



5 Ways to Calculate the ROI of Your Training Videos

Steve Rozillis,



An overhead view of three people in an office setting. They are gathered around a wooden table covered with large architectural blueprints. One person is using a calculator, another is pointing at a blueprint, and a third is looking at a smartphone. A laptop and a printer are also on the table. A speech bubble with the text 'But what's the ROI?' is overlaid on the scene.

**But what's
the ROI?**

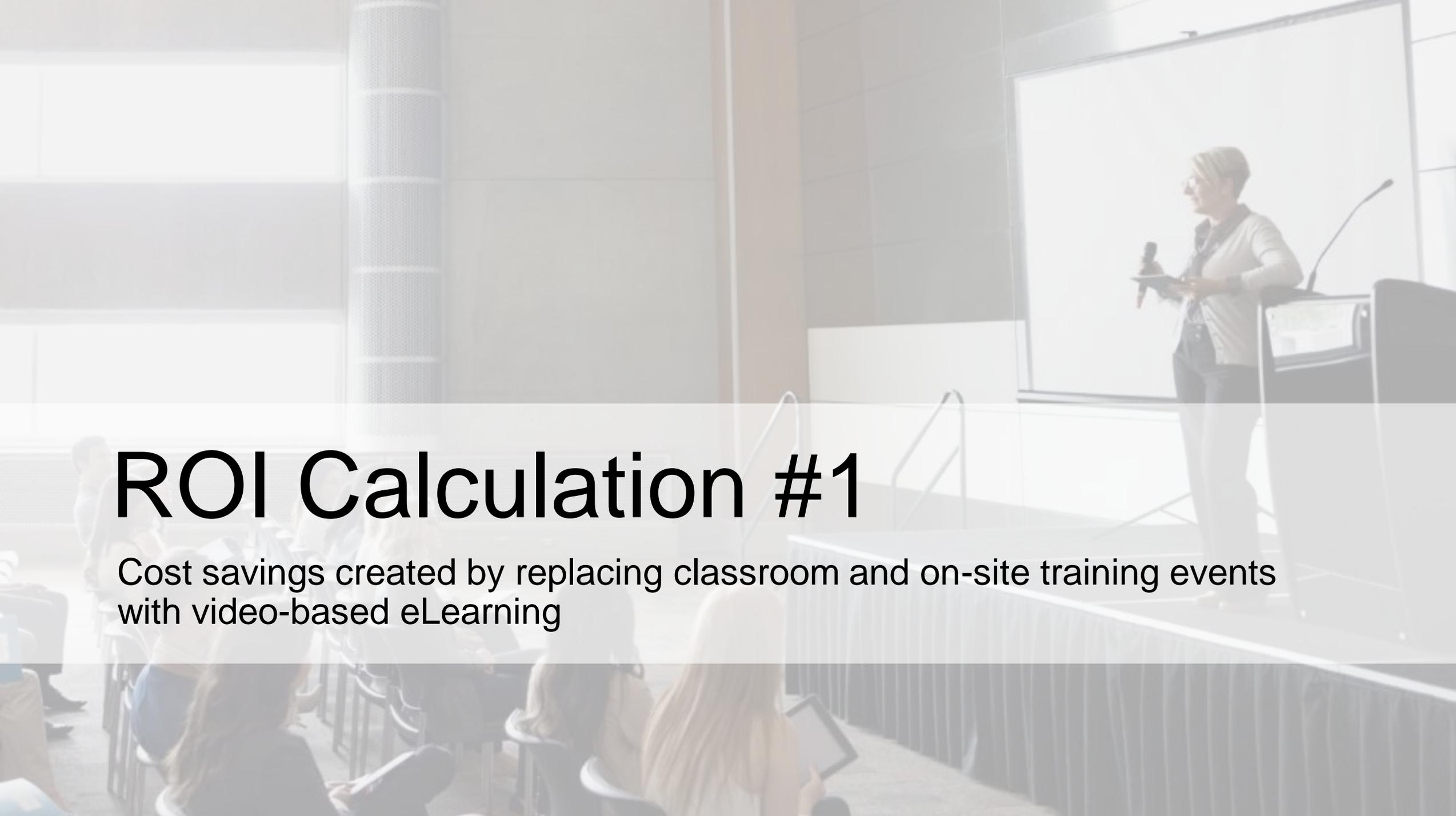
Replacing on-site training with video

Replacing traditional recording studios

Increasing the efficiency of training

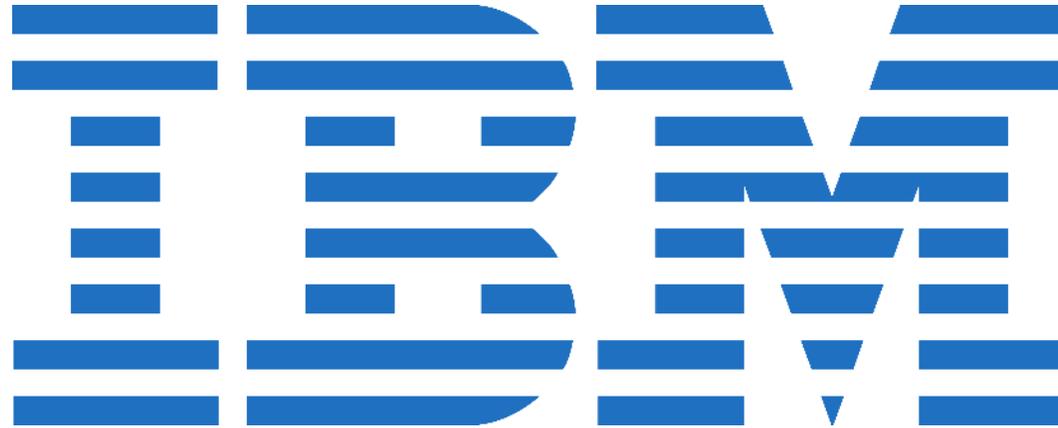
Increasing productivity through knowledge sharing

Increasing productivity through search

A woman in a light-colored shirt and dark pants stands at a podium on a stage, holding a tablet and a microphone. She is facing a large whiteboard. In the foreground, the backs of several audience members are visible as they sit in rows of chairs, looking towards the stage. The room has large windows on the left and a modern interior design.

ROI Calculation #1

Cost savings created by replacing classroom and on-site training events with video-based eLearning

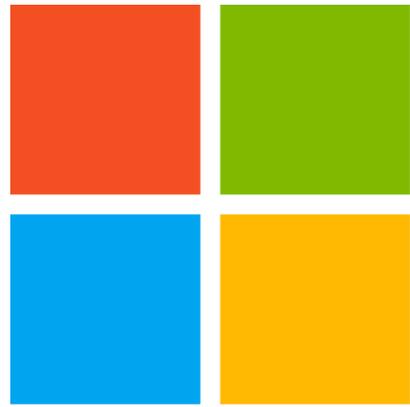


Found 40% of classroom training costs were travel and lodging

Saved \$579 million in just the first two years



Cut costs from \$95 per learner with traditional classrooms
down to just \$11



Microsoft

Cut costs by \$303 per learner, from \$320 to just \$17

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=

How long is your average training session?

How many people attend?

How many people have to travel to attend?

