



Measuring Return on Investment (ROI) – The Mission Points Model

Major Point – The whole basis of The Mission Points Model of measuring ROI rests on this

Cash and hours volunteered (by properly trained, qualified and motivated volunteers) can both be considered scarce resources. Because of this we should treat the expenditure of cash and the “expenditure” of volunteer hours similarly.

ROI Formula

$ROI = (Outputs - Inputs) / Inputs \times 100$

- Outputs are the quantitative measurements of what gets accomplished because of the engagement of volunteers
- Inputs are the expenses related to the engagement of volunteers and value of the hours contributed by volunteers. (This model can also be used to measure the ROI of the entire organization. To do so simply calls for all expenses of the organization to be included.)
- The answer is expressed as a percentage.

A Simple Example

Notice that in this example the **larger** wage replacement value creates the **smaller** ROI.

	Year A	Year B
Wage replacement value	\$240,000	\$200,000
Volunteer dept budget	\$100,000	\$100,000
Total program cost (Inputs)	\$340,000	\$300,000
Trees Planted (Outputs)	400,000	375,000
Return on Investment	17%	25%
$ROI = (Outputs - Inputs) / Inputs \times 100$		

A More Complex Example

	# Accomplished	Unit Value	
Patient Visits	6000	\$200	\$1,200,000
Gifts Delivered	500	\$50	\$25,000
Comm. Presentations	20	\$5	\$100
Pet Fostering (\$65/day)	400	\$65	\$26,000
Donations (avg \$100/ vol)	500	\$900	<u>\$450,000</u>
Total Outputs			\$1,701,100
Total inputs (WRV + \$)			\$400,000
$ROI = (Out - In) / In \times 100$			325%

Coming Soon...