RewardGateway
the employee engagement people

Building the Business Case for Investing in Your People

How to create a compelling ROI presentation to wow your executive team

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Introduction

Hi there,

I'm Nebel Crowhurst, Chief People Officer at Reward Gateway, and I've been a part of the HR community for more than 15 years.

One of the challenges I notice again and again within my network is how to build a compelling business case for people-related investments.

While the tide is turning and more business leaders are talking about the importance and impact of an engaged workforce, it can still be challenging for businesses to prioritise and assign budget to the initiatives that will bring about tangible and long-term change.

Without the tools to connect people or the metrics to showcase the positive impact employee engagement and experience efforts make on the bottom line, gaining the support and momentum you need is challenging.

Thankfully, technology has changed this, and one of the most exciting parts of being in HR at the moment is showing senior leaders how impactful employee engagement and experience programmes can be in achieving business-wide goals.

In this eBook, I'll walk you through some of the challenges I've helped HR professionals with, including:

- **Why a business case is essential to get that magic 'Yes' from your leadership team.**
- **How to build credibility and collaboration with your stakeholders.**
- **Exploring tried-and-tested best practices for creating and presenting a business case for a high-impact, value-add employee engagement investment.**

Let's get started!

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How to Perfect Your Business Case ‘Language’

Be collaborative, not defensive

The ultimate way to properly build your business case is to develop your pitch based on facts. You need to understand where you've been, where you want to go and (related to what you're trying to build a case for) how you're going to get there. **Here are a few examples of how to reframe your pitch with data points in mind:**

Instead of...	Try this...
We should invest more money into training our employees so they can be more productive at work and help build our revenue streams.	Our recent employee engagement survey highlighted that learning and development is a real need, with **43% of our staff feeling they have experienced no structured professional development.** This is reinforced in our exit interview data, which shows **more than 25% of leavers have chosen to move to a new organisation** as their career has not progressed with us. The cost to the business of our high labour turnover rate could be reduced if we invested in learning and development.
A digital reward and recognition programme will help cut costs on manual time spent on distributing awards.	The administration of last year's **Employee Appreciation Day took XX hours to manually distribute cards to our 500 people.** Our employees loved getting their rewards, so to reduce the admin time, what if we looked into how to make this digital? We have calculated that **the hours worked to administer this was £XX. And the cost of a digital solution is £XX.**
Everyone is complaining they can't easily find our People Policies. We don't have time to hold their hands to do this for them as we are far too busy.	If we could find a solution to enable our people to self-serve and find information at the point of need rather than waiting for someone in the HR team to get back to them, this would not only be a better experience for our people, but also save the team a lot of admin time. In the last three months, **the HR team has responded to XX requests** on where to find various policies. If we invested in a central system to host the information, **we calculate this will save £XX in admin hours.**

"

CFOs are all about measurement. How does your idea connect with driving profit in the business? If success cannot be credibly measured, then it's difficult to justify the investment.

