



## An ROI / Business Impact Study on Negotiation Skills training delivered at Schneider Electric, Ireland.

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A Business Impact Study detailing the Return on Investment (ROI) gained from a Negotiation Skills training programme in Ireland delivered by the EMEAS Learning Solutions Team.

“There is a definite trend towards measurement and accountability in Schneider Electric, and indeed across all major industries. Schneider Electric is implementing measures to gauge success and monitor progress. Learning and development is no exception to this trend. The training process must be measured, monitored, and evaluated.”

## GENERAL INFORMATION

### Objectives of Impact Study:

This business impact study was designed to evaluate the success of the Schneider Electric Negotiation Skills Training Program. This study has four specific objectives:

- To assess the specific impact of the Negotiation Skills Training Program in measurable business contributions to the extent possible, up to and including the calculation of the Return on Investment (ROI) for Schneider Electric.
- To show that programs with low development costs can yield high monetary results.
- To determine the extent to which participants applied on the job, what they learned during the training.
- To identify specific barriers to successful application on the job in the Schneider Electric job environment.

These objectives were met through the implementation of a comprehensive data collection and analysis process.

## OVERVIEW OF THE NEGOTIATION SKILLS TRAINING PROGRAM

### Needs Assessment:

SE Human Resources in Ireland decided to take advantage of a window of opportunity following Schneider Electric's acquisition of American Power Conversion (APC) to train a small group of sales staff in negotiation skills. The local HR team had previously determined a need for this type of skill building program for sales focused staff. Whilst the on site Learning & Development offer was quite minimal in SE Ireland, the acquisition of APC brought a large Learning & Development team, with a wealth of experience in delivering this type of development training. There was an opportunity to share resources in support of the company's strategic program, ONE Schneider.

### Training:

The Negotiation Skills training program was conducted in 1 session lasting for two days. The program included eleven (11) participants from the product sales organisation. All of the attendees were in a direct selling capacity when selected to participate in the training. Employees attended the training sessions on Schneider Electric's time. The program was delivered over two days on August 13 – 14<sup>th</sup> 2009, by **Ray Kiely**, and **Martin Hart** of the **EMEAS Learning Solutions team**.

The Negotiation skills program is designed to provide participants with a framework for the negotiation process. It teaches them to understand and apply the key concepts and skills associated with effective negotiation. It also helps them understand the importance of negotiating styles, and the impact of factors such as culture and conflict on negotiations. The format allows for real-world, application of concepts between sessions where participants have an opportunity to practice the processes and skills introduced on the course.

## MODEL FOR IMPACT STUDY

### Trends:

All across the globe, organizations such as Schneider Electric are becoming more interested in measuring the impact of learning & development and organizational change programs. Four major trends are driving these actions:

- Learning programs are increasingly becoming more expensive to develop and deliver. Expensive programs often require more thorough evaluations of their contribution.
- The importance of learning solutions in meeting strategic objectives within Schneider Electric places the process at a level where accountability is necessary.
- There is a definite trend toward measurement and accountability in Schneider Electric, and indeed across all major industries. Schneider Electric is implementing measures to gauge success and monitor progress. Learning and development is no exception to this trend. The training process must be measured, monitored, and evaluated.
- Senior management, in an attempt to manage resources efficiently in Schneider Electric, have brought closer scrutiny to the learning and development process and are requiring accountability for significant training expenditures.

Collectively, these trends are driving the need for more accountability and evaluation in learning and development in not just Schneider Electric, but in the most progressive of organizations.

### Levels of Evaluation:

It is helpful and instructive to view the evaluation of learning and development using a framework of evaluation levels. As shown in **Figure 1**, an evaluation can be conducted at five different levels.

Level	Questions
1. Reaction & Planned Action	What is participant's reaction to the program and what do they plan to do with the material?
2. Learning	What skills, knowledge, or attitudes have changed and by how much?
3. Job Application	Did participants apply on-the-job what they learned?
4. Business Impact	Did the on-the-job application produce measurable results?
5. Return on Investment (ROI)	Did the monetary value of the results exceed the cost for the program?

**Figure 1 Evaluation Levels**

At level 1, participant feedback is obtained to judge the participant's reaction to the effectiveness and success of the training program. Participant reaction questionnaires are typically completed at the end of the program. Level 1 evaluation's are administered at the end of each Negotiation Skills Program.

At level 2, measures of learning that take place during training are examined to determine the extent to which skills, knowledge, and attitudes change as a result of the program.

