At the March 2004 Annual Conference of the Federal Information Systems Security Educators’ Association (FISSEA) at the University of Maryland University College campus, Jack J. Phillips, PhD, the Chairman of the ROI Institute, discussed “Measuring ROI in the Public Sector.”

Dr Phillips pointed out that return on investment (ROI) is growing in popularity among managers, especially those with a strong background in finance. The ROI methodology for training and education has been developed and applied over the last 20 years and is being used in thousands of impact studies every year. There have been hundreds of ROI case studies already published; some of them have been collected by Patricia Pulliam Phillips, PhD in a recent book.

However, ROI is the most complex and expensive measure of value for any program and should be limited to those programs where the exercise will have an operational effect; i.e., no one should undertake an ROI exercise without having a specific goal in mind such as a go/no-go decision or a decision on increase in funding.

Contrary to a common misconception, ROI evaluations are not limited to producing a single number consisting of monetary benefits divided by costs. On the contrary, Dr Phillips argues, the ROI process “generates six types of data:

* Reaction, satisfaction and planned actions;
* Learning;
* Application and implementation;
* Business impact;
* Return on investment;
* Intangible measures.”

An effective application of the ROI methodology, according to Phillips, can

* Align programs to business needs;
* Show contributions of selected programs;
* Earn the respect of senior management and administrators;
* Build staff morale;
* Justify and defend budgets;
* Improve support for human resources, learning and development;
* Enhance the design and implementation process;
* Identify inefficient programs that need to be redesigned or eliminated;
* Identify successful programs that can be implemented in other areas.

Dr Phillips presented a thoroughgoing evaluation process which is described in Dr Patricia Phillip’s book entitled _The Bottomline on ROI_.

---

**Evaluating IA Training & Education (2)**

by M. E. Kabay, PhD, CISSP

Associate Professor, Computer Information Systems

Norwich University, Northfield VT
The ROI Institute runs a closed Web site for its 600 members; visitors are permitted to send e-mail to a contact address for further information.

* * *

ROI Institute <http://www.roi3.net>


* * *


M. E. Kabay, PhD, CISSP is Associate Professor in the Department of Computer Information Systems at Norwich University in Northfield, VT. Mich can be reached by e-mail at <mailto:mkabay@norwich.edu>; Web site at <http://www.mekabay.com/index.htm>.

Copyright © 2004 M. E. Kabay. All rights reserved.

Permission is hereby granted to Network World to distribute this article at will, to post it without limit on any Web site, and to republish it in any way they see fit.