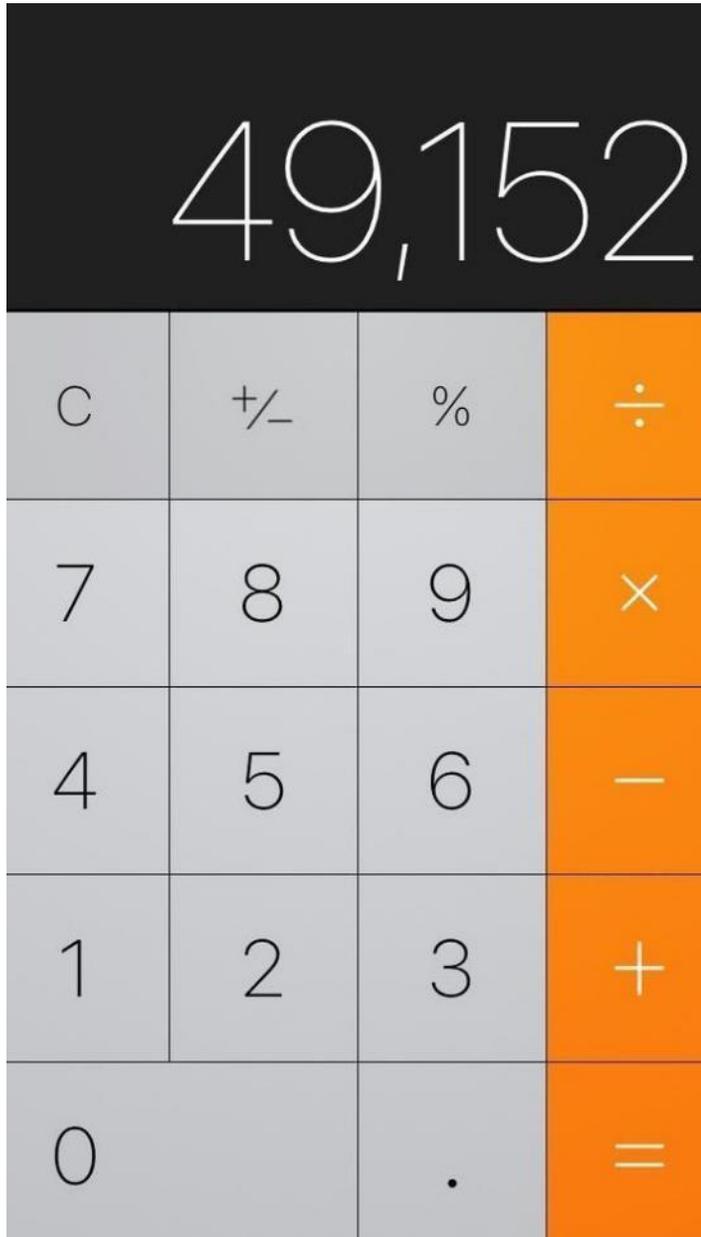
Will you need to rent a meeting room?

How many training sessions do you hold each year?

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
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Length of average training session, in days	3
Average number of attendees per session	175
Percentage of attendees flying from out of town	20%
Percentage of attendees driving from out of town	20%
<i>Total airfare for all attendees flying from out of town</i>	\$13,650
<i>Total mileage cost for attendees driving from out of town</i>	\$3,955
<i>Total hotel costs for all attendees from out of town</i>	\$19,740
Will you need to rent a meeting room?	Yes
<i>Meeting room rental cost</i>	\$3,600
<i>Meal costs</i>	\$37,800
<i>Total cost for in-class training event</i>	\$78,745
Number of in-class training events per year	52
<i>Total cost of all in-class training events per year</i>	\$4,094,740

