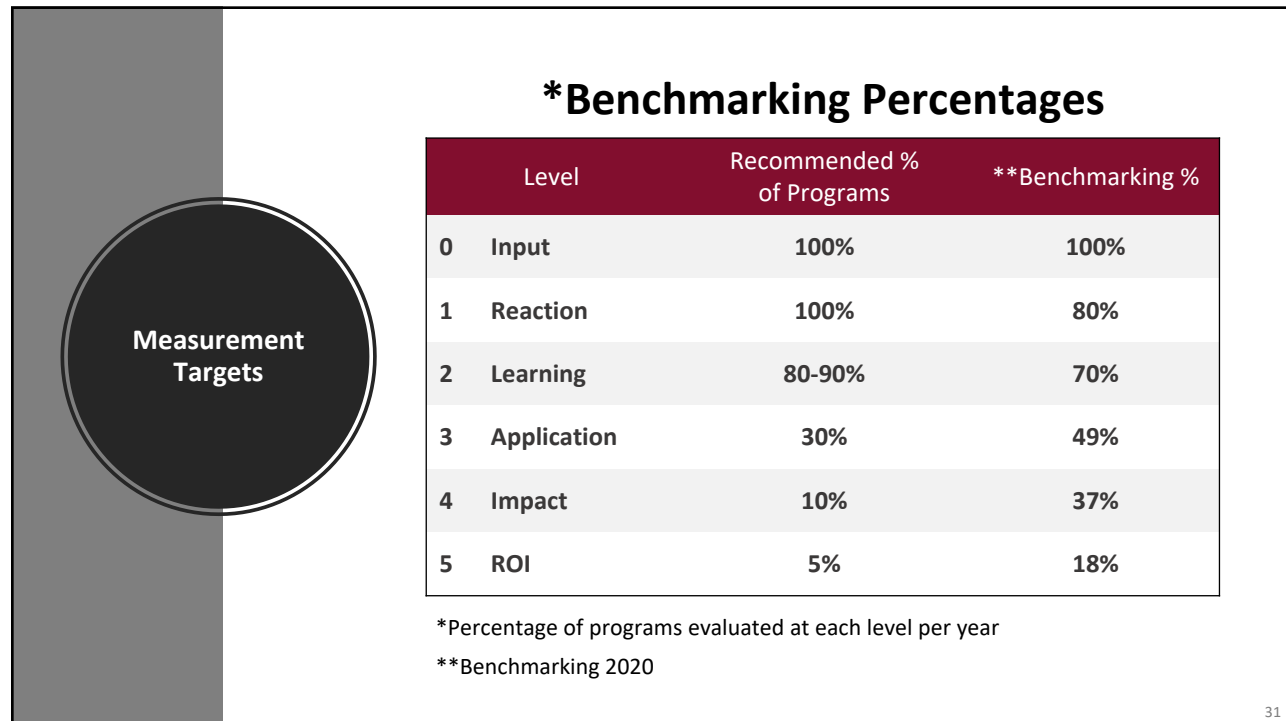


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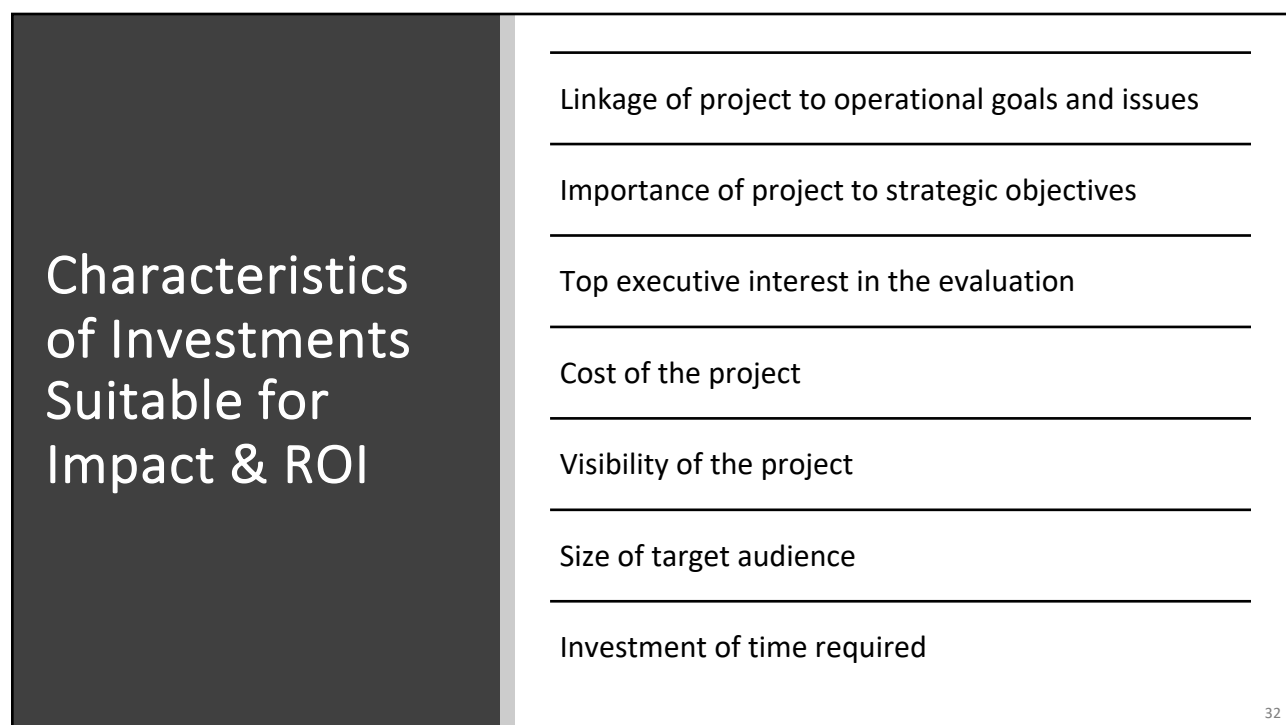
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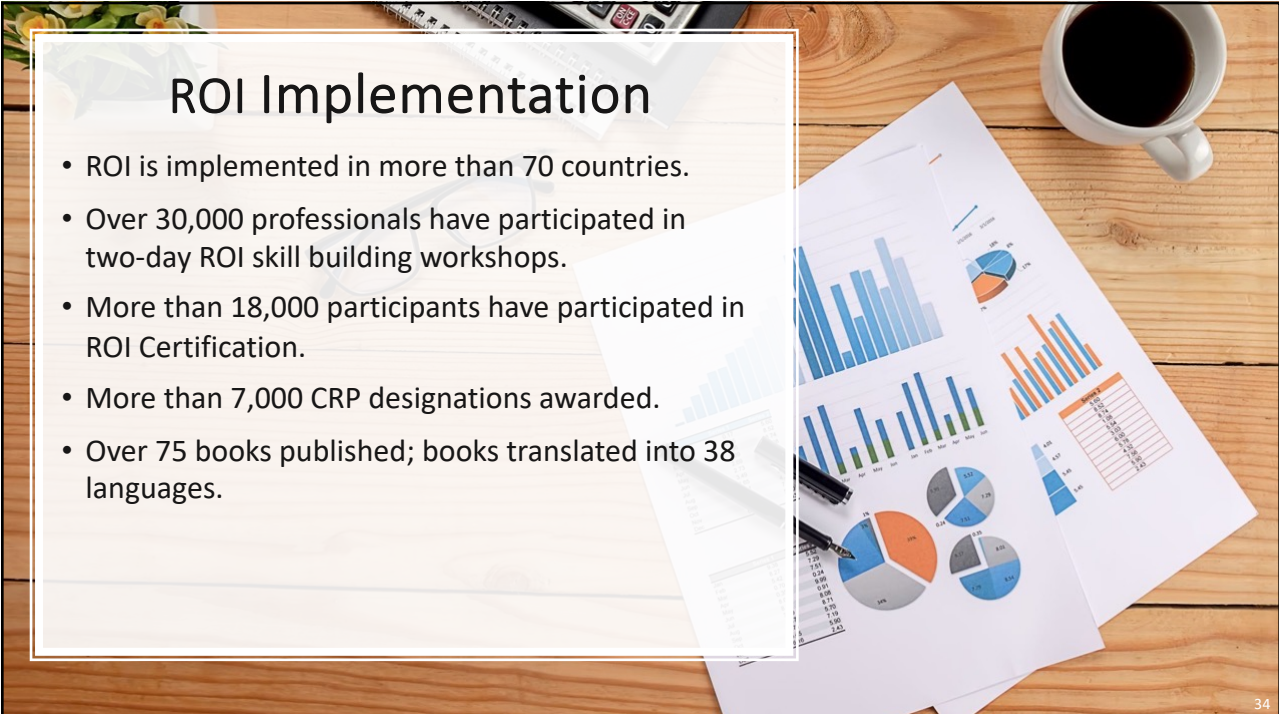
32



