

Realizing Organizational Integrity[®]: A New Look at ROI¹

By Michael A. Miller, CMP and T. Waldmann-Williams, Ph.D.

In this article we examine a unique way of looking at the Return On Investment in conference or training meetings. Rather than calling this the traditional financially based “Return On Investment”, we prefer to call it Realizing Organizational Integrity because it focuses on the intangibles of meeting and training conferences.

Organizations spend over 10 billion dollars annually on meeting conferences and over 91% of that amount was spent in the continental United States². Yet how often do meeting leaders configure their sessions to fully integrate that investment into their organization? We will address how to critically quantify and optimize this intangible so that the return on your organization’s investment of time, energy, and money can Realize Organizational Integrity.

Organizations look for the greatest return on investment when it comes to tangible “things” like products and services. We know the return on investment calculation is:

$$\begin{aligned} &(((\text{Benefits} + \text{Costs}) / \text{Costs}) * 100\%) \\ &\text{or} \\ &(((\text{Tangible Benefits} + \text{Intangible Benefits} + \text{Costs}) / \text{Costs}) * 100\%) \end{aligned}$$

The intangibles, we believe, should be qualified and quantified in every conference meeting or training because their impact is equal to if not greater than the tangibles. T. Waldmann-Williams observed all too often that the intangible benefits of a meeting, such as energy and creativity, were left behind in the meeting room. Neither the organizers nor participants knew a way or were not encouraged or responsible to bring these benefits back and incorporate them in the workplace.

Tangibles are easy to comprehend; they are the “hard” things. You can physically see, touch, and feel tangibles like a gift, remuneration, a book, delivery of goods and services, etc. Intangibles are sometimes called “soft” because they are unseen by the human eye or unfelt by human touch. Examples of intangibles include the pride and good will of doing something well; an uplifting of one’s spirit when recognition is given or voiced in honoring one’s work; an understanding of the strategic direction of an organization so that an individual is empowered and knows his/her boundaries in making decisions. The benefit of an intangible could be as simple as a smile that expresses gratitude, or an individual who comes to be with you when you are grieving; or a perfectly timed action that didn’t have to go through layers of bureaucratic decision-makers because everyone knew what was expected and could rely on the values, vision, and mission of the organization to guide them. The intangible ROI may not be immediate. For instance, it can take up to 18 months to hone a prospective client relationship. Yet, you believe that the costs associated with establishing that relationship is worthy of the return you get in the client buying goods and services from you. However, the question remains, “Are you looking critically at “realizing organizational integrity” by optimizing your return on intangibles?”

In The Measures that Matter, a study undertaken by Ernst & Young (the third in a series), it was discovered over a five-year period that companies based on “ideas and opportunities” grew shareholder value more quickly than other business models that did not include such *intangibles* (emphasis added). “Overall we found that non-financial performance explains between 50% and 80% of a company’s stock price in a way that is uncorrelated with financial performance.” In addition, of the seven value drivers mentioned in the study, the second most important driver is human capital, i.e. “the ability to attract, develop and retain talented employees.”³

Traditionally, the view of return on investment has been a predominately financially focused one based only on the tangible benefits. Over the past sixteen years, Mike Miller has planned and coordinated over three hundred corporate meetings for mostly Fortune 1000 companies. Those experiences have allowed him to be directly involved in real time planning, coordinating, and, more long term, budgeting an organization’s money on training meetings. Organizations have usually measured the impact of those expenditures using typical tools such as feedback forms at

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the end of the meeting, with a typical question being, "I feel this meeting was a good use of my time" – circle 1, 2, 3, 4 with 1 being high".

When Mr. Miller followed up with many of these companies over a period of time or when they planned another large meeting, (over 50 attendees) he found two things. First, that there was little data from these simple tools that measured any kind of return on investment from the initial meeting, and secondly, the tools assisted neither him nor his clients in effectively planning the upcoming meeting. This revealed that there must be clarity and measurement of both the tangibles and intangible benefits and a better way of measuring both.

While the tangibles, which measure 'what' an individual got from the meeting, are easier to measure, the intangibles are not as easily measured. The intangibles seem to answer the underlying question of 'how' the attendee received benefits. Data collection and analysis of the 'how' are paramount to what we call "Realizing Organizational Integrity."

