



Using Design Thinking to Deliver Results

Presented By:
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Objectives

After completing this session, participants should be able to:

- Explore the data sets possible from learning and development, by categories, including ROI.
- Identify the categories that are desired by top executives and other key stakeholders.
- Explain how design thinking can be used to deliver and capture Business Results.
- Pursue a plan to measure results and communicate results to different audiences.

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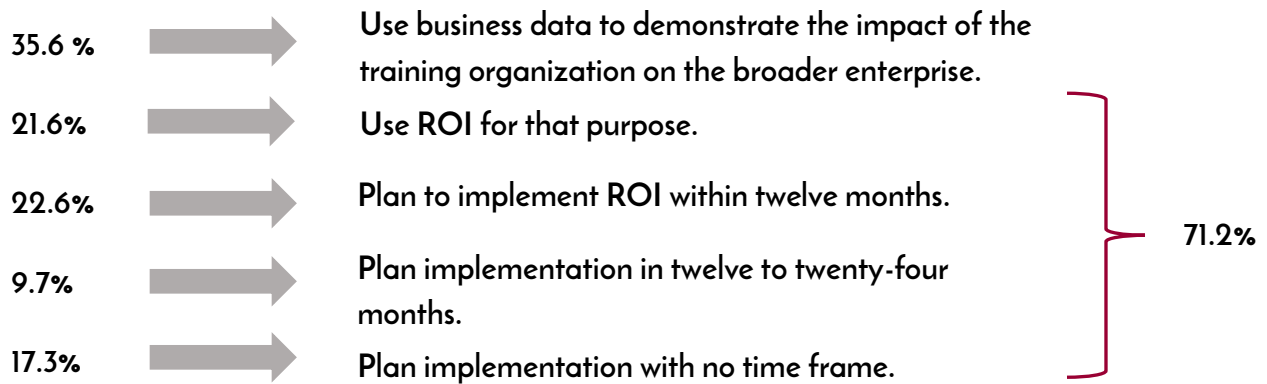
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The Concern: The Executive View

Measure	We Currently Measure This	We Should Measure This in the Future	My Ranking of the Importance of This Measure
1. INPUTS: "Last year, 78,000 employees received formal learning."	94%	85%	
2. EFFICIENCY: "Formal learning costs \$2.15 per hour of learning consumed."	78%	82%	
3. REACTION: "Employees rated our training very high, averaging 4.2 out of 5."	53%	22%	
4. LEARNING: "92% of participants increased knowledge and skills."	32%	28%	
5. APPLICATION: "At least 78% of employees are using the skills on the job."	11%	61%	
6. IMPACT: "Our programs are driving our top 5 business measures in the organization."	8%	96%	
7. ROI: "Five ROI studies were conducted on major programs yielding an average of 68% ROI."	4%	74%	
8. AWARDS: "Our learning and development program won an award from the American Society of Training and Development."	40%	44%	

The Promise: CLOs Use or Plan to Use ROI



(N = 335)

2015 Measurement and Metrics Study by CLO Magazine

The Value Chain

		<u>LEVEL</u>	<u>ISSUE</u>	<u>MEASURES</u>	<u>TARGETS</u>
* Can predict	<u>This is easy</u> Always measured	0	Inputs ↓	Volume, Hours, Convenience, Cost	100%
	<u>This is easy</u> Almost always measured	1	Reaction ↓	*Relevance, Engaging, *Important, Useful, *New Content, *Intent to Use, *Recommend to Others	100%
	<u>Not difficult</u> Usually measured	2	Learning ↓	Concepts, Trends, Facts, Contacts, Skills, Competencies	98%
Executives prefer these	<u>Possible</u> Often measured	3	Application ↓	Use of content, Frequency of Use, Success with Use, Barriers, Enablers	30%
	<u>Not so difficult to connect</u> Sometimes measured	4	Impact ↓	Productivity, Time, Quality, Costs, Image, Reputation, Engagement, Compliance	10%
	<u>Possible for many programs</u> Rarely measured	5	ROI	Benefit Cost Ratio or Return on Investment, Expressed as a Percent	5%

Must take a step to isolate the effects of program

*Best Practice: Percent of programs evaluated at this level each year.



