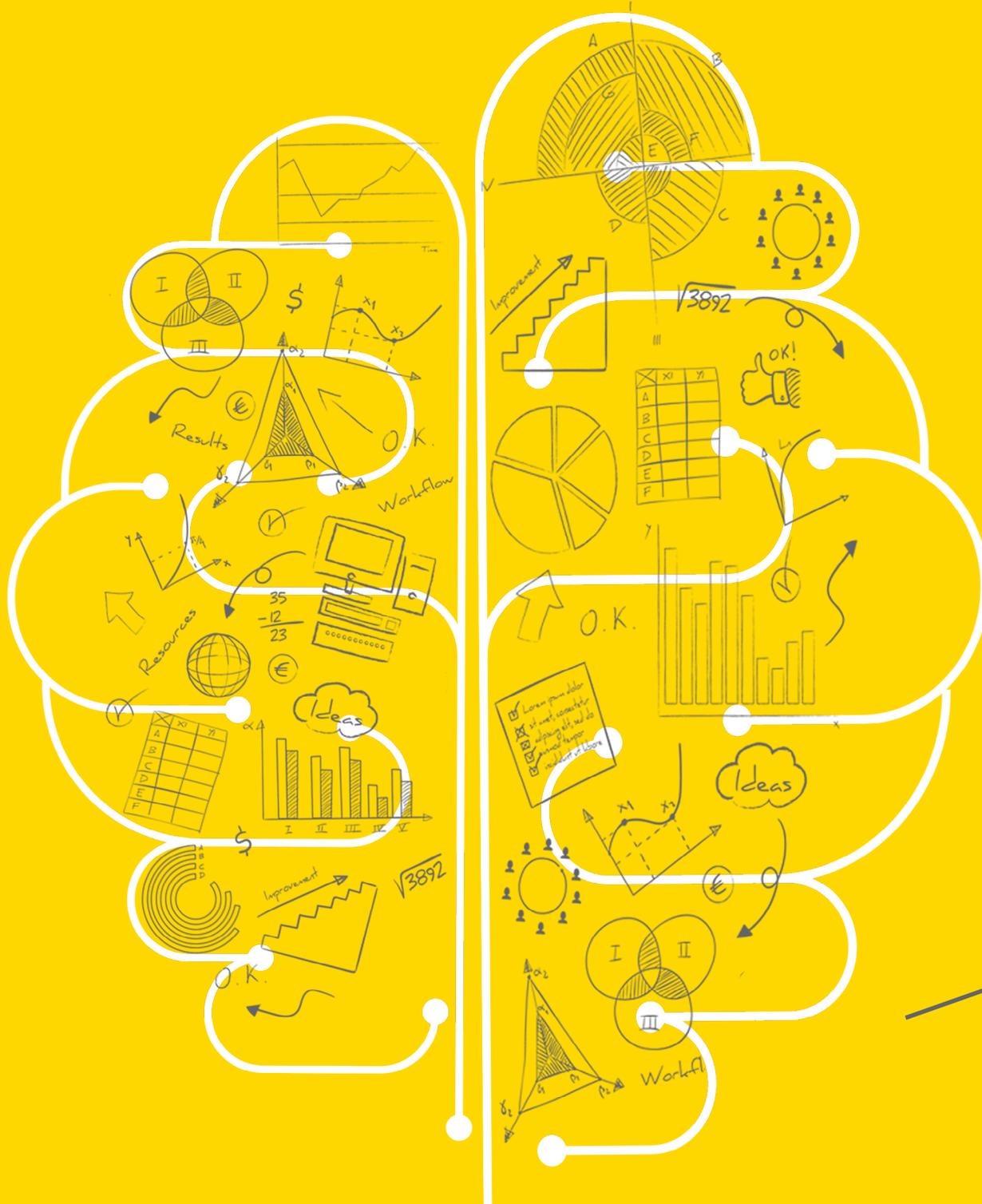


Holistic

Measuring ROI

How to measure success



$$\text{ROI} = \frac{\text{Net project benefits}}{\text{Project costs}}$$

Learning Transfer

1 Our 20+ years of global experience working with leaders tell us that:

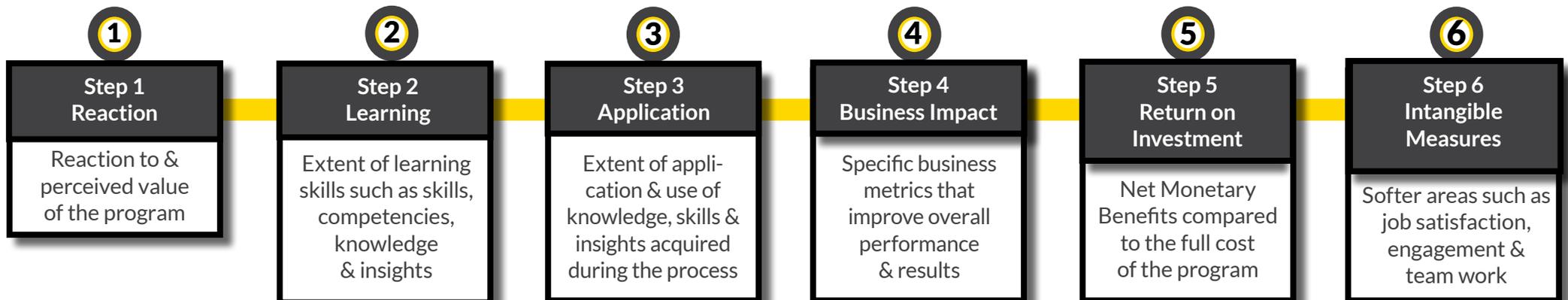
- Typically, only 10-20% of peoples' learning, transfers to the workplace
- If we are able to overcome this 'bottleneck' and increase this rate to 40-60%, the ROI gain is exponential
- For any performance enhancement and ROI, the focus needs to be on change, not content
- A 'piecemeal' approach is not effective. Only a systematic, on-going and curated method of working with leaders, will give the required performance improvements

2 How Content and Learning Transfer make a difference



	Training Quality & Content	Learning Transfer + Effective Implementation of LT	Business Impact
1	100 X	15	15%
2	80 X	15	12%
3	50 X	15	7.5%
4	90 X	50	45%
5	100 X	60	60%

3 Steps to Measuring Learning Impact



ROI overview

“Prove to me that training works”

– Commonly-heard quote from CXOs, when asked about their views on L&D

	VALUE OF ROI (BENEFITS)	 CHALLENGES OF USING ROI
1	Effectively presents the business case & metrics for developing Leaders with the organization	Accurate conversion of behaviours into a single monetary unit and assessing the causes of Business Impact
2	Forces Strategic Alignment – the Organization gets leaders with the capabilities it needs	The cost of ROI is 5-10% of the project
3	You get better results when you measure performance – “what gets measured, gets done”	Multiple stakeholder engagement required to work on a rigorous ROI process
4	Senior Leaders understand the process & value of ROI	The ROI process needs to be ‘driven’, or the initiative will fade

When to use?



When there is a strong need to prove the value of the learning intervention (eg. resistant stakeholders)



With cohort groups, over a longer period, who can be tracked easily



High cost projects

When **not** to use?