Aligning Your Business Case With Business Goals

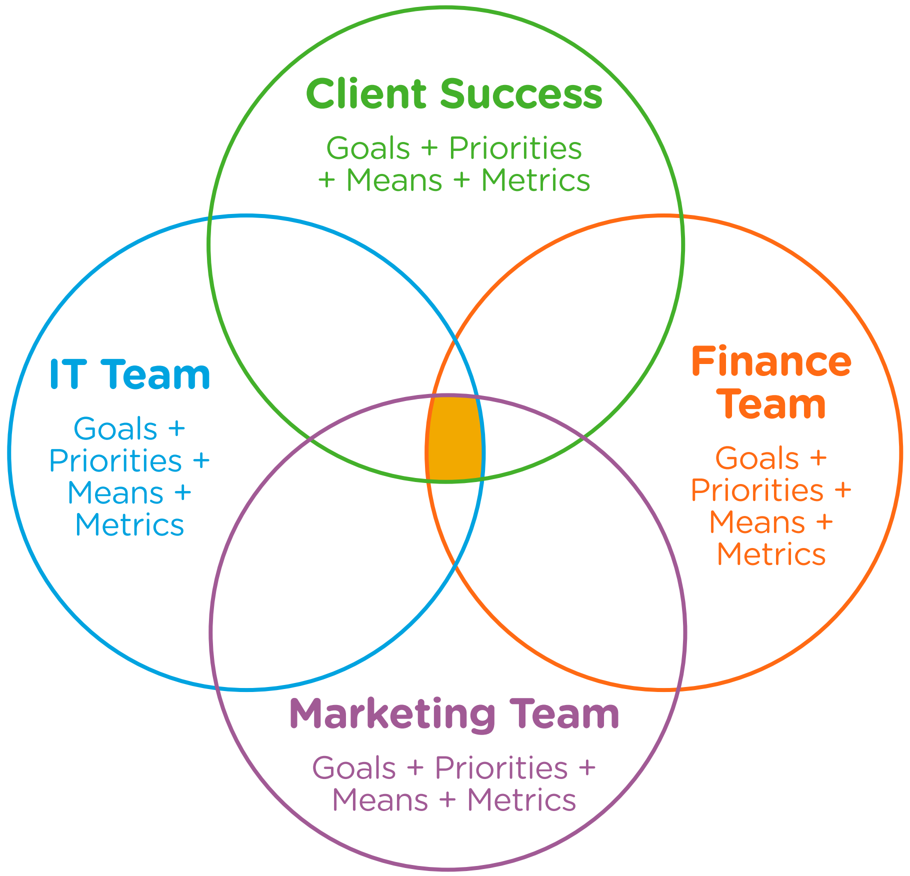
Gartner research shows that the average buying committee has expanded, averaging from 6 to even 10 people – and that means 6-10 differing opinions and goals. Your stakeholders now likely include leaders in the Finance, IT and even Marketing Teams. The challenge is that with every additional stakeholder that needs to sign off on your business case, the likelihood of approval drops significantly.

The People function is to act as an enabler to the business. We should stop considering ourselves as a singular functional unit, but rather that our role exists to help the business achieve its success, and that means understanding all parts of the business, not just the People responsibilities.

The traditional method of gaining stakeholder buy-in to your change initiative is to meet with each individual stakeholder and pitch your proposed change and the positive impact it would have on their specific metrics, goals and teams for their part of the business. But all the recent research shows that with that approach, you are likely to end up with an individual 'yes' from your 6+ stakeholders, but a collective 'no' to your overall project.

Whilst it's still important to meet with each stakeholder, rather than building a business case that targets their individual objectives, it's more effective to focus on how your employee engagement efforts will **address and benefit the areas where the interests of your stakeholders overlap.** Spend time looking for common ground and focus your attention on where your stakeholders can agree on a common vision, purpose and benefits.

Ex: Stakeholder mental models



Source: 'The Challenger Customer'

Beyond the 'Why' of your business base, there's another important 'W,' which is '**When**.' And what's interesting to me is that this has changed over the years.

While in the past, HR may have wanted to wait until a big annual engagement survey has been reviewed or time it when new budgets are going through review, today's world of agile, iterative thinking has changed this.

Really, that's the secret. Your plans should always align to your business's North Star and the end goal. For example, a massive business change could be around a merger and acquisition, and maybe your investors are looking to quickly acquire many businesses to boost revenue.

In that case, your needs and asks should be focussed on how to support and retain employees (both new and old) throughout a constant environment of change.

The truth is, there is no 'perfect' time to ask for more (money, time, technology, resources... you fill in the blank). It's more important to get your foundational business case right, and ensure that your plans align with the rest of the business priorities.

The 'Sceptic' could be your biggest supporter

Whilst it's tempting to seek out the supporters in your organisation and focus your efforts on demonstrating how your employee engagement initiatives will align with their goals, successful changemakers put equal effort in identifying, listening to and responding to the sceptics.

They encourage the sceptic to speak up because their questions can often unearth blindspots within their business case, as well as opportunities for growth and impact.

Listening to the challenges posed by sceptics can help improve their understanding about pain points and priorities that their employee engagement initiative may be able to address, as well as what people across the organisation actually want to achieve.

