



What's my ROI?

Establishing ROI on Labor and Delivery Healthcare Team Training and Performance Programs

How many times have you heard (or asked) the question: what will the return on my investment be? It's undeniably easier to calculate the value of a widget than that of a service. So how do you measure return on investment when it comes to a qualitative performance improvement program?

Peel back the layers of the ROI onion

When assessing a patient safety, quality or healthcare team performance program, it is probable that no one would argue with the valuable impact that a reduction in accidents will have on a hospital. The emotional impact aside, consider that a single settlement claim can average more than \$1 million, a program that is instrumental in eliminating even one claim will prove worthy of the investment.¹ But the value does not stop here. A program that is based on interprofessional involvement comprises layers of potential ROI.

Improved patient safety and clinical outcomes

Training and performance programs that successfully help hospital staff to perform their job better, will see positive results trickle down to improved patient safety and clinical outcomes.² How so?

For one, training gives participants new knowledge, skills and even attitudes. They may begin taking on new roles or improve the way they do their job. Improvements in job performance result in better organizational outcomes that exceed the training costs, such as reductions in infant mortality and morbidity.

You can't assign a value to improved job performance directly, but you can calculate the savings you get from reducing harm to a mother or baby as a result of that improvement — and this is a far more powerful metric. Use this example taken directly from Lynette Gillis and Allan

Bailey² for calculating ROI on fewer mothers having caesarean sections and instrumental deliveries following training and protocol implementation.

1. Compare pre- and post-audit results to evaluate your clinical outcomes.
2. Assess the cost of the procedure.
3. Determine the magnitude of improvement.
4. Multiply the cost of the procedure by the number of caesarean sections and instrumental deliveries reduced as a result of the training.

Higher staff retention and staff satisfaction

While teaching staff to perform better at work adds value to a qualitative performance program, retaining staff is an equally important part of the equation when calculating its ROI. Consider this: Canadian hospital data shows there is a 19.9 percent, OBGYN nurse turnover rate. That's a major

problem, especially when you calculate the cost of replacing just one nurse. Canadian hospitals pay on average \$25,000 per turnover.³ Some estimates put it as high as \$64,000.⁴ Where does the money go? Recruitment, temporary replacement and hiring, orientation and training, termination and severance, and decreased initial productivity of a new hire all factor into the equation.³

Hospitals that invest in a proven patient safety and quality improvement training program see significant increases in workplace satisfaction. The savings associated with staff retention most definitely add value to such programs.

Peeling back this measurable ROI layer, retention also benefits patient safety, quality of care, patient satisfaction, nurse satisfaction, and nurse safety. These aspects are more difficult to quantify,

but a performance program that can increase nurse retention will impact ROI across multiple measurements.⁴

Adding it all up — the final ROI calculation

At the heart of an effective qualitative performance program is its ability to improve interprofessional teamwork within a labor and delivery healthcare team. When you create a culture change that results in improved communication or teamwork, the benefits for both staff and patients can be seen.

Both the Trainer and the Trainee need to play an active role in teamwork, communication, collaboration and consistency of practice to produce value. It takes teamwork to improve teamwork.

You can't place a value directly on teamwork, communication and culture change. But you can calculate all the benefits associated with the resulting positive clinical

outcomes. The savings gleaned from an effective qualitative performance program should far outweigh the cost of the training.

1. Healthcare Insurance Reciprocal of Canada, data on file.
2. Gillis L, Bailey A. Community hospital: the impact analysis of a patient safety program for obstetrics. Centre for Learning Impact. 2010;1-11.
3. O'Brien-Pallas L, Murphy GT, Shamian J. Nurses' turnover in Canadian hospitals. 2009. Accessed at: <http://www.stti.iupui.edu/pp07/vancouver09/11536.O'Brien-Pallas,%20Linda-1%2002.pdf>.
4. Jones CB, Gates M. Costs and benefits of nurse turnover: a business case for nurse retention. Online J Issues Nurs 2007;12(3):1-5.



Working together to improve life.

Salus Global - When Outcomes Matter

For more than a decade, Salus Global has been recognized as the world leader in helping healthcare organizations achieve better clinical, economic and operational outcomes. In partnership with our experienced team, our clients have seen significant reductions in adverse events, measurable reductions in costs and improved teamwork and communication across all disciplines.



Working together to improve life.



Corporate Head Office:

Salus Global Corporation
London, Ontario, Canada
T 800.766.8301
E info@salusglobal.com

United States Office:

Salus Global US Corp.
New York, New York, USA
T 800.354.1744

@salusglobal

salusglobal.com