**ROI – for your Job, Your Career and the CMP Exam (Domain A &G)**

**(V2)**

Break it down—what do the words mean?

***Return***

***On***

***Investment***

**For what I *Invested---*what did I get in *Return?***

**For what I “spent” (expenses)----what did I get back (or “make”?**

**Gross vs. Net**

Gross: all income/revenue—any source

 Ex. Registration, sponsorships, advertising, donations, grants, sales of products

Sometimes exhibits especially if small number. Larger shows may or may not have separate ROI calculations.

Net: Gross minus the expenses—what gets caught “in the net”. What’s left after all the expenses.

**Formula**

Net / Expenses x 100% = ROI

 ROI is always presented as a percent. Personally I think it is so you can have an actual conversation about it which you will see the impact in the equations below.

Here is what can get confusing—you sometimes see it written this way:

(Gross – Expenses)/Expenses x 100% = ROI The key here is they are starting with the Gross instead of Net. See above.

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**Example One - Net 1000, Expenses 5000**

**1000/5000 = .2 (the answer) x 100% = 20% ROI**

For every 5 in currency\* spent (expenses), you earned 1 in return.

This is a perfect example of why we convert it to a % because it is difficult to have a conversation about “.2 ROI”!

**Example Two – Net 3000, Expenses 200**

**3000/200 = 15 (the answer) x 100% = 1500% ROI**

For every 2 in currency\* spent (expenses), you earned 15 in return.

**What determines a good ROI?**

From above: \* The currency does not matter. The exam does not write the questions in a specific currency you it can be USD, Euros, Baht, Pesos…The numbers are the same.