

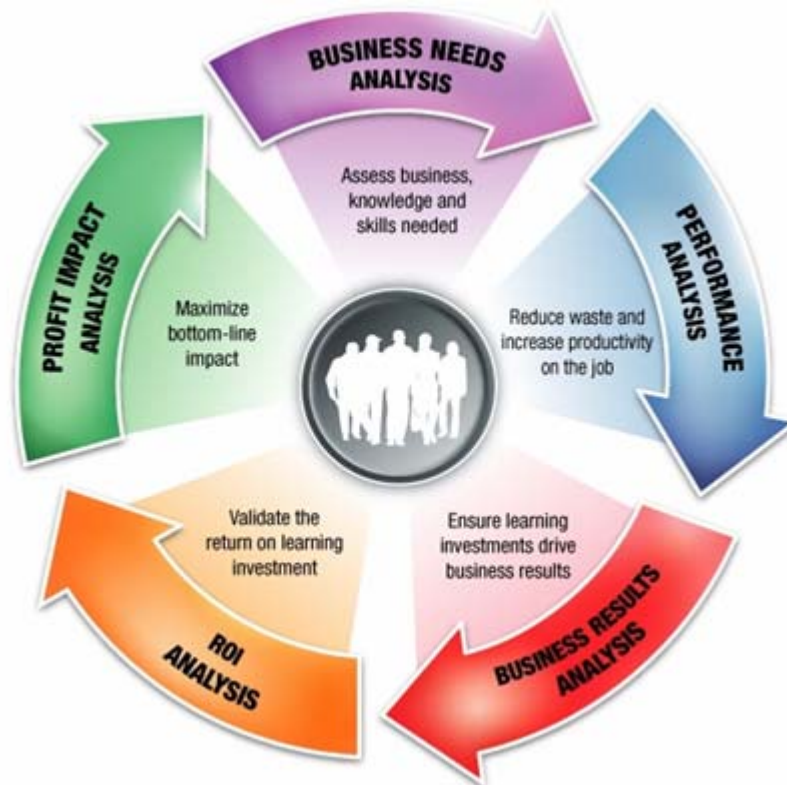


Metrics that Matter[®] Measurement Solution

About Metrics that Matter®

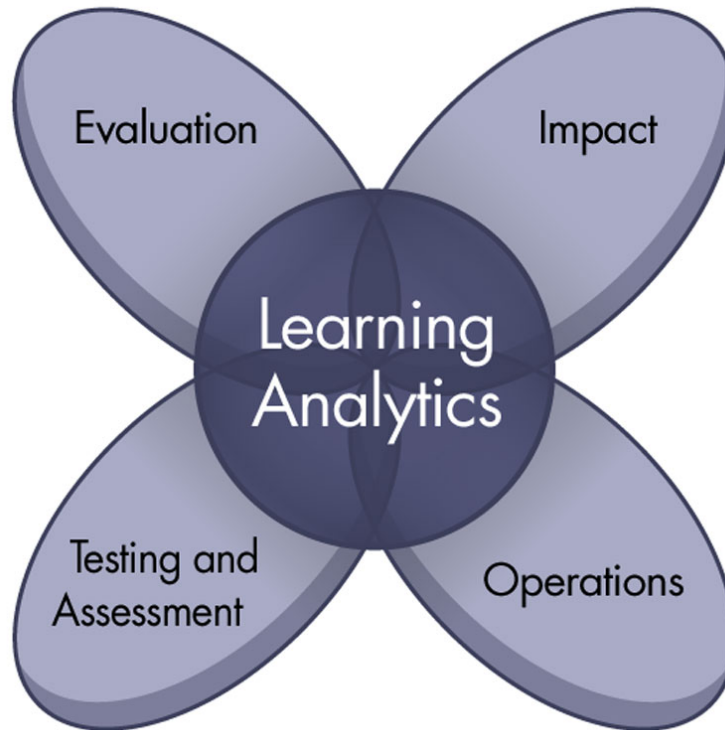
Metrics that Matter® is a web-based learning analytics technology that allows organizations to cost-effectively measure training impact and improve performance.

Our technology solutions are based on our proprietary approach to measurement known as the Human Capital Contribution Model™. This is a systematic approach for learning organizations to assess needs, effectiveness, business results, ROI and profit impact. The visual below depicts the model and its core components.



Learning analytics is composed of a combination of evaluation, testing, impact (business result) and operational (activity/volume) data that allow a learning organization to continuously improve and manage the learning organization while demonstrating value back to stakeholders. See the visual below.

Metrics that Matter® automates the data collection, storage, processing, and reporting of all components of learning analytics. It allows the learning organization to efficiently and effectively collect valuable business intelligence in a practical, scalable, and repeatable manner where financial, physical and human resources are very limited.



