

# New Frontiers in ROI: Emerging Contexts, Challenges, and Opportunities



Conference-Within-a-Conference

**May 2004**  
**TU 418 Panel Presentation**

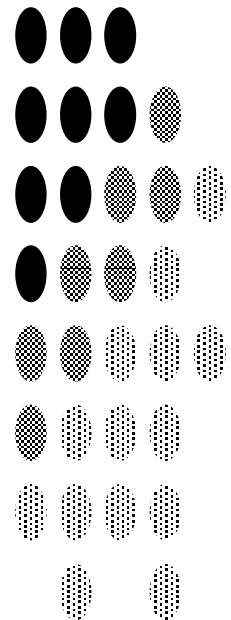
## **Learning Objectives**


- Define emerging issues in ROI process implementation
- Determine the impact of emerging issues in your own implementation efforts
- Integrate enabling strategies for effective integration of the ROI process

## **Moderators**

Patti Phillips, The ROI Institute  
Email: [patti@roiinstitute.net](mailto:patti@roiinstitute.net)

Holly Burkett, Evaluation Works  
Email: [burketh@earthlink.net](mailto:burketh@earthlink.net)



**Agenda** 

- Welcome, Introductions
- Session Features, Objectives
- New Frontiers in ROI
  - Emerging Issues
  - Challenges and Opportunities
  - Enabling Strategies for Success
- Dialogue, Q & A
  - Integrating strategies with existing ROI efforts
- Summary, Closing Comments

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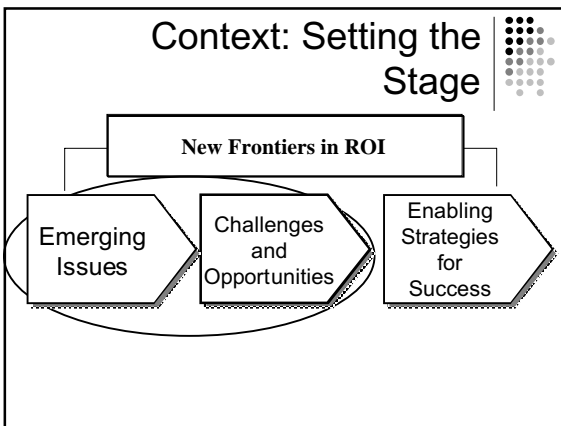
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**New Frontiers in ROI**  
**A view from the Public Sector**

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Deborah M. Wharff  
Center for Learning Analytics and Strategies  
National Cryptologic School  
National Security Agency  
Email: dmwharf@nsa.gov



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**Emerging Issues  
in the Public Sector**



- Demand for accountability
  - OPM Human Capital Framework
  - OMB President's Management Agenda
  - Agency specific
- Theoretical shifts of how adults learn and develop – the HPI movement
- Maturity of assessment, evaluation, and measurement methodologies
- Partnerships for success

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**Challenges  
and Opportunities**



- Staffing and People Resources
  - Competing work schedules and commitments
  - Limited time to prove value
  - Varying levels of experience
- IT issues
- Differing philosophies on assessment, evaluation and measurement
- Unclear, competing, and contradictory expectations of Corporate University
- Data access
  - What, how, when, where, why

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**Emerging Issues  
in Japan**



- Panelist: Uichi TSUTSUMI
  - Email: uichi\_tsutsumi@jmam.co.jp
- JMA Management Center, Inc. (JMAM):
  - Training & consulting company
  - Employees: 453 in 9 cities
  - Gross revenue: J¥ 15.8 billion (US\$ 143 million)
  - Business publications, e-Learning programs
  - Customized in-house programs, assessment tools, etc.
- Years implementing ROI: 4years

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**Emerging Issues  
in Japan**



- Only in the last 4 years have Japanese companies turned their attention to training evaluation
- The topic is catching on with many leading corporations as they begin to see its potential
- Implementation is still primitive

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**Challenges and Opportunities:  
Changing Ideas, Lack of Knowledge**



- How training is seen in Japan
  - **New idea:**
    - Training is an investment, so we need to see results and know what our return is
  - **Old idea:**
    - Training is simply the right thing to do. No one questions it. No other judgment on it is considered.
    - Training is a relaxing time out for reflection, and a way to renew one's energy. That is benefit enough.
- Lack of knowledge about "Training Evaluation & Measurement"

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**Emerging Issues and  
Opportunities in the  
e-learning Frontier**



