Head Light

Guide to Writing a Business Case

part of our Practical Steps series

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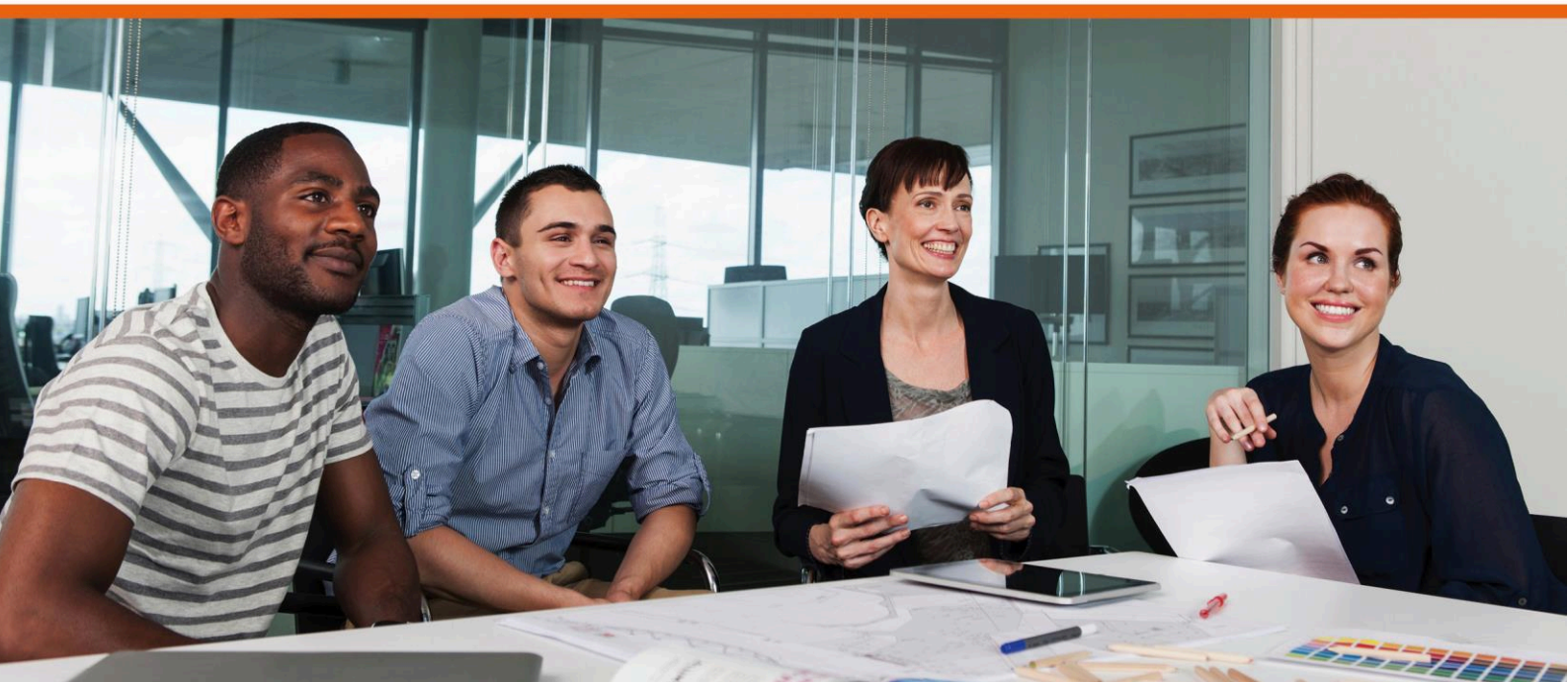

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The need for a business case

From the Head Light 2013 survey, *Justifying spend in hard times: measuring Return on Investment for 360 and Performance Review,* we discovered that less than half of those organisations moving from a paper-based to an on-line 360 or performance review system created a business case to gain approval for investment.

There was, however, a keen interest in looking to develop such a business case even if not a mandatory exercise. The reasons for not writing one to date were lack of knowledge of what to include in the document and lack of resources to complete this.

This Guide sets out to give some tips to help those required to – or wanting to – write a business case for investment in key talent management activities.

1. Start at the beginning: understand your organisation and how this impacts the writing of the plan

Before starting to draft your business case, make sure you understand fully your corporate reasons for creating this. Is it to be used to convince key decision makers, or provide a single place to summarise the activities of a project team, or a demonstration that the HR or L&D team is committed to corporate success – or another reason? Look at whether there is a company format or corporate template you need to use – and who is to read the final document.