Global Learning Alliance Complimentary Solutions

Metrics that Matter® Learning Analytics Tool

Metrics that Matter® is a web-based learning analytics technology that allows organizations to cost-effectively measure training impact and improve performance. Metrics that Matter™ automates data collection, storage, processing, and reporting of all components of learning analytics. It allows the learning organization to efficiently and effectively collect valuable business intelligence in a practical, scalable, and repeatable manner where financial, physical and human resources are very limited.

Analysis Services

A team of learning measurement analysts can perform statistical analysis on learning metric and business results data to provide your organization with interpretive analysis and recommendations. Data collected from multiple databases can be readied for analysis and comprehensively examined to showcase value of an initiative or forecast future decisions.

Benchmarking Services

Metrics that Matter™ learning evaluation technology aggregates evaluations across its client base. A robust +300 million data point benchmark database exists. Organizations can obtain performance benchmarks through Global Learning Alliance from this database for research projects, business case creation, validation and motivational purposes. Global Learning Alliance also provides benchmark consultative services to assist companies in connecting with other organizations in networking and sharing of qualitative and quantitative best practices.

Learning Analytics Dashboards

A set of learning indicators customized to your needs populate a visual report of the measured outputs. Linkage to feeder systems (ERP, LMS, HRIS) can be established to automate the dashboard. Standard dashboard components such as metrics in the operational, financial, performance, and cultural levels can be leveraged with the dashboard.

Impact Studies

Strategic, visible, costly programs requiring a more intense measurement approach. An impact study is a more in depth measurement exercise that is a customized measurement plan for the program to gather data from multiple stakeholders throughout the learning process. Data from the business environment is also captured and isolated to the learning intervention to produce a detailed report showcasing the quantifiable impact of the learning initiative on the business results and the financial return derived from those results relative to the program cost.

ROI Solutions

Metrics that Matter® can automate Levels 3 and 4 in Kirkpatrick's model related to behavior change and results as well as Level 5, ROI. The system wraps technology around these methodologies to make effectiveness, impact, and ROI reasonable to do. Showing the value has never been easier when Metrics that Matter® is leveraged.

Periodic Learning Organizational Reviews

A learning and development organization provides a valuable service to internal and external stakeholders. Periodically it makes sense to survey these stakeholders for key performance indicators of value from a holistic perspective. Quarterly, semi-annually or annually learning organizations will go back to those who were impacted by a learning program in the prior 12-24 months and understand their satisfaction with the learning organization, their knowledge transfer, their use of the skills on the job, the business results they impacted, and the return relative to their investment. This is a way the learning organization measures and tracks itself toward its continuous improvement goals and is armed with quantitative data and qualitative stories that demonstrate the value of learning to the organization.

Case Studies

An alternative to quantitative analytics is the case study approach to measurement. Global Learning Alliance can assist commercial or corporate learning organizations by gathering data, conducting interviews and focus groups and writing compelling stories that showcase the value of a learning and development initiative. This is a great tool for marketing programs and for keeping a programs' momentum moving forward.

Learning Analytics Training Workshops

A half day or full day workshop that educates learning and development professionals on making the process of learning measurement practical, scaleable and repeatable. An overview of business trends toward measurement and a discussion of measurement methodologies are discussed along with real world examples of organizations that have created comprehensive measurement solutions without significant cost, time or people. This is a great workshop to build consensus and increase confidence and comfort toward learning measurement and evaluation.

Customer Satisfaction Surveys

Measuring the customer experience is important to a learning organization and to the business in general. Global Learning Alliance solutions can assist in measuring customer satisfaction relevant to learning or any other customer-focused initiative. We can assist in the design, delivery, data processing, and reporting of the results removing your organization from the administrative burden of this process while pinpointing the key results from the survey.

Learning Analytics Outsourcing

Providing needed resources and core-competencies to fulfill learning analytics needs. Our team of measurement, technology, and services professionals will save you time and money while ramping up your analytics capabilities.

Readiness Assessments

Before the design or delivery of training a business, competency, or skill assessment is a best practice. Global Learning Alliance solutions can assist in the design of the needs assessment instrument and in its data collection, storage, processing and reporting. The resulting intelligence can help the learning organization ensure it focuses on the right audience, content, and context prior to allocating resources toward a program.

Competency Management Evaluations

A standard set of employee and manager competency evaluations can be used to quickly gauge skill gaps by department, job level, business unit or any demographic profile of your employee population. A set of thirty one core competencies ranging from conflict management to entrepreneurship are used and can be benchmarked internally or externally.