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Matching Evaluation Levels with Objectives

Instructions: For each objective listed below, indicate the level of evaluation at which the objective is aimed.

- Level 1: Reaction
- Level 2: Learning
- Level 3: Application
- Level 4: Business Impact
- Level 5: Return on Investment



Objective	Evaluation Level
After completing this program or project, participants should:	
1. Decrease citizen complaints by 20% in one year.	_____
2. Use problem-solving skills to uncover product defect causes.	_____
3. Be able to demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	_____
4. Rate the facilitator 4 out of 5 on presentation skills.	_____
5. Decrease the amount of time required to develop a proposal.	_____
6. Achieve a 20% ROI one year after implementation of flexible work system.	_____
7. Perceived the content to be relevant to job situations (4.5 out of 5).	_____
8. Decrease security breaches by 25% in six months.	_____
9. Conduct a proper investigation using the seven-step process in 95% of complaint situations.	_____
10. Score an average of 75 or better on new strategy quiz.	_____
11. Complete a disclosure form each year as part of the new ethics policy.	_____
12. Use all ten negotiation skills in at least 50% of negotiation situations.	_____

How do Level 3 and Level 4 objectives provide benefit? To whom?

What's Your Business?

The Possible Measures						
Your choice	Value Description	Rank	Measure Now	Executive Rank	Percent Measured Now	Best Practice
	"Serve the largest number of people with the least amount of disruption and cost."					100%
	"Participants are engaged, enjoy the programs, and see their experience as valuable."					100%
	"Participants are learning the latest information and skills to make this a great organization."					90%
	"Participants leave the center, take action, use the content, and make important changes."					30%
	"Participants are driving important business measures and having an impact in their work units and the organization."					10%
	"Participants and the organization have a positive return on the investment of their time and the resources of the center."					5%

1. As a first step, in the box to the left of value description, check the one (only one) that is the most important to you.
2. As a second step, rank each of these statements, in the "Rank" column, including all that apply. Place a number one for the item that you would consider your most important measure of success of your learning programs, and continue numbering until the least important measure has the highest number next to it.
3. In the next column, check the statement that defines the categories that you are measuring now. For example, if you are counting the number of people, time at the center, and the costs, check the first item.
4. In the next column, indicate how your executives would rank these data items in terms of what is valuable to them, one to six, with one being the most valuable and six, the least valuable.
5. In the next column indicate the percentage of programs measured annually now at each of the levels.
6. The best practice profile is in the last column, representing the percentages of programs evaluated at each level each year. Usually the current versus best practice reveals very significant gaps.

Now, let's put common labels on these items. The very first label is what is often referred to as Level 0, Inputs, making sure you have many people through the system efficiently. The next is Level 1, Reaction, ensuring that people are reacting properly to the learning programs. Level 2, Learning, is next, where participants are acquiring knowledge and skills. The next is Level 3, Application, as individuals leave a program and take action, using the content. Obviously, this is where a learning team feels that they lose control of the process. (In reality, they have much influence on it). Finally, the next two levels are very important with Level 4, Business Impact connected to the learning and Level 5, the Return on Investment (ROI) in major learning programs.

Status of Measurement

Level	Measurement Category	Current Status*	Best Practice	Comments About Status
0	Inputs/Indicators Measures the number of programs, participants, audience, costs, and efficiencies.	100%	100%	This is being accomplished now
1	Reaction and Planned Action Measures reaction to, and satisfaction with, the experience, contents, and value of program.	100%	100%	Need more focus on content and perceived value 79% †
2	Learning Measures what participants learned in the program - information, knowledge, skills, and contacts (takeaways from the program).	30 - 40%	80 - 90%	Must use simple learning measures 54% †
3	Application Measures progress after the program - the use of information, knowledge, skills, and contacts.	10%	30%	Need more follow-up 31% †
4	Business Impact Measures changes in business impact variables such as output, quality, time, and cost-linked to the program.	5%	10%	This is the connection to business impact 14.4% †
5	ROI Compares the monetary benefits of the business impact measures to the costs of the program.	1%	5%	The ultimate level of evaluation 4.3% †

* Percent of Programs Evaluated at This Level

† Best Practice Benchmarking (user for 5 plus years)

» Add your numbers in each box

EXERCISE:

What concerns do you have about these percentages?