The ROI Methodology®

- Most used evaluation system in the world
- Endorsed by United Nations
- Endorsed by 26 federal governments
- Used by over 300 health care systems
- Used by over 150 colleges and universities
- Used by three-fourths of Fortune 500 organizations
- Used by dozens of major foundations such as the Gates Foundation

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ROI Implementation

- ROI is implemented in more than 70 countries.
- Over 30,000 professionals have participated in two-day ROI skill building workshops.
- More than 18,000 participants have participated in ROI Certification.
- More than 7,000 CRP designations awarded.
- Over 75 books published; books translated into 38 languages.

34



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

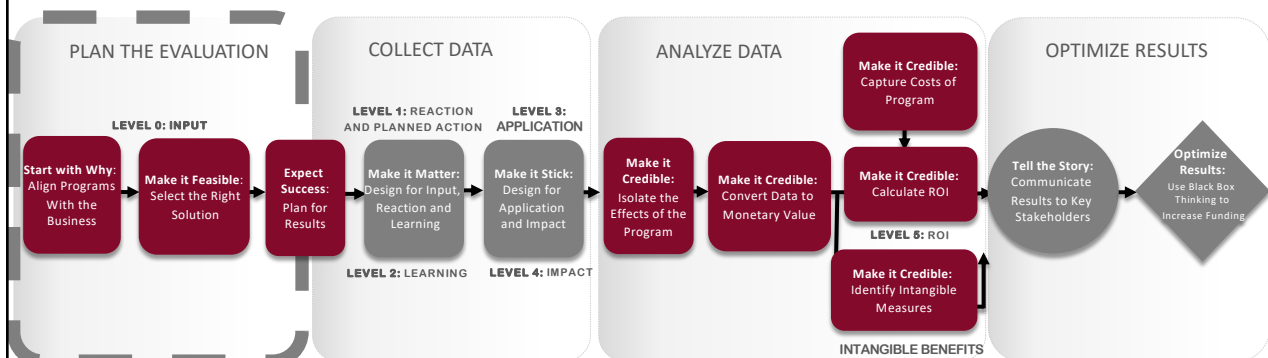
- ☐ No experience with it.
- ☐ It has been suggested, but no action has been taken.
- ☐ I have attempted it.
- ☐ I have successfully conducted an ROI study.
- ☐ I have successfully conducted many ROI studies.
- ☐ I wish ROI would go away.

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The ROI Methodology Process Model

Designing for the Delivery of Business Results



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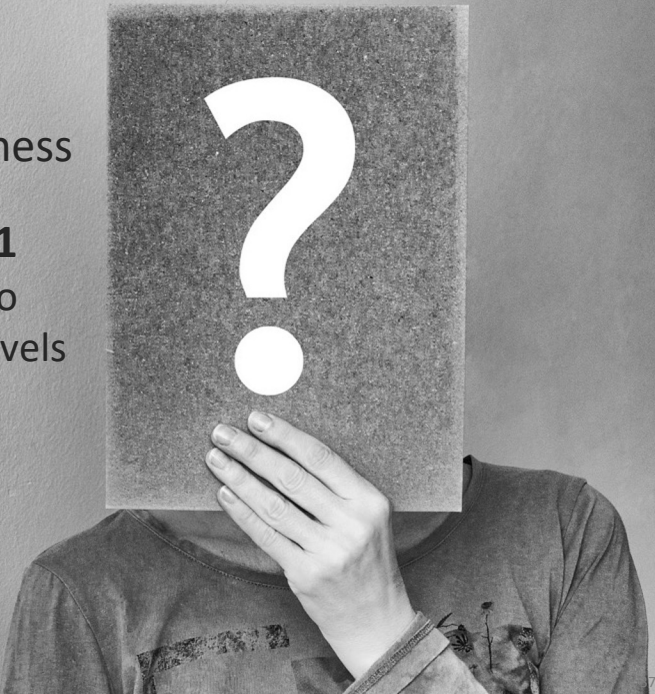
Start with Why

