ROI: Define & Demystify

Bill Dewey, Global Director, Leadership Development, Indivior

Christi Clements, Principal, At The Core, Inc.

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BILL DEWEY

Bill is the Global Director of Leadership Development at Indivior. Bill joined RBP/Indivior in July 2007 as Director of Commercial Sales Training and during his tenure has led training for Global Quality Assurance, Global R&D and most recently Global Human Resources. In addition, Bill has led training and development teams supporting Operations, Finance, Demand Management, HR, and Logistics with companies such as RJR Nabisco, BMS, Pfizer, and McKesson Medical Surgical. The breadth and depth of cross functional experience has significantly contributed to the recent redesign and launch of the Indivior Global Leadership Development curriculum.

Opinions expressed by Bill Dewey are his own and not Indivior

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CHRISTI CLEMENTS

Christi Clements has spent over ten years in the medical sales industry working with multiple companies including Medicis, Valeant, and Suneva Medical, focused in the pharmaceutical, physician dispensed skincare, and medical device markets. Her experience spans from sales training to product launches to building corporate departments from the ground up to support organization growth, but her passion always remains the same: help people succeed. Christi has been awarded and recognized for her role in building and growing a powerful sales culture and, in 2017, launched At the Core, Inc. to continue to do just that! At The Core, Inc., focuses on enabling people to perform at their best through strategic deployment of customized training, communications, and resources.

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Learning Objectives

UNDERSTAND How to define ROI for a training project, resource or initiative.

WATCH OUT! Common pitfalls that could impinge your success before you even start your project.

REVIEW Examples of training initiatives that delivered measurable ROI.

IMPLEMENT Utilize provided checklist to identify and generate measurable ROI on your next training project or initiative.

Defining ROI

Defining ROI: The Process

WHY	Why are we doing this project?	We are doing this project to solve _____ (problem).
WHAT	What is the project?	The project is _____.
HOW (a)	How do we go about accomplishing this project?	The plan to accomplish this project is _____.
HOW (b)	How will we apply the finished project?	The implementation plan is _____.
HOW (c)	How will we define success (ROI)?	The metrics to define success are _____.
WHEN	When do we intend to complete this project?	Our timeline is _____.
WHAT→WHY	What is the benefit/consequence of completing/not completing this project?	The benefits are _____. The consequences are _____.
WHO	Who are our stakeholders for this project?	The key stakeholders are _____.

Defining ROI: The Process by Example

Let's work through an example together…

- You have been charged with the initiative of implementing a Learning Management System at your company.

- You have been asked to do this to do this for regulatory and compliance purposes.

Defining ROI: Why

- The project or initiative you are working on should aim to solve a specific problem in the organization. Ask questions to ensure you know the "true why".

LMS Launch Scenario:

We were asked to launch a Learning Management System to accurately train, track and report skill qualification and compliance. As we dig deeper into "why" we are launching this system now, we uncover that there have been issues providing timely records of training and qualification. The system we are launching is intended to provide real time access to training records and track compliance training to reduce company risk.

Defining ROI: What

- Give the project a title and detailed description that described what you are doing.

> **LMS Launch Scenario:**
>
> In a nutshell: we must research, select and implement a fully qualified and validated, 21CFR Part 11 Compliant LMS that meets or exceeds 95% of user requirements. AKA "LMS Evaluation & Launch Plan"

Defining ROI: How (plan)

- How will we go about implementing the plan? What's the project plan, Stan? Define the steps to complete the initiative, from start to finish.

LMS Launch Scenario:

For this scenario, we are using a digital planning tool, like Microsoft Project, to build out the entire scope of work, assign tasks, assign deadlines, and visually track progress. We are also implementing weekly meetings, including a kick-off meeting to gain buy-in from all stakeholders. The plan includes: **needs analysis & user requirements, budget, research, choose platform, beta test, build content, pilot test, train SMEs, launch, measure effectiveness.**

Defining ROI: How (implement)

- Define the implementation process and pull through. This is an extension of the project plan that covers steps to launch and drive the project or initiative.