Example of a One Page Executive Summary

Leadership Development: Precision Manufacturing

The Leadership Challenge

- 4 day workshop with actions plans and support tools
- Each participant selects 2 KPIs to improve using the competencies with his or her team.

Target:
 First Level Managers 970
 Sample 72
 (18 managers, 4 groups)

Reaction – Objectives Met

Relevance	✓
Important	✓
Intent to use	✓

Application Objectives on a 5 point scale

Extent of use	4.3
Frequency of use	4.5
Success with use	3.9

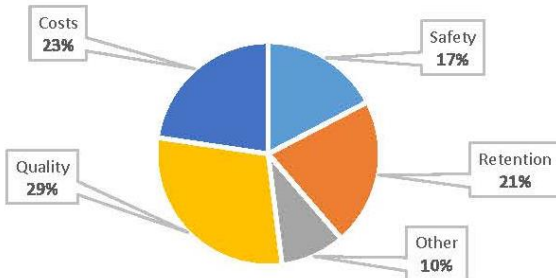
Barriers

Not enough time	23%
Lack of support	18%
Doesn't fit	14%
Other	10%

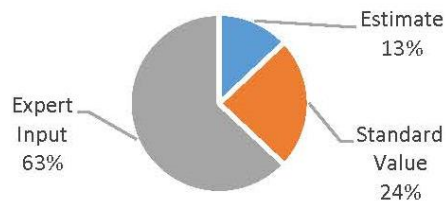
Learning Objectives Met Pre- Post- Improvements	
1. Communicate values and beliefs	48%
2. Focus on key values through actions	57%
3. Build collaboration teamwork and trust	42%
4. Strengthen others abilities to excel	69%
5. Inspire others to share a common vision	53%
6. Recognize the accomplishments of others	67%

Methods of Isolation: Participant Allocation Adjusted for Error

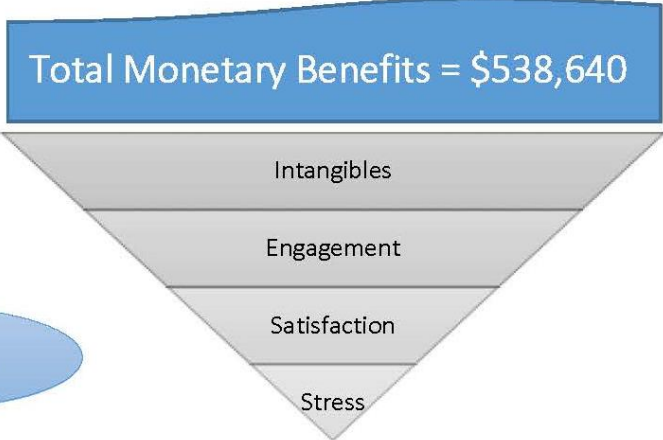
Impact Objectives Two Objectives Each Participant



Method of Converting Data to Money



Costs – Direct \$355,370
 Indirect – Prorated \$9,890
 Total \$365,260



BCR = 1.47

ROI = 47%

Designing for Results

1. Start with Why: Aligning Programs with the Business

- Alignment is the key
- Is it a problem or opportunity?
- Need specific business measure(s)

2. Make it Feasible: Selecting the Right Solution

- What are we doing (or not doing) that's influencing the business measure?
- How can we achieve this performance?

3. Expect Success: Designing for Results

- Set objectives at multiple levels
- Redefine success of learning
- Expand responsibilities

4. Make it Matter: Designing for Input, Reaction, and Learning

- Focus on the objectives
- Think about ROI
- Make it relevant
- Make it important
- Make it action-oriented

5. Make it Stick: Designing for Application and Impact

- Focus on objectives
- Ensure transfer of learning
- Design application tools
- Collect data

6. Make it Credible: Measuring Results and Calculating ROI

- Isolating the effects of programs
- Converting data to money
- Tabulating Costs
- Calculating ROI

7. Tell the Story: Communicating Results to Key Stakeholders

- Define audience
- Identify why they need it
- Select method
- Move quickly
- Consider one page summary

8. Optimize Results: Using Black Box Thinking to Increase Funding

EVALUATION

Measure



OPTIMIZATION

Improve



ALLOCATION

Fund

If Learning and Development Are Essential to an Organization's Growth and Competitiveness, Then Why Is Your Budget Always in Jeopardy?