Align Programs with the Business

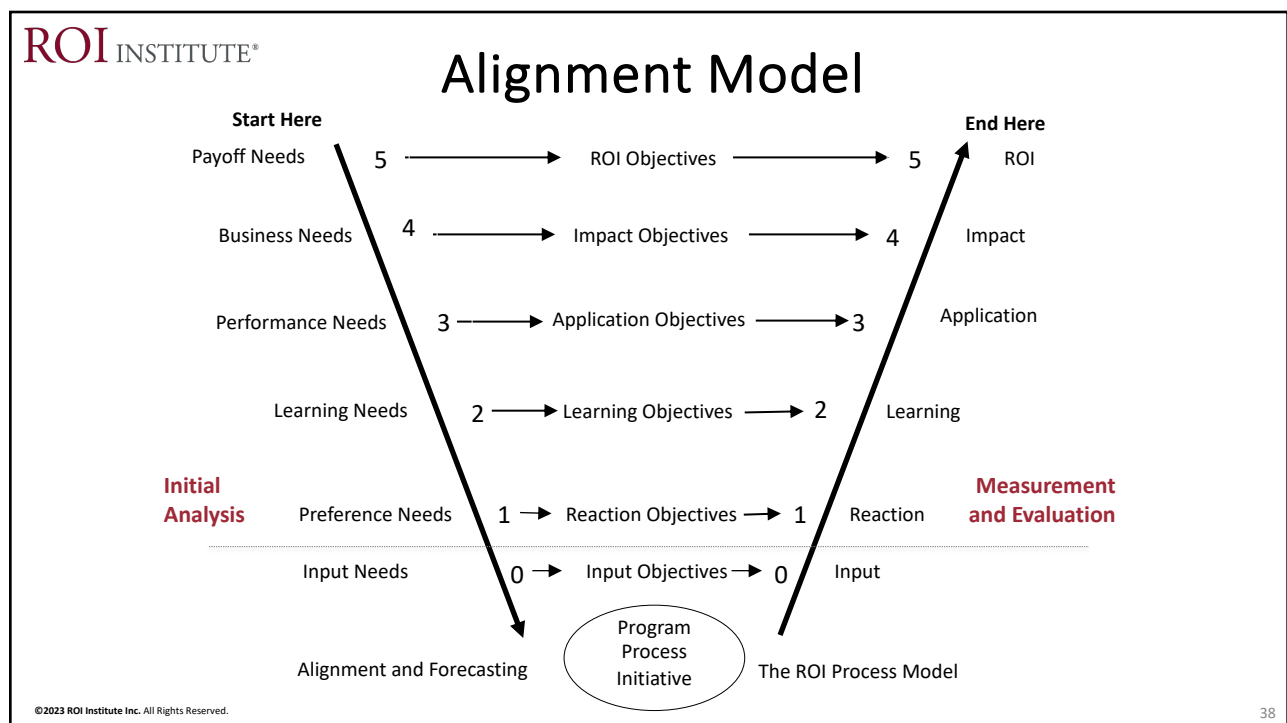
Design Thinking Principle 1

A problem-solving approach to handle problems on a systems levels

- Alignment is the key.
- Is it a problem or opportunity?
- Need specific business measures.



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Make It Feasible

Select the Right Solution

Design Thinking Principle 2

A mind-set for curiosity and inquiry

- What are we doing (or not doing) that's influencing the business measure?
- How can we achieve this performance?



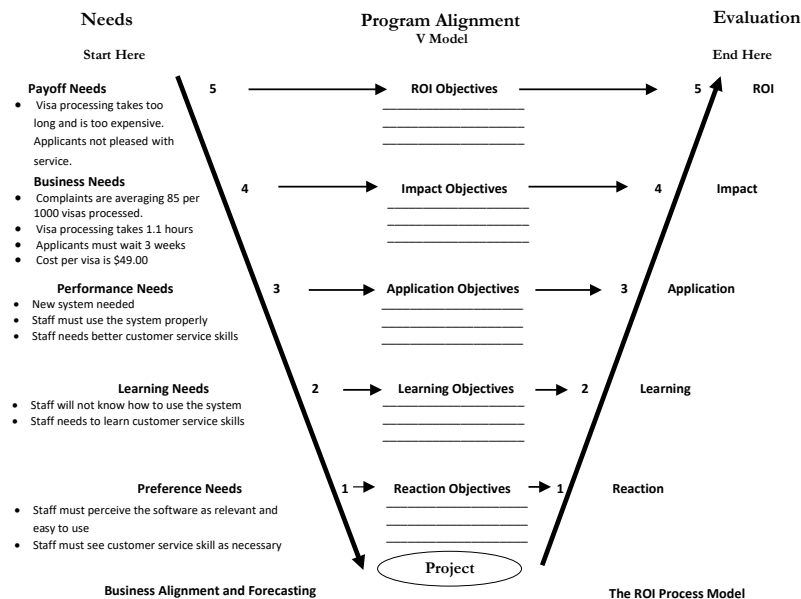
39

Is it the Right Solution?

- Examine the data and records.
- Initiate the discussion.
- Reference a case study.
- Use benchmarking from similar solutions.
- Use evaluation as the hook.
- Involve others in the discussion.
- Discuss disasters in other places.
- Conduct an analysis of problem.

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The Alignment Process



Workbook page 9

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General Accounting Program at Qassim University (Part A)

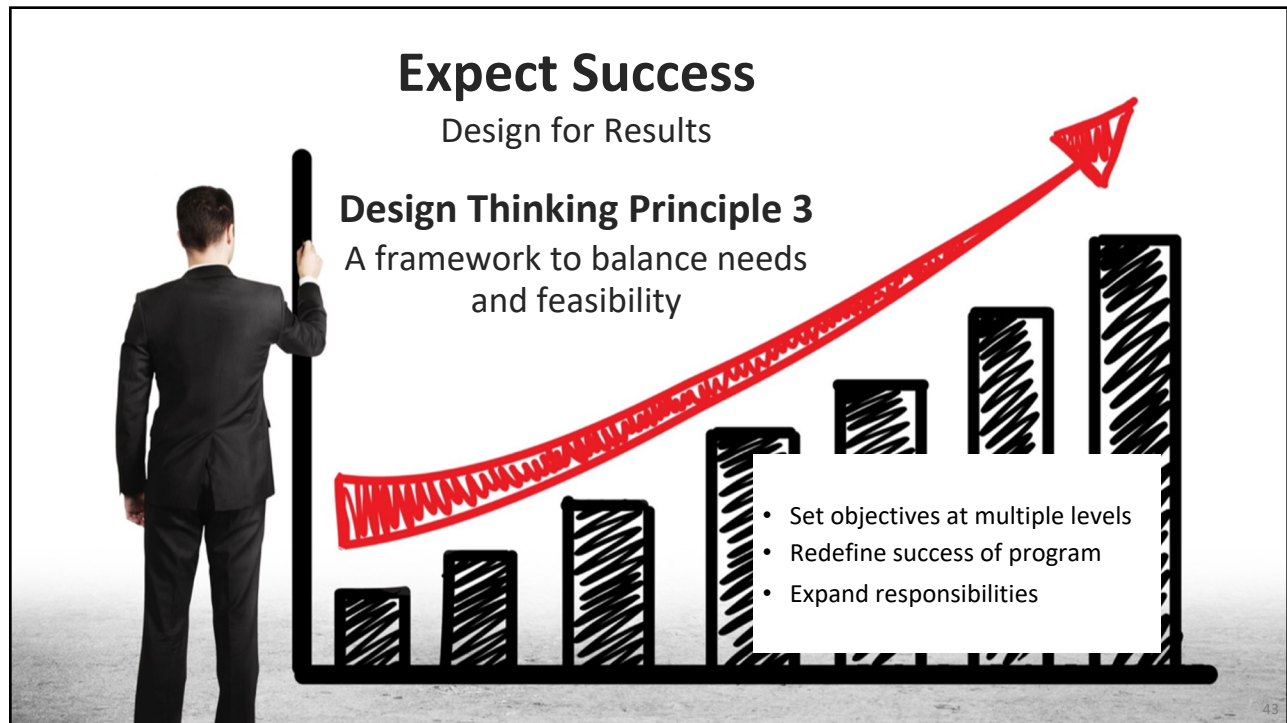
1. What are the impact measures for this program?
2. How would you validate that these are correct?
3. How would you determine if this is the right solution?
4. Whose ROI should you pursue? The student's ROI, the University's ROI, the employer's ROI, the government's ROI? Explain.