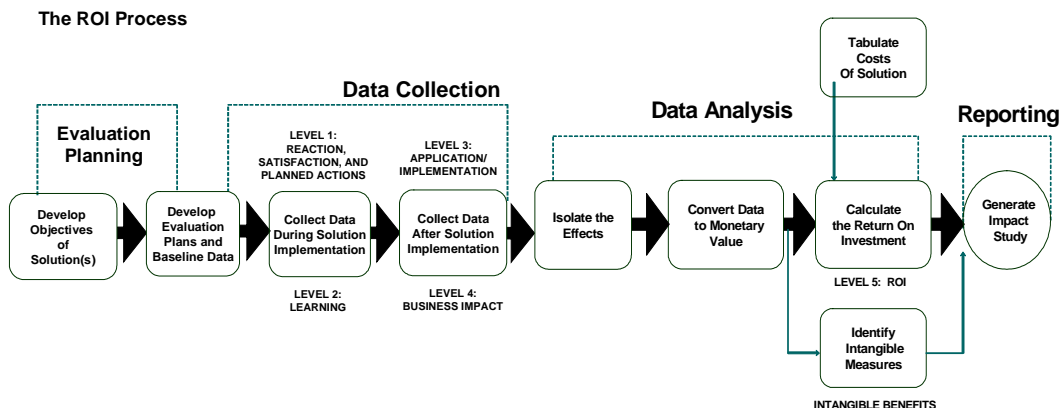
At level 3, on-the-job behaviour change is monitored and measured. At this level, the evaluation focuses on what specific on-the-job applications have been identified that are directly linked to the program. This impact study provides a comprehensive evaluation of results by focusing on levels 3 through 5.

At level 4, the specific business impact of the training program is measured. Key performance measures directly linked to the training are monitored to show the business impact of the program. Prior to the impact study, no attempts were made to measure business impact in Schneider Electric.

At level 5, Return on Investment (ROI), the monetary benefits of the program are compared to the costs of the program. Level 4 business impact data is converted to Euro values to calculate the ROI. This is the ultimate evaluation, as the true worth of the program is determined by comparing benefits to the investment.

## ROI PROCESS

To understand the ROI process it is helpful to examine the key steps involved in developing the ROI. **Figure 2** illustrates the process and highlights the issues addressed in this study. The first step is the collection of baseline data and then follow-up data is collected after a program has been conducted. A variety of post-program data collection methods are available. Perhaps the most important step in the model focuses on the issue of isolating the effects of training. In every organizational situation, a variety of factors influence the output measures of organizational or business impact. Training is only one of many influences which will drive a particular measure. One or more strategies must be selected to isolate the effects of training.



**Figure 2 ROI Model**

The next step in the ROI model is converting data to monetary values. Output measures must be converted to Euro values so they can be compared to the cost of the program to develop the ROI. Another essential step is to tabulate the program costs to determine the specific investment. All fully loaded costs are included which are related directly or indirectly to the training program. This includes participant salaries and benefits while away from work to attend the training.

Finally, the costs and benefits come together in an equation for the ROI. Net benefits (the program benefits minus costs), are divided by the total investment in the training program. This provides an ROI formula comparable to ROI calculations for other investments which typically show the net earnings divided by the average investment. A final step lists intangible benefits which are very important but not translated into monetary values for the program benefits.

Collectively, this model provides a framework to measure the return on investment in any type of learning and development program and is the model used in this business impact study. The key decisions involving the application of the ROI model involve selecting specific methods to collect data, isolate the effects of training, and convert data to monetary values. These are the three most difficult and critical steps in the process and are described in more detail in the next sections.

## DATA COLLECTION PLAN

Figure 3 shows the completed Data Collection Plan. Although several data collection methods were possible, I decided to use a detailed follow-up questionnaire to reflect the progress made with the program. The questionnaire was the least expensive and least disruptive method.

The questionnaire was sent directly to the participants three months after program completion. Initially, a six month follow-up was considered instead of a three-month follow-up shown on the plan. However, I thought that six months was too long to wait for results and too long for managers to make the connection between the program and the results.