We know desired business results are achieved *only* when a company is made up of highly engaged, highly skilled employees. And we know learning and development are absolutely necessary for creating them. Yet in most organizations, the C-suite is not seeing the value they expect and deserve from their learning programs—and budgets are at constant risk of being cut.

Patti and Jack Phillips of the ROI Institute say the truth has never been more clear: Learning programs *must* get connected to hard business results if you are to protect your funding. Yet if you're like most learning and development professionals, you face some daunting roadblocks.

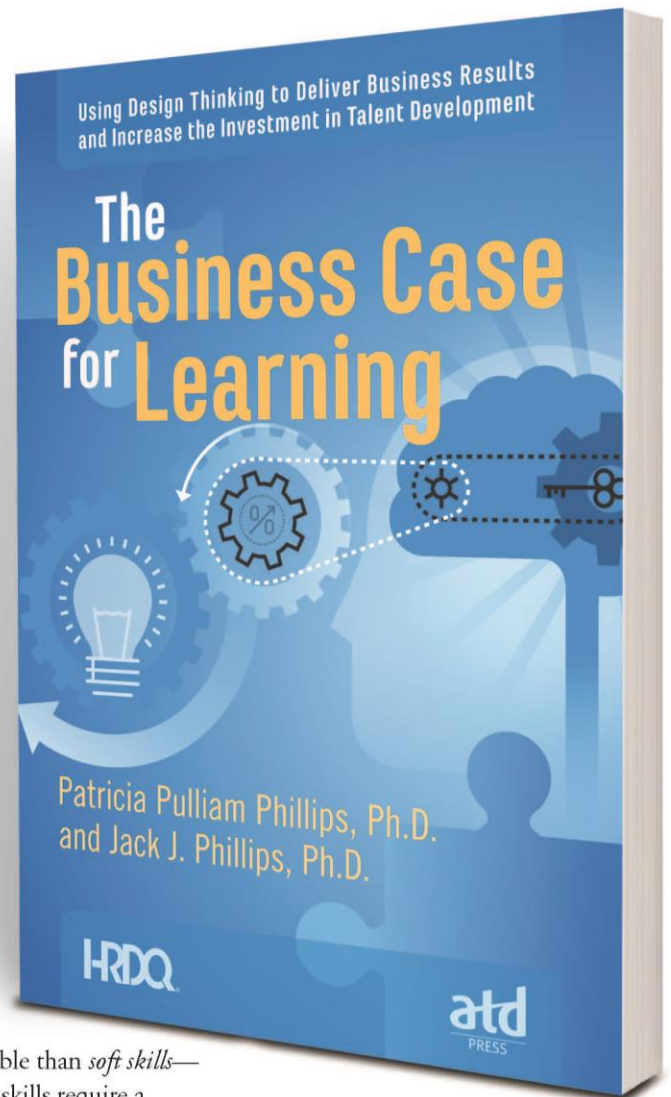
DILEMMA 1: Over 50 percent of learning and development is wasted.

DILEMMA 2: What senior executives want from learning and development is rarely measured. One study found that 96 percent of Fortune 500 CEOs want to see the business connection, yet only 8 percent see it. And 74 percent want to see ROI, yet only 4 percent see it.

DILEMMA 3: Very few learning and development professionals have data to show top executives that their programs make a difference to the company's bottom line.

DILEMMA 4: Most executives perceive learning and development to be a cost, rather than an investment. Thus, in times of economic anxiety, it's the first budget to cut—when, really, it should be enhanced.

DILEMMA 5: *Hard skills* are widely perceived as being far more valuable than *soft skills*—even though data shows the payoff of soft skills is higher. Yet these skills require a major learning investment that CEOs may be reluctant to provide.



Design Thinking Is the Answer.