When sceptics have the opportunity to ask key questions and are met with the right information and proof, they can actually be a powerful ally for change. Successful HR changemakers mobilise these people and transform 'why nots' into 'what ifs.'

7 questions your leadership team will likely ask you

Have the answers to these questions ready to prove you know your stuff when it comes to the HR initiative you're proposing.

Here are the questions that will most likely pop up during your presentation:

1. What's the ROI, e.g. what will the impact be on the business and our workforce?
2. Why now? Can't you do it later?
3. How does this compare to our competitors?
4. What would be the impact and/or risk if we didn't do it?
5. How does this fit into both our business and overall HR strategies?
6. How do we know this is what our employees need?
7. Does this make us ahead of the game, helping to attract talent as we can't seem to get the people we need?

9 Tips for Preparing Your Business Case

Okay, so you know you need a business case to speak the language of your CFO, et al. But where to begin? Remember to start with your intended outcome, which in this case is a green light for your intended proposal.

Knowing what you want the outcome to be frees you up to focus on the details for your presentation. Details that include explaining what steps you'll take to achieve your goals, how you're going to source budget to do so, and – most importantly – why you think your programme or initiative is business-critical.

Ready to get started? Here are nine tips to help you prepare your business case:

1

Involve key stakeholders early

Depending on the familiarity your leadership team has with employee engagement, you'll likely need to invest extra time in educating your stakeholders.

It's critical to get your stakeholders engaged with the process early, understand their priorities and solicit their feedback. Doing your homework early will enable you to overcome preliminary obstacles, and ultimately set you up for success when it comes time to pitch.

2

Start with 'why'

You should be able to answer the questions: Why now, why this initiative and why is it so important to our organisation's success? Beyond that, take the time to understand your key stakeholders' 'whys,' and how you can shape your presentation to reflect their business drivers.

For example, a CFO's 'why' likely will link back to bottom-line costs propelled by increased turnover and decreased productivity. A CTO's 'why' might be finding systems that integrate with what's existing so as not to create more work for their IT team.

Did you know? One in three European workers is considering quitting in the near term (3-6 months).

Source: McKinsey, 2022

3

Understand how decision-making occurs

Another key part of doing your homework is to understand exactly how key decisions are made at your organisation. Who are the key decision makers and what do they want and need to see and hear in order to make decisions?

Speak with as many people as possible upfront who have presented to the leadership team, understand the process and then learn from their mistakes and successes.

4

Present – then challenge – the status quo

Instead of pitching an idyllic (probably unrealistic) future state, try painting a picture about the current state of your organisation, and what might happen if things don't change. Can your business achieve the growth or can it meet the changing expectations of its employees and customers if things continue as they are? Your proposal should identify specific things that you can challenge and change about the current state that will support your business now and into the future.

5

Perfect your elevator pitch

It may seem obvious, but I suggest starting off every proposal meeting with an elevator pitch. This way, if your presentation gets cut short, you've already grabbed the audience's attention – and those precious minutes are certain to include your 'why.'

6

Speak to Return on Investment (ROI) and Value of Investment (VOI)

The most successful business cases also always include the high-level facts around ROI – tangible measures like sales and revenue – and VOI – intangible measures like engagement and turnover. Some say that you should shake off ROI and embrace VOI, but I believe they both have an important and significant part to play, and should be mixed together for the perfect recipe for success.

Bottom line, show the decisions makers WIIFM (what's in it for me) and answer that key question: What will your actions do for the business?

Demonstrating ROI and VOI should include:

- **Industry research on the benefits and the bottom line.**
- **Price vs. Value:** Every investment comes with a cost, but if you can prove a high return on that cost, your proposal's value becomes much more attractive.
- **How to implement a solution with a high multiple return.** (For example, wages currently represents very low returns.) Answer the question: 'What value will your employees gain from the solution?' The best proof of this can be to show a return per employee, for example, and then multiply that number by your company size.

- **How to highlight the ROI and VOI for your particular business.** Ask solution providers to show you similar organisations so you know what 'good' looks like and can show how this product or programme has positively affected others.

