

# Building a Business Case for Talent Management

**A strong business case is a critical aspect of engaging decision makers and stakeholders on any new initiative.**

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**However, where a business case often proves particularly valuable is when it comes to projects that may be somewhat difficult to quantify in financial terms - such as a new Talent Management strategy.**

For HR departments looking to prove their strategic value and worth to the business, it is critical that you are able to present your Talent Management strategy in the language of the C-Suite, and match that strategy to the wider strategic goals. A strongly developed business case will assist with this.

There are a number of things which HR departments can do to build and express a strong business case for Talent Management, and highlight to C-Suite executives the potential return on investment of this initiative.

## **How do I build a business case for Talent Management?**

There are plenty of resources out there which explain how to go about building a generic business case, highlighting the actual process of compiling your resources, practicing your presentation and preparing for difficult questions. This article will look to address is the specific considerations that apply to HR departments and Talent Management initiatives.

## Have clear objectives – consider long term strategic goals

Firstly, it's important to state clearly to your decision makers what you are looking to achieve with your Talent Management and initiative, and why. You need to have a firm understanding on both the HR requirements and the business requirements that you are looking to fulfil.

Ensure you are thinking strategically. Consider the various internal and external factors that may impact your organization in the future, and how your Talent Management strategy will place the business in a better position to meet and overcome these potential pain points.

## Make the connections between financial and non-financial metrics

During this process, it's important that you have access to tangible data that backs up your case. A talent management initiative cannot be built on assumptions or opinions, and hard facts are often the language which C-Suite executives are most comfortable with.

One example could be that your HR department is looking to deploy a Talent Management initiative targeting employee engagement. It is therefore important that you can express why this initiative is important. Here are two different approaches you might take.



A. “Our company had excessively high turnover last year. A Gallup Consulting survey has revealed that businesses with employee engagement in the lowest quintile record average turnover 31 percent - 51 percent higher than those in the top quintile. A Talent Management strategy will address our engagement problems and reduce turnover. A bad hire can cost a company over \$25,000 a year. An employee engagement program will reduce that impact. We expect that by implementing this program, we can reduce turnover by 20 percent and save \$750,000 annually.”

B. “Our company relies on strong customer relationships and positive client interactions. Existing research estimates that employee engagement has a .51 correlation score with customer service productivity. A Talent Management strategy will boost employee engagement and drive greater customer service, which will in turn have measurable positive impact on the company’s bottom line. Our strategy will improve employee engagement by 30 percent, which will then increase customer service productivity by 15 percent.”

Combining non-financial HR metrics - such as retention figures and performance rating systems - with financial measures will enable the creation of a more robust business case that justifies the continued investment in your talent management program. In this manner, you will be speaking the language of the C-Suite, and coming one step closer to achieving that much vaunted seat at the boardroom table.

## Collaborate with your peers

One of the aspects for HR departments to remember is collaboration, particularly during the process of building and presenting a business case for Talent Management.

You need to ensure you are talking to peers across the business - not only in your own department - to understand how they perceive talent management. This will then help you understand how an initiative can be deployed and utilized to greatest effect.

## Collect and analyze the data

HR departments should also remember to gather and analyze key metrics beyond those that directly affect or influence the HR department. In order to truly understand the strategic goals of the organization, it is essential that you are collaborating with other departments in order to determine the metrics that are most relevant to the business.

## Track your progress

Finally, when deploying a talent management initiative it's essential to continue measuring the returns on investing in that initiative over time. Technology can assist here, by ensuring that you build a comprehensive record of how your Talent Management initiative is evolving and progressing, and continue to demonstrate its value.

Once this progress is tracked, you will need to quantify and demonstrate your return on investment. Communicate timelines around how long it will take to break even on your investment, and how long it will take to see gains. For example, you might say: "Investing \$50,000 into employee engagement will improve this by 30 percent and result in a decrease in turnover of 5%. This means that the company will save \$25,000 in a year. The investment will take two years to break even, and decreases in turnover from that point will result in the accumulation of real returns from that point."

As HR departments continue to fight for the figurative seat at the boardroom table, being able to go back to decision makers and demonstrate the success of past projects will make it far easier to acquire critical funding further down the line.

**If you would like assistance in building a business case, or if you would like to discuss your talent management needs, our team of experts is on hand to help. Contact us at our details below to get in touch with the team.**

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