Apply *design thinking* to the learning and talent development process and you can tackle all of these dilemmas. In *The Business Case for Learning: Using Design Thinking to Deliver Business Results and Increase the Investment in Talent Development* (HRDQ and ATD Press), Patti and Jack Phillips lay out an eight-step process for not just delivering business value but almost *guaranteeing* it. They explain how to design for results—results that executives can see and understand—instead of merely measure for success.

What does all of this mean for learning and development professionals? For starters, you can stop asking for funding based on vague hopes and promises and start asking based on hard evidence that your programs work. Employees will receive training that helps them to perform their jobs better, allowing them to drive important business measures. What's more, learning boosts engagement and helps recruitment and retention. The company will thrive. And you'll be able to protect, and sometimes enhance, your budget...even in times of uncertainty and downturn.

To learn more about *The Business Case for Learning*, or to engage the authors for a speaking engagement, please visit www.roiinstitute.net, call 205-678-8101, or email info@roiinstitute.net.

Ready to Explore How Design Thinking Can Transform Your Learning and Talent Development Process? Let Patti and Jack Phillips Speak to Your Group.

Patti and Jack Phillips—respectively, president/CEO and chairman of ROI Institute and authors of *The Business Case for Learning*—insist that an organization’s learning and development efforts should drive business results. In fact, they believe the *guarantee* of results must be designed into the learning programs themselves.

They deliver customized speaking presentations on this subject—from keynotes to tactic-filled seminars and workshops—to audiences of all sizes and levels of expertise worldwide. Here are just a few of the many topics they can speak on:

- **Training Stuck at Level 0? Use Design Thinking to Zoom It Up to Level 5.**
Discover why you might be thinking about learning and talent development all wrong...and how to change that before the budget is cut.
- **CEOs and ROIs: How Do You Assess and Fund Your Training?**
Why CEOs MUST start demanding tangible business results from their learning and development function.
- **CLOs, What Are You Doing to Keep the ROI Gorilla Fed?**
What to say when a senior executive comes looking for results of a certain program—and better yet, how to keep him away from your door in the first place.
- **Eight Steps to Help You Avoid “the Ax” When Money Is Tight.**
Overview of Patti and Jack Phillips’ eight-step process for using design thinking to maximize the value of talent development.
- **The Deadliest Training Mistakes CLOs Make.**
Learn what the most common snafus are, how they hurt your company (and your credibility), and what you can do to avoid them.

What People Are Saying About Patti and Jack Phillips:

“Just to underscore the importance that a number of us at Capella University place on the Phillips’ work, we are proud to use their methods and tools in our courses to allow our learners to obtain ROI certification as part of our master’s and doctoral programs in training and performance improvement.”

—Michael J. Offerman, EdD, President, Capella University

“In today’s environment, when senior executives are held accountable for both the successes and failures of their organizations more than ever before, the outcomes of learning and development must address executives’ priorities for the organization.”

—Jennifer W. Martineau, PhD, Group Director, Global Research, Evaluation, and Innovation, Center for Creative Leadership

“Knowing what is valued, what supports the business, and what will be championed by senior leaders is valuable in guiding new leaders of every learning organization.”

—Rebecca L. Ray, PhD, Executive Vice President of Human Capital, The Conference Board



Meet the Authors and Speakers:

Patti P. Phillips, PhD, and Jack J. Phillips, PhD, are coauthors of *The Business Case for Learning: Using Design Thinking to Deliver Business Results and Increase the Investment in Talent Development* (HRDQ and ATD Press).



Patti is president and CEO of ROI Institute, Inc., the leading source of ROI competency building, implementation support, networking, and research. Jack is chairman of ROI Institute and a world-renowned expert on accountability, measurement, and evaluation. Through a network of world-class publishers, including Berrett-Koehler, McGraw-Hill, Wiley, and ATD, the ROI Institute documents the ROI Methodology for multiple audiences in multiple languages.

Both Jack and Patti speak, conduct workshops, and consult with Fortune 500 companies worldwide. Together they have contributed to the publication of more than 120 books.

To learn more about *The Business Case for Learning*, or to engage the authors for a speaking engagement, please visit www.roiinstitute.net, call 205-678-8101, or email info@roiinstitute.net.