

Do You Want ROI on Leadership Development? Here Is One Way to Measure It!

Your emerging star asks for permission to join a leadership development training. The cost is EUR 3,350. How will you quantify a sufficient return on the investment and time?

Before we get to the nitty gritty – am I the only one who have experienced how attending a training was “a brilliant experience at the time”, but 2 months later manuals collect dust and are on the way to long-term storage with faint memories?

Well, every record of outcomes on leadership training points to the same disappointment – too little ROI. Reasons lie everywhere in the organizational structure; participants lacking bravery to implement learning, manager approving the investment, but doing insufficient follow up, and the organization for accepting a culture of investing in hopes – that ROI will be generated.

In reaction to these blind spots, I have developed a simple tool to help participants, managers and organizations generate a sense of ROI. Let me explain using my “[Welcome to Leadership](#)” as an example, it a process of preparation, 3 days of training, and 6 months of follow up with 3 x coaching and 3 rounds of mentoring.

The full investment in leadership training constitutes of a number direct and indirect resources – you’ll properly be able to sophisticate the calculation even further:

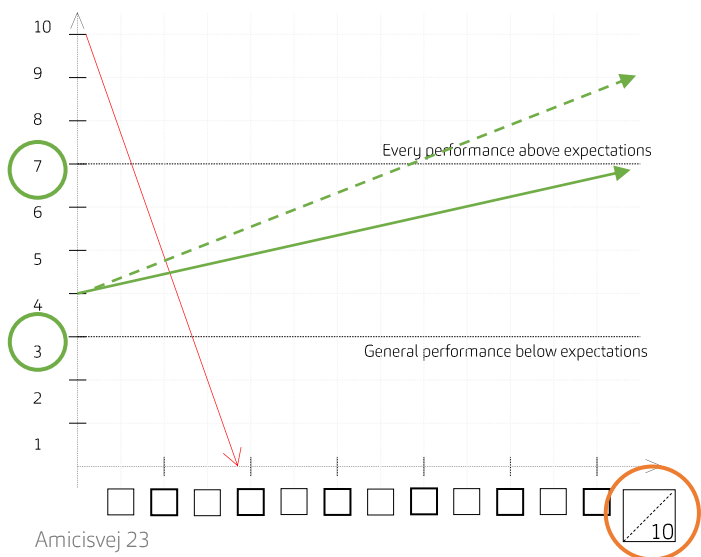
Direct Costs:	EUR
1) The training	3,350.00
2) Lodging and transport	750.00

Indirect Costs	
3) Cost of time to prepare and & to participate (approx. 35 hrs)	1,000.00
4) Cost of time for follow up – including managerial 1:1’s (bi-weekly for 6 months)	1,500.00

Total cost of one participant 6,600.00 – equals to approx. DKK 50,000.00

Translate the EUR 6,600 into a scale of 1-to-10, the score 7 will equals a 1-to-1 return on your expectations, with scores of 8-10 indicating return on investment and time above expectations, while any score less that 7 suggests weakening returns.

Illustration 1:



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Illustration 2:

Criteria's for Evaluation:	Not Satisfactory 1-3	Satisfactory 4-7	Impressive! 8-10
Explicit eagerness to share			
Constantly striving to implement learning			
Energy/ Curiosity for more			
Engagement?			
Performance?			
...			
Ability to mature through -out the process			
Your manager's collective impression of performance			

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Looking at illustration 1 - post-training and during the 6 months follow up process, you will be looking for an incline in compliance to the pre-training expectations, or other factors that matter to you (see below) – so coming out of the training you will expect a low initial low score which improves over time with guidance and coaching as the participant matures, improves performance etc, and eventually (hopefully) qualifies for scores around 6-7, or even higher – please see the green trajectories.

What you want to avoid is the red line, ie the ‘feeling of sensation’ on day 1 back home vanishing by the day, and after 2 months everything is back to square one – please refer to the red line.

As a manager, and as a minimum, what you want to be looking for are – please see illustration 2:

- I. Eagerness to share – upon return does the participant invite you, peers, and colleagues to learn about insights of the training? Reverse learning if you will, yet the more the better in my book. One way could be 3-5 minutes allotment at 5-10 weekly team meetings reflecting on different topic learned.
- II. Eagerness to implement – does the individual show up on day one with 4 ideas to get started implementing. “Boss, boss – I have these great ideas I want to get started on – and after that another 4...”
- III. Curiosity – is he/she eager to learn more? “Boss, at the training we discussed XYZ – that got me thinking and I have since studied ABC, and will now be looking into....”
- IV. Energy – it’s easy to be upbeat and full of sparkle 4-6 weeks post-training, but how about 4-6 months later, is the person still driving forward with implementation, new ideas and learnings?
- V. Maturity – does the participant show a trajectory of ‘levelleing up’ based on having attended the training? In this case a leadership training, I would be looking for signs of;
 - A calmer and more settle behavior?
 - Does the person ‘grow up’?
 - Naturally assuming broader responsibility
 - Etc
- VI. Your choice, your need.

Well-aware these are subjective factors (you may want to go the extra step to explain the participants, how you see each of above factors unfold as scores 1-3 – below satisfaction, 4-7 varying degree of satisfaction, and 8-10 above satisfaction, see illustration 2) I would fold all five into one score between 1-10 based on performance since your last review.

Assuming you do monthly feedbacks, or possibly even bi-weekly, by closing of the 6 months follow up period you have a data string representing your views of the participant’s engagement.

Needless to say – there is no point in sugar-coating the scores just because it will look good on you as a manager. The participant must accept responsibility and understand the grown up need to respect the investment put into their development.

May this be a way for you to evaluate ROI.

This set up is included in materials related to all my trainings, and managers are invited to join in pre-training meetings to understand the concept in order post-training to conduct relevant feedback, and measure ROI.

Maybe its you next time. The choice is yours!

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And yes, I’m also in the market to also sell you leadership trainings, but you decide from this portfolio:

- ✓ "[Welcome to Leadership](#)" – talents, young leaders and managers with no prior training – get off to a great start
- ✓ "[Leaders – What's Next?!](#)" – you have been a leader for 3-5 years, what do you do now to become promotable?
- ✓ "[The Management Side of Leadership](#)" – examination of the processes of the employee life cycle
- ✓ "[Personal Leadership](#)" – mature leaders aiming to improve team and personal performance to v2.0
- ✓ "[Leading Leaders](#)" – for executive ready to involve the organization in culture and performance improvements
And
- ✓ "[Tag Ledelsen i Produktionen](#)" – team leaders in/around production environment – a splendid choice!

Kind regards,
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