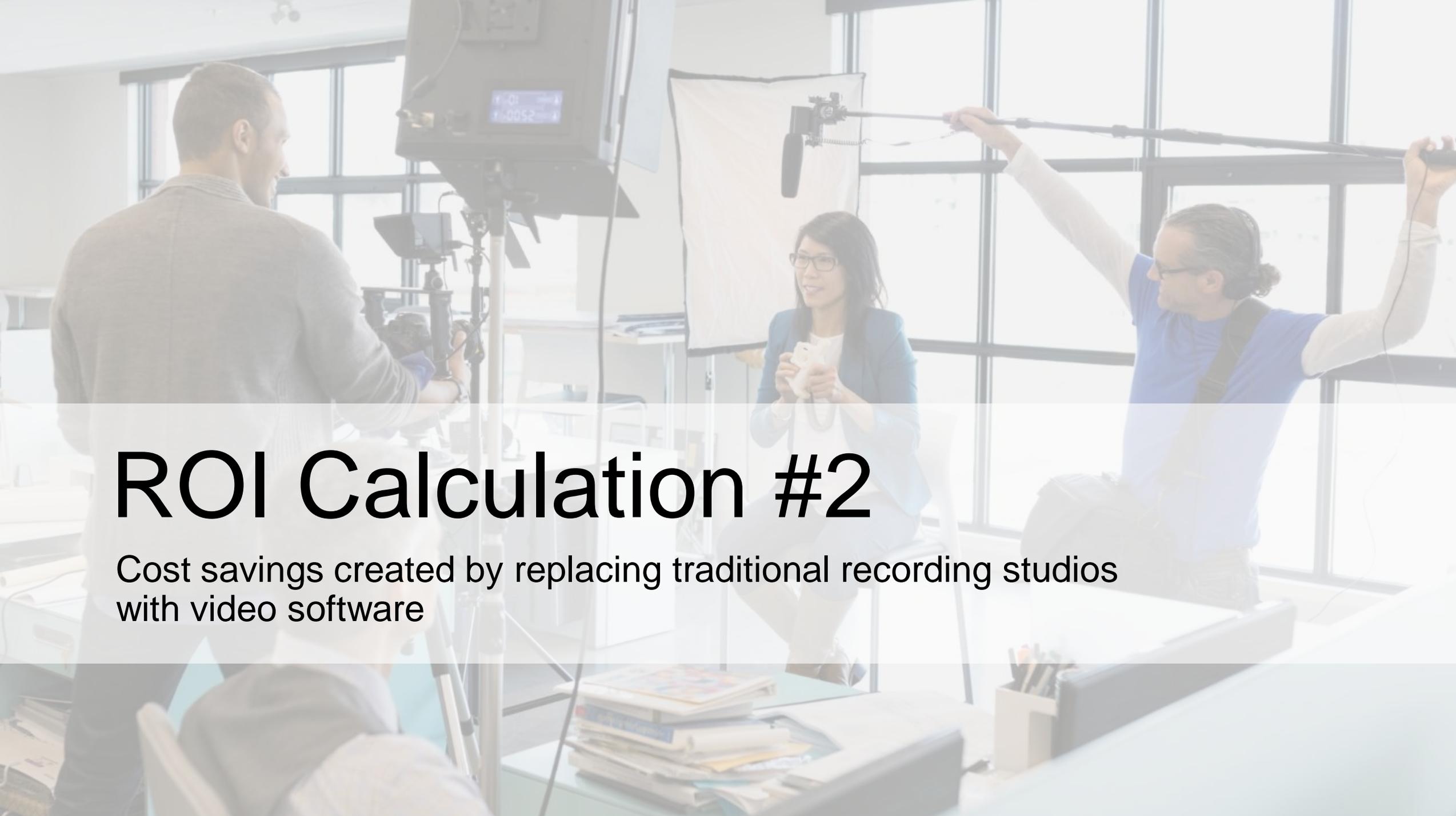


Length of average training session, in days	1
Average number of attendees per session	50
Percentage of attendees flying from out of town	0%
Percentage of attendees driving from out of town	10%
<i>Total airfare for all attendees flying from out of town</i>	\$0
<i>Total mileage cost for attendees driving from out of town</i>	\$565
<i>Total hotel costs for all attendees from out of town</i>	\$705
Will you need to rent a meeting room?	No
<i>Meeting room rental cost</i>	\$0
<i>Meal costs</i>	\$1,650
<i>Total cost for in-class training event</i>	\$2,920
Number of in-class training events per year	10
<i>Total cost of all in-class training events per year</i>	\$29,200

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.	=	

<http://panop.to/classroom-video-roi-calculator>

A professional video recording studio. A woman with glasses, wearing a blue blazer, is sitting in a white chair and looking towards the camera. A man in a grey sweater is operating a camera on a tripod. Another man in a blue shirt is adjusting a boom microphone. The studio has large windows and various pieces of equipment.

ROI Calculation #2

Cost savings created by replacing traditional recording studios with video software

\$1,000 per minute of finished video



More than 100 videos per year



49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
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How many "talking head" videos does your organization produce each year?

How much do those videos cost to produce in-studio?

How many of those videos include some kind of additional graphics package?