7

Explore your BATNA (Best Alternative to a Negotiated Agreement)

The term sounds complicated, but it's easy to understand. Here, you need to show your audience what the company looks like without this initiative.

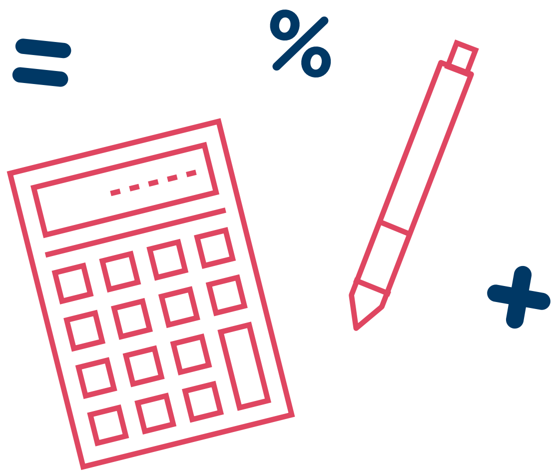
Use this opportunity to show your leadership team how the company would look should you not be able to proceed.

What would the impact on the business be if you did nothing? Statistics around the ROI of employee engagement (particularly in turnover and productivity) can be helpful tools to explain these points.

8

Accuracy and credibility count

If you want your business case to be respected and considered, you *must know your numbers.* Whilst being a champion is important, it's more important to be the expert and anticipate questions from your stakeholders. Build your credibility with the right data and a compelling story.



9

Explore cost-neutral solutions

HR professionals are innovative, and there's no clearer example of this as when they're creatively sourcing budget to fund a project or programme. One of the best examples of creative budget sourcing is finding a cost neutral solution. For example, pay review is coming up and a 3% increase has been allocated for salary adjustments. Instead of awarding all 3%, give employees 2.8% and use that 0.2% to fund the engagement initiatives you're planning.

The result is a win-win-win: for you, your employees and your CFO. This is one of my favourite strategies, and one that can be the determining factors in your executive team's decision.

3 Ways to Build Credibility

We may not all be the best public speakers out there, but one thing that makes up for any lack of confidence you may have in your presentation skills is being **credible**. What I mean by that is making sure that, as a leader in your business, everything you bring to the table adds to the respect you've garnered in the business and that your role is seen as an advisor to the business strategy through the lens of people operations and tactics.

1

Data is your best friend

Historically, a lack of data has been the greatest challenge for HR in building a business case. Thankfully, there are now means to measure employee metrics like employee engagement scores, employee turnover rates, absenteeism, programme adoption rates, etc.

Better access to metrics, especially real-time employee surveys, helps HR deliver the relevant data your CFO is looking for.

2

Use networking insights

One of the most powerful allies often overlooked is your own peer network. Leverage your contacts to continually gather insights to scan the horizon of what's to come, so you can think ahead for your business. Language such as, 'This is where we are today, but if we do X, then we'll be set up for the next 12-18 months where other businesses like ours are predicting Y' paves the way to answer the 'Whys'.

3

Operate through the budget lens

'We love the idea, but where's the money coming from?' Don't get stuck without an answer to this question. The fastest way to hear 'yes' is to come up with a cost-neutral solution, which I touched on earlier.

And if it's not cost neutral, show how spending the money will have a positive impact in other ways in the future. For example, reducing turnover will save the company money and more than pay for the initiative.

Remember, your people strategy should always distill from the overall business strategy. Think of it like this:

Our Top 16 Proof Points

As I mentioned earlier, data can be your very best friend. Internal data, such as those from your employee focus groups, technology or even one-on-one conversations are incredibly powerful. But if you don't feel equipped or bolstered by these, you can always turn to the power of persuasion by proving that other organisations are solving the challenges you're facing through the means you're suggesting.

When it comes to understanding and displaying the value of employee engagement and experience programmes, Reward Gateway has been a global leader since our start in 2006.

