



WHY

WHAT

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IF

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## WHY

### Why RoI?

Nowadays, there are 3 words of force, namely: Knowledge, Competitiveness and Sustainability and they have a logical sequence as follow.

As citizen, my duty is get Knowledge trough “Long Life Learning” to provide add value (and keep me alive) in competitive society; Enterprises duty is to provide a healthy competitiveness as a guaranty of the economic and environment sustainability.

That’s why the Council and the Commission re-state their determination to work at Member State and EU levels towards reaching the agreed goal of making education and training systems in Europe a world-wide quality reference by 2010. (Lisbon Strategy)

To reach this objective to the budget of the EU it was strengthened in 30% for the areas of the Education and Training.

To know if these objectives had been reached in 2010, it will have that to be measure; what we had to the departure, what invested and what was gotten. It means **RoI** - **Return On Investment** also in the Education/Training.

RoI is vital for your business investments, RoI is vital on Training investments!

RoI the way to know if you are on the right way!

Vitor Dias

CENFIM

## WHAT

### What to evaluate?

Evaluation of training activities in NGOs is very specific area, to which should be attached very big importance. A lot of evaluators realize the evaluation in the standard and given ways, which are not in many times sufficient for the overall and quality evaluation. Right due to this reason are developed new and better methods of evaluation in the last few years and one of them is also ROI. Probably the most important and key question in these methods is: What to evaluate???

#### *Reflection*

Reflection records the first feelings and impressions from the training activities and its main purpose is to be the starting and comparing point for the next steps of evaluation. At this evaluation level is very important to obtain the basic data from the participants about their satisfaction, expectations, investment of time ...

#### *What should be evaluated during the phase of REFLECTION?*

- Basic data - age, job, function and responsibilities in work
- Immediate feelings and impressions after the training activities (Positive X Negative influences)
- Expectations about the implementation of results

#### *Impact*

This level of evaluation is perceived from the long-term sight and its main task is to show, how much was useful the training. Impact takes into account the relevant factor of time during the application of results into the practices (this evaluation is mostly done in the period 3 - 6 months after the end of training activities) and finally, it should contribute to the overall evaluation of training's fruitfulness ...

#### *What should be evaluated during the phase of reflection?*

- Measure of implementation of new activities in the job
- Measure of implementation of new skills and knowledge in the job
- Frequency of using of these skills and knowledge and its utilization
- Interference in old activities by the application of the new theories and knowledge
- Benefits as a result of the training activities
- Possible barriers in using of the new skills, knowledge and activities

Of course, it is very difficult to make the objective evaluation of the training courses. But when it contrives to do this activity in high quality, we can be sure, that it will lead to the higher effectiveness of training and also better return of investments ...

Martin Koval

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## HOW

### How to evaluate training? How to evaluate ROI?

Evaluation process is never easy...this especially applies while evaluating ROI, as measuring the Return of Investments is not just to see what training you have paid for, but how the delivered training makes your company perform better.

#### Evaluate ROI before, during, and after!

... the training, of course. The ROI methodology should be regarded as a process-improvement tool and not a performance-evaluation tool, so we do need to evaluate the whole process of planning the training, delivery of the training, and changes in the company, arisen as a result of the training.

#### Evaluate ROI using both qualitative and quantitative data!

A variety of data collection methods are used in ROI analysis. ROI evaluation is not restricted to a specific type of data collection method: various types of questionnaires, individual interviews, focus groups, control groups, expert estimations, direct monitoring or team observations could be used in developing the complete profile of the five (six) types of data in the ROI methodology, and for the isolation of the effect of the training.