Testing Services

The ability to measure the knowledge or skill gain before vs. after a learning program can ensure the program is transferring the right knowledge and skills. Global Learning Alliance solutions can assist in the design of the testing instrument and in its data collection, storage, processing and reporting. An easy to read report showing the pass rates for the test and the scored tests themselves saves time and costs in testing administration allowing the learning organization to focus on taking action from the test results.

Basic Evaluation

Metrics that Matter® can automate Level 1 Reaction sheets by collecting data online or via email or importing scanned paper sheets. The system then centrally stores the data, automatically processes it and reports the results in easy-to-read class and course summary detail. This is an ideal solution for companies looking for a practical and scaleable solution to their day-to-day learning evaluation needs. The solution is cost effective when limited financial resources exist.

Metrics that Matter® Capabilities

The Metrics that Matter® proprietary technology has been adopted by several industry leaders and is becoming the standard in corporate learning measurement. Through Metrics that Matter®, we help our clients:

- Easily implement and administer technology-based measurement solutions
- Maximize their Return on Investment (ROI)
- Gain the knowledge required to improve and monitor performance of learning programs on an ongoing basis
- Obtain valuable learner satisfaction and job impact data
- Obtain critical business impact and ROI data
- Reduce learning related expenditures
- Compare performance to internal and external benchmarks
- Conduct testing exercises for comprehensive Level II analysis
- Conduct needs assessment exercises to assess gaps for training and non-training issues

Metrics that Matter® Benefits

- **Measure and Improve Job Impact**
Metrics that Matter® allows you to streamline the learning evaluation process, measure training performance, and ultimately, improve job impact.
- **Drive Superior Business Results**
By having access to real-time learning and performance data, Metrics that Matter® provides organizations with the ability to increase performance and drive superior business results.
- **Improve Return on Learning Investment**
Because organizations they can't manage what they don't measure, it is important to establish the right performance measures for all key investments. Learning is without a doubt one of the most important investments any company will make.

The global economy and the rapid advancement of technology have made today's workforce more mobile than ever before. Increased competition in a worldwide marketplace forced companies to tighten their belts and find ways to value engineer everything, including learning. To that end, today's world-class learning organizations are finding innovative ways to design and deliver training better, faster and cheaper. These organizations are then monitoring the effects of these changes through comprehensive measurement systems, and Metrics that Matter® helps these organizations improve their Return on Learning Investment.

- **Industry Benchmark Comparisons**
Leveraging Metrics that Matter®, our proprietary measurement technology, we capture data on a wide array of learning interventions and provide extensive reporting capabilities to clients using our normative database of learning performance data.

After collecting data, we provide value-added consultative services by helping our clients leverage the Metrics that Matter® technology and benchmarks to improve the performance of their learning operations.

- **Increase Shareholder Value**
Metrics that Matter® and Global Learning Alliance' learning methodology helps organizations increase their shareholder value. By leveraging market leading models such as the Phillips ROI Process, Global Learning Alliance provides thought leadership in the corporate learning industry.
- **Accelerate Adoption of E-Learning Programs**
Metrics that Matter™ captures learning performance data on many different learning modalities. Because learning evaluation data is captured from online learning events in addition to traditional instructor-led learning interventions, Global Learning Alliance captures valuable data that helps corporations successfully adopt and implement e-learning solutions.
- **Accountability on Training Dollars**
Many corporate learning professionals have difficulties measuring their performance and demonstrating value to senior management. Increasingly, corporate learning professionals are being asked to justify budgets. Metrics that Matter® helps solve this problem by providing measurement data for all training dollars spent and helps training professionals determine what initiatives are working to drive better business results.
- **Actionable Intelligence**
Metrics that Matter® provides organizations with actionable intelligence. The data that is provided to organizations, and the comprehensive ways in which we display this data provides organizations with the ability to quickly gauge how effective learning is, and make decisions accordingly.

- **Information for Decision-Making**

Metrics that Matter® provides needs assessment tools, ROI calculators, and testing tools to help analyze decisions before you commit resources to them. Our needs assessment tools and testing tools can automatically analyze skill gaps, pinpoint improvement opportunities and identify alignment to best practices. Our ROI calculators can forecast the measurement results for all learning measurement levels, including a financial ROI, before you make the investment. The system provides a suggestion based on forecasted data as to whether you should make the investment.

Metrics that Matter® Features Summary

- Global Learning Alliance standard Post Event survey (for multiple learning deliveries)
- Global Learning Alliance standard Follow Up survey, Manager survey, Instructor survey
- Computation of all 5 Learning Levels (reaction, learning, impact, results and ROI)
- Unlimited number of surveys processed
- Collect data via web, email or paper
- Access to an administration module to manage the tool (see Appendix A)
- Access to over 100 web-based reports (see Appendix A)
- One Log-on ID and PW to administer the tool and view reports
- Unlimited instructor Log-on ID's and PW's
- Access to additional, optional modules such as the exclusive Phillips ROI Process tools, testing tools, needs assessment tools, manager and instructor data collection and reporting tools (see Appendix A)
- Access to experts in technology, learning, and measurement to help you craft the right solution to meet your needs from a budget and strategic perspective

Why Use Metrics that Matter?

