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INFORMATION SECURITY MANAGEMENT

Building your business case

Covers basic concepts, guidance and more…

A Reference for the Rest of Us!

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From last time… 🌶️

A recap

In our last session we suggested that a Heatmap was a good way to provide structure and an objective basis for your initial "discovery" and "case for change".

We also provided some low 🌶️ medium 🌶️🌶️ and high 🌶️🌶️🌶️ heat questionnaires for you to **add heat** 🔥 **to your map** 🌍

The Heatmapping exercise provides you with an objective basis and a simple visualisation for you, your colleagues and stakeholders to discuss where HR Tech can help your business.

Now you have undertaken this initial discovery you need to start preparing your business case
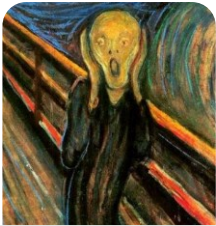
But the thought of preparing a business case can fill people with dread…

…so before we start looking at this, lets have a bit of fun

Before we start on the business case...

Take a pause for breath....

Lets take a moment to remember what we're trying to achieve - getting some great new HR Tech!

You will have probably also started to do some work to start to identify potential HR Tech vendors, and its good fun going shopping, but you might be thinking:

"How do I identify the HR Tech vendors for my shortlist?"

We're often asked this question, and it's not easy to answer. It's a bit like being asked where you found out about your favourite holidays you've been on, and the picture is always changing.

Some options will be more obvious than others – and the deep pockets of big companies helps them advertise broadly through various channels to demonstrate their market presence. But sometimes the best holidays come from personal recommendation, prior experience and preferences, or simply finding a bargain. The same is true of window shopping for suitable HR Tech vendors – **it's an art not a science**.

Previously worked with

Industry Magazine

Word of mouth

Recommendation by colleague

Trade Show

Capability Grids

Brochure

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The Business Case – an overview

Let's do this… So it's time to start thinking about your business case.

The key sponsor for any HR transformation programme is typically the HR Director who is usually responsible for the creation of the HRIS business case. They typically receive support from other functional heads such as Recruitment, Benefits, Compensation, Learning, Payroll etc. Managers and employees may also be consulted for their thoughts and to provide supporting anecdotal evidence as to why change is needed. Two other important stakeholders are the CIO and CFO. The former will ensure that the recommended solution complies with IT policies in critical areas such as security etc. The latter will often assist in constructing the financial justification for the programme and will certainly have a role in validating both anticipated costs and benefits.

In our experience, business cases can usually be organised into the following sections:

Business context:
Summarising the reasons for considering a replacement of the HR system at this time, and how this supports the other strategies of the business.

Heatmapping/Benchmarking:
The ability to baseline the current performance of the organisation against key cost and performance metrics and to compare against industry peers and best practice. This provides a series of objectives and targets for the future end state.

Costs:
The headline costs for replacement software, implementation, integration with other systems, and ongoing maintenance.

Tangible benefits:
Covering the key areas of benefits, quantifying the impact that the new systems will deliver, the financial return that can be achieved and the timescales.

Intangible benefits:
Highlighting the potential but sometimes hard to quantify benefits a new solution will deliver. These might often be critical to the business but difficult to put numbers against e.g. legislative compliance, business flexibility.

Return on Investment:
The comparison between the anticipated costs and likely benefits. Each organisation typically has its preferred financial model, such as Net Present Value (NPV), Internal Rate of Return (IRR) and / or Investment Payback.

Quick wins:
It is important that the project delivers some key facilities/tools to the business quickly to show progress and gain support for future phases.

The journey:
Taking a practical approach to delivering a foundation for growth and future initiatives, with a review of the service delivery options available.

The future:
Looking ahead to the future possibilities which will become available once a fully integrated, capable HR system is implemented.

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Step 1 – Business Context

Define the overall context

From your work on heatmapping you should already have a good view of the overall context of the business and the need for where HR Tech is required to provide benefit for the business. At the beginning of the business case this needs to be succinctly described. This section should set the scene, describe the challenges facing the business, outline the issues with the current state and identify why investment is required to support the HR function.