LMS Launch Scenario:
In this case, we have a three part <u>implementation</u> process:
1. Internal Core Team (Implementation Team: SMEs, IT, etc.)
2. Internal Management Team (Users, Trainers, Compliance Managers, etc.)
3. External Team (Field, Manufacturing, Remote Users, etc.)

Execution of each phase of this launch will be performed live or via video-based training and certification. Moving forward, it will be a part of on-boarding.

Defining ROI: How (measure)

- Define what success looks like at various end points using quantitative and qualitative metrics. This is where the ROI metrics come into play.

LMS Launch Scenario:

Our quantitative measures include: audit findings (goal = 0), 100% completion of online compliance training, 100% completion of continuing online compliance training, 100% of sales force meets or exceed expectations on performance reviews for compliance.

Our qualitative measures include: improved confidence in promotional messaging, improved comfort in management team's ability to monitor and coach to compliant messaging behavior, and a culture of compliance.

Defining ROI: When

- Now, apply a timeline to your plan. Assign deadlines for each deliverable within the project plan and dates to measure ROI using the assigned metrics.

LMS Launch Scenario:

Within Microsoft Project, we have assigned deadlines to each of the following plan initiatives: **needs analysis & user requirements, budget, research, choose platform, beta test, build content, pilot test, train SMEs, launch, measure effectiveness.**

We have also assigned timelines to our quantitative and qualitative metrics.

Defining ROI: Benefits/Consequences

- Working through a Benefits/Consequences exercise will help you define the advantages of completing this initiative.

LMS Launch Scenario:

BENEFITS (of implementing)
- Track and report all training initiatives
- Organization is audit ready
- Improve skills & knowledge
- On-the-go training support
- Reduce risks (non-compliance)
- Cross-functional: training, compliance, clinical, etc.

CONSEQUENCES (of NOT implementing)
- Potential fines (non-compliance)
- Gaps in skills unidentified
- Duplication of efforts
- Lack of central repository
- Numerous systems and manual tracking (poor reporting)