## DATA COLLECTION PLAN

**Evaluation Purpose: To Achieve a 25% ROI on the Schneider Electric Negotiation Skills Program**

**Program: Negotiation Skills**

**Date: August 13<sup>th</sup>, 2009**

Level	Broad Program Objective(s)	Measures	Data Collection Method/Instruments	Data Sources	Timing	Responsibilities
<b>1</b>	<b>REACTION/SATISFACTION</b> Relevance to job. Importance to job. Useful Investment of time. Recommendations to others.	Average of 4/5 on a 1-5 Rating Scale	Questionnaire	Participants	Immediately after	Ray / Martin
<b>2</b>	<b>LEARNING</b> Based on course objectives.	Average of 4/5 on 1-5 Rating Scale measuring skill level post training.	Questionnaire	Participant	Immediately After	Ray / Martin
<b>3</b>	<b>APPLICATION/IMPLEMENTATION</b> Applying new skills learned on training program during customer engagements. Identify Barriers / Enablers. Show Improvements in Skill level Pre and Post Training.	Achieve a min average of 20% application of <b>NEW</b> knowledge and skills learned from the training being applied directly to the job	Questionnaire	Participant	3 Months	Ronan Emmett
<b>4</b>	<b>BUSINESS IMPACT</b> Number of Customer Opportunities <b>WON</b> (i.e. Closed Sales) using the methods taught in the training program	Specific to each participant.	Questionnaire	Participant	3 Months	Participant Ronan Emmett
<b>5</b>	<b>ROI</b>  <b>25%</b>	Baseline Data: Standard Values				
		Comments: None				

Figure 3 – Completed Data Collection Plan

## QUESTIONNAIRE TOPICS

While the topics explored may vary considerably, Figure 5 (next page) shows the e-mail questionnaire used with this group. Important areas explored included application of skills, impact analysis, barriers to application, and enablers. To improve the response rates, a variety of techniques were explored; Figure 4 shows the techniques that were used to obtain a response rate of 73%.

### STRATEGY FOR INCREASING RESPONSE RATES

- Provide advance communication about the questionnaire.
- Clearly communicate the reason for the questionnaire.
- Indicate who will see the results of the questionnaire.
- Show how the data will be integrated with other data.
- Communicate the time limit for submitting responses.
- Provide two follow-up reminders.
- Send a summary of results to target audience.

Figure 4 – Techniques to Increase Return Rates

## Negotiation Skills Follow Up Questionnaire

Program Name **Negotiation Skills – Ray / Martin**

End Date of Program **August 13<sup>th</sup> 2009**

Our records indicate that you participated in the above program. Your participation in this follow-up survey is important to the continuous improvement of the program. Thank you in advance for your input.

### REACTION

	Strongly Agree 5	4	Strongly Disagree 3	2	1
The program was relevant to my work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The program was important to my success.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The program provided me with new information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Trainer demonstrated strong knowledge of all course content	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will recommend the program to others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The program was a worthwhile investment for Schneider Electric.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The program met my needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The program was a good use of my time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How was the pace (speed) of the training program?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you rate the program length?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Which term below do you feel best describes the level of difficulty of this program?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you rate the overall quality of the training program?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### LEARNING

Please indicate your level of skills using the following scale by selecting the appropriate response: **5: Outstanding skills in this area - 4: Above average skills in this area - 3: Moderate skills in this area - 2: Very little skills in this area - 1: No skills in this area**

BEFORE TRAINING	5	4	3	2	1
Understanding and applying key concepts and skills associated with effective negotiation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding the importance of negotiating styles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding the impact of factors such as culture and conflict on negotiations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Participating in role play scenarios to practice the processes and skills introduced on the course.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
AFTER TRAINING	5	4	3	2	1
Understanding and applying key concepts and skills associated with effective negotiation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding the importance of negotiating styles.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Understanding the impact of factors such as culture and conflict on negotiations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Participating in role play scenarios to practice the processes and skills introduced on the course.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### APPLICATION

What percent of your total work time requires the knowledge and skills presented in this training program? Check only one.	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
On a scale of 0% (not at all) to 100% (extremely critical), how critical is applying the content of this training to your job success? Check only one.	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What percent of new knowledge and skills learned from this training do you estimate you will directly apply to your job? Check only one	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### BARRIERS/ENABLERS TO APPLICATION

Which of the following deterred or prevented you from applying the knowledge/skills learned in the program? (check all that apply.)

- no opportunity to use the skills
- lack of management support
- lack of support from colleagues and peers
- insufficient knowledge and understanding
- lack of confidence to apply knowledge/skills
- systems and processes within organization will not support application of knowledge/skills
- other

If you selected "other" above, please describe here.

Which of the following supported you in applying knowledge/skills learned in the program? (check all that apply.)

- opportunity to use the skills
- management support
- support from colleagues and peers
- sufficient knowledge and understanding
- confidence to apply knowledge/skills
- systems and processes within organization will support application of knowledge/skills
- other

If you selected "other" above, please describe here.