Low value projects or ‘one-off’ training sessions

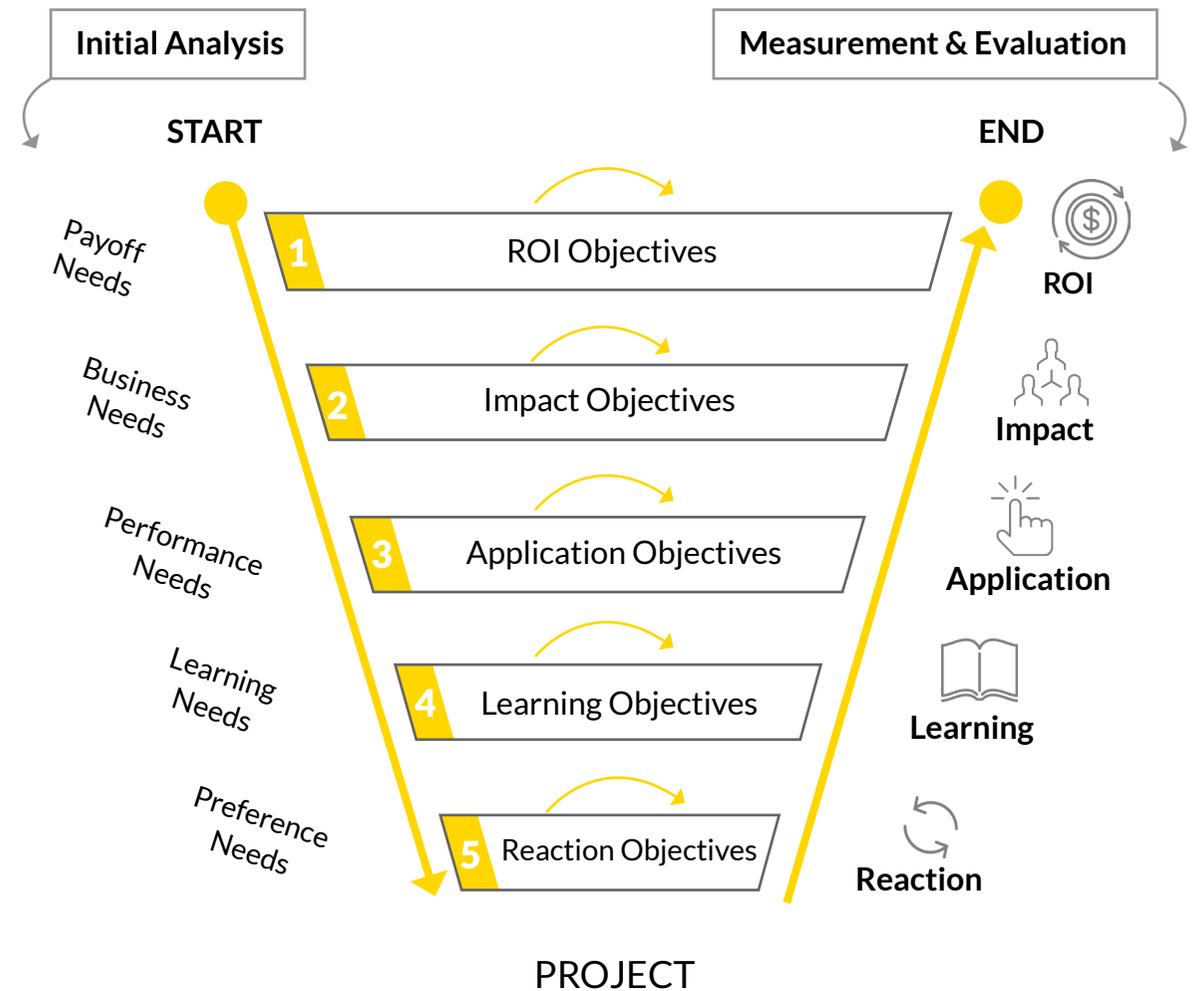


Stakeholder