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**ROI Experiences : Open Enrollment Case
Study from Columbia**

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Columbia Business School Executive Education
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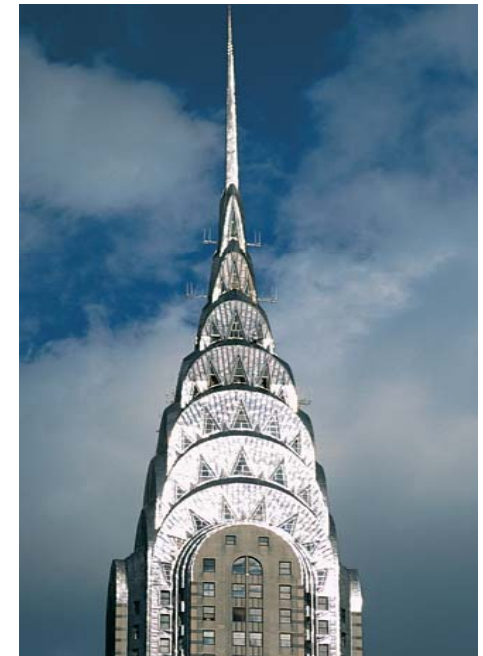


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Columbia Business School Executive Education

- ▶ Providing premiere executive education programs to a global audience since 1951

- ▶ Three business lines:
 - Open programs
 - Custom programs
 - Institute for Not-for-Profit Management





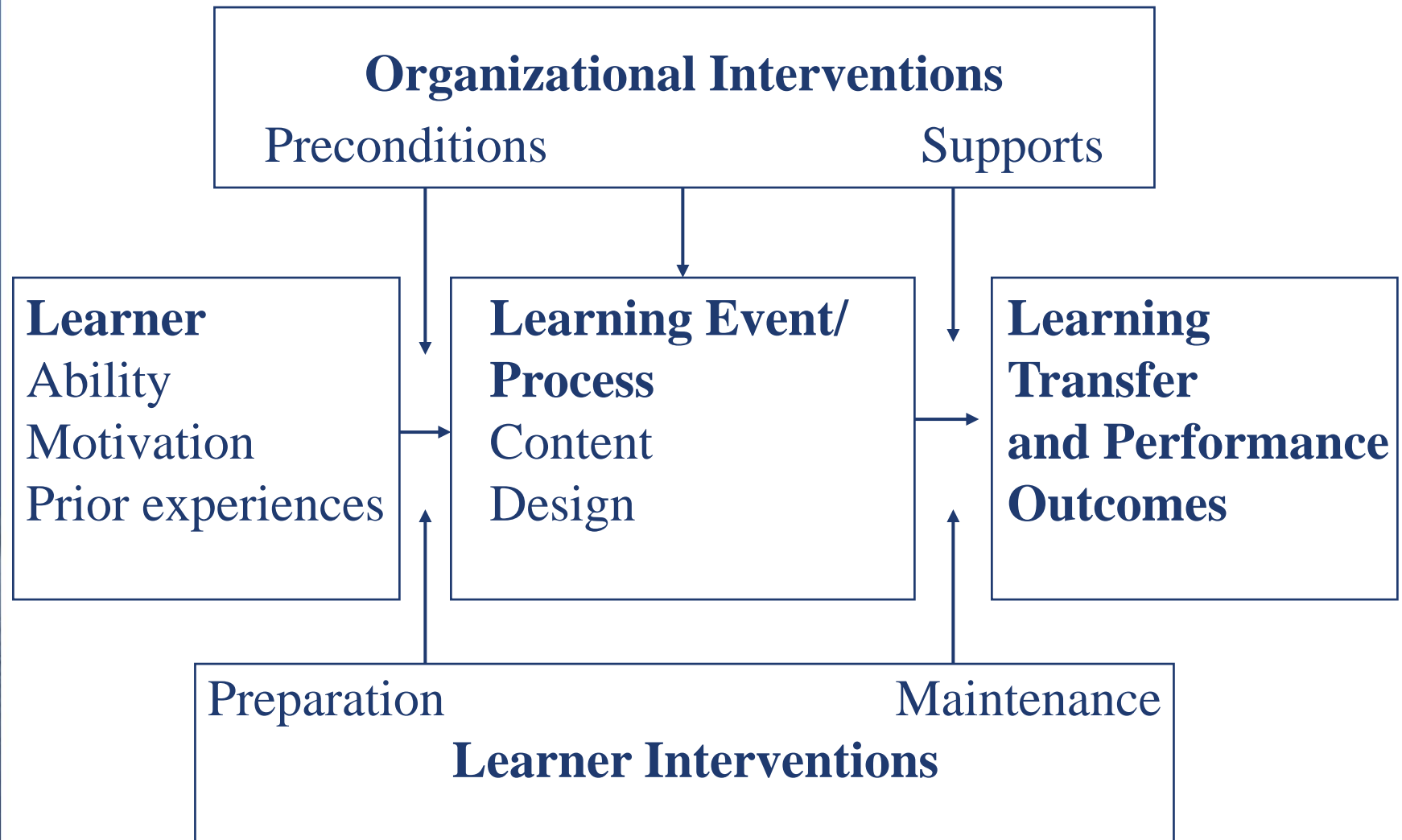
Background on Columbia's measurement efforts