- Increase productivity and decrease administrative costs in the measurement process
- Analyze data to measure increases in employee job performance due to training
- Leverage technology for data collection, processing, storage, and reporting
- Increased ROI from cost savings and improved employee job performance (see Appendix B)
- Evaluate an unlimited number of training participants
- Scalable and replicable measurement process for organization-wide results
- Benchmark internally and externally to motivate by example
- Grounded in industry-accepted methodologies and standards (see Appendix C)
- Flexible solutions to meet all measurement needs from Level 1 to Level 5

Global Learning Alliance Clients:



Selected Quotes:

- “We have Metrics that Matter® embedded in various parts of our corporation and it is a core way of how we analyze the effectiveness of our learning. - *Sanjay Advani, Senior Director, Business and Product Strategy, Microsoft Learning, Microsoft Corporation*
- “The Metrics that Matter® team is highly focused on helping leading organizations measure and improve return on learning investment. Their long-term focus on developing a world-class evaluation system puts them in a class by themselves.” *Jack Phillips, CEO of the Jack Phillips Center for Research, A Division of Franklin Covey, and Metrics that Matter® advisory board member and strategic partner*
- “They are one of the top people in terms of metrics and analytics. I think it is very essential that they are converting it (the Four Levels of Learning Measurement) to numbers and converting it to dollars. It’s been amazing to me.” - *Donald L. Kirkpatrick, Consultant and Author, Metrics that Matter® Advisory Board Member*
- “We couldn’t manage the enterprise if we did not have the MTM (Metrics that Matter®) system because they help us get to the issue of value.” - *Frank J. Anderson Jr., President of Defense Acquisition University*
- “We were impressed with Metrics that Matter® because it allows us to go beyond smile sheet information and shows the value of training across the board, not just class by class.” - *Michelle Lavigne, Senior Training Consultant, LaSalle Bank Corporation*
- “We needed an evaluation system, which was being pushed from the top down, it (Metrics that Matter®) was the only option out there.” – *Danny Brown, Program Manager – Learning Analytics, Measurement & Reporting Sprint Nextel*

Appendix A: Metrics that Matter® Tools

Feature / Solution	Tool Type	Description
Administration Module	-	Suite of tools to manage the account and collect data.
Help Desk Support	-	Phone and email support available
Access to Experts	-	Learning, technology, and measurement experts available upon request to answer questions
Ability to Customize Evaluations	-	Customize KA standard or provide evaluation
Internal/External Benchmarks	-	Access to benchmark within and outside the organization
Save Reports	-	Allows you to save the report you are viewing for future reference
Auto Report Generation and Email Reporting	-	Allows you to setup a report to be auto generated and emailed to you based on date criteria
Custom Filters	-	Allows you to generate a customized report. You select the tool to customize then filter it based on unique class or learner attributes
Multiple Instructor Functionality	-	Allows you to collect and report results on multiple instructors of the same event independent of each other
Post Event Evaluation/Reporting	-	Evaluation administered to participants immediately after event
Follow Up Evaluation/Reporting	-	Evaluation administered a time period after the event when participants are back on job
Manager Evaluation/Reporting	-	Evaluation administered to participants supervisors when participants are back on job
Instructor Evaluation/Reporting	-	Evaluation administered to instructors immediately after event
Testing Data Collection and Reporting Module	-	Collect, score, report test results immediately after event
Raw Data Download	-	A tool allowing you to download raw uncalculated data
Evaluation Retrieval Tool	Tactical	View by class and by student the actual evaluations submitted by the students
Learner Comments Tool	Tactical	View by class and by student the student comments
Class Summary Report	Tactical	Tool summarizing learner scores by class
Quick Question Report	Tactical	Tool summarizing all questions for the class in aggregate format with more tactical analytical analysis at the question level
Class Level Detail	Tactical	Tool to compare summary details (course, location, instructor, score) of multiple classes on a single report
Business Opportunities	Tactical	Tool to view listing of students who wish to be notified about advanced or complimentary classes
Manage Events	Tactical	An administrative tool that will allow you to conduct surveying on other topics (customer satisfaction etc.) rather than traditional classes and report on them
Comparative Performance	Aggregate	A tool to compare the average (mean) survey performance results for the overall survey, question category, and question level detail at various form types (post event, follow up, manager etc) and report types (class, course, curriculum, program, learning provider, client, business unit, location, methodology, custom demographic and instructor) levels.

