

Certification in the ROI Methodology

The Complete Impact Measurement Certification System

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The Measurement Issue

One of the most challenging issues facing organizations is to place a value on the benefits in training and development, human resources, performance improvement, change, quality, and technology. The ROI methodology, developed by Dr. Jack J. Phillips, has proven to be an accurate, credible, and feasible approach to addressing the accountability issues for all types of organizations. The methodology has been accepted and used in over 40 countries and is the leading approach to ROI accountability.

Facilitated by Jack and Patti Phillips, Certification in the ROI Methodology provides a practical measurement experience. Participants learn how to use the ROI methodology to measure the contribution of programs, satisfy client needs, enhance program success, and build respect with stakeholders.

The ROI methodology is best described by considering five major elements, as shown in Figure 1. The first element is the framework for evaluation, which details five distinct levels of evaluation. These levels, shown in Figure 2, categorize data, reporting a chain of impact as reaction leads to learning, to application, to impact, and to return on investment.

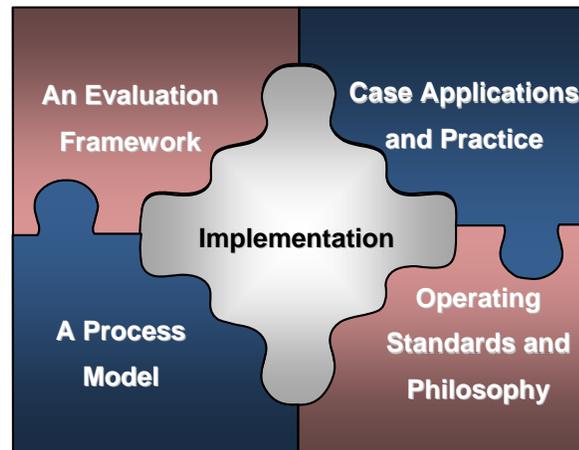


Figure 1 – Elements of the ROI Methodology

Evaluation Levels	
Level	Measurement Focus
1. Reaction & Planned Action	Measures participant satisfaction with the program and captures planned actions.
2. Learning	Measures changes in knowledge, skills, and attitudes.
3. Application and Implementation	Measures changes in on-the-job behavior and progress with application.
4. Business Impact	Captures changes in business impact measures.
5. Return on Investment	Compares program monetary benefits to the program costs.

Figure 2 – The ROI Process

The second element is the ROI model. As shown in Figure 3, the model provides a step-by-step process for collecting data, summarizing and processing data, isolating the effects of programs, converting data to monetary value, and capturing the actual ROI.

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The Phillips ROI Methodology

