UNLEASH YOUR LEADERSHIP POTENTIAL
Powered by Entelechy

Entelechy's Return On Training Investment Calculator

Directions: Describe the situation below. Then use the appropriate business measures to quantify the impact (or potential impact) of your training. Use conservative numbers; or, better yet, use the numbers provided to you by the business manager for whom the training is created.

Client: _____

Audience: _____

Business Objective: _____

Business Objective Measurement: _____

Performance Discrepancy: _____

Symptoms of Performance Discrepancy: _____

_____

_____

Performance Discrepancy Caused by Insufficient Skills: _____

_____

Performance Discrepancy Caused by Insufficient Support: _____

_____

Performance Discrepancy Caused by Insufficient Motivation: _____

_____

Increased Sales (per year):

	$_____	Additional sales per employee due to larger opportunities
+	$_____	Additional sales per employee due to more wins
+	$_____	Additional sales per employee due to _____
=	$_____	Total additional sales revenue per employee
x	_____	Number of employees trained
=	$_____	Sales revenue produced by training
x %	_____	Average margin (expressed as a percentage of sales)
=	$_____	***Sales Profit Produced By Training***

Increased Productivity (per year):

	%_____	Percent increase in productivity due to shortened sales cycles
+	%_____	Percent increase in productivity due to fewer resources applied to the sales cycle
+	%_____	Percent increase in productivity due to _____
=	%_____	Total percent increase in productivity
x	$ _____	$ Amount attached to productivity per employees (throughput)
x	_____	Number of employees trained
=	$ _____	$ ***Attributed to Increased Throughput Resulting From Training***

Reduced Errors (per year):

	$ _____	Average cost per error due to _____
	$ _____	Average cost per error due to _____
	$ _____	Average cost per error due to _____
=	$ _____	Total cost of errors
x	_____	Number of errors avoided per employee
x	_____	Number of employees trained
=	$ _____	***Error Costs Reduced By Training***

Qualified New Opportunities (per year):

	_____	Number of additional opportunities qualified per employee
x	$ _____	Average revenue per opportunity
x	_____	Number of employees trained
x	%_____	Average margin (expressed as a percentage of sales)
=	$ _____	***Additional Sales Profit from New Opportunities***

Installed Base Retention (per year):

	$ _____	Average revenue per client
x	_____	Number of clients retained per employee attributable to training
x	_____	Number of employees trained
x	%_____	Average margin (expressed as a percentage of sales)
=	$ _____	$ ***Installed Base Profit Protected Through Training***

Employee Retention (per year):

$ _____ Average cost of new employee (training and lost productivity)

x _____ Number of employees retained

= $ _____ $ ***Employee Attrition Costs Reduced By Training***

Total Profit and Cost Savings Attributable to Training Per Year

(From Calculations Prior)

$ _____ Sales Profit Produced By Training

+ $ _____ $ Attributed to Increased Throughput Resulting From Training

+ $ _____ Error Costs Reduced By Training

+ $ _____ Additional Sales Profit from New Opportunities

+ $ _____ $ Installed Base Profit Protected Through Training

+ $ _____ $ Employee Attrition Costs Reduced By Training

+ $ _____ $ Other Profit or Cost Savings Attributable to Training

= $ _____ $ ***Total Profit and Cost Savings Attributable to Training***

Return on Training Investment

(From Calculations Prior)

$ _____ $ Training Investment (per year if appropriate)

+ $ _____ $ Total Revenue/Cost Savings Attributable to Training Per Year

x 12 months

= _____ $ ***Return On Training Investment (in months)***

Qualitative Return on Training Investment

(Significant Return that is Difficult to Quantify)

It is often difficult to quantify some important effects resulting from training. To determine the qualitative return on training investment, work from left to right; circle the relative importance (5 is high; 1 is low) of the behavior/characteristic, the estimated current performance, and the projected performance. Complete the equation and total the results.

Projected Performance	-	Current Performance	x	Importance	=	Results	Behavior/Characteristic
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Increase in morale
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Increase in professionalism
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Increase in teaming and collaboration
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Growth in the learning organization
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Increase in initiative and motivation
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Increase in _____
5 4 3 2 1	-	5 4 3 2 1	x	5 4 3 2 1	=	_____	Increase in _____
					=	_____	***Qualitative Return On Training Investment***