Panelist Lizette Zuniga, PhD  
Company LCZ Integrated Solutions  
Email lcz\_inc@bellsouth.net  
Position CEO  
Use ROI 5 years

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## Challenges:

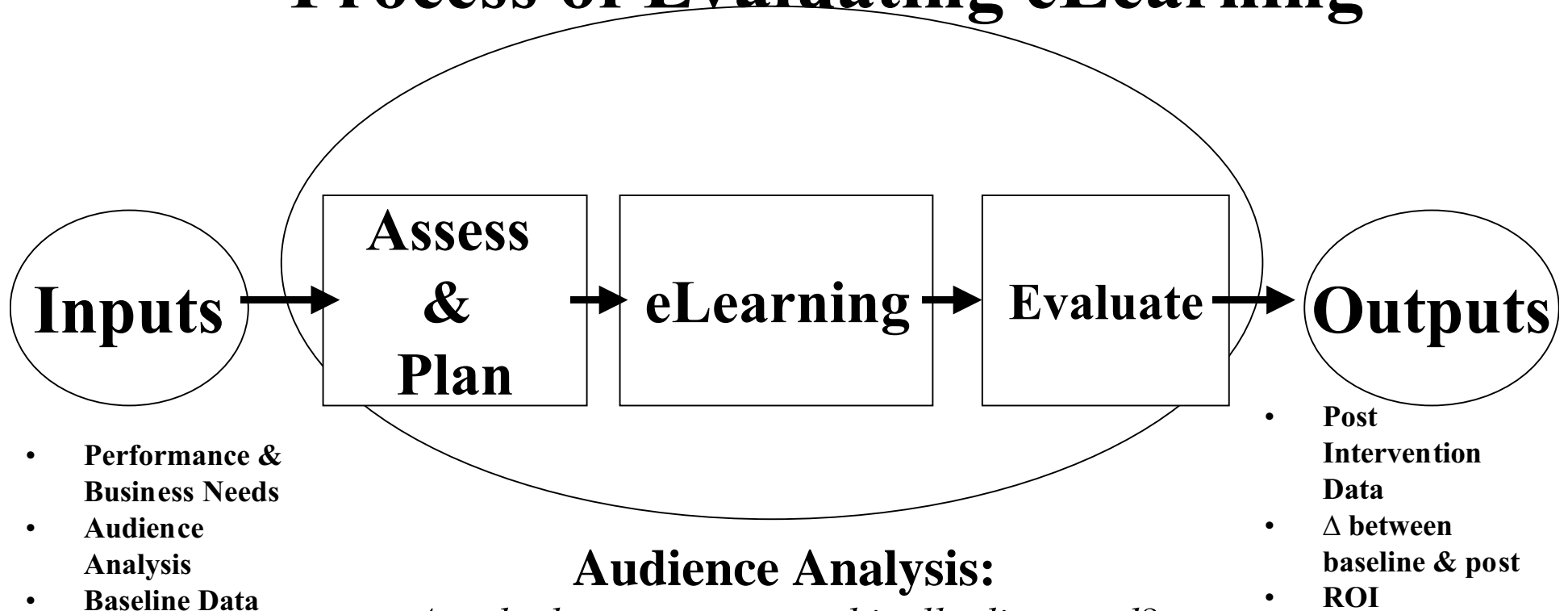
Which of the following reservations apply to you in conducting ROI?



1	I do not have the data I need to conduct an ROI study
2	What if my ROI is negative?
3	The ROI process is too cumbersome and complicated
4	I do not have the resources to conduct an ROI study
5	Soft skills metrics will not be credible
6	How will I know whether it was the intervention/training that made the difference?
7	What costs do I need to consider when calculating e-learning ROI?

# eLearning Evaluation Process

## Process of Evaluating eLearning



### **Audience Analysis:**

*Are the learners geographically dispersed?*

*Do the learners have access to a PC?*

*Can the learners access relevant learning Websites?*

*What are the comparative costs of classroom and electronic learning?*

*Do the learners have the computer skills necessary to participate in e-learning?*

**Emerging Issues  
in eLearning ROI**

- Increase of eCommerce this year (\$3.9 trillion worth)
- Growing number of global businesses
- Workforce becoming progressively more virtual

- Greater demand
- Push technology emerging into learning arena
- Re-usable objects
- Increased personalization and customization
- eLearning ROI related to business impact of employee retention
  - Global workforce
  - Merger activity
  - Virtual teams
- More than cost savings
- ROI of eLearning focused on business impact

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**e-learning Challenges  
and Opportunities**