Workbook page 10

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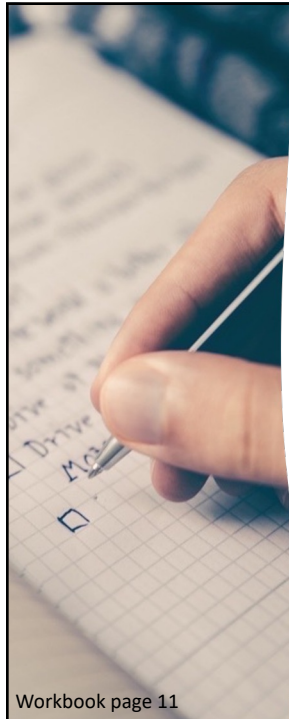
Developing Objectives for Each Level

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

Workbook page 10

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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.

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.

Workbook page 11

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Exercise: Matching Evaluation Levels with Objectives

Instructions: Indicate the level of evaluation
at which the objective is aimed.

Level 1: Reaction

Level 2: Learning

Level 3: Application

Level 4: Business Impact

Level 5: Return on Investment

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Matching Evaluation Levels with Objectives

After completing this program, participants should:

1.	Decrease student complaints by 20% in one year.	4
2.	Use the platform to create new courses.	3
3.	Be able to demonstrate the five steps to solve a math word problem.	2
4.	Rate the program 4 out of 5 on being user-friendly	1
5.	Decrease the amount of time required to complete a new procedure.	4
6.	Achieve a 20% ROI one year after program implementation.	5
7.	Perceive the content to be relevant to actual situation (4.5 out of 5).	1
8.	Decrease security breaches by 25% in six months.	4
9.	Within one month, be interviewed for five different jobs.	3
10.	Score an average of 75 or better on an English language quiz.	2
11.	Be able to demonstrate each major platform feature in the standard time.	2
12.	Decrease student unplanned absenteeism by 20% in six months.	4

1 = Reaction

2 = Learning

3 = Application

4 = Impact

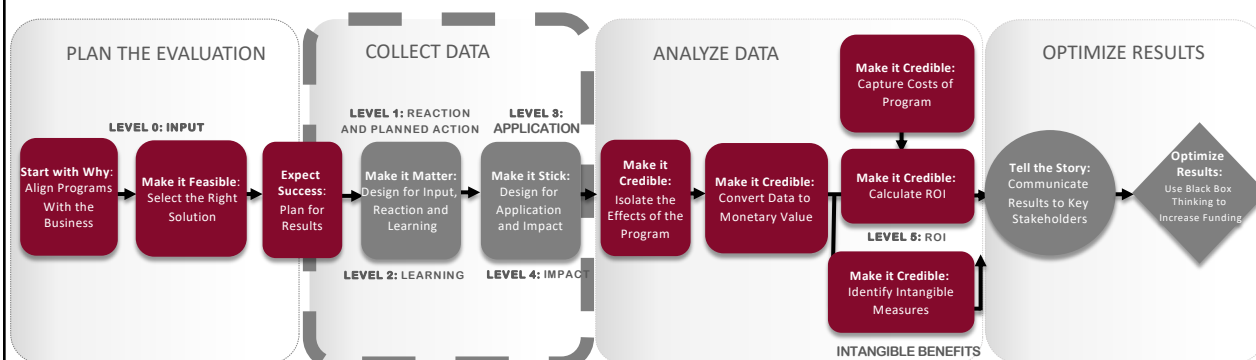
5 = ROI

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Designing for the Delivery of Business Results

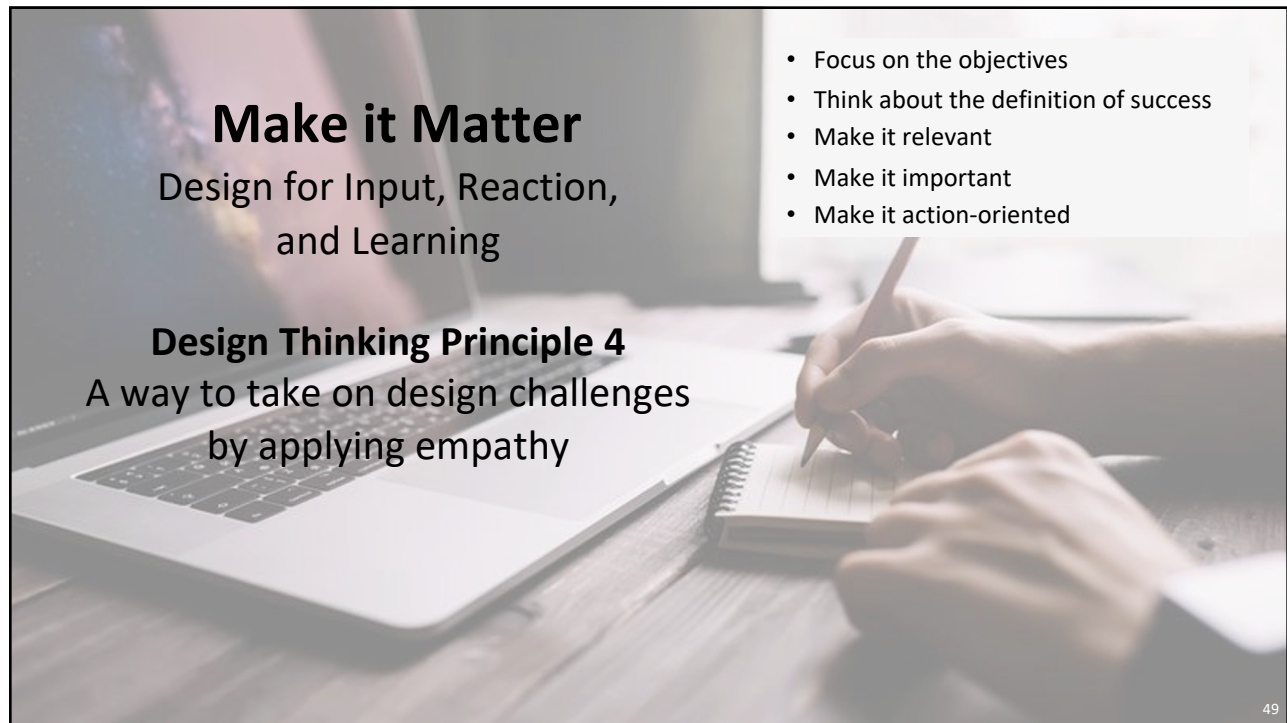


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Make it Matter
Design for Input, Reaction,
and Learning