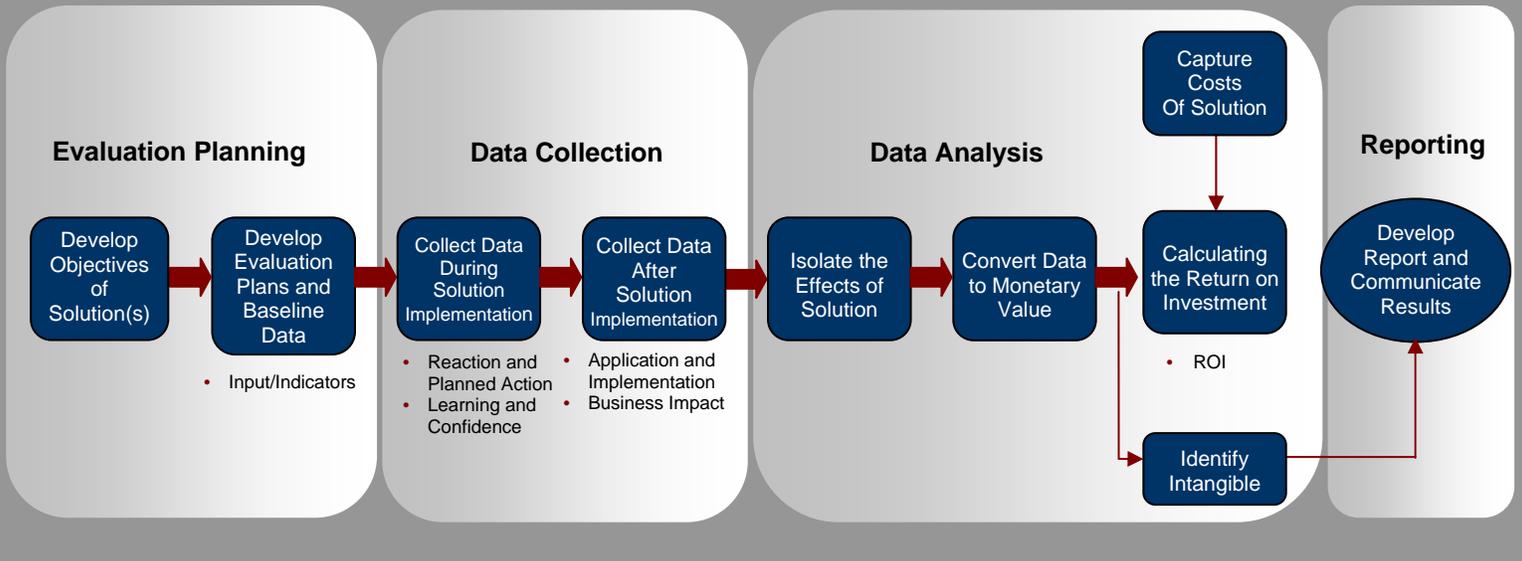


Figure 3 – ROI Model

The guiding principles, the third element, serve as standards for using the process and processing the data. The standards are conservative in nature and essential for building necessary credibility with key target audiences. The fourth evaluation element represents the actual application of the process. Application is essential for an early win as the ROI methodology is implemented. The final element, implementation, holds the other four elements together through integrating and sustaining the methodology over the long term. Through implementation, organizations explore ways to ensure that the methodology becomes a routine part of the activities and assignments. As part of this process, actions and evaluation targets are set. These five elements are thoroughly addressed in the certification process. Each element is given equal time and participants master the necessary skills to tackle all five.

Certification History

The ROI certification was developed in response to specific client needs. In the early 1990s, a few clients commissioned Dr. Jack Phillips to visit their facilities and work with the staff until “he was convinced that they were capable of conducting ROI studies.” Originally, two weeks were dedicated on site to certify that these individuals were capable of implementing the ROI methodology. Some organizations could not afford an internal workshop and requested a public version of the process. In December 1995, the first public certification was offered. The certification transformed from an intense, internal two-week visit to a one-week workshop with pre- and post-workshop assignments. Since then, 10-15 certification workshops are conducted each year with over 2,000 individuals participating in the process. The certification has been offered throughout the USA and many other countries.

Skills for Certification

The certification process focuses on ten skill sets.

1. **Planning for ROI calculations**, including developing data collection, analysis, and project plans.
2. **Collecting evaluation data** using questionnaires, interviews, focus groups, observations, and business performance monitoring.
3. **Isolating the effects of programs** using control groups, forecasting, and expert estimation.
4. **Converting data to monetary values** using standard values, cost data, expert input, databases, and estimation.
5. **Monitoring program costs** to include all direct and indirect costs.
6. **Analyzing data**, including calculating the ROI.
7. **Presenting evaluation data** to a variety of stakeholder groups.
8. **Implementing the ROI methodology** in the organization.
9. **Providing internal consulting on ROI** to key stakeholders.
10. **Teaching the ROI methodology** to key stakeholders.

Objectives of Certification

The objectives of the certification cover four levels, as outlined below:

Reaction Objectives. After examining the ROI methodology, participants will rate the process high on:

- The practicality of the ROI methodology
- The usefulness of the material
- Relevance of ROI methodology to present work
- Importance of the ROI methodology to job success now
- The amount of new information about accountability
- Intent to use the ROI methodology
- Recommendation to others from similar job situations to attend

Learning Objectives. After attending this workshop, participants will be able to:

- Identify the drivers for ROI accountability
- Identify and describe the major steps in the ROI methodology
- Identify and describe the 12 guiding principles
- Develop a detailed evaluation plan
- Describe at least six ways to isolate the effects of a program
- Describe at least eight ways to convert data to monetary values
- Identify and analyze intangible measures
- Calculate the benefit cost ratio and the ROI
- Communicate ROI data to a variety of stakeholders
- Implement the ROI Methodology within their organization

Application Objectives. After returning to the job environment, participants will:

