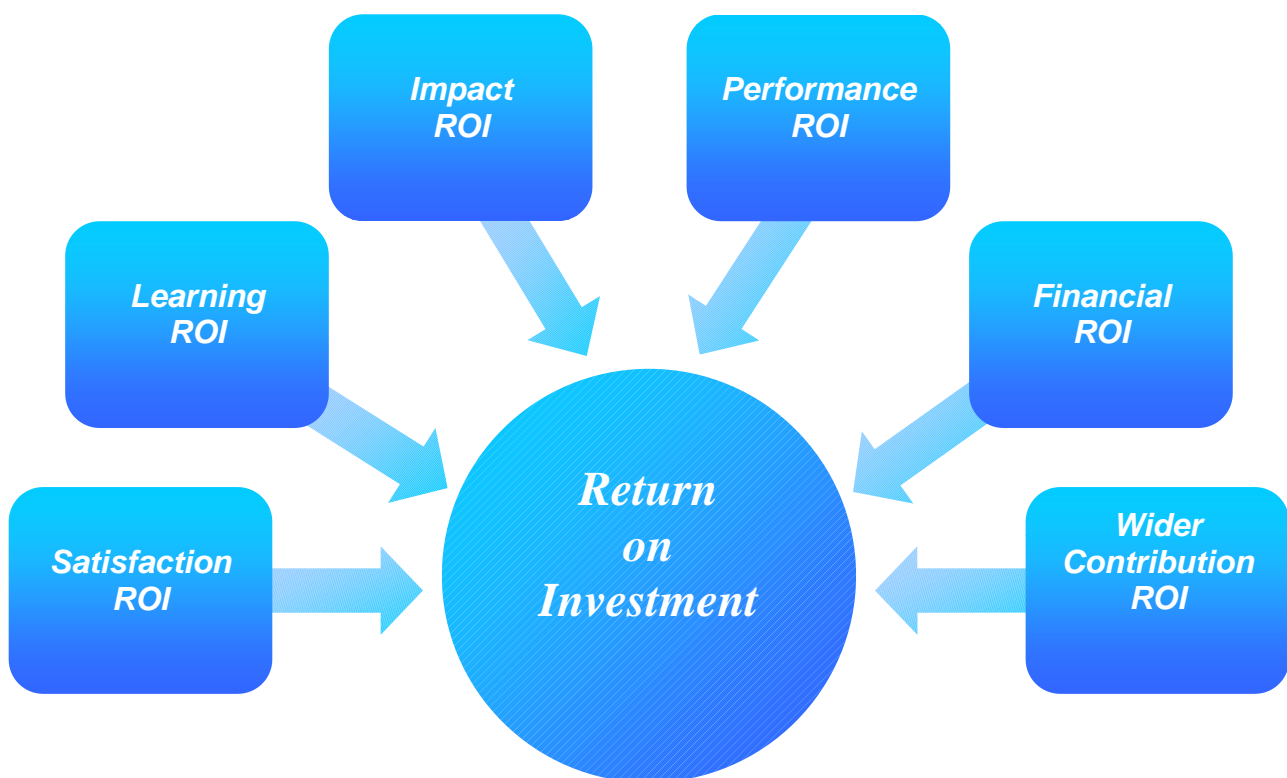


The Six Types Of Return On Investment And Which Ones Really Matter

Return on Investment used to be a term of concern only to accountants. Now you can use Return on Investment (ROI) yourself to prove the value of the training or organisational development (OD) activities you do and to enable you to secure more funding/clients. Here are the six most common types of Return on Investment you can use to prove your worth and capture new business..



1. Satisfaction Return on Investment

The simplest way for beginners to allude to training or OD quality is with a simple satisfaction checking dialogue or questionnaire. This can be “if you were to rate your satisfaction with the trainer/facilitator and or their skillfulness out of 10, what score would you give it?” or “how conducive to learning was the approach?”

2. Learning Return on Investment

The next option is to use questions to check what new knowledge and skills, have been learned as a result of the coaching or mentoring. Identifying appropriate knowledge and skills for this is easy now with all the free and well researched competency frameworks available for virtually every area of life and work.

3. Impact Return on Investment

Your third type is to enquire about how the learned skills and knowledge have been deployed in behaviours and attitudes. What have they done differently as a result of the training? This is usually assessed by gathering evidence from verbal or written anecdotes or opinions from the individual and their peers. Or you might use 360° appraisals to track 'before and after' differences.

4. Performance Return on Investment

This type of ROI aims to identify how the knowledge, skills and behaviours have been applied to improve performance in the individual's life or job. Quantitative evidence is normally sought to identify how much more or less of a thing has been successfully done. This is the beginning of being able to show where value has been added

5. Financial Return on Investment

Being able to produce a monetised calculation of the difference made by a combination of the first four types of ROI is the first really credible information you can offer an individual or organisation of the worth or value added by your intervention. These days' customers expect to know that their money is well spent. Simple costs and income statements or dashboards are very powerful.

6. Wider Contribution Return on Investment

This option measures the value of the contribution of the first five types of ROI to the wider personal and/or organisational situation. It also looks at what happens as a result of or following on from the training/intervention. These wider, 2nd order, but directly connected results can have immense value and provide compelling reasons to train or work with more people.

Generally, this type of ROI needs measurement prior to, during and after the coaching, mentoring, training or organisation development intervention so that the individual and where present their line manager take the action needed to ensure success.

There is great benefit from automating the collection of this in a scalable way to all your coaching and mentoring clients to build a really strong body of evidence and track record to benchmark the excellence and value your practice. We recommend our 1 day ROI Coaching and ROI Training and OD workshops that explains exactly how to use ROI in your professional practice.

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