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=

Annual number of "talking head" videos produced

100

Cost per talking head video recorded and produced in-studio

\$5,000

Percentage of videos that include a graphics package

50%

Additional cost for each video that uses a graphics package

\$1,500

Total annual cost for in-studio video recording

\$575,000

49,152

C	+/-	%	÷
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4	5	6	-
1	2	3	+
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Annual number of "talking head" videos produced

10

Cost per talking head video recorded and produced in-studio

\$5,000

Percentage of videos that include a graphics package

0%

Additional cost for each video that uses a graphics package

\$0

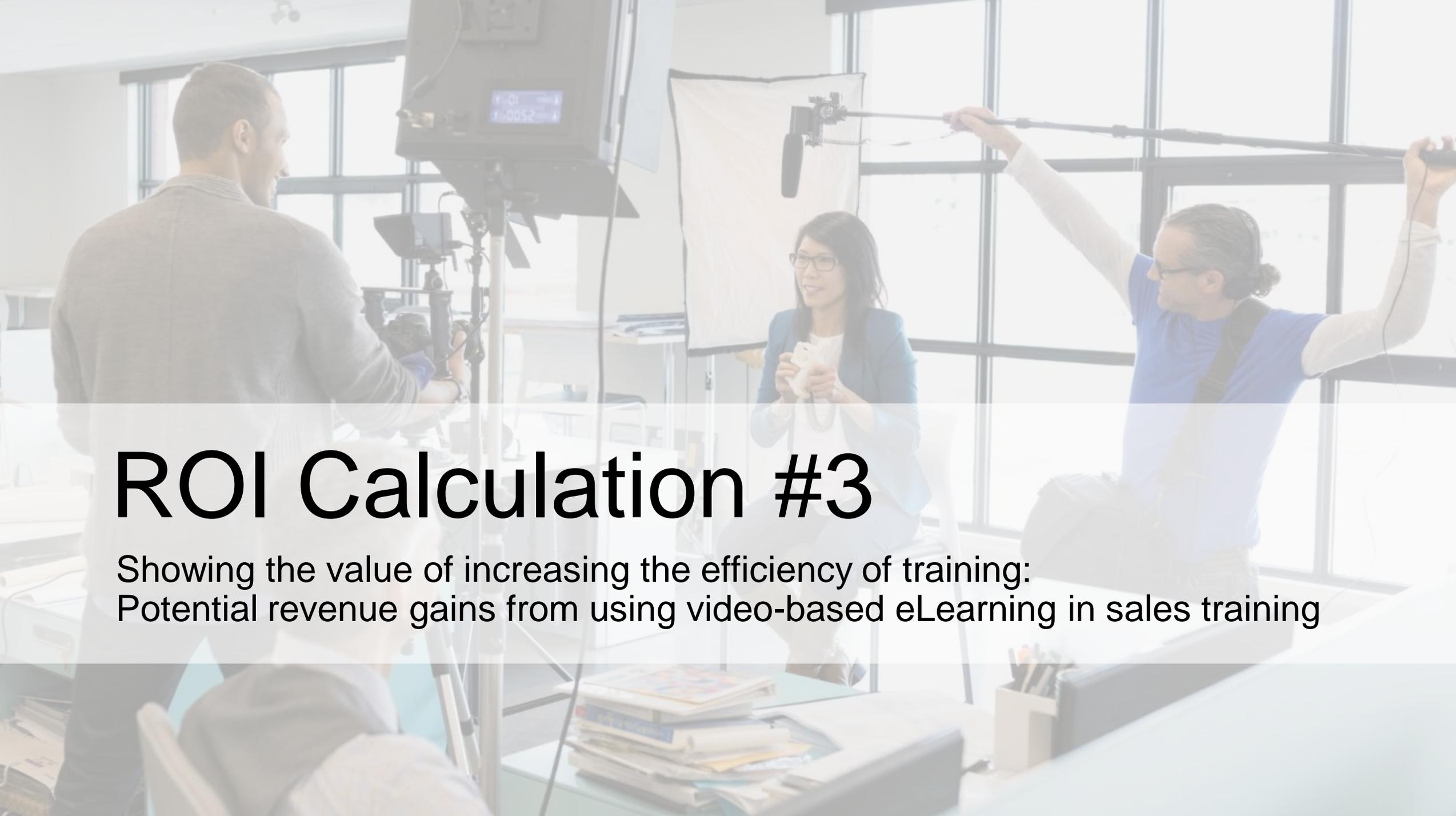
Total annual cost for in-studio video recording

\$50,000

49,152

C	+/-	%	÷
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4	5	6	-
1	2	3	+
0	.	=	

<https://panop.to/replacing-recording-studio-calculator>



ROI Calculation #3

Showing the value of increasing the efficiency of training:
Potential revenue gains from using video-based eLearning in sales training



1 in 3 sales is lost due to lack of sales preparation

Poor sales prep results in \$114 million in lost sales opportunities and
wasted expenses



BrandonHall
GROUP

eLearning can reduce time spend training reps on-site up to 35%

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=

How many sales reps do you have?