A typical statement of business context is provided below:

[Your company] currently operates with a number of HR and Payroll systems, although **[current system]** is viewed as the primary system of record. **[Current system]** is maintained by the head office, but is not integrated with the existing back office systems such as Finance, Payroll and the Portal. This, reflects systems limitations, but also reflects a lack of confidence in the accuracy of the data held within **[current system]**. Whilst the data has been cleaned up within the last year, its accuracy has already recently been questioned. This indicates that it will be difficult to maintain a definitive record for the **[your company]**'s people data whilst duplicate data is being maintained in other systems. Outside of the head office, the tendency is to maintain local systems (which provide for local HR needs and management reporting).

This means that the reporting capability of current system is limited and unable to reflect a complete picture as data resides in so many different repositories. This leads to considerable effort being spent creating reports which often provide only part of the picture, and which cannot always be relied upon to be wholly accurate.

These issues inhibit the HR team from providing the services that [your company], as a leading, global business, needs in order to attract, develop and keep the people it requires to continue to be successful. They affect the accuracy of information, the speed with which it can be produced, and the number of people required to manage and maintain it. They also inhibit the degree to which people data can be combined with financial and other data to give a complete view of the business. Finally, the brand of the organisation risks being compromised if the reality of internal systems and processes for learners, employees, applicants etc. does not meet the high expectations set by the board and described in our vision and values statements.

[Current system] is not a class leading, HR solution, but a product focused on the needs of **[xxxx]**, and its continued use alongside the local solutions will prevent the firm implementing a more strategic and integrated approach across the back office. As such, and in order for our back office systems to progress, the **[HR Director]** believes that the business will need to consider making a investment in the area of HR Technology. Following our consultative exercise, and in line with the views of the senior HR team members, we recommend the investment to look at competitive alternatives currently available in the market.

Step 2 – Heatmapping / Benchmarking

Define the overall context

To create a robust business case, most organisations do some assessment of the current state. This is where all the hard work you did previously comes into play. You can use your heatmap to provide evidence for the case for change, and some objective evidence (your questionnaires) that you can include as Appendices in the business case.

You will also have identified key metrics about the performance of the HR function and the service that it delivers to the business.

These might include HR: Employee Ratio, Absenteeism, % Completed Appraisals, Time to Hire, Cost of Turnover, Cost Per Payslip etc.

The sources of such benchmark material include industry bodies as well as specialist organisations.

HR Heatmap

Recruitment	Training & Development	Performance Management	Person & Organisation	Employee Relations	Scheduling	Attendance & Absence	Compensation & Benefits	Manage Payroll	AI Productivity Assistant
Initiate vacancy	Design training	Set objectives / PDP	New starter	Grievance	Forecast demand	Time recording	Reward planning & management	Manage deductions	Content Generation
Apply	Plan training	Review performance	Assignments	Disciplinary	Workload modelling	Planned absence	Salary review	Manage payments	Document store / search
Screen applicants	Enrol on training	Manage talent	Movers	Appeals	Maintain availability	Unplanned absence	Manage benefits	Run payroll	Employee Assistant
Select candidate	Complete training	Succession planning	Leavers	Manage tribunals / compromise	Create schedule	Authorise payable time	Manage bonus incentives	Generate pay	Manager Assistant
Make offer	Manage training records	Promotions	Structure changes	Employee engagement	Maintain schedule	Manage long term absence	Manage pensions	Manage HMRC	HR Admin Assistant
Hire	Manage development programmes	Continuous feedback		Manage union relationships	Execution			Manage expenses	
On-board	Complete induction			Incident management				Run end of year	

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Step 3 – Identifying tangible costs and benefits

Using our Business Case Support Workbook

Once of the hardest and most important things about the business case is the need to determine the costs and benefits associated with the HR Tech you're wishing to deploy. With the business case tool attached, you can see how the costs and benefits can be derived. You can also use this as a framework to extend for your particular context – e.g. making additional tabs that drive the costs and benefits in the main cells in the summary page.