Appendix A: Metrics that Matter® Tools (continued)

Feature / Solution	Tool Type	Description
Variance Analysis	Aggregate	The percentage of learner responses that fall within the bounds set by the user. The report is customizable by learning provider, client, instructor, learning methodology, course, location, question category, custom demographic and curricula
Hierarchy Analysis	Aggregate	Tools allowing you to group and aggregate items such as courses and locations into higher levels of detail (ex. Chicago location grouped into Midwest region, grouped into North America)
Activity Analytics	Aggregate	A suite of volume based data on learning programs (enrollment rates, cancellation rates, utilization rates, response rates etc.)
Trend Analysis	Aggregate	Tools allowing you to plot activity and performance data over specified time periods and perform regression over those periods.
Top Bottom	Executive	A report that shows your top and bottom performers by instructor, curriculum, learning provider, location, client (or business unit), and methodology
Ranking	Executive	A ranking of learning providers relative to different channels they are classified within (for organizations belonging to larger consortium groups participating in Metrics that Matter™ benchmarking initiatives)
Report Cards	Executive	Summary of survey total, question category and question level results. Links to event level information for My Average
Performance to Goals	Executive	Compares your pre-set goals for each question category's actual results on the Post Event or Follow Up survey
Alarms	Executive	Report triggered when a specific learning event (class) falls below a preset threshold
Learning Levels Card	ROI Tools	Allows you to generate a report based on questions mapped to the Five Levels of Learning. The Five Levels of Learning are commonly accepted acronyms for learning measurement
Human Capital ROI Card	ROI Tools	An executive level report computing summary metrics on all 5 levels of learning measurement, including a financial ROI
Business Result Card	ROI Tools	An executive level report computing summary metrics on all Levels 1 to 3 and specific business results you wish to measure against
Actual Results Tracker & Score Card	ROI Tools	A tool to conduct more comprehensive actual results tracking and analysis. The tool stores, via input or import, and trends, actual results (revenue, cost per student day, test scores, etc.) and provides a color-coded analysis for interpretation and decision-making.
Customer Score Cards	ROI Tools	Condensed versions of the Human Capital or Business Result Cards to be used as performance summaries to give to customers (internal or external)
Analyst Worksheet	ROI Tools	A tool allowing you to input additional metrics gathered outside of MTM to conduct more detailed Level 4 and 5 analyses, including control group analysis.
Impact Study Toolset	ROI Tools	A series of tools (data collection instruments, action plan wizard, cost wizards, ROI reports) built exclusively by Dr. Jack Phillips to automate the Phillips ROI Process

Appendix B: The ROI on Metrics-that-Matter® (MTM)

The purpose of this appendix is to demonstrate the kind of return on investment an organization should expect when implementing MTM.

Most organizations see a return between \$2 and \$29 for every dollar it invests in MTM. The following analysis is based on a standard Level 3 implementation of MTM for an organization that has at least 1,000 employees and has not implemented a fully automated Level 3 solution.

A typical organization should see three primary benefits from using MTM:

1. **More Productive Employees**
2. **Better use of Training Resources**
3. **Less Administrative Costs**

Assumptions:

- 1,000 employees
- 3 courses per employee per year
- 3,000 evaluations per year (1,000*3)
- \$6,000 annual cost for MTM standard Level 3 Solution
- \$2 cost per Level 3 evaluation (\$6,000/2,000)
- \$3,600 average monthly cost per employee (FTE) including benefits
- 20 business days per month
- \$180 compensation cost per student day (\$3,600/20)
- \$180 training delivery cost per day including trainer, facility, curriculum, etc
- \$360 investment per student day (\$180 + \$180)
- 33% of FTE time to replicate MTM using off-the-shelf-technology
- 3% of FTE time to administer MTM (one hour per week)
- 30% FTE benefit by using MTM (.33-.03)
- .5% of total training investment invested in MTM (\$2/\$360)

More Productive Employees:

By using MTM to measure and improve application to job, the average employee productivity should go up substantially. Assuming a very conservative .1% productivity increase due to measuring and improving job impact, the **benefit to cost ratio would be 18 to 1**.

- \$36 annual improvement in productivity (\$36,000*.001)
- 18 to 1 Benefit to Cost (\$36/\$2)

Better use of Training Resources

IDC estimates that half of every dollar invested in training is wasted. By measuring application to job with MTM, poor use of training resources can be reduced substantially. Assuming MTM helps reduce waste by a very conservative 1%, then the MTM **benefit to cost ratio would be 9 to 1**.