Surveys, questionnaires, job observation, interviews, focus groups, objectives, action plans, performance contracts and monitoring, and most importantly, follow-ups are part of the answer to 'how' and 'what' to measure. We can use Jack Phillip's five levels of evaluating training as a rule of thumb for measuring "Realizing Organizational Integrity" or the lasting effectiveness of training meetings. Training programs are evaluated at five different levels:

- Level 1-Measuring reaction and identifying planned actions
- Level 2-Measuring learning
- Level 3-Assessing application of the program on the job
- Level 4-Identifying business results for the program
- Level 5-Calculating return on investment.³

Dr. Waldmann-Williams has been assisting organizations to develop meaningful measures for a number of years. She works with both corporate clients and individuals to understand their results better, especially since many "work issues" are about the amount of time spent in meetings. The true benefit of these meetings must come from a multidimensional approach, not a simple ratio of cost and benefit. Larger questions must be applied and responses must then be analyzed. Rather than saying, "How much did it **cost** us?" we need to start asking, "Who is being served by this meeting?" and then determine appropriate measurements for that question.

One model of service that can be used in identifying the intangibles is the Plexus/Team Spirit Spiral⁴. This six-dimensional model presents a simple, intuitive approach to understand how teams actually function, thrive, and produce extraordinary results. For instance:

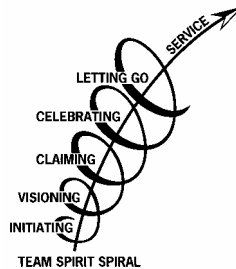
- "Who was best served by this meeting and why?" - **Service**
- "Who have you met that will contribute to your effectiveness and efficiency and why?" - **Initiating**
- "What question, from a learner perspective, will keep you curious and reflecting about the meeting discussions?"⁵ - **Visioning**
- "What about the meeting clarified your understanding or inspired you, and why?" - **Visioning**
- "Who do you think deserves recognition for their contributions that we might have overlooked, and why?" - **Celebrating**
- "How has this meeting lifted your spirits, and why?" - **Celebrating**
- "How has the meeting contributed to your feeling of congruency and authenticity (alignment in what you think, say, and do)?" - **Letting Go**

An explanation of the six dimensions are: Service nurtures the significant contributions to both colleagues and customers – it is the phase that integrates all phases; Initiating facilitates the

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capacity to develop reinforcing and trusting relationships; Visioning empowers the development of a shared and inspired future; Claiming fosters clarification of goals, objectives, and roles and responsibilities; Celebrating facilitates individuals' acknowledgement and celebration of contributions and service; and Letting Go fosters authentic and forthright communication in the face of disappointments, frustrations, or conflicts. A pictorial display of the Team Spirit Model is:



These are only a few of the questions an organization must ask to assess some of the intangible benefits. In fact, the meeting managers and coordinator should thoughtfully ask these questions during the planning stage so that each of the dimensions is aligned with the intangibles and with the strategic intention of the meeting/conference. The individual meeting attendees should know the intention(s) of the meeting and expectations of them as a result of attending the meeting and throughout at least twelve months of follow-up. The organization might seek input from supervisors or team leaders to see what they observed for improving the “team spirit” (intangible) and the organization’s results (tangibles) as a result of this process and the conference / training meeting.

We believe that organizations equipped with the tools of how to measure “meeting effectiveness” will better serve themselves and ultimately provide more service to their clients and employees.

Footnotes:

1. Realizing Organizational Integrity[®] coined by Mike Miller and T. Waldmann-Williams, is the process of integrating both the tangible and intangible personal and organizational benefits into the fabric of an organization. To incorporate these benefits into an organization one might eventually qualify and quantify the benefits in terms of the traditional financially based return on investment and explicitly include the intangibles. Additionally, Realizing Organizational Integrity[®] ensures unity, harmony, and accord within and between individuals and their organization(s).
2. August 2002. “Corporate Meetings. Meetings and Conventions Magazine. pg. 13.
3. Phillips, Jack J., Handbook of Training Evaluation and Measurement Methods, pg. 68.
4. Heermann, B. 1997. Building Team Spirit: Activities for Inspiring and Energizing Teams. New York: McGraw-Hill.
5. Goldberg, M. (1998) “Expert Question Asking: The Engine of Successful Coaching.” Manchester Review.

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Mike Miller, CMP, is from Dayton, Ohio working in the motivation industry for Heritage Group. His interest is creating lasting value by emphasizing methods of measurement indicating the effectiveness of the meeting’s objectives. His clientele includes mostly Fortune 1000 companies.

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Should you wish to know more about the new ROI and / or Plexus Team Spirit please E-mail Mike Miller ([mikem@hgonline.com](mailto:mikem@hgonline.com)) or T. Waldmann-Williams, Ph.D. ([twwcwmw@att.net](mailto:twwcwmw@att.net)).