- The greatest challenge continues to be the inability to link business results with elearning among practitioners
- “Build it and they will come” mentality crossing over into eLearning arena
- Lack of resolution on costs associated with eLearning
- Transfer of learning in virtual workforce

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**Emerging Issues  
from the  
Non-profit, Global Frontier**

Panelist    Diederick Stoel  
Position    CEO  
Company    Profit Wise, Amsterdam

Email: [roi@profitwise.info](mailto:roi@profitwise.info)  
<http://www.profitwise.info/>

Use of ROI 14 years

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**Emerging Issues from the Non-profit, Global Frontier**

- Intangible assets drive value
- Investing in people
- Merge HRM and Innovation
- Delivering ROI
- Stakeholders value
- Accountancy
- Triple bottomline

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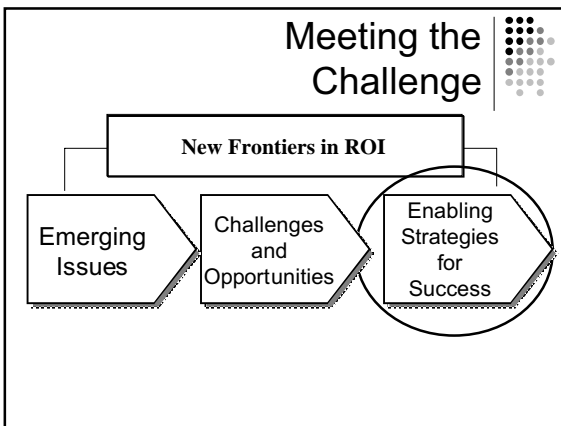
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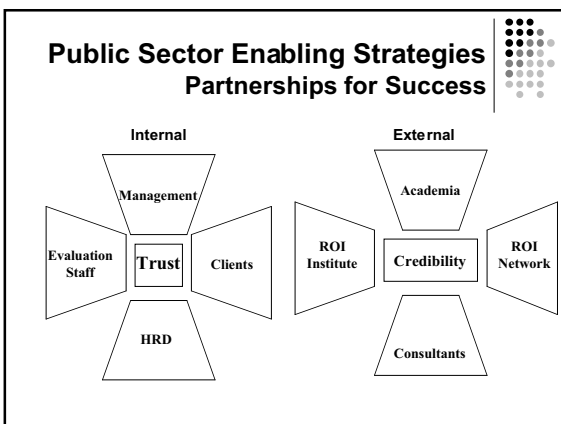
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# Enabling Strategies for Sustaining Success

<p>Shared Goals</p>	<ul style="list-style-type: none"> <li>• Identify partners that have common goals, objectives, resources, and people necessary to implement initiatives.</li> <li>• Establish the need to work cooperatively early in process.</li> <li>• Share responsibility for the ROI results.</li> </ul>
<p>Relationships</p> <ul style="list-style-type: none"> <li>➢ Breadth</li> <li>➢ Depth</li> <li>➢ Penetration</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a variety of partners.</li> <li>• Develop trust and credibility.</li> <li>• Internalize the ROI process into the culture of the organization.</li> <li>• Create a positive, constructive environment through regular facilitated meetings.</li> <li>• Document memorandum of agreements, and continually assess progress.</li> <li>• Invest time to build and maintain relationships and remain cognizant of changes in the relationships as partnerships mature and level of expertise improves.</li> </ul>
<p>Planning and Implementation</p>	<ul style="list-style-type: none"> <li>• Forecast and identify the resources necessary to sustain the efforts through completion, ensure estimates are realistic and candid.</li> <li>• Encourage dialogue at every stage of the project, deal with conflict early.</li> <li>• Renegotiate as needed -- remain flexible, bend with partner's expectations, needs.</li> <li>• Anticipate barriers to success and develop contingency plans.</li> </ul>
<p>Projects</p>	<ul style="list-style-type: none"> <li>• Ensure projects are "achievable." Negotiate resources prior to commitments.</li> <li>• Establish mutually agreeable milestones -- requires renegotiation and oftentimes new strategies.</li> <li>• Avoid projects that don't align with organization's strategic imperatives.</li> </ul>
<p>Sustainment</p>	<ul style="list-style-type: none"> <li>• Establish communities of practice.</li> <li>• Meet regularly with management to reestablish level of commitment.</li> <li>• Move toward fee for service arrangement or shared investment strategy.</li> </ul>

