

## BUSINESS CENTS: THE ROI OF WHAT WE DO

**DISCLAIMER:** This document makes no claims that we have solved every problem nor do we have the perfect, one-size-fits-all, one-stop-once-you-pop-you-can't-stop-shop, guaranteed-to-work-for-everyone solution. Instead, this is meant to share ideas and theories that can help you rethink the way you talk about the value you create.

### Client Insights

It's important to understand what drives the decisions of our clients:

#### #1 Everyone is busy.

The average person sends and receives 112 emails per day and spends 4 hours in meetings. They are constantly busy.

TRANSLATION: Be relevant. Talk their language and deliver on what they need.

#### #2 Expectations are changing.

Things have changed over the last 20 years. Not just in fashion, politics, and price of gas. Expectations of what a speaker delivers has also shifted towards action.

TRANSLATION: Have a plan, one that your audience can follow to achieve results.

#### #3 Results matter most.

The soft benefits, positive feelings, and “innovative” approach we do mean nothing if it doesn't lead to making more money while spending less.

TRANSLATION: Start talking in terms of the bottom line not just soft benefits.



Flickr. “Money Graph” by 401(K) 2012

## Why Numbers Matter

Numbers may seem intimidating but they are powerful communication tools. Specifically, they can:

### #1 Get people's attention.

Clients don't really care about testimonials, client lists, or in-action images. Those things might pique their curiosity, but numbers will grab their attention.

MEH: "The workplace needs humor."

YES: "70% of the workforce is disengaged costing US companies \$500 billion in lost productivity every year. People who use humor are more productive, less stressed, and happier."

### #2 Build credibility.

It's easy to obscure lack of skill through vague statements. Numbers add credibility to claims of your expertise.

MEH: "I've done a number of events." (FYI, 0 is a number. ]

YES: "I've done over 1,000 events."

### #3 Quantify our value.

We know the value of what we do, that we can impact and improve the lives of our audience members. Our clients don't; numbers translate what we do into terms they understand.

MEH: "I motivate people."

YES: "I get people more engaged in their work which can lead to an increase in productivity by up to 31%."

#### *Examples of Beautiful Numbers:*

- **2,479,991,040.** The average lifespan of a human in seconds.
- **177,000,000,000.** The global spend on formal training programs (2013).
- **8.** My favorite number; an infinite sign standing up; a zero with a belt on.

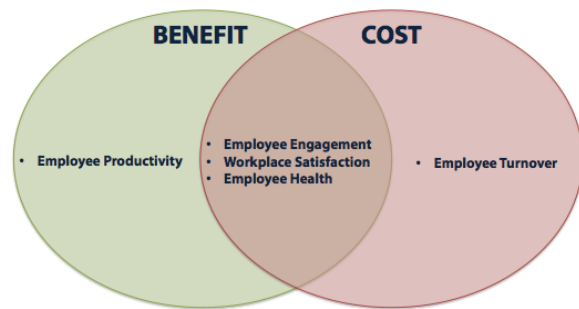
## Metrics Companies Care About

Different organizations care about different metrics. Some of the most common include:

- Revenue
- Expenses
- Profit
- Gross Margin
- Return-on-Investment
- Return-on-Equity
- Cashflow
- Inventory Turn
- Customer Acquisition Costs
- Lifetime Value
- Customer Retention
- Product Metabolism
- Viral Coefficient
- Referral Rate
- Efficiency Ratio

It's important that we connect the work we do to the numbers they care about. One way to do that is to think in terms of employees following employee metrics:

1. Employee Productivity
2. Employee Engagement
3. Workplace Satisfaction
4. Employee Health
5. Employee Turnover



## 3 Ways to ROI

Once we understand the metrics our clients care about, we can start to talk their language, including the language of ROI: Return on Investment. There are 3 ways to better quantify the value of what we do:

1. Theoretical (Applying Maths)
2. Parallel (Referencing Others)
3. Actual (Capturing Results)

Each way can provide more context to your clients on why your programs are a smart investment in their employees and their business.

## #1 Theoretical (Applying Maths)

Using math, we can extrapolate the theoretical value of what we provide. If the cost of your program is less than the value delivered (as shown below), the ROI of your program is positive.

## ***EXAMPLE #1 – Productivity***

The GDP of the United States was \$15.6 trillion in 2013; 75% of that came from the business sector.<sup>1</sup> The average US worker worked 1,790 hours last year,<sup>2</sup> with an hourly output of \$57.54,<sup>3</sup> Meaning their yearly output was \$102,996.