- \$18 reduction in wasted or poor training delivery cost (\$180*.01)
- 9 to 1 Benefit to Cost (\$18/\$2)

Less Administrative Costs

Assuming MTM replaces a less automated solution that leverages off-the-shelf technology, the **benefit to cost ratio typically is at least 2 to 1**.

- .30 reduction in FTE (.33-.03)
- 2.1 Benefit to Cost (.3*3,600/500)

An organization should expect to see a return of 2 to 29* times on every dollar it invests in MTM. In certain cases, the benefit to cost ratio can be significantly higher; particularly if MTM is used to find ways to help employees become as productive as possible.

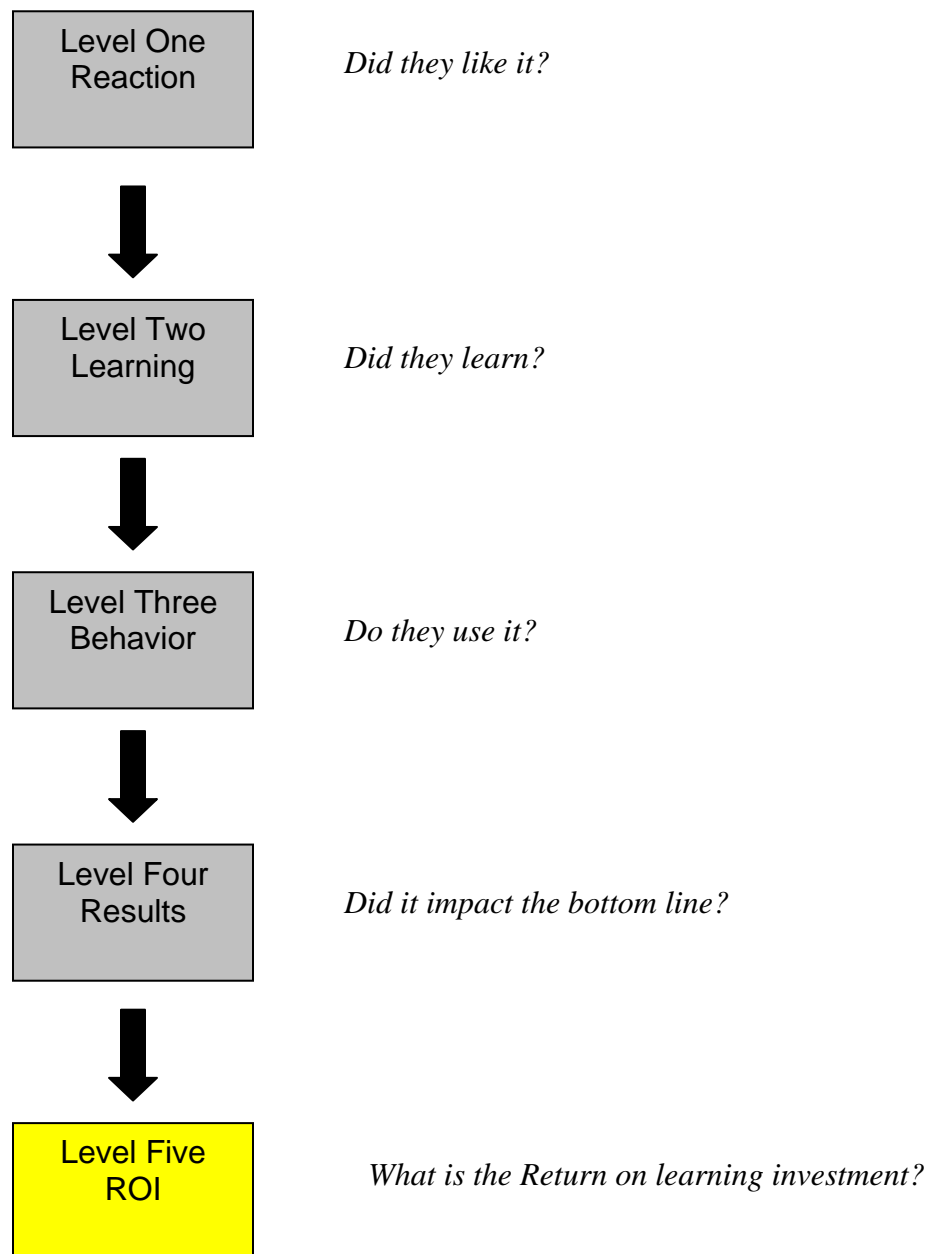
* Combines all three benefits above (18+9+2)

Appendix C: Foundation of Metrics that Matter® Measurement Methodologies

Knowing there is a definitive need to measure the impacts of a large corporate cost like learning it is fitting to have an industry acceptable model for doing so. This model is actually one that has been in existence since the 1950's but continues to be accepted today using technology and creativity to maximize its benefits for the modern corporation.