Here are just a few of my favourite 'wow' moments you can bring to strengthen your business case:

Setting the scene for 'Why Now'

1. The top two employee 'must-haves' in the UK are fair pay (74%) and a manager who cares (64%).[1]
2. 72% of global employees state that they have felt a lasting negative effect from the last few years of constant upheaval and uncertainty – with the largest negative effect impacting their wellbeing (38%).[1]
3. Only 28% of employees rate their employer's financial wellbeing support as good or excellent.[1]
4. Less than half of UK employees think their employer offers financial wellbeing support.[1]
5. 67% of employees surveyed would like to be rewarded and recognised more for their hard work than they are currently.[1]
6. 75% of organisations have taken steps to improve their employer brand.[2]
7. Organisations are increasingly offering better pay and/or benefits to address recruitment difficulties (36%, up from 29% in 2021).[2]
8. Only 21% of global employees are engaged at work.[3]
9. Only 33% of employees are thriving in their overall wellbeing.[3]

Validating your return on investment

10 72% of UK employees agree their work wellbeing would improve if they were simply thanked more for their hard work.[4]

11 Of the employees that frequently experience burnout at work, 66% of them rate recognition as poor.[4]

12 Low engagement at work costs $7.8 trillion annually.[3]

13 Organisations that are undergoing cost optimisation are 74% more likely to have high intent to leave among their employees.[5]

14 Companies with high employee engagement have 3 times higher profit than those with low employee engagement.[6]

The impact of technology

15 In the UK, 84% of businesses now have between 6-15 HR systems in place.[7]

16 4 in 10 employees (38%) in the UK and Ireland are planning to change roles in the next 6 to 12 months.[8]

[1] Source: 2023 Employee Engagement Trends Report, Reward Gateway
[2] Source: 2022, CIPD
[3] Source: 2022 State of The Global Workplace Report, Gallup
[4] Source: 2023 Employee Engagement Trends Report, Reward Gateway
[5] Source: Gartner
[6] Source: Willis Towers Watson
[7] Source: 2022, HR.com
[8] Source: 2022, Counting the Cost, Personio

The benefits of working with Reward Gateway as an all-in-one provider

"After switching to Reward Gateway from a prior platform provider, we've seen 97 percent of our employees engaged within the first month. Six months after we launched, our turnover has decreased, and our productivity and sales have increased dramatically."

500% increase
in frontline engagement

£88k saved
in operational costs

£808k spent
through the platform

"Above anything else, we wanted to create a really seamless user experience for rewards and benefits. We wanted employees to be able to access the site at any time and we wanted to make sure that they not only had 24/7 access, but also that they could access it from different devices."

Cabot FINANCIAL

"The platform and SmartSpending™ app have both been crucial in streamlining our rewards, discounts and people management initiatives. This immediately cut down admin time by replacing our old system of signing off and posting out paper vouchers one by one. It's so easy now for managers to recognise great work without having to go through any unnecessary faff, especially when rewarding people from other departments and locations."

GANT

29% reduction
in employee turnover

9% increase
in culture index store

Almost
£22k in savings

Plymouth Community Homes

"One of our core strategic goals as a business is to be an employer of choice. The modern job market is extremely competitive, so having a fantastic Employee Value Proposition is essential if you want to attract and retain the best people. The benefits package offered by Reward Gateway was a perfect fit because we could tailor it to our needs and add in additional services when needed."

Conclusion

I hope this eBook has armed you with the tools you need to build and present a successful business case. Remember: have confidence, do your homework, focus on the why, and embrace the sceptics in your organisation – these things will help you uncover the pieces you need to paint a compelling picture to the rest of your stakeholders. Don't be afraid to get creative in order to get your greenlight.

Every change journey begins with a step, and the next step starts right here, right now, with the ideas and behaviours you have just read and can now implement in your own organisation.

For more advice about employee engagement and how you can teach its value to your leadership, you can always find me on the Reward Gateway blog of engagement experts.

Best of luck!