**RESULTS – For estimating the impact of the training on the business, we will concentrate on ONE areas: Customer Opportunities WON using the tools and methods taught in the training.**

**CUSTOMER OPPORTUNITIES WON**

Please enter below the number of Customer Opportunities **WON** (i.e. Closed Sales) using the tools and methods taught in the program

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For this measure, what is the total monetary value of improvement for the number of Customer Opportunities **WON**? *For example if you had 4 customer opportunities **WON**, and each opportunity was worth €5000, then the total monetary value would be €5000 X 4 which = €20000. Put the value in the currency you selected, round to the nearest whole value, enter numbers only. (e.g. €2,000.50 should be input as €2,000)*

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List the other factors that could have influenced these results.

Recognizing that the other factors could have influenced this value, please estimate the percent of improvement that is attributable (i.e. isolated) to the training program. Express as a percentage out of 100%. For example, if only 60% of the value of the opportunity is attributable to the training program, enter 60 below.

\_\_\_\_\_ %

What confidence do you place in the estimate you have provided in the question above? A 0% is no confidence, a 100% is certainty. Round to nearest whole value, and enter a number only (e.g. 37.5% should be entered as 38).

\_\_\_\_\_ %

Please enter the total amount of expenses claimed for participation on this training program (hotel etc).

€ \_\_\_\_\_

Figure 5 – Questionnaire for participants

## ROI ANALYSIS PLAN

The completed ROI Analysis Plan is shown in Figure 6. This Plan details the specific issues that must be addressed and the particular techniques selected to complete the ROI analysis.

### **Method of Isolation:**

The method of isolation proved to be quite easy to select. Since the participants represented the same functional area, sales growth or customer opportunities WON was the finite measure that could be linked to the program for each participant. Therefore, I decided to collect estimations directly from participants on the questionnaire. The participant isolates the effects of this program using an estimate. I then asked a question that adjusts for the error of the estimate. The challenge is to ensure that participants understand this issue and are committed to providing data for this isolation.

### **Converting Data to Monetary Value:**

The data conversion is obtained directly from participants as they are asked to identify or estimate the value of their data. In the planning, it was assumed that there were only a few feasible approaches for participants to place monetary value on measures. Since there was little agenda time to discuss this issue I had to rely on easy-to-obtain data using just one option. The good news is that in Schneider Electric, as with many others, standard values have been developed for the measures that matter and that was the option I went for. If it's a measure that Schneider Electric wants to increase, such as productivity or sales, someone has placed a value on that measure to show the contribution of the improvement. If it's a measure that Schneider Electric wants to reduce, such as turnover, accidents, or absenteeism, someone has more than likely placed a monetary value to show the impact of these critical measures. Consequently, the participants were asked to use standard values.

### **Costs:**

The costs for the program were typical – analysis, design, development, and delivery components – and represented the fully loaded costs containing both direct and indirect categories.

### **Other Issues:**

I anticipated some intangible benefits and, consequently, added a question to identify improvements in these intangible benefits. The remainder of the ROI analysis plan lists other issues about the study.

## ROI ANALYSIS PLAN

**Program: Negotiation Skills Training**

**Responsibility: Ronan Emmett**

**Date: August 13<sup>th</sup>, 2009**

Data Items (Usually Level 4)	Methods for Isolating the Effects of the Program/ Process	Methods of Converting Data to Monetary Values	Cost Categories	Intangible Benefits	Communication Targets for Final Report	Other Influences/ Issues During Application
Customer Opportunities <b>WON</b> (i.e. Closed Sales) using the methods taught in the training program	Participant Estimates	Standard Value.  Participant Estimates.	Trainer Costs.  Travel costs.  Participant time.  Administrative Overheads.  Trainer time	Increased commitment.  Increased job satisfaction.  Improved customer service.  Enhanced Recruiting image.  Improved communication.	Participants.  Senior Leaders.	