Defining ROI: Who

- Lastly – define your stakeholders and champions. Include who you will need to communicate with and who will need to sign-off on deliverables.
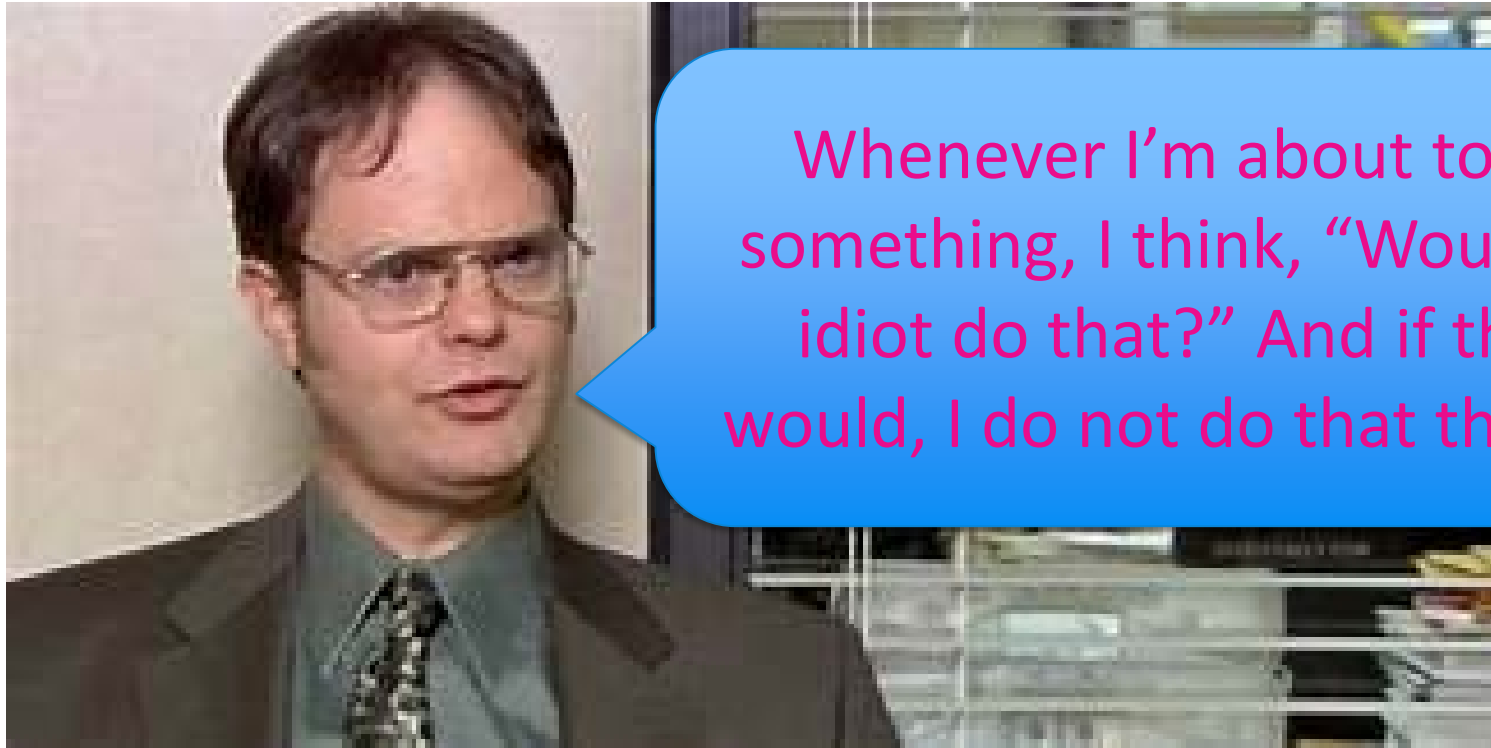
LMS Launch Scenario:

Project Partners: supporting with the planning phase will be Compliance/Regulatory, Mfg, Quality, HR, Finance, IT, and Sales Leadership.

Stakeholders: HR, Sales Leadership, and Compliance.

Champions: HR and Compliance.

SMEs: Internal - IT, Compliance, Quality, HR, and Training; External: Sales Managers.

Pitfall # 1: Not defining the "Why"

How it Happens:

- You are asked to complete a specific project or create a resource by your manager who is interpreting a project they were asked to do by their senior manager, but they may not have all the details…

- You missed a meeting and were volunteered to lead an initiative…

- You were told about a problem and asked to come up with a quick solution…

How to Avoid:

- Suggest a discovery meeting with your key stakeholders (the "who")

- Ask detailed questions about the initiative, how it came about, and the desired outcomes.

Pitfall # 1: Not defining the "Why"

Case Study: Defining the "why" upfront can change the entire scope of work of the project.

Why:

We are missing out on 33% of the market due to our current brand messaging.

What:

A re-branding campaign and re-training the sales team on new messaging, targeting, and sales strategy.

Discovery Meeting Outcome:

The cost to re-brand and re-train is high and could take months. Our reps could more effectively deliver our current messaging to capture remaining 67% of the market and be aware of messaging and how to uncover concerns of 33% of the market.

New Why:

Redirect initiative to capture remaining 67% of market with current messaging by providing more advanced training, a guided presentation, and coaching metrics to measure success.

Pitfall #2: "What" doesn't tie back to "why"

How it Happens:

- Miscommunication surrounding why the organization decided to implement

- Misunderstanding of Why this project is important resulting in lack of supporting resources

How to Avoid:

- Once you determine "Why", immediately focus on what needs to be done.

- Hold kick off meeting to ensure everyone is on same page.