In 1959, Donald L. Kirkpatrick, author, PhD, consultant, past president of the ASTD and Metrics that Matter® Advisory Board Member published a series of four articles called "Techniques for Evaluating Training Programs." The articles described the four levels of evaluation that he had formulated based on his work for his PhD dissertation at the University of Wisconsin, Madison. Later, Kirkpatrick wrote a book (Donald L. Kirkpatrick, Evaluating Training Programs: The Four Levels, 2nd Edition, Berrett-Koehler Publishers, Inc, San Francisco, 1998) and it is now in its second edition. This book was a source for the information on the following pages related to Levels One through Four.

Kirkpatrick's goal was to clarify what evaluation meant. The model clearly defined evaluation as meaning "measuring changes in behavior that occur as a result of training programs." The model itself is composed of four Levels of training evaluation. A fifth level, ROI has been added since then. The fifth level was the brainchild of Dr. Jack J. Phillips, Ph.D., author, consultant and Metrics that Matter® advisory board member and strategic partner. The illustration below and subsequent commentary summarize Kirkpatrick's Four Levels and Phillips' Fifth Level.



Level One-Reaction

Per Kirkpatrick, "evaluating reaction is the same thing as measuring customer satisfaction. If training is going to be effective, it is important that students react favorably to it."

The guidelines for Level One are as follows:

- ◆ Determine what you want to find out
- ◆ Design a form that will quantify the reactions
- ◆ Encourage written comments and suggestions
- ◆ Strive for 100% immediate response
- ◆ Get honest responses
- ◆ Develop acceptable standards
- ◆ Measure reactions against standards, and take appropriate action
- ◆ Communicate reactions as appropriate

The benefits to conducting Level One Evaluations are:

- ◆ A proxy for customer satisfaction
- ◆ Immediate and real-time feedback to an investment
- ◆ A mechanism to measure and manage learning providers, instructors, courses, locations, and learning methodologies
- ◆ A way to control costs and strategically spend your budget dollars
- ◆ If done properly, a way to gauge a perceived return on learning investment

Level Two-Learning

Level Two is a 'test' to determine if the learning transfer occurred. Per Kirkpatrick, "It is important to measure learning because no change in behavior can be expected unless one or more of these learning objectives have been accomplished. Measuring learning means determining one or more of the following."

- ◆ What knowledge was learned?
- ◆ What skills were developed or improved?
- ◆ What attitudes were changed?

The Guidelines for Level Two are as follows:

- ◆ Use a control group, if practical
- ◆ Evaluate knowledge, skills, and or attitudes both before and after the program
- ◆ Use a 'test' to measure knowledge and attitudes
- ◆ Strive for 100% response
- ◆ Use the results to take corrective actions

The benefits to conducting Level Two Evaluations are:

- ◆ Learner must demonstrate the learning transfer
- ◆ Provides training managers with more conclusive evidence of training effectiveness

Level Three-Behavior

Level Three evaluates the job impact of training. “What happens when trainees leave the classroom and return to their jobs? How much transfer of knowledge, skill, and attitudes occurs?” Kirkpatrick questions, “In other words, what change in job behavior occurred because people attended a training program?”

The Guidelines for Level Three are as follows:

- ◆ Use a control group, if practical
- ◆ Allow time for behavior change to take place
- ◆ Evaluate both before and after the program if practical
- ◆ Survey or interview trainees, supervisors, subordinates and others who observe their behavior
- ◆ Strive for 100% response
- ◆ Repeat the evaluation at appropriate times

The benefits to conducting Level Three evaluations are as follows:

- ◆ An indication of the ‘time to job impact’
- ◆ An indication of the types of job impacts occurring (cost, quality, time, productivity)

Level Four Results

Per Kirkpatrick, Level Four is “the most important step and perhaps the most difficult of all.” Level Four attempts to look at the business results that accrued because of the training.

The Guidelines for Level Four are as follows:

- ◆ Use a control group if practical
- ◆ Allow time for results to be achieved
- ◆ Measure both before and after the program, if practical
- ◆ Repeat the measurement at appropriate time
- ◆ Consider costs versus benefits
- ◆ Be satisfied with evidence if proof not possible

The advantages to a Level Four evaluation are as follows:

- ◆ Determine bottom line impact of training
- ◆ Tie business objectives and goals to training

Level Five ROI

Level Five is not a Kirkpatrick step. Kirkpatrick alluded to ROI when he created level Four linking training results to business results. However, over time the need to measure the dollar value impact of training became so important to corporations that a fifth level was added by Dr. Phillips. Dr. Phillips outlines his approach to Level Five in his book Return on Investment in Training and Performance Improvement Programs, Butterworth Heinemann Publishers, Inc, Woburn, MA 1997. Dr. Phillips has written extensively on the subject, publishing or editing dozens of books on the topic of ROI.