Figure 6 – Completed ROI Analysis Plan

## RESULTS

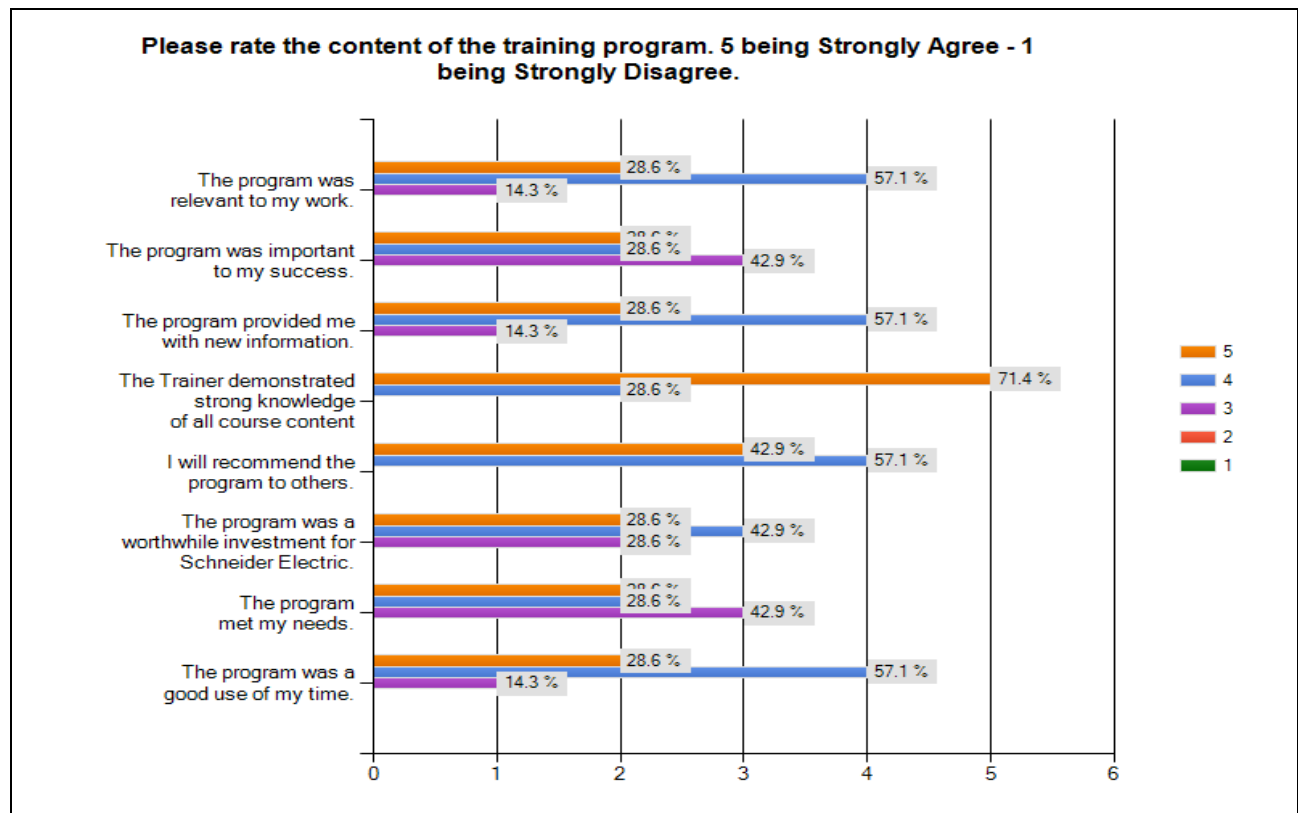
Eight questionnaires were returned, for a 73% response rate. Participants provided a rich database indicating success at each level of evaluation.

### Reaction:

Table 1 shows the reaction from the Follow-Up Questionnaire. Although some initial reaction was collected at the end of the workshop using a standard reaction questionnaire, the team decided to collect and present to the senior team the reaction obtained in the follow up. Each of the reaction measures exceeded or met the goal of an average of a 4.0 on a 1-5 rating scale.

LEVEL 1 – REACTION DATA	
STATEMENT	AVERAGE RATING
The program was relevant to my work.	4.1
The program was important to my success	4.0
The program provided me with new information.	4.1
The Trainer demonstrated strong knowledge of all course content	4.7
I will recommend the program to others	4.4
The program was a worthwhile investment for Schneider Electric.	4.0
The program met my needs	4.0
The program was a good use of my time.	4.1

Table 1 – Level 1 Reaction Data



## Learning:

Although several skill practices were carried out during the workshop to measure learning, I decided to present the learning data directly from the Follow-Up Questionnaire. As shown in Table 2, the learning measures met or exceeded expectation in terms of the amount of new skills and knowledge and confidence in using them. Also, the average skill or knowledge improvement was 22%.