How many reps are entry-level?

What's your average annual revenue per sales rep?

What percent of your sales training is in-class, instructor-led training?

49,152

Number of sales reps in the organization	500
Percentage of sales reps who are entry-level	10%
Average annual revenue per sales rep	\$1,000,000
<i>Hours spent annually training each non-entry-level sales rep</i>	33
<i>Hours spent in the first year training each entry-level sales rep</i>	587
Percentage of training that is in-class, instructor-led	55%
<i>Sales days for each non-entry-level sales rep lost to in-class training</i>	2.27
<i>Sales days lost for each entry-level sales rep from in-class training</i>	40.37
<i>Time saved by transitioning in-class training to eLearning</i>	35%
<i>Sales days regained per non-entry-level sales rep from eLearning</i>	0.79
<i>Sales days regained per entry-level sales rep from eLearning</i>	14.13
<i>Revenue gained through sales reps having more time to sell</i>	\$4,091,550

C	+/-	%	÷
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1	2	3	+
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49,152

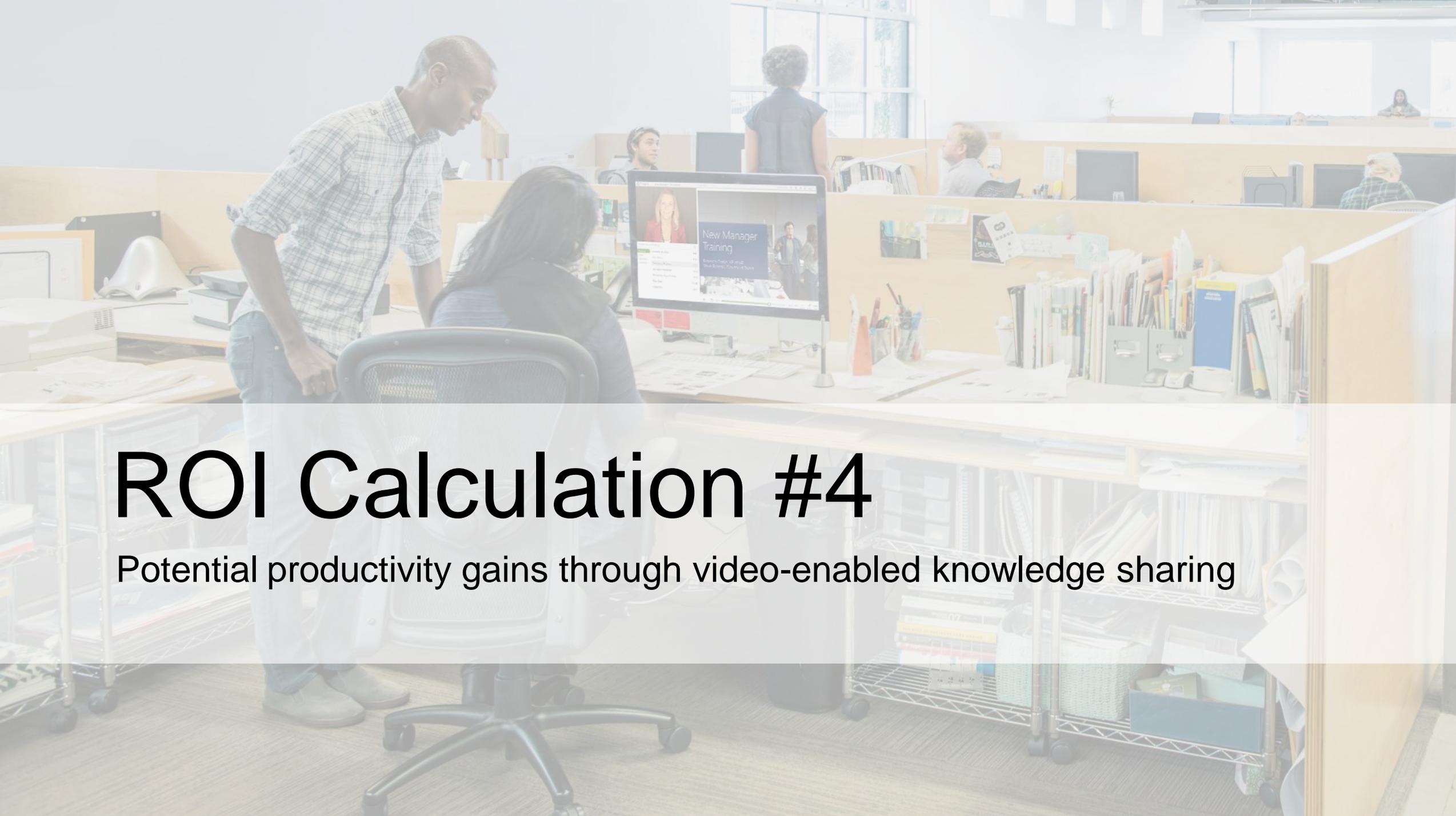
Number of sales reps in the organization	50
Percentage of sales reps who are entry-level	2%
Average annual revenue per sales rep	\$250,000
<i>Hours spent annually training each non-entry-level sales rep</i>	33
<i>Hours spent in the first year training each entry-level sales rep</i>	587
Percentage of training that is in-class, instructor-led	55%
<i>Sales days for each non-entry-level sales rep lost to in-class training</i>	2.27
<i>Sales days lost for each entry-level sales rep from in-class training</i>	40.37
<i>Time saved by transitioning in-class training to eLearning</i>	35%
<i>Sales days regained per non-entry-level sales rep from eLearning</i>	0.79
<i>Sales days regained per entry-level sales rep from eLearning</i>	14.13
<i>Revenue gained through sales reps having more time to sell</i>	\$50,999