Design Thinking Principle 4
A way to take on design challenges
by applying empathy

- Focus on the objectives
- Think about the definition of success
- Make it relevant
- Make it important
- Make it action-oriented

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Make it Stick
Design for Application and Impact

Design Thinking Principle 5
A culture that fosters exploration
and experimentation

- Collect data
- Focus on objectives
- Ensure transfer to the workplace
- Design for application

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Collecting Data

Method	Type of Data			
	1	2	3	4
Surveys	✓	✓	✓	
Questionnaires	✓	✓	✓	✓
Observation		✓	✓	
Interviews	✓	✓	✓	
Focus Groups	✓	✓	✓	
Tests/Quizzes		✓		
Demonstrations		✓		
Simulations		✓		
Action Planning/Improvement Plans			✓	✓
Performance Contracting			✓	✓
Performance Monitoring				✓

Workbook page 12

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Data Collection Methods

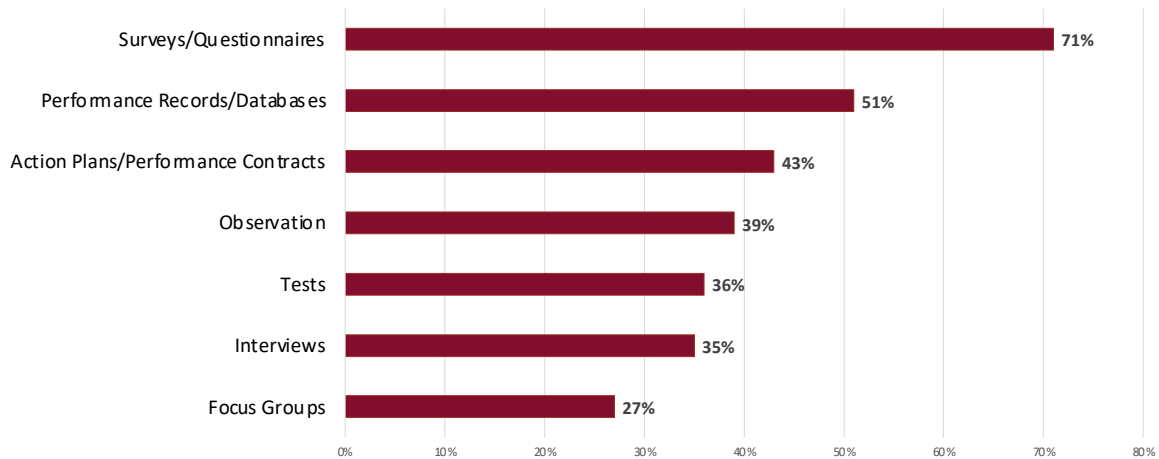
1. Which methods do you use now?
2. What are the most accurate methods?
3. Which are the most expensive methods?
4. Which is the best method for Level 3 (Application)?
5. Which is the best method for Level 4 (Impact)?

Workbook page 12

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Data Collection Methods



*Survey of Users, n = 246

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General Accounting Program at Qassim University (Part B)

1. What are sources of data?
2. For reaction and learning, what are the methods and timing of data collection?
3. For application and impact, what are the methods and timing for data collection?

Workbook page 13

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Chain of Impact Questions

**Option 1: When
You Do Not
Have a Clue**

**Option 2: When
the Measure Is
in a Defined Set**

**Option 3: When
the Measure Is
Known**



Fake Data



Designing for Impact— How many have you used? (Select all that apply.)

- ☐ Manager/Teacher creates expectations before program.
- ☐ Manager/Teacher discusses success after the program.
- ☐ Develop application and impact objectives.
- ☐ Teach to application and impact.
- ☐ Use automated reminders for application and impact.
- ☐ Organize group coaching sessions after the program.

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Design for Application and Impact

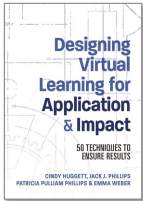
		Timeframe		
		Before	During	After
Role-Players*	Manager			
	Participant			
	Facilitator/ Organizer			

*Replace role players with whomever is most influential for your program.

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Key Actions BEFORE the Project or Program

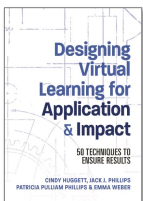


- Develop application objectives for participants.
- Have participants develop customized impact objectives.
- Use performance contracts for application and impact.
- Create an application guide to enable and support the application.
- Create a job aid to use in the application.
- Have manager create expectations before the program.

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Key Actions DURING the Project or Program

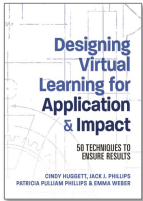


- Use action plans to detail application steps.
- Have action plans presented to the group to increase commitment.
- Teach to application and impact.
- Review Level 3 and Level 4 follow-up questionnaire in the last learning module.

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Key Technology-Enabled Actions

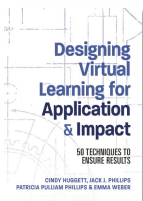


- Create coaching videos to use at appropriate times.
- Use apps to encourage and enable the use of content.
- Use social media groups to network for encouragement, support, and enablement.
- Post-recorded content reviews.
- Use automated reminders for application and impact.

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Key Actions AFTER the Project or Program



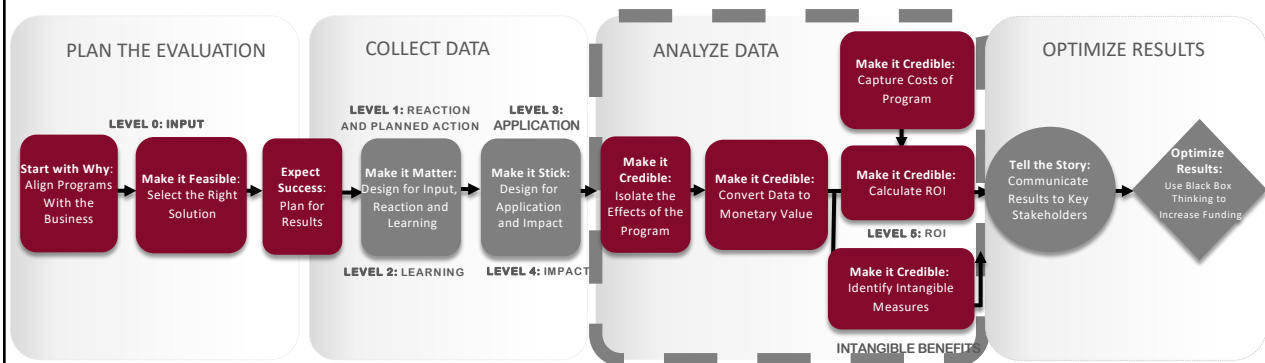
- Organize a group coaching session after the program.
- Collect action plans in a follow-up period.
- Organize follow-up sessions to share results.
- Use an on-the-job trainer to support the application.
- Provide encouragement from the manager after the program.
- Host a lessons-learned meeting after participants have used the content.
- Share successes with other participants.

