10 Tips to Measure Training ROI

By ESI International

If you can’t prove a return on your training program — real learning that is adopted and applied — then you run the risk of having it cut back or even losing it. You may think that measuring ROI is hard. However, if you follow these fast, hard rules, you’ll be on your way to proving your learning program has measurable impact.

1. You don’t need to go overboard in calculating ROI. You only need to prove beyond a reasonable doubt that your program is cost justified.

2. Shift your thinking from a quality mindset to an impact and results mindset. ROI is more than a calculation; it’s a way of thinking. Learning professionals often focus on the quality of their training rather than the impact of the learning, assuming that quality leads to learning and learning leads to impact. While quality is important, it doesn’t go nearly far enough in proving that training positively impacts the business.

3. Calculate ROI continuously so you always know how much benefit your program is generating. There are two ways to waste training dollars — train people who don’t need it or train people who don’t use it. Neither of these things has to happen in your program if you have a handle on what is working and what is not.

4. Build your case for ROI step by step. Getting to ROI is like building a court case. You make arguments and then present facts to support them. Ultimately, these

arguments and facts result in an obvious conclusion — that your training program generates more value than it costs.

5. The more data points you have, the better. The people who matter when it comes to making your case are typically analytical — COO and CFO types — and will likely want an explanation as to how you reached your conclusion. Validate your findings with as much data, from as many different perspectives, as possible. That means the trainees' responses immediately after the course and a couple of months after, as well as their managers'.

6. ROI isn't just about money. Analyze results that lead to ROI across the following four levels of learning measurement: quality, effectiveness, job impact and business results.

7. Be as conservative as possible in your ROI calculations. Self-reported scores should be factored down to compensate for bias. Additionally, you should use the delivered job impact number reported in the follow-up survey rather than what was predicted immediately after the class. Often, students are very enthusiastic about the learning right after the completion of the course, which causes bias. The follow up survey results allow for a more true measure.

8. Know the investment outlay. Since ROI by definition is a return on investment, it stands to reason that it can't be calculated without knowing the investment itself. First, calculate the investment: class cost added to the salary of the learners for the days within class. Then, calculate the return: multiply the average salary by the percent students said their work improved due to training.

9. Communicate the story behind the numbers. When you're discussing your program with stakeholders, clearly state the goals of your program as you first envisioned it, the challenges you faced and how you overcame them to make a difference for the business.

10. Don't be discouraged by low ROI numbers. Low ROI can be improved. Taking a proactive stance and a comprehensive view of job support and other adoption practices will get your ROI numbers where they need to be and ensure the continuation and advancement of your learning programs.

These tips are included in a new research study by ESI International [1], the world's leading project management training company, Download a free copy of "Training ROI: If Someone Asks You've Already Lost Your Budget" for a step-by-step process for calculating ROI that is practical for learning organizations to implement, and also produces meaningful, credible information to the business. Click to download the Training ROI research paper [2]. Or go to http://request.esi-intl.com/content/US_12May31DefendingPMO [3]

For more information, please visit www.esi-intl.com [1].

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