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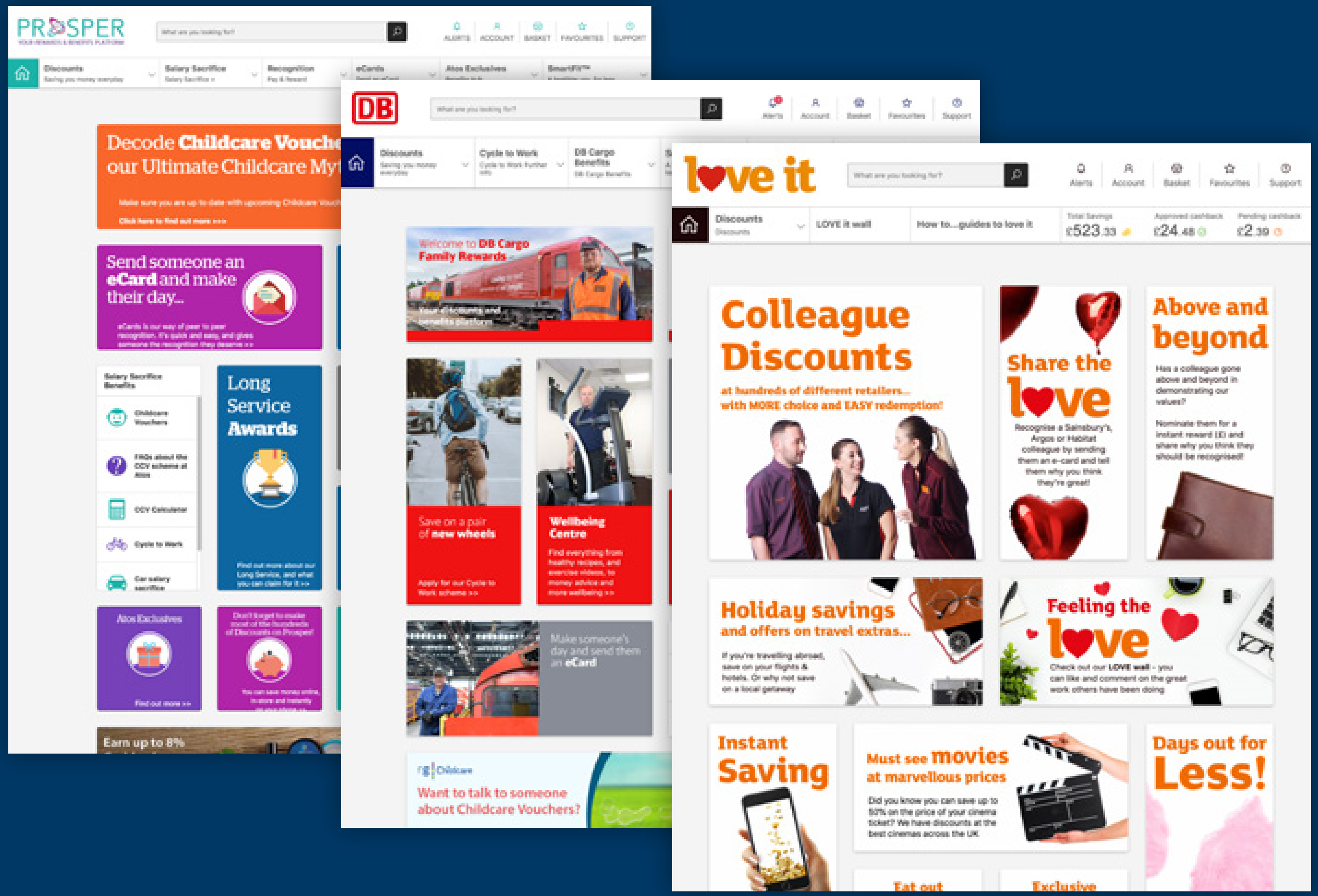

About Reward Gateway

Partnering with over 4,000 companies in 23 countries, we empower more than 6.5 million employees to connect, appreciate and support one another to make the world a better place to work. Our unified employee engagement hub provides the best of recognition, reward, surveys, benefits and discounts that support the overall wellbeing of our clients' employees, enriching their talent acquisition, retention and values-driven growth.

Learn more at rewardgateway.com

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