BUSINESS CASE SUPPORT WORKBOOK

Duration of Contract: 5 years

Number of Sites (where applicable): 20

Setup Costs

Internal Project team	100,000
supplier team	250,000
3rd party supplier costs	50,000
Dual licence costs	
Decommisioning legacy systems	
Project expenses	
Contingency	
Other	
Total	400,000
Setup cost per site	20,000.00

One off savings

Projects (delivered OOB)	19,000
Other	
Total	19,000

Ongoing Costs (monthly)

SaaS licence	2,500
Internal support costs	1,200
BAU change budget	1,000
Other	
Total	4,700
Recharge per site (where applicable)	235.00

Ongoing Savings (monthly)

Cost of ownership - legacy systems	4,800
Management time*	12,299
Printing costs	2,500
Support reduction	6,200
Turnover reduction	6,500
Reduced training overhead	5,000
Postage	2,550
Other	
Total	39,849

5 YEAR TCO

Cost: 682,000
Benefit: 2,409,933

Return on investment in 11 months

Step 4 – Identifying intangible benefits

Other benefits

Transforming the way that the HR function operates will deliver many benefits to the organisation, but some of them can be hard to quantify financially. That does not make them less important, in fact they may often be more strategic in nature, however, describing the outcomes may need to be supported by anecdotal evidence. Some typical examples of intangible benefits are listed below:

Single version of the truth:

Providing accurate and consistent people data across the organisation. With improved data and a comprehensive reporting/MI tool, the business will have timely access to more meaningful and helpful information and be able to make more informed decisions as a result.

Ease of use:

The more intuitive systems are, the more likely they are to be successfully adopted by users. This is especially the case for self service applications used by employees and managers. Employees expect to be able to access systems via mobile devices. Similarly, 'social and collaborative' working is becoming the norm. Having systems that offer such capabilities will enhance the employee proposition / brand and help organisations become an 'employer of choice'. In turn, increased employee engagement will improve worker satisfaction and the retention of key talent.

Inability to deliver the business strategy:

In many industry sectors the ability of the organisation to perform is intrinsically linked with the skills and capabilities of staff. If the right people resources cannot be sourced and secured, then the success of the business itself might be compromised, for example:

Greater responsiveness: Enabling the HR team to be more flexible and proactive in responding to the changing needs of the business and to change/adapt quickly to either external or internal initiatives.

Risk and compliance: Keeping the organisation and key directors out of court and mitigating the risk of legal disputes arising due to lack of compliance, incorrect hiring processes, fines from regulatory bodies due to lack of training etc.

Opportunity cost: What happens if we continue as we are, how will things improve if we do not change, what opportunities are we likely to miss out on?

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Step 5 - Return on investment

Visualising your Costs and Benefits as a Return on Investment (ROI)

There are various ways of visualising the costs and benefits for your business case. If you get this right, you can significantly improve your chances of getting budget approval from your finance and IT colleagues.

|			
Total year benefits	**£ X M**	**Total 5 year costs**	**£ X M**
ROI	**X %**	**Payback period**	**X months**
Cost of delay		**£ X K / month**	

Step 6 – Other considerations

For your business case – things you might want to add

Quick wins

As with all projects, it is vital to deliver some quick wins back to the business. These demonstrate a rapid return on investment and also provide the transformation project with visible success which helps to foster confidence and momentum within the project team.

Good examples are features with a high degree of usage (e.g. self service booking absences) or things that are highly visual (e.g. interactive people directory, org charts or dashboards)
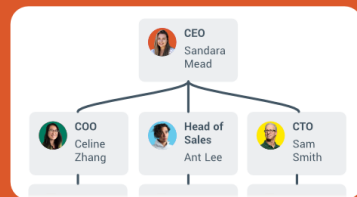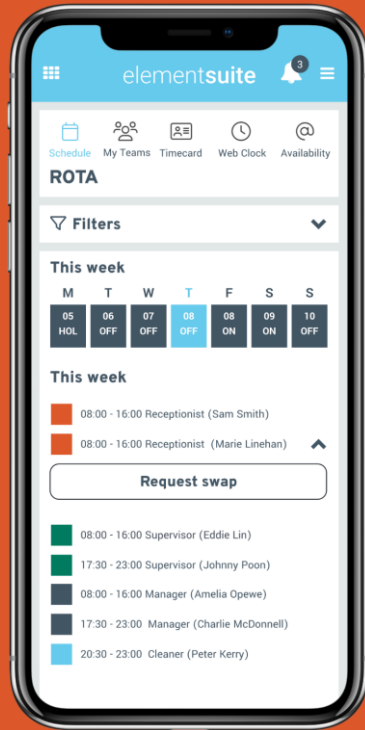
The Journey