Pitfall #2: "What" doesn't tie back to "why"

Case Study: Implementation of a Global Learning Management System

Why: Fast growing company with varying methods to track and report training.
Real why: Provide real time access to accurate training records during audit and deploy training in more efficient and productive manner

What: Implement global LMS
Real What: Deploy US centric compliance training worldwide

Pitfall one: US centric view
Pitfall two: Minimal focus on real why caused delay in full implementation and uptake
Pitfall three: Lack of engagement with local resources created pushback

Pitfall #3: Not defining metrics to measure success

How it Happens:

- You get excited about the project planning and implementation and forget to install metrics into your game plan

- You, or someone else, does not see the value in the initiative and, therefore, doesn't assign metrics to measure success

- You define metrics, but they may not measure quantifiable ROI

- The initiative doesn't deliver quantifiable/measurable ROI, so you assign no metrics

How to Avoid:

- Follow the strategy and always revert back to the "why" you are doing this to look for obvious ways to measure success

- Revert back to the Benefits VS Consequences exercise to show the value in completing this project, or the loss if it is not completed

- Sometimes, you will need to measure success in a qualitative manner (i.e. impact on culture), but there are ways to use quantitative metrics to do so (i.e. entry and exit surveys)

Pitfall #3: Not defining metrics to measure success

Case Study: Determining which metrics to use to measure the success of building an on-boarding program

Why:

High turnover was determined to be caused by no initial training or direction. Initial measurement was to reduce turnover from <6 months to >1 year.

Real Why:

Start-up companies need funding—to get funding, you must show consistency in forecasting and goal achievement—consistency cannot be achieved with high turnover (+instability). Additionally, new reps were not confident in the sales process and lacked product knowledge, preventing them from overcoming barriers that lead to sales.

What:

Develop an on-boarding program for new reps that allows them to understand the sales process, feel confident in their product knowledge, have ability to overcome barriers, and achieve higher sales numbers, faster.

Metrics:

Time to turnover (stability), Initial Opening Order (New Hire Class VS Turnover New Hires), First Quarter Sales Volume (New Hire Class VS Turnover New Hires), and Number of New Customers per Quarter. (12 mo.)

Pitfall #4: Not identifying *ALL* the "who's who"

How it Happens:

- Often times we forget to ask the question: "who else needs to be involved"?
- Work is duplicated due to lack of communication or silo-style project management
- Previous experience with reource(s) may hinder relationship so it is easier not to include them

How to Avoid:

- Schedule an initial stakeholder meeting and subsequent meetings to ensure all parties are performing assigned duties

Pitfall #4: Not identifying *ALL* the "who's who"

Case Study: Implementation of a Global Learning Management System

Why: Fast growing company with varying methods to track and report training. Provide real time access to accurate training records during audit.

What: Identify right resources to support global implementation of validated and qualified LMS in 33 countries in 5 languages.

Hidden Issue: Due to budget restraints, core project team was one FTE and one consultant so global support from varying functions/countries was paramount to success.

Pitfall one: Failure to include local in country resources for translation support

Pitfall two: US centric view leads to one size fits all approach

Pitfall three: Urgent timelines resulted in moving ahead without local regulatory involvement

Pitfall four: Not including in country Legal teams upfront

CASE STUDY: What is the link between Training Effectiveness and ROI?

Define: Training Effectiveness

Training effectiveness occurs when, upon completing training, the individual/group has:

- Obtained the required knowledge, skills and abilities to perform the SOP, process or task (measured via assessment), AND has

- Demonstrated successful completion of the SOP, process or task (as measured through observation)

When both of these occur, the person is deemed "qualified" to perform and the training was therefore effective

Assumptions.....

IF	THEN
During training a person fails to demonstrate knowledge or successful completion of the task...	Immediate retraining is provided.
An entire group cannot demonstrate knowledge or successful completion of a task...	Examine content, delivery, environment, instructor, etc., etc.
Once training has been completed and the person/group deemed "qualified"...	We need to ASSUME that person/group will transfer/apply skills

Defining: Business Impact

Business Impact occurs when:

- Individual/groups apply knowledge, skills, ability to achieve/surpass intended result targets e.g. increase in sales, market, calls, etc.