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.	=	

<https://panop.to/video-sales-training-calculator>



ROI Calculation #4

Potential productivity gains through video-enabled knowledge sharing

Social learning produces better results
than individual innovation



Companies lose \$31.5 billion annually
simply by failing to share knowledge



49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.	=	

What is your total company revenue?

How many employees do you have?

What percent of employees are knowledge workers?

How quickly do employees adopt new technologies?

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.	=	

Total company revenue	\$250,000,000
Total number of employees	5,000
Percentage of employees who are knowledge workers	60%
<i>Annual revenue per knowledge worker</i>	\$138,889
<i>Productivity gain per knowledge worker using social technologies</i>	20%
Estimated percent of knowledge sharing that will use video	7%
<i>Annual revenue gain per knowledge worker using video</i>	\$1,167
<i>Potential productivity gain through video knowledge sharing</i>	\$3,501,000

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.	=	

Total company revenue	\$2,500,000
Total number of employees	500
Percentage of employees who are knowledge workers	60%
<i>Annual revenue per knowledge worker</i>	\$8,333
<i>Productivity gain per knowledge worker using social technologies</i>	20%
Estimated percent of knowledge sharing that will use video	3%
<i>Annual revenue gain per knowledge worker using video</i>	\$50
<i>Potential productivity gain through video knowledge sharing</i>	\$15,000

49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
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<https://panop.to/video-knowledge-sharing-calculator>

A man with a beard and headphones is sitting at a desk, looking at a computer monitor. The monitor displays a video meeting interface with the text "All-Hands Meeting". The background shows a window with a view of buildings.

ROI Calculation #5

Potential productivity gains resulting from improved video search

Knowledge workers spend 8 hours each week
just searching for information



The top result for more than 50% of searches
is not a text document



49,152

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=

How many employees do you have?

How much is your average annual compensation?

What percent of your informational content is video?