As organisations continue to grow and evolve (adding locations, countries, business lines etc.), the challenge for the HR function is to continually support the changing needs of the business. This often entails making changes to organisational models and the way in which services are delivered to the business. Many HR Directors take a strategic approach to re-organising how work is performed in order to be more effective and efficient. This typically involves deployment of self-service technologies, high levels of process automation and consideration of initiatives such as shared service centres. Our experience is that the most effective way to achieve this is usually to start off with delivering a sound foundation as a platform for future growth; get the core HR processes right first in HR & Payroll and thereby achieve one version of the truth for people information. Once this has been realised, then the focus can shift to more value added activities, such as Performance, Compensation, Learning and Succession. As part of your heatmapping you may have already mapped out business prioritisation vs cost – this is a good thing to add to the business case to demonstrate continual improvement and evolution of how HR Tech will enable your strategy for the future
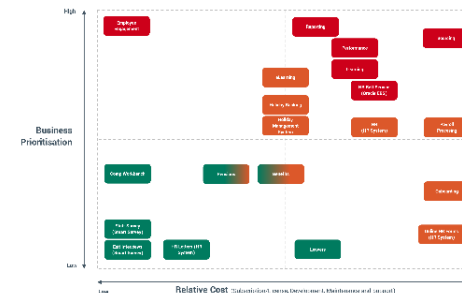
Future aspirations

Once the new HR technology has been deployed, the HR function can look with confidence to the future and build on this solid foundation. HR is continually changing, and advances in Artificial Intelligence, wearable tech, flexible working practices, social / engagement – are all things that your HR tech should allow you to embrace as part of your future HR strategy

Business Case Templates

For your business case

There are various templates that can be used to define your business case. It's important to understand whether there are existing processes and templates in use in your organisation, as aligning with your existing methods may provide a quicker route.

But if you don't already have a business case template, then there are various start points.

Simple

If your business context and reason for buying your HR tech is simple, its probably easiest for you to create your own business case based upon the template sections in slide 4

Medium/Complex

If your context and reason for buying your HR tech is more complicated it can be daunting to try to create a suitable template that will pass the interrogation of your finance and Executive sponsors. To help with this, we've provided a couple of start points that could, as another downloadable in the Business Case Tool.

Business case template info

Covers basic concepts, guidance and more…
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Stakeholder Map

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Stakeholder Map

Who are the key stakeholders in your business

Executive Sponsors and Senior Team

Your executive sponsors and senior team are making a significant investment in the system. They should be made to feel that they are getting good value for that investment and that business problems are being addressed.

Supervisors & People Managers

These will be our key users and will likely use the system daily or several times a week. They are responsible for key processes like new starters and payroll and should be key advocates for the system.

Operations Hierarchy & Office

This audience will be looking for the system to deliver operational benefits to enable central visibility and better controls. They are likely to need targeted training to realise the benefits of the system

Site / Department Managers

These will be regular users of the system and there are some key process changes which they will need to understand. They will move from 2 systems to 1 and see more of the benefits than any other group.

Employees (Hourly Paid or Salaried)

These are your biggest audience and will be regularly using self service features to book absences or view their payslip.

The system should be intuitive to use, and any ongoing changes should feel like a system update rather than a rewrite.

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Typical Project Structure

Showing key roles and stakeholder hierarchy

As part of initiating your project you will need to start to consider the overall project structure. This may also be a useful thing to include in your business case to demonstrate how you see the project team being setup. The following diagram can be used as an example or template to describe the various roles in the project.

Key

Vendor   Client   3rd party

Sponsor

IT Director

Project Board

Project Manager

Comms

Change Mgt

IT

Subject Matter Experts

Test Team

Optional Test Manager

Account Manager

Project Manager

Application Support

Platform Support

Functional

Technical

Support Team

Delivery Team

Central Super Users

Local Super Users

3rd party Teams

Test Team

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