- Direct manager provides coaching to enhance effectiveness e.g. pull through,

- Project/initiative achieves intended goals, and/or

- Key metrics reflect change/increase in sales volume, call planning, etc.

Standard Methods to Measure Business Impact

Identify Pre-Launch Metrics

- Existing # Calls
- Current Volume (monthly)
- Sales Growth (YTD, specific month)
- Other Targets
- Gamification score (pre training)

Define Post-Initiative Metrics *(determine Delta from baseline)*

- Total increase in Call volume
- Total increase in Sales Volume
- Total increase in Sale Growth
- Other targets
- Gamification score (post training)

Watch Rankings

- Pre initiative
- Post initiative (provided the training provided is aligned with objectives)

Defining: Performance Management

Performance: the accurate, consistent and acceptable completion of the Task, SOP, Process, Demonstration, Skill, or Work Instruction

Performance Management: the determination whether an individual "is or is not" performing

Performance Action: Consequence of not performing

Why is this *SO* important?

- "Retraining" may <u>not be</u> viable for someone who has been qualified but has stopped performing
- If someone who is qualified fails to complete "the task", we need to focus on Performance Management as that will impact ROI
- Ask the question, "what's happening?" to determine root cause

Advancing Pull Through, Business Impact and ROI

1. **Top down support….train key leadership first to enhance coaching skills**
2. **KPI's identified and understood**
3. **Training objectives aligned to targeted outcomes**
4. **Webinars to share best practices/successes for early adopters**
5. **Entire team understands the "Why" driving the initiative**
6. **Controllable outcomes identified and results captured**
7. **Pre/Post Metrics (what) and Level of Measurement (how) agreed and communicated**
8. **Initiative targets/%'s increase reached to substantiate investment**

Aligning Training & Performance to Expected Outcomes

- **Identify problem to be solved and KSA's needed to address**

- **Align training to targeted outcomes e.g. increase territory dollar volume**

- **Establish baseline to compare performance objectives to overall growth e.g. pre/post assessment, sales volume, etc.**

- **Eliminate subjective performance measures**

Performance Objectives to Sales Rankings

Name/ Goal	Training Rank	Decile Movement	Avg Calls per day	Call Plan Adherence	Territory Growth	Weighted Rank	Sales Rank	Overall Rank
Rep 1	1	1	14	100	32%	4.50	1	1
Rep 2	3	2	13	99	29%	4.00	2	2
Rep 3	5	3	12	99	25%	4.33	3	3
Rep 4	2	4	12	95	22%	4.17	4	4
Rep 5	4	5	10	95	21%	3.67	5	5
Rep 6	6	7	11	92	19%	3.67	6	6
Rep 7	9	6	10	90	17%	3.67	7	7
Rep 8	7	8	12	90	15%	3.67	8	8
Rep 9	8	9	11	95	15%	3.50	9	9
Rep 10	10	10	10	90	15%	3.50	10	10
Rep 11	11	13	10	90	15%	3.50	11	11
Rep 12	13	12	10	90	14%	3.33	12	12
Rep 13	14	11	10	90	14%	3.17	13	13
Rep 14	12	14	10	90	14%	3.17	14	14
Rep 15	15	15	10	88	14%	3.50	15	15

Defining ROI: Workshop

Defining ROI: Group Discussion

WHY	Why are we doing this project?	We are doing this project to solve _____ (problem).
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YOUR FEEDBACK IS IMPORTANT TO US

Please take a moment to complete the workshop evaluation located in the mobile app. LTEN looks to your feedback to help improve the program each year.

1. **Open the Mobile App**

2. **Click on the Agenda**

3. **Select the Session You Are Evaluating**

4. **Click on "Start Survey"**

If you do not want to complete the survey in the mobile app, you can collect a hard copy form at the registration desk.