

Five Tips for Calculating Your ROI

Your budget plays a major role in the determining the training program you provide to your employee for on-going skill development and to meet mandatory training requirements. Savvy training managers have learned that an investment in e-learning pays big dividends in reducing training costs while increasing employee satisfaction.

Here are some quick tips for calculating your return on investment (ROI) when considering e-learning and how to better assess your training program costs.



1. ***Cut Travel and Gas Expenses-*** Even if you don't have a separate line item in your budget for training, calculate what the cost of mileage, gas, lodging and meals are for an employee to attend a live training. Live training costs add up if you have employees spread out among multiple locations or if your agency is in a rural setting.
2. ***Hours Spent in Trainings-*** Online training yields a time savings of 35-45% over traditional classroom instruction while obtaining equivalent or better gains in learning retention. If you pay 30 employees to attend a one hour training and the employee's average hourly rate is \$15, then that training will cost you \$450 in paid training time. If this training is shifted online your cost may be reduced by 40% - a savings of \$180. Apply this calculation across all the trainings that you provide – new employee orientation, annual mandatory training, in-service, etc
3. ***Keeping Your Staff Credentialed-*** Your staff must be credentialed and maintain their professional certifications. If you currently pay for staff to attend outside training to maintain certifications, you can reduce this cost while expanding training opportunities.
4. ***Cut Administrative Hassle-*** Your supervisors, managers and training administrators spend countless hours ensuring your staff is compliant with mandated training requirements. You can more efficiently perform the administration and tracking of your training with a web-based learning management system. This will save you hours of administrative work by easily reporting and tracking your training events. Estimate the number of hours and the cost per hour it takes to currently do this task and reduce it by 50%.
5. ***Intangible Benefits-*** Budgetary issues will determine what you can afford but research shows that high quality staff training is a key in staff satisfaction and retention. Also client care improves when staff is provided with high quality training on the latest research and information from the experts in their field. Motivated staff and low turnover rates can also directly impact your bottom line.