Our Journey

- ▶ **In 2000, the Columbia Learning Impact Initiative (CLII) was launched by Columbia Executive Education**
 - Clients had identified the need for data resulting from their sustained use of Columbia's programs
 - Columbia sought to explore the effectiveness of learning transfer to meet clients' data needs and to enrich our understanding

- ▶ **CLII was developed and tested on select alumni of the Columbia Senior Executive Program, and now involves every participant of the program in pre- and post-program activities (detailed later in this presentation)**

A Conceptual Framework For Managing Learning Transfer Systems





Columbia incorporates adult learning theory into its program design and assessment research



- ▶ We developed the Columbia Learning Impact Initiative with a set of key assumptions:
 - Executive performance is a complex mix of competencies and experience that are best thought of as business capabilities
 - Enhancing this capability involves different kinds of learning
 - Learning transfer is only partially a function of design of the learning event
 - Assessing Executive Development is more challenging than assessing Training
 - Best assessment involves job relevant simulations or practice with multiple trained observers--*not possible for this project*
 - Assessment in this context best involves critical incident methodology
 - Sources of data will include self-reported and objective forms
 - This will be an on-going journey as we learn more about the dilemmas of conducting this kind of assessment and about how CSEP provides value to our participants

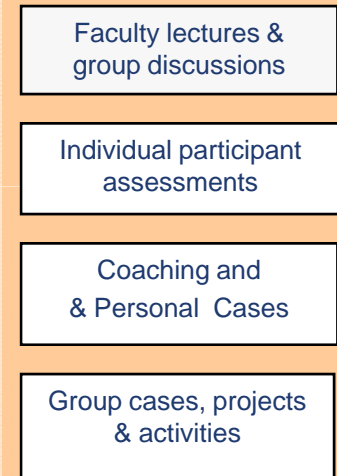
CLII represents the learning commitment made by all CSEP participants

Pre-Program Activities



Program Activities

During the Program



Post-Program Activities





Methodology to assess program's impact on a significant business challenge

- ▶ **Post-program question:** *“Focus on the most significant management challenge that has confronted you during this time, a challenge that was or is critical to the performance of your work unit and your company. You can choose a challenge that you have already identified during the class or you can choose a new challenge. The challenge can involve an ongoing project or issue, a particular incident or series of incidents, a fundamental part of your job, or a challenging relationship.”*
- ▶ **Describe the situation:**
 - *Who was involved?*
 - *Cause of the challenge*
 - *Why was it important to resolve?*
 - *Estimated financial impact*

Steps in Computing ROI for CSEP (Based on Significant Current Challenge)

- ▶ Estimate the range of the financial impact of your actions to date (in USD please):
from \$ (minimum) _____ to \$ (Maximum)_____
- ▶ Take the Mid-Point of the Range Reported by the Respondent
- ▶ What level of confidence do you have in your financial estimate: 0% (no confidence) – 100% (Certainty)
- ▶ Multiply the Mid-Point by the Confidence Estimate to Obtain the Adjusted Result
- ▶ To what extent has your experience in the program influenced the action/decision taken?