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Designing for the Delivery of Business Results



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Make it Credible

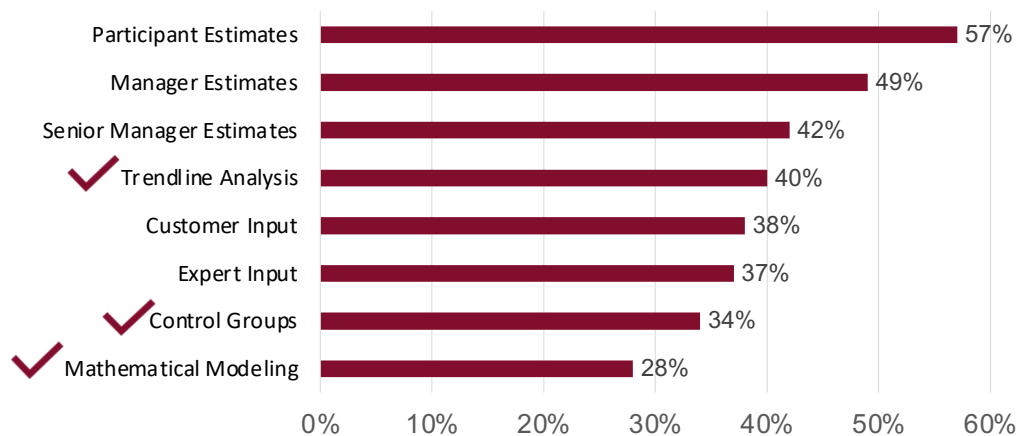
Measure Results and Calculate ROI

Design Thinking Principle 6
A fixed process and a tool kit

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

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Isolation Methods



*Survey of Users, N = 246

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The Wisdom of Crowds

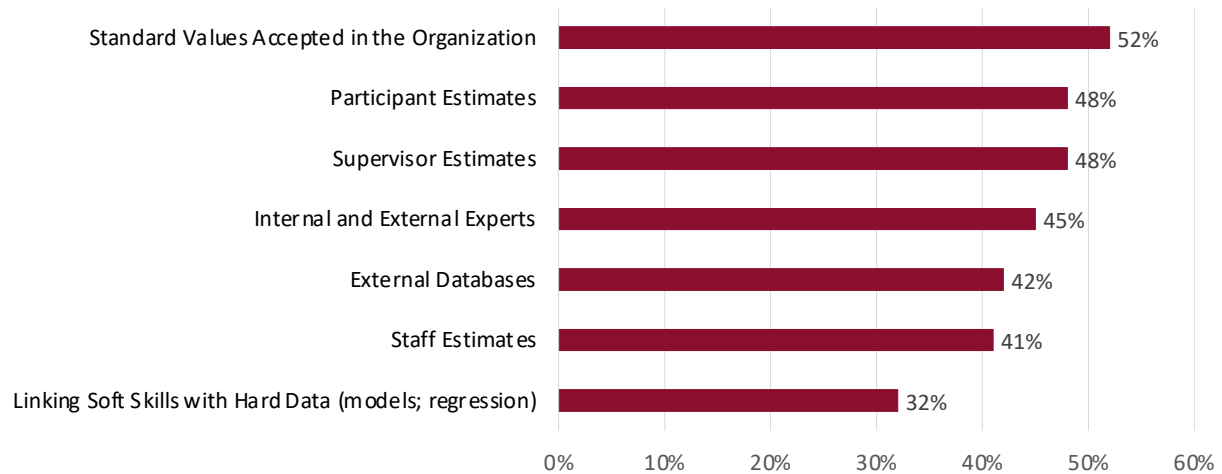


Workbook page 18

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Data Conversion Methods



*Survey of Users, N = 246

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Florida School Systems

1. What do you think about the method of converting data to monetary value?
2. When should ROI be used to make the decision to use or discontinue a program?
3. Should other data be used to make this decision?

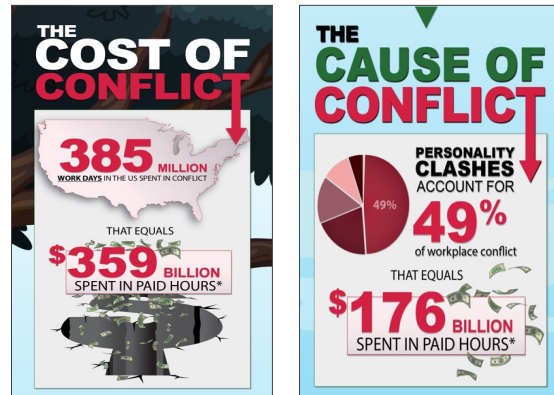
Workbook page 19

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Can Conflict be Converted to Money?

1. Would you use this in an ROI calculation? Explain.
2. Does it have value? Explain.



Workbook page 20

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Can Happiness Be Converted to Money?

1. Should happiness be converted to money? Explain.
2. When should you stop this conversion process?



Workbook page 21

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Intangibles

- Adaptability
- Awards
- Brand awareness
- Career minded
- Caring
- Collaboration
- Communication
- Conflicts
- Corporate social responsibility
- Decisiveness
- Engagement
- Image
- Innovation
- Job satisfaction
- Leadership
- Networking
- Organizational climate
- Organizational commitment
- Reputation
- Stress
- Talent
- Teamwork

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Fully-Loaded Costs

“When in doubt, put it in.”

The process should withstand even the closest scrutiny in terms of its credibility.