- Build a credible business case for ROI in the organization
- Develop detailed evaluation plans for specific programs
- Revise/Update internal policy/practice on evaluation
- Select appropriate data collection methods for each impact study to measure a variety of soft and hard data
- Utilize at least three ways to isolate the effects of programs
- Utilize at least five ways to convert data to monetary values in impact studies
- Calculate the return on investment for selected programs
- Present evaluation data in a compelling and convincing way
- Provide expert advice and leadership on ROI implementation
- Brief/Teach others on the ROI methodology

Impact Objectives. When the ROI methodology is implemented, the following consequences will be realized:

- Improve the effectiveness and efficiency of programs
- Expand the implementation of successful programs
- Redesign or discontinue ineffective programs
- Build productive relationships with clients and executives
- Enhance the influence of, and respect for, your function and its contribution to the organization

ROI Objectives. When comparing the monetary benefits to the cost of ROI implementation, participants will:

- Achieve no less than 25% ROI

Certification Parts

The certification in the ROI methodology has five major parts:

1. Prework required to prepare for the workshop.
2. The actual five-day certification workshop, designed to build specific skills and meet certain objectives.
3. Comprehensive, detailed workshop materials provide on-the-job reference and assistance.
4. Project follow-up required three to six months after the workshop is completed.
5. Validation of skill and knowledge acquisition, which enables the participant to become certified in the ROI methodology.

Each of these elements is described below.

Prework. The first component of certification is pre-work, which involves developing a basic understanding of the ROI methodology. This initial exposure can be accomplished with participation in a one- or two-day workshop or through special reading and pre-work assignments to ensure that the basic understanding has been developed. In addition, the pre-work includes a self-assessment of the current status of results-based efforts and additional planning for a specific ROI impact study. As part of this, participants are asked to identify a particular project with which to conduct an ROI study.

Workshop. The second phase of the certification is the one-week workshop, which focuses on the ten skill areas identified earlier. The workshop is highly participative, case based, and project focused. Interaction with other participants provides opportunities for additional sharing and learning. The first day consists primarily of an overview of the ROI methodology. Participant involvement increases until the last day, which is totally driven by the participants. During the workshop, participants make three important presentations:

1. *Case Study Presentation.* The first presentation is the communication of the results of an impact study. Working as a team, participants present the results of an impact study assigned to them. This process helps participants develop an understanding of impact study results, and secure buy-in from the audience. At the same time, the team responds to questions and issues raised by the audience, reinforcing their understanding of the methodology. The team then debriefs the audience, describing the lessons learned and what they would have done differently if they had actually conducted the study.

2. *ROI Project Plans.* The second presentation involves the planning for an ROI impact study. Using the program or solution destined for an ROI study, participants complete a data collection form and an ROI analysis form. These planning documents are presented to the workshop participants who serve as internal consultants, providing expert input on major issues such as data collection methods, isolating the effects of the program, and converting data to monetary value.

3. *Action Plan.* The third presentation centers on the implementation of the ROI methodology in the organization. Each participant develops a specific plan for the actions or steps that will be undertaken to implement the ROI methodology within their particular organization. Action items focus on specific issues in their sphere of influence – things they can actually control and accomplish.

Together, these three presentations help provide active participation in the workshop, develop critical skills needed for ROI use, and ensure that the ROI methodology is implemented in the organization.

Workshop Materials and Job Aids. Workshop materials may vary slightly, depending on the audience. Each participant will usually receive:

- A detailed participant workbook, complete with exercises and exhibits.
- A copy of a foldout job aid on the ROI methodology.
- An ROI casebook.
- *Return on Investment in Training and Performance Improvement Programs*, 2nd Edition. Jack J. Phillips, Butterworth-Heinemann, Woburn, MA (2003).
- *Make Training Evaluation Work*, Jack J. Phillips, Patricia Pulliam Phillips, and Toni Krucky Hodges, ASTD Press, Alexandria, VA (2004).
- *ROI at Work*, Jack J. Phillips and Patricia Pulliam Phillips, ASTD Press, Alexandria, VA (2005).
- *In Action: Implementing Training Scorecards*, Edited by Lynn Schmidt, American Society for Training and Development, Alexandria, VA (2003).