LEVEL 2 – LEARNING DATA			
LEARNING OBJECTIVE	AVG Skill Level BEFORE Training %	AVG Skill Level AFTER Training %	Increase / Decrease in Skill Level %
Understanding and applying key concepts and skills associated with effective negotiation	62.5%	87.5%	INCREASE 25.5%
Understanding the importance of negotiating styles.	37.5%	62.5%	INCREASE 25%
Understanding the impact of factors such as culture and conflict on negotiations	37.5%	75.0%	INCREASE 37.5%
Participating in role play scenarios to practice the processes and skills introduced on the course	75.0%	75.0%	NO CHANGE

Table 2 – Level 2 Learning Data

Schneider Electric Negotiation Skills Training						
Please indicate your level of skills using the following scale by selecting the appropriate response: 5: Outstanding skills in this area 4: Above average skills in this area 3: Moderate skills in this area 2: Very little skills in this area 1: No skills in this area						
Skill Level BEFORE training program						
Answer Options	5	4	3	2	1	Response Count
Understanding and applying key concepts and skills	0	2	5	1	0	8
Understanding the importance of negotiating styles.	0	2	3	3	0	8
Understanding the impact of factors such as culture and	0	3	3	2	0	8
Participating in role play scenarios to practice the	0	1	6	0	1	8
Skill Level AFTER training program						
Answer Options	5	4	3	2	1	Response Count
Understanding and applying key concepts and skills	0	7	1	0	0	8
Understanding the importance of negotiating styles.	1	5	2	0	0	8
Understanding the impact of factors such as culture and	0	6	2	0	0	8
Participating in role play scenarios to practice the	0	6	2	0	0	8

**Application:**

Table 3 shows application data obtained in the Follow-Up Questionnaire. The applications exceeded expectations. The time spent on tasks requiring the use of knowledge/skills averaged 20%. The amount of new knowledge and skills learned from this training that participants estimate they will directly apply to their job averaged 25%. This shows that the program was extremely successful in terms of on job application.

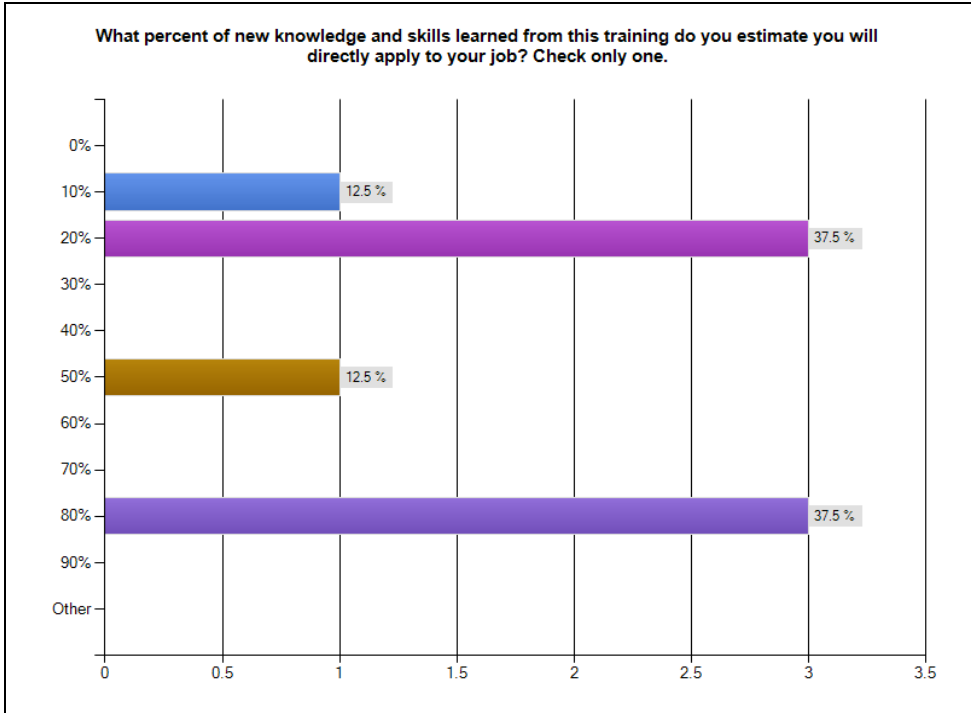
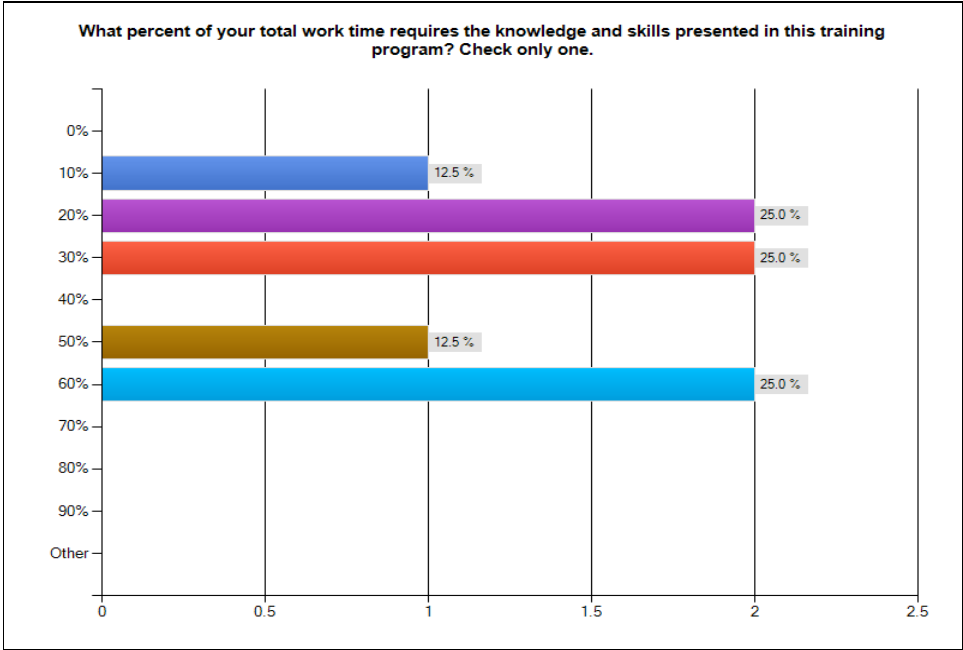