The Guidelines for Level Five are as follows:

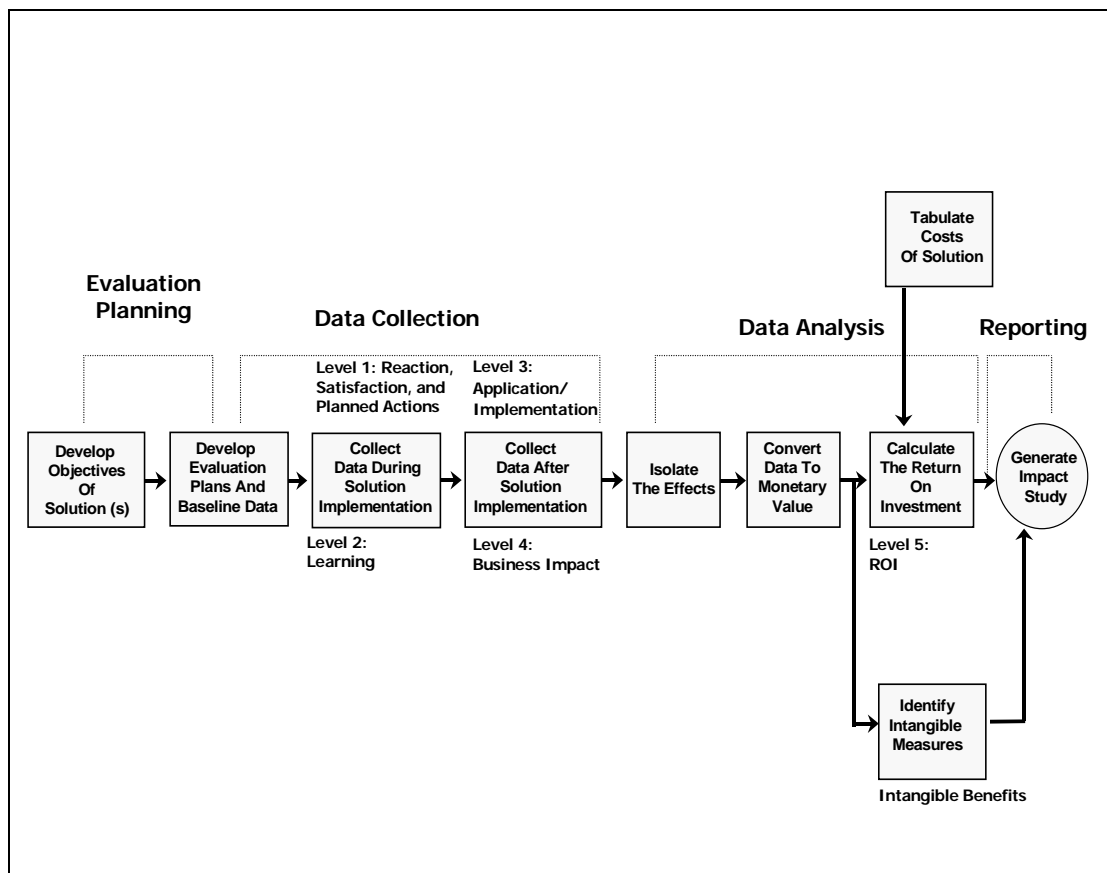
- ◆ Use a control group, if practical
- ◆ Allow time for results to be achieved
- ◆ Determine the direct costs of the training
- ◆ Measure a productivity or performance before the training
- ◆ Measure productivity or performance after the training
- ◆ Measure the productivity or performance increase
- ◆ Translate the increase into a dollar value benefit
- ◆ Subtract the dollar value benefit from the cost of training

- ◆ Calculate the ROI

ROI calculations are being done by a few world-class training organizations. They help these organizations:

- ◆ Quantify the performance improvements
- ◆ Quantify the dollar value benefits
- ◆ Compute investment returns
- ◆ Make informed decisions based on quantified benefits, returns, and percent return comparisons between learning programs

Dr. Phillips has created an ROI Methodology that he conducts certifications and workshops on and has helped training organizations use the right tools to measure the ROI on organizational learning. A summary of his methodology is illustrated below:



source: Measuring the Return on Investment in Training and Development Certification Materials, Jack J. Phillips, Ph.D 2002

The methodology is a comprehensive approach to training measurement. It begins with planning the project (referred to by Dr. Phillips as an Impact Study). It moves into the tools and techniques to collect data, analyze the data and finally report the data. The end result is not only a Level 5 ROI but also measurements on the Kirkpatrick 4 Levels as well. This yields a balanced scorecard approach to the measurement exercise.

