

## **Management development to foster innovation and understanding of the business**

### **Summary case study of the ROI Institute methodology in use for programme evaluation**

Flagship Training--a joint venture between BAE Systems and the VT group, and the Royal Navy's commercial partner in training--faced a contract review and had committed to generating new business. Customer feedback showed a very high regard for Flagship's managers but a need for them to grow their understanding of the business and become more innovative.

Accordingly in March and April 2006, VT Flagship Training working with Stratagem Consultants provided an intensive assessment and development day for 37 managers. The development programme benchmarked the managers against Flagship competencies, assessing them through questionnaires, individual and team tasks, a roleplay and an interview. The delegates received detailed feedback. They were asked to identify practices they would change and to follow up by initiating and implementing a business improvement project. The business improvement projects not only provided an objective tool for evaluating the development intervention, they also reinforced the learning by challenging delegates in the two competencies where improvement was most needed: 'innovation and change' and 'understanding the business'.

The programme was evaluated at all five levels using the Phillips/ROI Institute evaluation methodology. Level 3 (job performance) evaluation included monitoring the progress of the business improvement projects; level 4 (business impact) evaluation assessed the 16 business improvement projects that reached fruition.

The projects' monetary impact was calculated using a combination of established historical cost information, accepted standard values, internal expert and participant estimates. Following the ROI Institute principle, only the first 12 months of cost savings/added income were taken into account. The impact of the programme was isolated from other influences, such as the contribution of colleagues. The net financial benefit from the 16 projects attributed to the programme was £102K, against programme costs of £55K, despite coinciding with a restructure which prevented more than half of the delegates from completing their projects

The case study provides rigorous evidence of the impact and value of the intervention, which led to a range of important cost savings, quality improvements and net revenue gains and resulted in an ROI of 184%.