engagement is challenging

How does it work

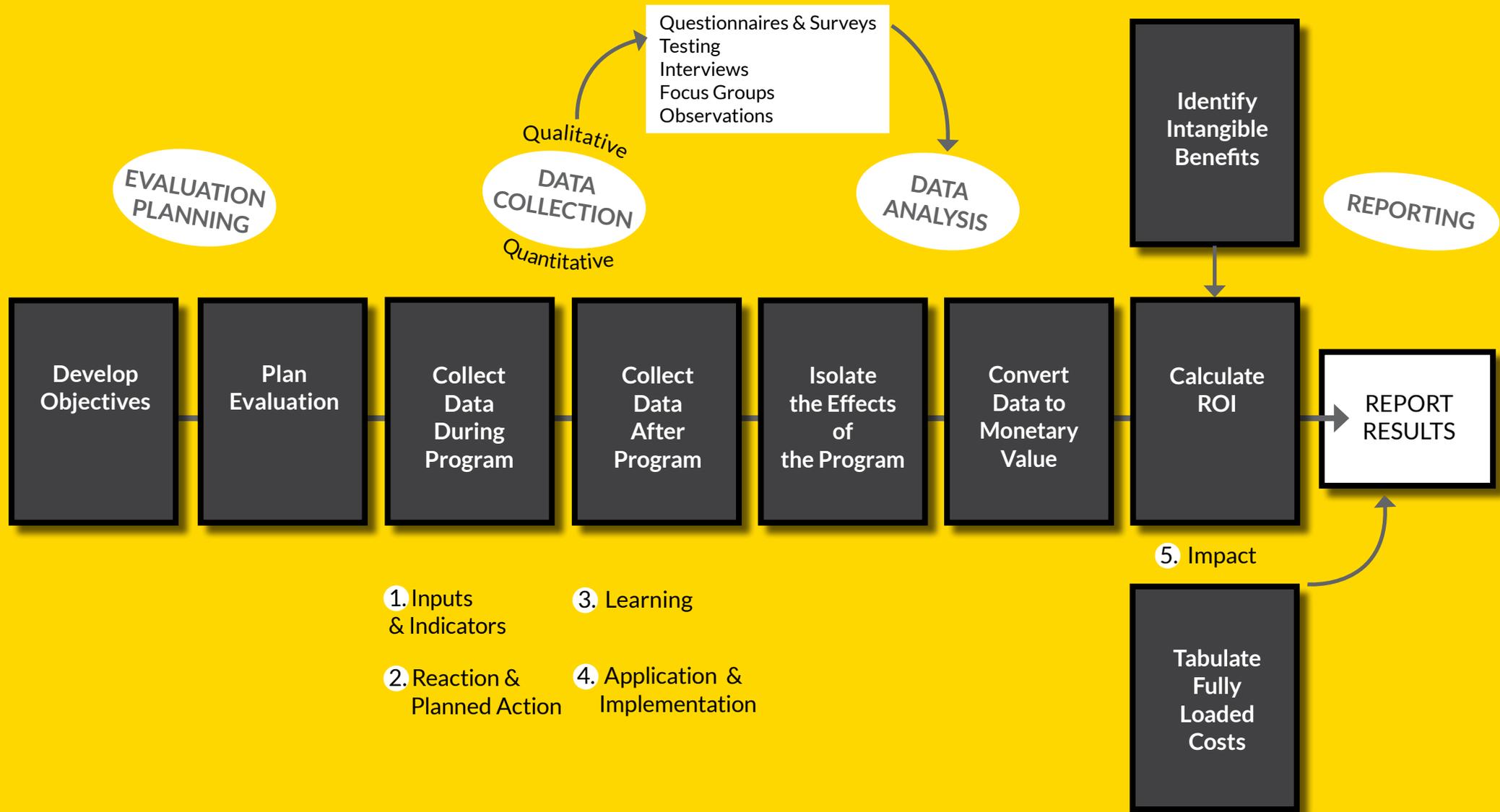
“BEGIN WITH THE END IN MIND”