Post Workshop Follow-up. Participants are expected to apply the ROI methodology and achieve success with the application. Approximately three to six months after the workshop, participants detail the progress with both the implementation and the ROI impact study. The success of implementation is judged against the implementation plans developed during the workshop. Participants detail progress made on each of the planned action items, indicating barriers and enablers along the way. If more time is needed, or subsequent progress should be reported, additional time is allowed.

Progress on the ROI impact study is usually reported in a three to six month time frame. This input describes the progress made in conducting the actual ROI impact study, including data collection instrument design, summaries of data, and the analysis leading to the six types of data. Ideally, the completed impact study is submitted for review and critique. In some cases three to six months is not enough time for the impact study to be completed. In those cases, the documentation of success can be delayed until the project is completed. In some rare situations, the planned ROI impact study may not be implemented for reasons beyond the control of the participant. In those cases, the participant will complete the planning documents detailing specific data collection instruments, planned analysis, and reporting. Documentation describing progress made and explanation of why the project did not proceed as planned.

The completion of these two assignments serves as the principal measure of success for certification, pushing the knowledge and skill acquisition to on-the-job application and corresponding success with the implementation.

Validating the Skills. The validation of the skills is accomplished in several steps.

1. A comprehensive, knowledge-based examination is administered at the end of the week, covering all key aspects of the ROI methodology. A successful completion is required for certification.
2. Various facilitator assessments are captured throughout the process, judging specific skill sets from different types of exercises. Achieving success with these exercises is a requirement for continuing participation in the certification.
3. ROI planning, including both the data collection form and the ROI analysis form, is judged, based on objective criteria.
4. The progress achieved with the implementation plan is evaluated 3-6 months after the end of the workshop. Participants provide documented evidence of progress on the implementation plan.
5. The progress with the ROI impact study is evaluated 3-12 months after the workshop. Participants provide a progress report on the ROI impact study.

Collectively, these five steps comprise the total evaluation necessary to achieve certification status.



Who Should Attend?

This workshop is designed for those who are taking a leadership and coordination role in ROI implementation within their organizations. Others who desire a more comprehensive and detailed exposure to measuring the impact of performance improvement solutions should also attend. Typical job responsibilities vary and include learning specialist, training manager, measurement specialist, chief of evaluation, HR manager, metrics coordinator, quality manager, technology coordinator, organizational effectiveness director, and consultant.

What Does Certification Mean?

A commonly asked question focuses on the value of the certification process itself – what does it mean for both the participant and the participant's employer? From the employer's perspective, certification provides assurance that the participant is capable of implementing the ROI methodology and conducting ROI impact studies. This certification is the only process available to provide the employer with the evidence and assurance about capability in measurement and evaluation, including return on investment. This certification is becoming an important credential for selecting, placing, compensating, and promoting employees in measurement assignments. The individuals who possess this unique capability are often in demand, and command higher salaries in the marketplace. Certain jobs have this certification as one of the prerequisites.

From the participant's perspective, certification is the validation of specific skills and knowledge. The principle advantage of certification is the self-satisfaction and confidence in having prescribed skills necessary to implement the ROI methodology. In addition, certification is often important in securing, maintaining, and progressing in measurement and evaluation opportunities. Certification is often a prerequisite for involvement in benchmark studies, panel discussions, invitations to speak at conferences, writing articles, and publishing case studies. A variety of magazines, journals, and trade publications want certified individuals to develop articles or serve as a reviewer of a book, article, or case study.

The records of participants who have completed the certification process are housed in the ROI Institute, Inc. Less than one-half of those completing the workshop have actually achieved the certification. Some participants want to build skills without necessarily demonstrating the success of skill building. Others move to other responsibilities; still others decide not to submit evidence of accomplishment.

Continuing Education Requirements

For individuals to maintain the current certification, each year they must obtain at least 12 contact hours of continuing education on measurement and evaluation, up to and including ROI. Continuing education must be from approved or accredited organizations.

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Comments from Participants

Many individuals report that this certification is the most important professional development activity in their career. These comments are typical:

"After attending the ROI Certification workshop, our Agency totally redesigned the way we evaluate our training...we are no longer content with just measuring student satisfaction and learning...this workshop provided the foundation for becoming a best practice in measuring the impact of learning, awarded by the American Productivity and Quality Center."

