

National Network of Public Health Institutes
Leveraging Public Health Institutes for Systems Change

*The Return on Investment on Measuring Return on Investment in
Prevention Improvement Efforts:
Case Studies from the Frontlines in North Carolina*

Presented by:
Greg Randolph MD, MPH
Stephen Orton PhD
Lou Anne Crawley-Stout MBA, CLSSBB, PMP

Return on Investment (ROI) Key Points

Why is it Important?

- Public health agencies need to adopt reliable business practices and operate with business acumen in order to be successful in a time of greater fiscal scrutiny and dwindling budgets and resources – ROI is a critical business evaluation tool.
- Public health agencies need to perform at a higher level given the substantial burden of population health issues and health disparities in the US – ROI promotes higher performance by demonstrating areas where the highest value investments are possible.
- Public health agencies are increasingly applying QI methods to their work, which involves a substantial upfront investment – In order to spread and sustain QI activities, public health agencies must demonstrate that the investment in people and resources is worthwhile.

Developing ROI Thinking for Effective Use of the ROI Process Model for Public Health

- ROI is a results-based approach. An ROI study will determine if project monetary benefits outweigh the costs.
- “Begin with the end in mind.” In other words, do not wait to think about an ROI calculation until after your project is completed. Plan for it before the project is implemented.
- ROI calculation is based on evidence, therefore it is believable. When converting tangible benefits into monetary values, use a conservative approach.
- Identifying Intangible Benefits (non-monetary benefits) are extremely valuable and often carry as much influence as the financial benefits.

Communication Tips about ROI

- Do a stakeholder analysis (ideally before your improvement project) and have a plan for when/how/what you will communicate to the stakeholders – also may want to consider those with whom you should not communicate.
- Make sure your ROI reporting/communication strategy is customized to the specific stakeholder audience you are addressing.
- Since this is relatively new for public health audiences, it is best to report face-to-face in order to explain in more detail and address questions immediately.
- Stress that ROI data should not be used to reduce budgets further – by starving an organization that is generating significant ROI, government would be in effect starving its most innovative and effective organizations.
- Focus on how the ROI illustrates how you are better able to achieve your mission (vs. dollars saved) – this has been referred to as the “Social Return on Investment.”

Resources

ROI at Work: Best-Practice Case Studies from the Real World; Jack J. Phillips and Patricia Pulliam Phillips

<http://www.ncpublichealthquality.org/ctr/>

www.sph.unc.edu/nciph/

<http://www.ies.ncsu.edu/>

Speaker email addresses:

Greg Randolph greg.randolph@ncphf.org

Steve Orton stephen_orton@unc.edu

Lou Anne Crawley-Stout lacrawle@ncsu.edu