Table 3 – Level 3 Application Data

**Barriers and Enablers:**

Upon analysing the data, the barriers were minimal and the enablers were strong. The program enjoyed good management support and was tailored to the job environment. Thus, there were few barriers that prevented the transfer of learning and the enablers were built into the program. Tables 4 and 5, respectively, show the barriers and enablers.

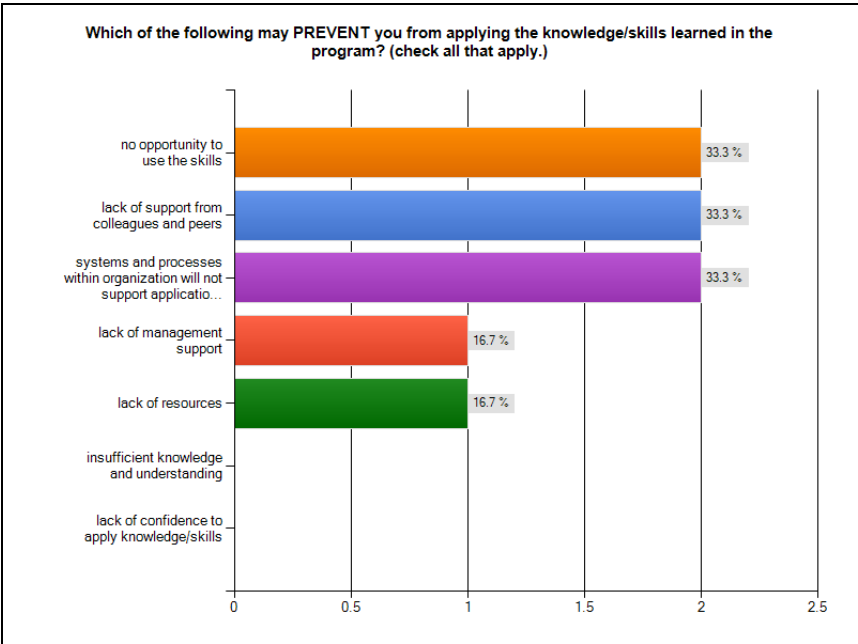


Table 4 – Level 3 Barriers

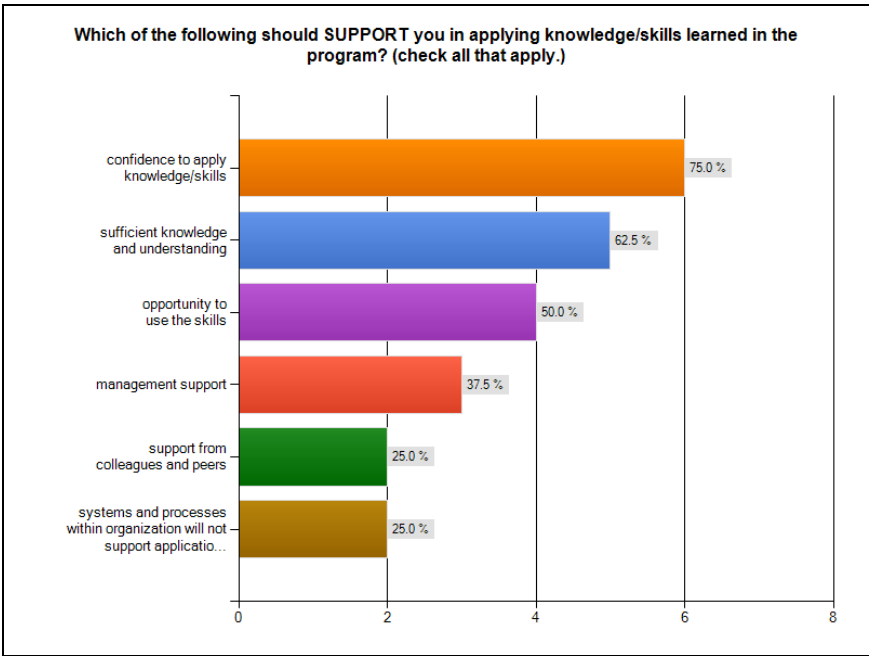


Table 5 – Level 3 Enablers



Table 6 – Business Impact

Emp #	Measurement Area	Total Annual Value €	Measure	Method for Converting Data	Contribution Factor	Confidence Estimate	Adjusted Value €
3	Revenue growth	60000	10 Sales	Standard value	20%	60%	7,200
4	Revenue growth	4000	02 Sales	Standard value	80%	30%	960
5	Revenue growth	100,000	02 Sales	Standard value	05%	50%	2,500
6	Revenue growth	250,000	20 Sales	Standard value	10%	60%	15,000
7	Revenue growth	100,000	10 Sales	Standard value	05%	75%	3,750
8	Revenue growth	100,000	10 Sales	Standard value	05%	90%	4,500
	<b>TOTAL</b>	<b>€614,000</b>	<b>54 Sales</b>		<b>TOTAL MONETARY BENEFIT</b>		<b>€33,910</b>

**Business Impact:**

Business impact data (level 4) are shown above in Table 6. This table shows specific improvements identified directly from the questionnaire, by participant number, for 8 participants. Each participant provided improvements on Customer Opportunities WON, (i.e. closed sales). The total annual improvement for each measure is reported. Incidentally, the specific measure was identified and could be reported as well, but to reduce confusion only the measure categories were reported. The heading “Converting Data to Monetary Value” shows the method that was used to convert data to monetary value. All participants selected “Standard” as standard values were readily available. There were two participants that found it difficult to quantify the value of improvement. In order to preserve the credibility of the ROI methodology, their business impact has not been included but their full costs have been absorbed into the study.