Deb Wharff, Director
Learning Strategy
Department of Defense

"The ROI certification was one of the most empowering and transformational experiences of my professional life. After completing the program, I was better equipped to align performance and business objectives at Apple, to engage management support for results-based efforts, and to lead the operation's first HRD impact studies. The certification gave me the confidence and commitment to follow a step-by-step evaluation process, which in turn led to increased organizational confidence and commitment with a results focus."

Holly Burkett, M.A., SPHR
Principal, Evaluation Works
Formerly with Apple Computer

"I believe that certification means being recognized as a leader in the industry. ROI certification means that I can be trusted to employ a proven process that produces valid and reliable business results. Being certified in the ROI Process is a major milestone in my career and places me in the company of people I deeply respect. Not only do I understand the ROI Process, but I'm capable of producing observable and measurable results valued by my business partners. As a Learning Professional certified in the ROI Process, I now have the confidence and skills to feel as comfortable at the executive table as I do in the classroom. There are a great many processes available, but The ROI Process developed by Jack Phillips is the key to making training and development professionals invaluable in today's business environment."

Scott Dade
Performance Improvement Consultant
Bank of America

"The ROI Certification provided an excellent opportunity to not only learn the ROI process but to apply the skills as well. I attended with my entire team and during the "training" we were able to apply all of the steps to one of our training programs, Performance Management. After the "training" part of the certification was over, we went back to our jobs and immediately conducted an ROI study on our Performance Management program, submitted the results, and became officially certified in the ROI process. And everything we learned worked!!"

Lynn Schmidt
Director, Leadership Institute
Nextel Communications

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Internal vs. Public Offerings

The certification process can be conducted internally or in a public format. Customized, internal certification is available for an organization where the number of participants makes it economically feasible (usually 10 or more) when compared to public versions in the internal version, schedule, structure, delivery, format, and certain parts of the content can be customized to meet the specific needs of the organization. This is ideal for preparing a team that has been charged with implementation of the ROI methodology.

Public certifications are offered in different locations and usually hosted by an organization. The host organization provides facilities and support for the workshop. Typical hosts are currently involved in the implementation of ROI methodology. Public certifications are offered in the USA and in countries outside the USA. For additional information on the certification schedule, becoming a host for certification, or information about an internal certification, please contact info@roiinstitute.net.

About the ROI Institute

The ROI Institute, Inc. is dedicated to the application and refinement of the ROI methodology. The ROI Institute offers workshops (including certification), consulting services, benchmarking, research, publications, and other materials to enhance and improve the ROI methodology. It is the networking hub for those people who participate in the ROI certification process. In addition, The ROI Institute develops a wide range of publications on accountability, including measuring ROI. The ROI Institute is the only organization dedicated to developing, refining, promoting, and implementing the ROI methodology originally developed by Dr. Jack Phillips.



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Jack J. Phillips, Ph.D.

As a world-renowned expert on accountability, measurement and evaluation, Dr. Phillips provides consulting services for Fortune 500 companies and major global organizations. The author or editor of more than 50 books, Phillips provides workshops and conference presentations throughout the world.

His expertise in measurement and evaluation is based on more than twenty-seven years of corporate experience in five industries (aerospace, textiles, metals, construction materials, and banking). Phillips has served as training and development manager at two Fortune 500 firms, senior HR officer at two firms, president of a regional bank, and management professor at a major state university.

His background led Phillips to develop the ROI Methodology—a revolutionary process that provides bottom-line figures and accountability for all types of learning, performance improvement, human resources, technology, and public policy programs.

Phillips regularly consults with clients in manufacturing, service, and government organizations in 44 countries in North and South America, Europe, Africa, Australia, and Asia

Books most recently authored by Phillips include *Investing in Your Company's Human Capital: Strategies to Avoid Spending Too Much or Too Little*, Amacom 2005; *Proving the Value of HR: How and Why to Measure ROI*, SHRM 2005; *The Leadership Scorecard*, Elsevier Butterworth-Heinemann 2004; *The Human Resources Scorecard: Measuring the Return on Investment*, Elsevier Butterworth-Heinemann 2001; *Building a Successful Consulting Practice*, ASTD 2002; *The Consultant's Scorecard*, McGraw-Hill 2000; *Managing Employee Retention*, Elsevier Butterworth-Heinemann, 2003; *Return on Investment in Training and Performance Improvement Projects, 2nd Edition* Elsevier Butterworth-Heinemann 2003; *The Project Management Scorecard*, Elsevier Butterworth-Heinemann 2002; *How to Measure Training Results*, McGraw-Hill 2002; and *Performance Analysis and Consulting*, ASTD 2000. Phillips served as series editor for ASTD's In Action casebook series, one of ASTD's more ambitious publishing projects with 30 titles. Now, he serves as series editor for Elsevier Butterworth-Heinemann's Improving Human Performance series and Pfeiffer's new series on Measurement and Evaluation.