1	2	3	4	5
Not at All	A Little Bit	Some Extent	Considerably	To A Great Extent
(1%)	(25%)	(50%)	(75%)	(100%)
- ▶ Further Adjust Result by the % weight of the estimated influence factor to determine the adjusted value.

Adapted from Phillips (2000)

Projected ROI as quantified with one business challenge

▶ $ROI = \frac{\text{Net Program Benefits}}{\text{Program Costs}}$

- Net program benefits are for one business challenge
- Costs include 1/12 Salary, Travel and Program Fees
 - ▶ Minimum = \$ -100.0
 - ▶ Maximum = \$ 442,315
 - ▶ Mean = \$ 21,477

- ▶ For every dollar spent on the program, there is an estimated \$92.65 average return (after expenses)



Example of business challenge and its financial impact

- ▶ **Sample Challenge:** “We had started a new business initiative in early 2001 that was targeted at outsourcing opportunities with equipment manufacturers. In 2001 a major customer in the semiconductor industry had pushed us to open another facility and spend heavily to meet their needs.”
 - **Who was involved?** *Myself, the VP of Engineering, Director of Sales, and 6 workers in the pilot facility.*
 - **Cause of the challenge:** *“The semi conductor industry tanked in late 2001 just about the time we got the facility completely up and running. The major customer laid-off most of it’s workers and was eventually bought out.”*
 - **Why was it important to resolve?** *“We were creating a drain on our other businesses both for symbolic and financial reasons. We were very unaccustomed to having an initiative fail and had very little experience with the semi conductor industry. We substituted our characteristic optimism for the reality of the situation, and convinced ourselves we could find other business*
 - **Estimated Financial Impact:**
 - ▶ *Current: From \$ 200,000 (minimum) to \$ 500,000 (maximum)*
 - ▶ *Percent of improvement that is related to your application of learning in CSEP 60%*
 - ▶ *What level of confidence do you have in your financial estimate: 80 %*
 - ▶ *Future: From \$ 500,000 (minimum) to \$ 4,000,000 (maximum)*



According to our participants, organizations must do more to support the learning transfer

Organizational Support Data

How would you characterize the systematic support you have received from your organization since your return from the CSEP program to help you add value by transferring learning from the CSEP program back to the organization?

Mean response = 3.33

Scale: (1) Not at all supportive; (2) A little bit supportive; (3) Somewhat supportive; (4) Considerably supportive; (5) Extremely supportive



Group Discussion

- 1. Break into small groups (4-7) and discuss for 20 minutes the following questions:**
 - ▶ How would you explain the extraordinarily high ROI reported for CSEP?
 - ▶ What should be the next step Columbia should take on its journey in measuring ROI in its Open Enrollment programs?
- 2. Report out your consensus view in plenary session**



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Thank you for joining us in our journey

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Decades of experience have facilitated the evolution of CSEP, Columbia's flagship program



Components of CSEP design

Theory and applications in strategy, economic scenarios, functional management, leadership development, crisis management

Innovative learning practices

Personal case and coaching activities

Use of assessment instruments for self-discovery

Group projects and activities



Through CLII we gain critical participant data and enhance program effectiveness

Project Goals

Understand impact of the program on:

- ▶ Participants' capabilities
- ▶ Participants' Business Challenges
- ▶ Business unit/company results and estimated ROI

Gain feedback on:

- ▶ Learning process
- ▶ Program design & delivery

Project Benefits

For CSEP participants:

- ▶ Assists in continuous leadership development
- ▶ Reminds executives what they know and how to utilize that knowledge
- ▶ Helps executives reflect on post-CSEP challenges and successes

For Columbia Executive Education:

- ▶ Facilitates better program design with data on how executives learn
- ▶ Offers evidence on executive application of learning
- ▶ Provides quantifiable data for our customers