Let's say you deliver a keynote for 300 employees teaching them to be more effective, and each one increases their productivity by 0.1% (equal to \$102.99).

*300 employees x \$102.99 per employee = \$30,898 productivity gain.*

## ***EXAMPLE #2 – Stress***

An estimated 63% of American workers report high levels of stress at work,<sup>4</sup> resulting in \$68 billion in additional healthcare costs each year.<sup>5</sup> That's \$701 additional dollars for each stressed employee.

Let's say you run a program for 100 employees teaching them how to manage their stress, and 50% of those employees really take it to heart.

*50 employees x \$701 per employee = \$35,050 in healthcare costs saved*

## ***EXAMPLE #3 – Engagement***

An estimated 70% of the workforce is not engaged at work, resulting in \$500 billion in lost productivity every year.<sup>6</sup> With an estimated 154 million working Americans,<sup>7</sup> that's 107 million Americans not engaged, each one costing companies \$4,672.

Let's say you run a 4-week training program for 60 people. 33% of the employees become fully engaged in what they do based on your training.

*20 employees x \$4,672 per employee = \$93,440 in productivity gained*

## ***EXAMPLE #4 – Turnover***

The voluntary turnover rate in the US is around 20%,<sup>8</sup> with the estimated cost of replacing an employee ranging from 20% to 150% of that employee's salary.<sup>9</sup> The average income in the US is \$44,321, meaning that even with the lowest estimates, replacing an employee costs companies an average of \$8,864.

Let's say you run an 8-week coaching program with 30 managers who oversee a total of 300 employees, which leads to a reduction of turnover by 31%.

*20 employees x \$8,864 per employee = \$177,280 in turnover costs saved*

## #2 Parallel (Referencing Others)

We can leverage the research done by our peers to better articulate what we do. This is a tremendous strategy for growing the overall pie, not just our slice of it. This helps us speak to the value we, as a group, have created historically.

Example ROI Calculations from Other Organizations:

- Johnson and Johnson implemented a wellness program that they estimate has saved them \$250 million in healthcare costs, with an ROI of 2.7:1.<sup>10</sup>
- Coca-Cola provided motivation and skills training for their employees, estimating their ROI to be 14:1.<sup>11</sup>
- Hughes Aircraft conducted time management training for employees, estimating a ROI for the program at 30:1.<sup>11</sup>

However, finding these numbers can be challenging and their recording methods aren't always scientific. This is where we as speakers can do a better job.

## #3 Actual (Capturing Results)

The best numbers for quantifying what we do are results we capture ourselves based on the work we do with clients. There are a number of challenges to capturing these numbers, but the outcome is well worth the effort.

### Program Surveys

The best way to do that is by surveying. By checking in with employees and managers, we can start to see the impact humor training has on the organization.

**Pre-Survey.** To get a sense of the organization and to establish a baseline for specific measures, the pre-survey is sent before the program even starts.

**Post-Survey.** The post-survey is sent immediately after the program and captures how employees feel their work will change and what they'll be able to do differently.

**Follow-up Survey.** Finally, to truly understand the impact the program made, a follow-up survey is sent 6 months later to see what is still making an impact after the excitement from the program has worn off.

Additional surveys can be added throughout the program or as follow-up to see long-term impact.

## What to Measure?

The metrics that matter to a client will vary by organization, but **productivity**, **engagement**, **stress management**, and **turnover** are good places to start.

## A STEP-BY-STEP GUIDE

If you're ready to help demonstrate the value of humor, here's a step-by-step guide of what to do. It's a simple guide, but that doesn't mean it's easy.

1. Book a Client
2. Ask What Metrics Matter
3. Create Your Surveys
4. Send Pre Survey
5. Deliver an Awesome Event
6. Send Post Survey
7. Share Results with Client
8. Send Follow Up Survey
9. Share Results with Client, Peers

## Conclusion

With 83% of Americans stressed at work, 55% unsatisfied with their jobs, and 47% struggling to stay happy, something about work has to change.

It's time to take the charge and teach people how to be more productive, less stressed, and happier. It's time to show people the power of what you do.

**For Questions, Comments, or Booking Info, CONTACT:**

**andrew@humorthatworks.com**

twitter

website

email

## SOURCES

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