DIRECT

- ☐ Program materials
- ☐ Facilitator/Organizer
- ☐ Facilities
- ☐ Travel, lodging, meals

INDIRECT

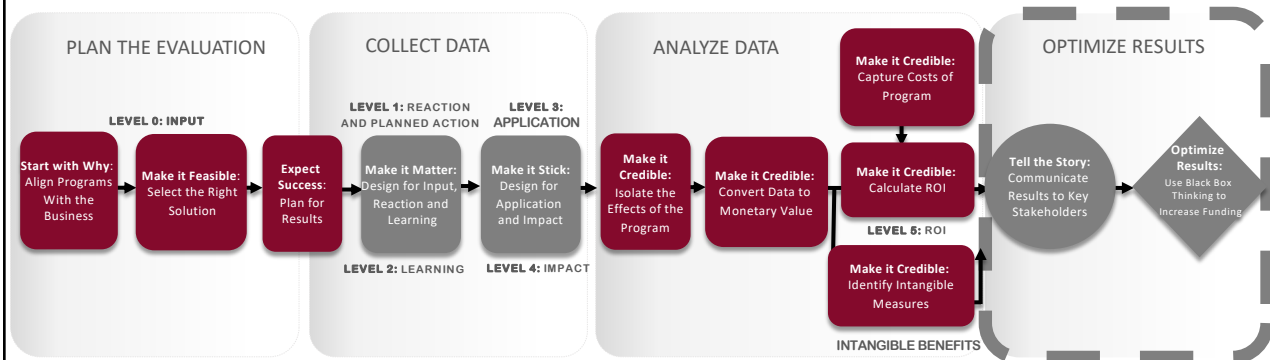
- ☐ Needs assessment (Prorated)
- ☐ Program development (Prorated)
- ☐ Participant time (salaries & benefits)
- ☐ Administrative/overhead
- ☐ Evaluation

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Tell the Story

Communicate Results to Key Stakeholders

Design Thinking Principle 7

A storytelling process to inspire senior executives

- Define audience
- Identify why they need it
- Select method
- Move quickly
- Consider one-page summary

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Optimize Results

Use Black Box Thinking to Increase Funding

Design Thinking Principle 8

A new competitive logic of business strategy

EVALUATION

Measure

→

OPTIMIZATION

Improve

→

ALLOCATION

Fund

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Cost vs. Investment Perception: The Reality

Executive
Perception of
Projects

Perception

It's a cost

→

Actions

- Control it
- Reduce it
- Eliminate it

Consequences

- Partnerships are rare
- Influence diminishes
- Support is lost
- Funding is curtailed

Perception

It's an investment

→

Actions

- Maintain it
- Enhance it
- Protect it

Consequences

- Business partnerships flourish
- Client relationships improve
- A seat at the table is earned
- Funding is easier

How do your leaders view your projects?

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Poll: What are your concerns about measuring ROI? (Select all that apply.)

- ☐ It's too difficult.
- ☐ It takes too much time.
- ☐ No one is asking for this.
- ☐ It will kill my programs.
- ☐ I wish it would go away.

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What is the ROI?

Online Accounting Diploma

Benefits: 1,240,000 SAR

Costs: 573,750 SAR

$$\text{BCR} = \frac{\quad}{\quad}$$

$$\text{ROI} = \frac{\quad}{\quad} \times 100$$

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Online Accounting Diploma

Benefits: 1,240,000 SAR

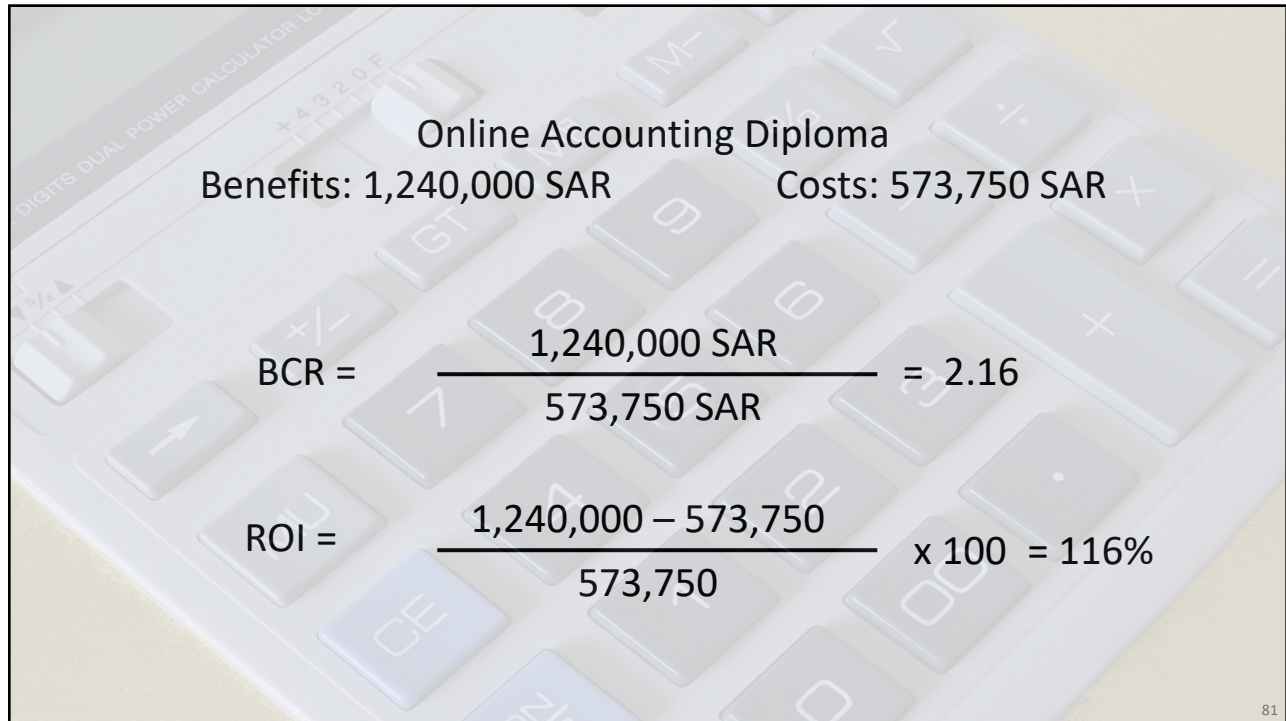
Costs: 573,750 SAR

$$\text{BCR} = \frac{1,240,000 \text{ SAR}}{573,750 \text{ SAR}} =$$

$$\text{ROI} = \frac{1,240,000 \text{ SAR} - 573,750 \text{ SAR}}{573,750 \text{ SAR}} \times 100 =$$