**Public Sector Enabling Strategies  
People and Implementation**



- Management
  - Must convey and be catalyst for change
  - Commitment of resources – financial plan and people
- Clients
  - Linkage to strategic priorities and goals
  - Management of expectations
- HRD Staff
  - Diffusion of evaluation efforts
- Evaluation Team
  - Selection of multidisciplinary team
  - Commitment to building expertise
  - Focus on automated level one and generic level three process automation

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**Public Sector Enabling Strategies  
IT and Process**



- Infrastructure issues
  - IT organization became critical partner
  - Development of dashboard capability
- As we acquired knowledge and expertise, made changes in strategy
  - Implementation of tailored level three, four, and ROI process
  - Linkage of needs assessment and evaluation to requirements planning and strategic consulting processes
  - Tied evaluation results to Agency organizational performance measures – Balanced Scorecard

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**Public Sector Enabling Strategies  
Sustaining Success**



- Ongoing assessment of necessary long term and short term partnerships
- Planning for leadership successor
- Creating marketing and communication strategy
- Establishing a community of practice
- Integrating ROI process training into core training for HRD staff
- Diffusing evaluation processes
- Establishing strategic consulting presence within customer organizations
  - Evaluation becomes core competency of HRD Strategic Consultants
  - Needs assessment is institutionalized as level 0 of evaluation process

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**JMA Enabling Strategies**  
**Education and Training**



- The path to our breakthrough
  - Jack Phillips and his “Handbook of Training Evaluation and measurement”
- Workshops and conferences in the U.S.
- Benchmarks of American companies’ best practices
- ASTD ROI Network

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**JMA Enabling Strategies**  
**Management Support**



- Where management is not involved:
  - “Training programs are routine. You can deliver them on auto-pilot.”
  - They have no clear idea why they have been providing training, nor any reason to break with their tradition.
- Characteristics of companies with good management support:
  - Training is linked to their business needs.
  - Management participates as trainers.
  - Management and HRD communicate well.
  - High performers conduct training programs, or their competencies serve as evaluation criteria.

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**JMA Enabling Strategies**  
Transferring newly-learned skills to the workplace



- Our follow-up questionnaire goes beyond feedback: it makes participants reflect upon the how and why of what they did
- Participants get an opportunity to present their results
- We now make data collection a time for participants to grow in understanding

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### **e-learning Enabling Strategies**



- Partner with your CFO organization
- Standardize eLearning costs
- Provide learning for key training persons on linking eLearning with business results
- Customization increases odds for positive ROI
- Foster technology-friendly and evaluation-friendly culture (change management)
- Company intranet, email and follow up surveys can provide opportunities for transfer of learning

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### **Global Enabling Strategies** Align Intangible Assets with the Bottomline(s)



**Economy**

**Environment**

**Society**

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### **Dialogue, Q & A,** **Application of Key Concepts**



- Emerging Issues
  - > Implications for your evaluation efforts
- Challenges and Opportunities
  - > How do they compare?
- Integration of Enabling Strategies
  - > How will they work for you?

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## About the Presenters

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**Dr. Deborah M. Wharff**, is Chief, Center for Learning Analytics and Strategies at the National Cryptologic School of the National Security Agency. Her experience includes strategic planning, human performance improvement, needs assessments, evaluation, performance measures, and faculty development. She is certified as an ROI professional and her accomplishments in the field of evaluation led her organization to achieve "best-in-class" status by the American Productivity and Quality Center. Wharff has conducted numerous return-on-investment studies of key employee development programs, resulting in significant cost avoidance to the taxpayers and she has extensive experience in the field of adult learning, with an emphasis on research and assessment in leadership development. Her most recent research in "spiritual leadership and the workplace" has been recognized by the Academy of Management and the Institute for Behavioral and Applied Management. She holds a bachelor degree in technology management, an executive master degree in strategic management, a master degree of business administration, and a Ph.D. from the University of Maryland. She can be reached at [dmwharf@nsa.gov](mailto:dmwharf@nsa.gov)

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**Uichi Tsutsumi** is an evaluation professional in JMA Management Center Inc., which provides HRM and HRD solutions. Its parent company is Japan Management Association, a not-for-profit organization leading in HRM fields since 1942. As an account executive for training services, he gained wide experience in designing, developing and promoting correspondence education courses and assessment tools. Since 1999, he has been a project leader for training effectiveness research, and has been actively disseminating the concept of training effectiveness in the Japanese market. Mr. Tsutsumi can be reached at [Uichi\\_Tsutsumi@jmam.co.jp](mailto:Uichi_Tsutsumi@jmam.co.jp).