- Realistically determine how much ROI is expected and the clear business results required
- We ‘dove-tail’ these Business Needs into performance requirements, and then map specific competencies and capabilities for on-the-job performance
- We focus on the “Can I” and “Will I” for effective Learning Transfer to the workplace
- Reaction Analysis is only used to ‘Red Flag’ any concerns



* Source: ROI Institute

Process of ROI



Six Levels of Performance Data

LEVEL	MEASUREMENT FOCUS	TYPICAL MEASURE
 Inputs & Indicators	Inputs into the initiatives including indicators representing scope, volumes, times, costs and efficiency	<ul style="list-style-type: none"> • Number of Programs • Number of People • Hours of Involvement
 Reaction & Planned Action	Reaction to the initiative including the perceived value of the project	<ul style="list-style-type: none"> • Relevance • Intent to use • Motivational
 Learning	Knowledge gained, learning how to use the content and material	<ul style="list-style-type: none"> • Skills • Learning • Knowledge
 Application & Implementation	Application, change in performance, use of content and materials in the work environment	<ul style="list-style-type: none"> • Behaviour Change • Actions completed • Enablers to use
 Impact	Impact of the use of the content and materials expressed as business impact and effectiveness measures	<ul style="list-style-type: none"> • Productivity • Revenue • Quality • Time
 ROI	Comparison of monetary benefits from the program to program costs	<ul style="list-style-type: none"> • Benefit-cost ratio (BCR) • ROI (%) • Payback period

FAQs on **ROI**

Who developed the ROI Framework?

The ROI Institute, USA in the 1970s. It has become the mainstream assessment tool for measuring ROI globally from the 1990s. It is used and promoted by ATD

How valid is the ROI Methodology?

ROI methodology has been used in over 4000 organizations in over 50 countries, to measure and improve business impact. This includes, US Government, Businesses, Education and Not-for-Profits

Who is using ROI?

Most validated methodology and peer reviewed process available in the market. The ROI process is rigorous and detailed

How do you know it was the Learning intervention that made the difference?

The ROI methodology allows accurate isolation of the measure that caused the business impact. You will know whether it was the 'Learning intervention' or 'the increased marketing budget'

How do you translate behaviours into financial benefit?

This involves putting a monetary value for one or more impact measures linked to the project eg.

Listening (difficult to value)

↓
Customer Satisfaction (fairly hard to value)

↓
Revenue (easy to value).

There are a variety of tools and techniques to do this

Why does using ROI cost 5-10% extra?

ROI should be only used in a few specific situations. The effort and requirements of conducting ROI is demanding; and there is additional cost associated with engaging with stakeholders to get accurate data

How does it compare to Kirkpatrick's Four Levels?

The first four levels are similar. Where ROI methodology differs, is measuring the business impact in financial terms (Level 5). It also measures the intangible benefits (Level 6)

How do you track all variables, reporting, engaging & follow-up with stakeholders?

Our Leadership Management System (LMS) is a specially developed, cloud based system, that tracks and manages all ROI data

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contact: Shreya Rai

email: shreya@hts-india.com

call: +91 11 4100 1483

+91 81 3010 0331