49,152

Total number of employees in your organization

5,000

Hours each employee spends weekly searching for information

9.5

Percent of instructional and informational content currently shared via video in your organization

25%

Hours each employee spends per year searching video

118.75

Average all-in annual compensation per employee

\$75,000

Hourly cost per employee

\$37.35

Annual cost of searching video per employee

\$4,435

Total annual cost of all employees searching video

\$22,176,917

Percentage of time saved with higher-quality video search tools

53%

Annual savings through the use of better video search tools

\$11,842,474

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=

49,152

Total number of employees in your organization

500

Hours each employee spends weekly searching for information

9.5

Percent of instructional and informational content currently shared via video in your organization

5%

Hours each employee spends per year searching video

23.75

Average all-in annual compensation per employee

\$40,000

Hourly cost per employee

\$19.92

Annual cost of searching video per employee

\$473

Total annual cost of all employees searching video

\$236,554

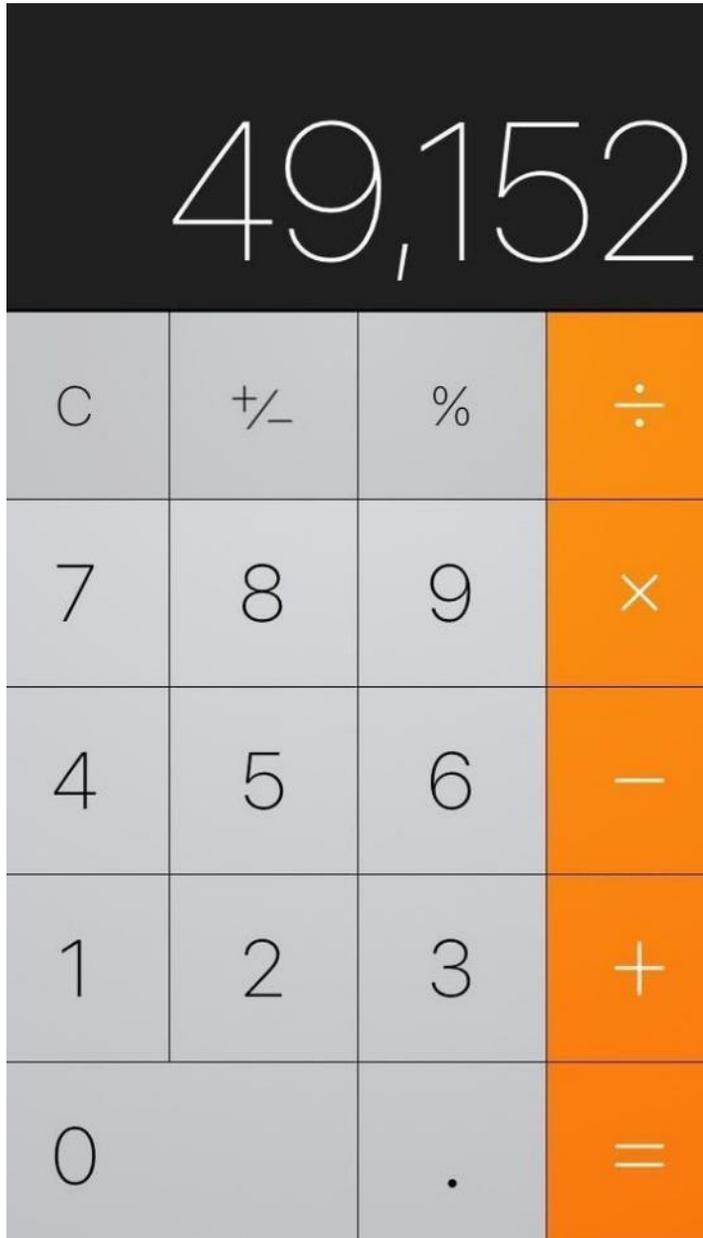
Percentage of time saved with higher-quality video search tools

53%

Annual savings through the use of better video search tools

\$126,320

C	+/-	%	÷
7	8	9	×
4	5	6	-
1	2	3	+
0	.		=



<http://panop.to/video-search-roi-calculator>



Adding it all up

Replacing on-site training with video

<http://panop.to/classroom-video-roi-calculator>

Replacing traditional recording studios

<https://panop.to/replacing-recording-studio-calculator>

Increasing the efficiency of training

<https://panop.to/video-sales-training-calculator>

Increasing productivity through knowledge sharing

<https://panop.to/video-knowledge-sharing-calculator>

Increasing productivity through search

<http://panop.to/video-search-roi-calculator>