



CALCULATING COMMUNICATION ROI

A Centre for Strategic Communication Excellence toolkit

In many organisations the communication function is under-staffed, under-financed and undervalued. To earn the reward your team deserves, you have to know how to demonstrate your worth.

HOW TO CALCULATE COMMUNICATION ROI

This toolkit is designed to help you measure the benefits that your communication work has on your organisation. The tips and tools in this toolkit will help you speak the language of your executive team and convince them that the communication function is not only worth the investment, it drives business results. Calculating and communicating your Return on Investment (ROI) is a key to winning the support of your executive team.

Using this toolkit

This toolkit guides you through the process of defining ROI on your communication. The seven-step process is outlined and supported by models, templates and case studies to help you through this task.

STEP 1	UNDERSTAND THE BUSINESS ISSUE AND DESIRED OUTCOME FROM COMMUNICATION
STEP 2	DEFINE CURRENT VS FUTURE STATE
STEP 3	DEFINE THE GAPS AND LIST THE MEASURES
STEP 4	DETERMINE THE FINANCIAL BENEFIT IN CLOSING THE GAP
STEP 5	PLAN AND IMPLEMENT THE COMMUNICATION SOLUTION
STEP 6	MEASURE THE IMPACT OF COMMUNICATION
STEP 7	REPORT OUTCOME AND ROI

CALCULATING COMMUNICATION ROI

Step 1: UNDERSTAND THE BUSINESS ISSUE AND DESIRED OUTCOME FROM COMMUNICATION

Your executives believe employees spend too much time sending and receiving internal spam type emails. You are in charge of addressing the issue and demonstrating your ROI. Follow the case study throughout this toolkit to demonstrate your ROI.

All communication projects address a business issue. The first step towards solving a communication challenge is the same as with any business issue. First, seek to understand.

- ▶ What is the business problem?
- ▶ What outcome does the business need?

What issues is the business trying to solve?

Employees spend too much time reading internal spam, based on inadequate knowledge of email distribution lists. The IT department inundates staff with emails on minor incidents and changes.

What outcome does the business need?

Employees send emails exclusively to those who need to read them, which increases overall productivity. IT communication is correctly targeted.

Define the communication outcomes to support this business need

What are your specific communication outcomes? Here's where you decide what results will look like. Write down what success would look like in terms of knowledge, attitudes and behaviours.

Knowledge

What you want your audience to know

Staff members have adequate knowledge of distribution lists, know how to target audiences and use other channels such as the intranet. They know the negative impact that lazy email targeting has on the business.

Attitudes

What you want your audience to think or feel

Staff members are motivated to avoid the waste of time and the reduced productivity that poor audience targeting creates. "It costs the business and creates unnecessary noise."

Behaviours

What you want your audience to do

Emails are sent out with greater discretion, targeted at only those who are required to read them. Staff members use alternate methods of sharing information where appropriate. The IT department significantly lowers their email traffic.

Step 2:
DEFINE CURRENT VS FUTURE STATE

What do you want people to know, think, feel and do as a result of the communication?
What do they know, think, feel and do right now?

Insert desired knowledge, attitudes and behaviours from Step 1 into future state. Add current state information, based on your research.

CURRENT STATE

KNOWLEDGE	ATTITUDE	BEHAVIOUR
<ul style="list-style-type: none"> ▶ Inadequate knowledge about distribution lists and impact of poor audience targeting ▶ Inadequate knowledge about alternate channels such as the intranet 	<ul style="list-style-type: none"> ▶ Not worried about sending improperly targeted emails ▶ Frustrated by wasted time spent on internal spam ▶ See email as almost exclusive source of communication 	<ul style="list-style-type: none"> ▶ Poor use of distribution lists ▶ Lazy/non-existent audience targeting ▶ Not using alternative channels or pull rather than push communication ▶ Wasted time reading spam

DESIRED STATE

KNOWLEDGE	ATTITUDE	BEHAVIOUR
<ul style="list-style-type: none"> ▶ Greater understanding of distribution lists, audience targeting and alternate channels 	<ul style="list-style-type: none"> ▶ Keen to avoid wasted time ▶ Satisfied with volume of spam ▶ More than one communication channel is available 	<ul style="list-style-type: none"> ▶ Exercises discretion in audience selection ▶ Uses appropriate communication channels ▶ More time spent on productive work

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