## COSTS ANALYSIS

The total cost of the program, using a fully loaded analysis, is shown in Table 7. It is important for the credibility of this ROI / Business Impact study that we fully load the costs with every conceivable cost we can think of. Therefore, not only do we include trainer costs, we also include the development costs and also the participants and trainer's salary costs for time in the program, i.e. two days.

### Program Costs Summary:

COSTS SUMMARY	
Program Development	1862.50
Travel, Meals, and Lodging	733.54
Participant Salaries (plus benefits) for time and program	3672.27
Trainers Salaries (plus benefits) for time involved in program	745.00
<b>TOTAL COSTS</b>	<b>€7013.31</b>

Table 7 – Fully loaded costs analysis

## ROI ANALYSIS

The Benefit Cost Ratio (BCR) and the Return on Investment (ROI) is calculated as follows:

Benefit Cost Ratio (BCR) =	$\frac{\text{Total Benefits}}{\text{Total Costs}} = \frac{€33910.00}{€7013.31} = 4.83$
For every €1 invested in the program it yielded a return of €4.83	
ROI =	$\frac{\text{Net Total Benefits}}{\text{Total Costs}} \times 100 = \frac{€106,960.00}{€7013.31} \times 100 = 383\%$

## SUMMARY

The critical issue in this study is the credibility of the data. Credibility rests on these 8 major issues:

1. The information for the analysis was provided directly by the participant. They had no reason to be biased in their input.
2. The data was taken directly from the records and could be audited.
3. The data collection process was conservative, with the assumption that an unresponsive individual had realized no improvement. This concept--no data, no improvement—is ultraconservative in regard to data collection.
4. The participants did not assign complete credit to this program. Participants isolated only a portion of the data that should be credited directly to this program.
5. The data was adjusted for the potential error of the above estimate.
6. Only the first 3 months benefits were used in the analysis.
7. The costs of the program were fully loaded. All direct and indirect costs were included, including the time away from work for the participants.
8. The data revealed a balanced profile of success. Very favourable reaction, learning, and application data were presented along with business impact, ROI, and intangibles.

**Collectively, these issues made a convincing case for the Negotiation Skills training program, and show that learning solutions that have low development costs can yield high monetary returns for the company.**