80

80



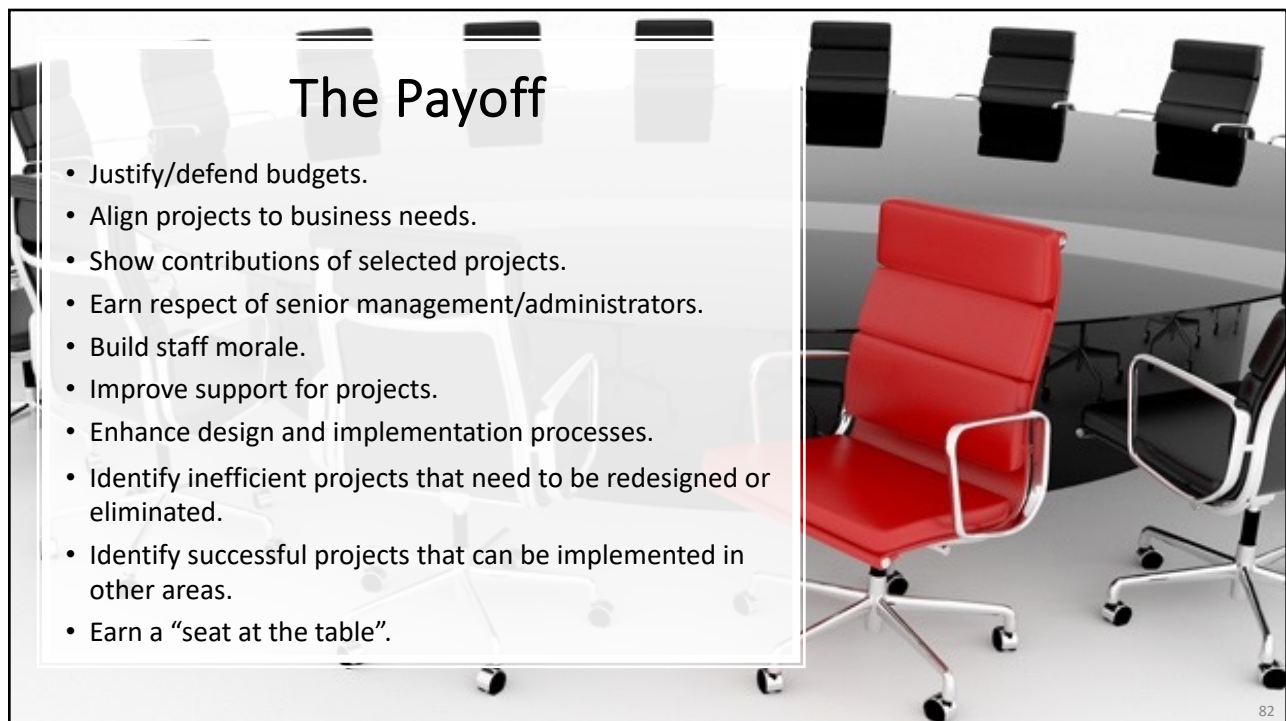
Online Accounting Diploma

Benefits: 1,240,000 SAR Costs: 573,750 SAR

$$\text{BCR} = \frac{1,240,000 \text{ SAR}}{573,750 \text{ SAR}} = 2.16$$
$$\text{ROI} = \frac{1,240,000 - 573,750}{573,750} \times 100 = 116\%$$

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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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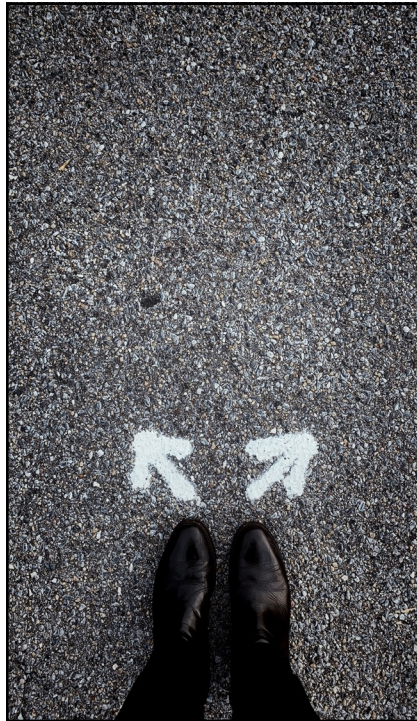
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ROI Quiz — True or False?

1.	The ROI Methodology collects or generates just one data item, expressed as a percentage.
2.	A program with monetary benefits of \$200,000 and costs of \$100,000 translates into a 200% ROI.
3.	The ROI Methodology is a tool to strengthen and improve programs, projects, and processes.
4.	After reviewing a detailed ROI impact study, senior executives will usually require ROI studies on all programs.
5.	ROI studies should be conducted very selectively, usually involving 5-10% of programs.
6.	While it may be a rough estimate, it is always possible to isolate the effects of a program on impact data.
7.	A program costing \$100 per participant, designed to teach basic skills to 100 participants is an ideal program for an ROI study.
8.	Data can always be converted to monetary value, credibly.
9.	The ROI Methodology contains too many complicated formulas.
10.	The ROI Methodology can be implemented for about 3-5% of my functional budget.
11.	ROI is not future oriented; it only reflects past performance.
12.	ROI is not possible for soft skills programs.
13.	A negative ROI will kill my program.
14.	The best time to consider an ROI evaluation is three months after the program is completed.
15.	In the early stages of implementation, the ROI Methodology is a process improvement tool and not a performance evaluation tool for the project team.
16.	If senior executives are not asking for ROI, there is no need to pursue the ROI Methodology.

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Be Proactive

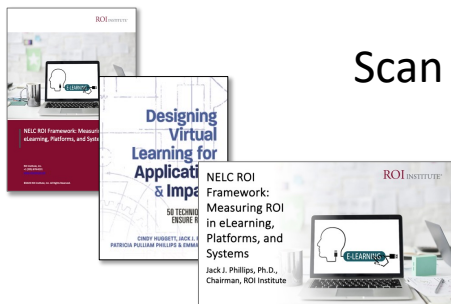
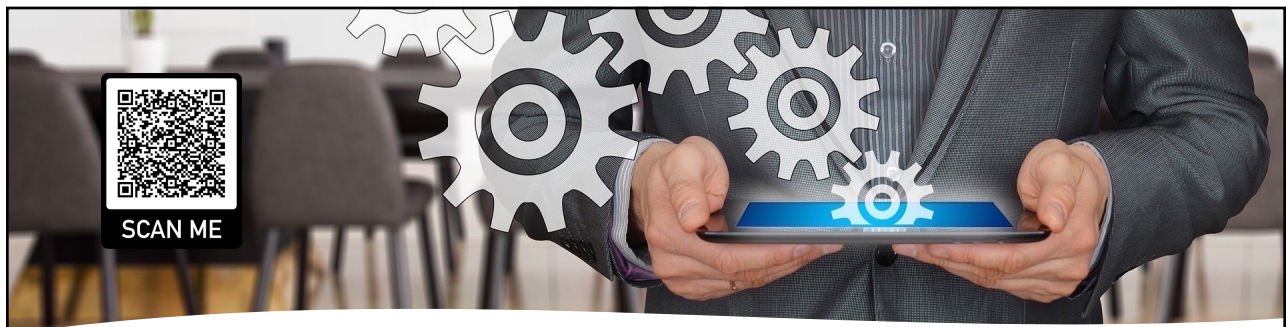
Remember, when it comes to delivering results:

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

<https://bit.ly/NELCROI>

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Need an ROI study on an important program or project?

ROI Certification is the Solution!

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- 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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