Phillips has received several awards for his books and his work. The Society for Human Resource Management gave him its highest creative award for an ROI study and an award for one of his books. The American Society for Training and Development gave him its highest award, Distinguished Contribution to Workplace Learning and Development. *Meeting News* named Phillips one of the 25 most influential people in the Meetings and Events industry, based on his work on ROI for the industry.

Phillips has undergraduate degrees in electrical engineering, physics, and mathematics; a master's degree in decision sciences from Georgia State University; and a Ph.D. in human resource management from the University of Alabama.

Jack Phillips has served on several boards of private businesses – including two NASDAQ companies – and several non-profits and associations, including the American Society for Training and Development. He is Chairman, ROI Institute, Inc.

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Patti Phillips, Ph.D.

Dr. Patti Phillips is President of the ROI Institute, Inc., the leading source of ROI competency building, implementation support, networking, and research. She is also Chairman and CEO of The Chelsea Group, Inc., an international consulting organization supporting organizations and their efforts to build accountability into their training, human resources, and performance improvement programs with a primary focus of building accountability in public sector organizations. She helps organizations implement the ROI methodology in countries around the world including South Africa, Singapore, Japan, New Zealand, Australia, Italy, Turkey, France, Germany, Canada, and the US.

Patti's interest in accountability and evaluation began at an early age when purpose and results were even then measures of success. This followed her throughout academia and 13 years in corporate life. During her tenure as a corporate manager who observed performance improvement initiatives from the client perspective, results were imperative. As manager of the market planning and research organization of a major utility, she was responsible for the development of marketing programs for residential and commercial customers. In this role, she played an integral part in establishing Marketing University, a learning environment that supported the needs of new sales and marketing representatives.

In 1997, Patti took advantage of an opportunity to pursue a career in a growing consulting business at which time she was introduced to training, human resources, and performance improvement from a new perspective—yet a perspective that directly reflected her values of accountability, ROI evaluation. Since 1997, she has embraced the ROI methodology by committing herself to ongoing research and practice. To that end Patti has implemented ROI in private sector and public sector organizations. She has conducted ROI impact studies on programs such as leadership development, sales, new hire orientation, human performance improvement programs as well as K-12 educator development, educator National Board Certification mentoring program, and faculty fellowship programs. She is currently expanding her interest in public sector accountability through the application of the ROI methodology in community and faith-based initiatives including Citizen Corps, AmeriCorps, and the Compassion Capital Fund.

Patti's academic accomplishments include a Ph.D. in International Development and a Master of Arts Degree in Public and Private Management. She is certified in ROI evaluation and has been awarded the designation of Certified Performance Technologist. She has authored a number of publications on the subject of accountability and ROI. Patti's most recent publications include *ROI Basics*, ASTD (2005); *Proving the Value of HR: How and Why to Measure ROI*, SHRM (2005); *Make Evaluation Work*, ASTD (2004); *The Bottomline on ROI*, Center for Effective Performance (2002), which won the 2003 ISPI Award of Excellence; *ROI at Work*, ASTD (2005); the ASTD *In Action* casebooks, *Measuring Return on Investment Volume 3* (2001), *Measuring ROI in the Public Sector* (2002), and *Retaining Your Best Employees* (2002); the ASTD *Infoline Series* including Planning and Using Evaluation Data (2003), Mastering ROI (1998), and Managing Evaluation Shortcuts (2001); and *The Human Resources Scorecard: Measuring Return on Investment*, Butterworth-Heinemann (2001). She is published in a variety of journals, serves as adjunct faculty teaching training evaluation, and speaks on the subject at conferences including ASTD's International Conference and Exposition and the ISPI International Conference.

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