#### Evaluate ROI is a team collaboration task!

Some HR managers argue that evaluating ROI at all the five levels and isolating the effect of the training is difficult or even impossible. It could be so, if we regard it as a one-man-army task. In fact, the only way to evaluate ROI is to take on board not only the training/HR staff, but also a wide range of experts and managers:

- the company executives, in order to understand the relative contribution of the training programme to the company performance, and define the processes that are targeted as well as the changes that are expected as a result of the training;
- the trainers, in order to assess the improvement of the skills and knowledge of the trainees resulted from the course;
- the supervisors of the trained staff, in order to identify the changes in their performance after the training;
- the financial / accounting managers, in order to provide relevant data about the company financial results before and after the implementation of the training programme, thus helping the conversion of business-impact data to monetary values;
- and, of course, the trainees themselves -their conscious participation in the evaluation process will not only provide data, but will additionally support their involvement in the improvement of the company performance.

#### Shall we always evaluate the full ROI circle?

Usually we evaluate all the training programmes at level 1 and 2; less programmes are evaluated at level 3, and quite few at level 4 and 5. The decision till which level to apply the ROI methodology could depend on the importance of the expected result, on the training and evaluation budget, and not least on the capacity of the evaluation team.

The table below<sup>[1]</sup> shows a typical profile of a best-practice organization, targeting a percentage of programs at each level. Target levels are developed, reflecting the resources available and the feasibility of evaluation at each level:

ROI Evaluation Targets	
Evaluation Level	% of programs evaluated at that level
Level 1 - Reaction	100%
Level 2 - Learning	60%
Level 3 - Application	30%
Level 4 - Business Impact	10%
Level 5 - ROI	5%

Radosveta Drakeva

ZNANIE Association - Sofia

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[1] *From:* ROI Best Practices, Jack J. Phillips, Ph.D.

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### ROI calculator targeted to evaluate the ROI of E-Learning - SMEs of the trade sector

SMEs have a strong impact in the worldwide economy: in the OECD countries, 95% of the enterprises are small and media companies and represent between 60 to 70% of the employment and generate a large share of new jobs. Portugal has 300 millions of SMEs, which represent 99,6% of the Portuguese societies. Those enterprises employ 75% of the Portuguese active population and create almost 97% (163 million of euros) of the business volume. In fact, Portuguese national entrepreneurial structure is composed by 99% of micro and small enterprises: 86,8% are micro enterprises, 11,3% are small enterprises and 1,6% are medium enterprises.

#### ***How to promote e-learning targeted to SMEs?***

The e-learning and the b-learning initiatives promoted by the SMEs associations or by the SMEs consortiums can be a powerful alternative to struggle the SMEs gaps. In the Portuguese context, the SMEs challenges of continuous improvement can find relevant answers under the National Strategic Reference Framework 2007 - 2013. The *QREN* presents a set of challenges to the Portuguese economy and to the Portuguese SMEs as the *Agenda of Human Potential* (which assemble both initial qualification initiatives and lifelong learning initiatives) and the *Agenda of Competitiveness Factors* (which assembles the national incentives to the SMEs innovation, entrepreneurship and technological development).

Under the SMEs framework, e-learning and b-learning should have a top-down approach and the commitment of the enterprises decision-makers. The e-learning efficiency will be achieved through end-users motivation towards lifelong learning and improvement. The use of flexibility and facilitating access to online training environments are factors with strong influence in the return on e-learning investments.

## How to demonstrate the added value of your e-learning initiatives?

You can use the *ROI Methodology for e-Learning Courses* developed in the framework of the Leonardo da Vinci Pilot Project “ELQ-SMEs - e-Learning Quality for SMEs: Guidance and Counselling”. This methodology provides a set of guidelines for the calculation of the ROI of e-learning. The *ROI calculator for SMEs* is available online ([http://www.nki.no/arkiv/roi\\_kalkulator/roicalc.html](http://www.nki.no/arkiv/roi_kalkulator/roicalc.html)). The calculator can be used by training consultants and training organizations as well as by SMEs employers and employees. The calculator is an example of adaptation of the return on investment methodology to the e-learning environment and aims at perceiving the e-learning outcomes and results in terms of their impact in SMEs. The calculator can be used before the e-learning course, as a marketing strategy, to present the added value of e-learning and after the e-learning course, to provide a clear added value of the return on e-learning investment for the SMEs of the trade and services sector, in comparison with the traditional training initiatives.

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