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**Dr. Lizette Zuniga** is CEO of LCZ Integrated Solutions, Inc., a research and consulting firm focused on organizational improvement and accountability. With more than 15 years of professional experience, Dr. Zuniga has expertise in strategic planning, scorecard development, leadership and team development, organizational culture assessment, program evaluation, ROI, survey design and needs assessment as both an internal and external consultant for Fortune 500 companies. Dr. Zuniga's academic contribution is extensive, including serving as an adjunct professor for a major university, teaching *Adult Learning Theory & Practice* and *Presentation Skills*. Lizette holds a Master's degree in Psychology and Psychometry from Georgia State University and a Ph.D. in Leadership & HRD from Barry University. She is certified in both Myers-Briggs Typology and ROI evaluation and has authored numerous articles, including co-authoring The ROI of eLearning (in press), The 2002 ASTD E-Learning Handbook, and The 2001/2002 ASTD Distance Learning Yearbook. Lizette can be reached at: [lcz\\_inc@bellsouth.net](mailto:lcz_inc@bellsouth.net).

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**Diederick Stoel** is President and CEO of ProfitWise, an international consulting and research corporation. ProfitWise demonstrates the added value of training and performance improvement programs. ProfitWise's mission: Make learning a rewarding enterprise. Diederick Stoel has consulted with many companies throughout Europe in the areas of strategic planning, organizational analysis, and measurable human resource management programs. As a frequent conference presenter on investing in human capital, he is certified in ROI evaluation and has written several articles. Diederick is an elected member of the ASTD ROI Network Advisory Committee. He serves as a guest lecturer with the University of Twente in the Netherlands, Purdue University in West Lafayette, Indiana and the University of South Africa. Diederick Stoel earned his Master's degree in Educational Science and Technology from the University of Twente, the Netherlands. Diederick can be reached at [diederick.stoel@profitwise.info](mailto:diederick.stoel@profitwise.info).

## About the Moderators

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**Dr. Patti Phillips** is President of the ROI Institute, a research and education organization dedicated to advancing the understanding and practice of ROI evaluation. Phillips works with organizations world-wide to implement accountability processes including ROI. She helped launch the ROI Network and has been involved in ROI impact studies in a variety of private and public sector industries around the world. Publications include *The Bottomline on ROI* (2002) published by the Center for Effective Performance, which won the 2003 ISPI Award of Excellence; *The Human Resources Scorecard: Measuring the Return on Investment* (2001), published by Butterworth-Heinemann; *Measuring the Return on Investment Volume 3* (2001), *Measuring ROI in the Public Sector* (2002), *Managing Evaluation Shortcuts* (2001), and *Mastering ROI* (1998) published by ASTD. She has served as contributing author in a number of publications including Donald Kirkpatrick's *Evaluating Training Programs* (1998) published by Berrett-Koehler; Lorraine L. Ukens' *What Smart Trainers Know* (2001) published by Jossey-Bass/Pfeiffer; and Allison Rossett's *The ASTD E-Learning Handbook* (2002), published by McGraw-Hill. She served as editor of the "Symposium on the Evaluation of Training" in the *International Journal of Training and Development* 5(4) December 2001. A certified performance technologist (CPT), Phillips can be reached at [patti@roiinstitute.net](mailto:patti@roiinstitute.net).

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**Holly Burkett, M.A., CPT, SPHR** is Principal of Evaluation Works and a certified ROI professional with over 18 years experience in performance improvement and measurement. She assists public and private sector organizations define the business value of HRD programs in such areas as: leadership development; succession planning; structured on-the-job training; employee certification; strategic change management; career development; and continuous process improvement. Formerly with Apple Computer, she led the operation's first ROI impact studies and has been a featured ROI professional in T+D magazine and the Japanese HRM and Training Magazine (2000). Publications include: co-authoring *The ROI Fieldbook* (in press); authoring the evaluation chapter in *HPI Essentials* (2002); ROI case studies with ASTD's In Action series (2002, 2001, 1999); and co-authoring "Managing Evaluation Shortcuts" (2001). A certified Senior Professional in Human Resources (SPHR), she serves as adjunct faculty in HRD programs with both California State University Sacramento and the University of California Davis. Holly is an elected member of the ROI Network Advisory Committee; ROI content editor for *ROI Network News*; and a former ASTD National Advisor for Chapters (NAC) representative. She earned her Master's degree in Human Resources and Organization Development from the University of San Francisco. She can be reached at [burketth@earthlink.net](mailto:burketth@earthlink.net).