This information will influence the following point…

2. Plan the structure of your business case

Most business plans for talent management systems can follow a quite simple structure:

- The Executive Summary – written last and includes a summary of the issues surrounding the business problem, and the recommendation and why.
- The current business situation and problems this causes – anchor the reader in the 'here and now' and what the issues the business is facing currently, and likely to face in the future.
- The proposed solution
- The likely impact on the business
- Timeline of implementation
- Costs and pay back
- Recommendation

3. Understand your audience and write accordingly

An obvious but easily overlooked aspect when wanting to start to get ideas onto paper. Is the business case to be read by IT or finance or HR decision makers – or all of these and others?

Try to keep the following in mind when looking at the words you are writing.

- Make the **structure, layout, presentation and language accessible**. Use section headers, bullets, and colour to good effect.
- Use **business language** – and avoid jargon.
- **Include visuals** where you can (screen shots of reports etc.) but remember that not everyone likes to look at graphs and illustrate the benefits by painting a picture with words and translating them into benefits such as 'being able to complete and update reviews whilst away from the office and not carrying paper around'.

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- **Relate facts relevant** to those reading the document and who have to make a decision based on your recommendation. For example, look at the time spent by line managers on paper-based reporting which takes them away from their 'day' job of improving performance for the organisation.
- Keep it **short and to the point** – but comprehensive. Try to answer the questions you know people will have about your recommendation.
- Finally, **decide who is going to write the business case** – or the different sections of it. It is a good idea to have one person finalise it by reviewing it for consistency in style and tone.

4. Show that you know the current challenges: why do you need to adopt a new talent management system?

You need to paint a picture for the reader regarding the current situation – and position those 'pains' based on the audience for whom you are writing.

If you are looking at a business case to introduce an on-line talent management system, some of the areas you may want to include are:

- The **tediousness of the current process for line managers**;
- The **problems of not having accurate and timely data** for the senior management or executive team;
- The issues of **not being able to have an organisation-wide view of performance or development** or objective setting for HR or Learning and Development teams;
- The **time spent on the current process** for staff and management;
- The **inaccuracies of transposing, re-keying or manually combined scores** and comments and the impact on the information on which decisions are made;
- The **administrative headaches**, duplication or time spent chasing reviews to be completed;
- The **inconsistent way at which reviews currently operate** – and the perception of this by your people in terms of the organisation's commitment to competencies and skills development or performance objective setting;
- The **lack of a clear line of sight between organisational and individual goals** for each team member;
- The **problem of training plans and programmes running too late** – perhaps months (or years) after they are first needed.

Where possible you may like to carry out a snap survey of managers and team members to add some context and facts to your argument using an on-line survey tool. You may like to look at:

- **Perception of the value** of the current system;
- **Time taken** – and look at this based on the different 'groups' of people e.g. HR, line managers, senior managers, team members;
- **Cost** of materials;
- **Ease of access to data** by senior management team – or HR in providing the results in a meaningful way.

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5. Present your recommendation – highlighting the risks

Provide the reader with a comprehensive but straightforward outline of your proposed solution. Include listing where the solution meets the needs exactly of what is required and where there may be areas which need review or adaptation.

Include the details of the:

- Preferred supplier, their credibility and track record including service availability statistics;
- Adaptability of the system and how the supplier manages upgrades going forward;
- Training needs and how the supplier will manage these, at the project outset and going forward
- New process – bringing in comments from key stakeholders with whom you have previously discussed this proposal;
- Costs – both IT costs and also training and implementation costs;
- Timeline and project management of implementation;
- Risks – to timescales and costs – and implementation issues;
- Internal communications plan.

6. Predict the impact

In this section of the business plan, describe the impact that your solution is likely to have on the business. Areas you may like to consider are:

- Case studies from other organisations which have faced and tackled the challenges you face. Whatever your planned solution, you will have spoken to at least one of the supplier's current customers so you can draw on this information and learning but remember to relate this to your business.
- Referring to the goals of the organisation and where this proposal aligns with or supports them.
- Listing the areas of impact. There is no single one size fits all list of areas of impact and you need to select those areas relevant to your organisation. Take care to avoid listing an area because you have a benchmark you can measure against: it needs to be a valuable measure for the business and presented as such. For example, it may be of interest to the HR Director that a move to an on-line appraisal system will see an increase in completion rates of reviews but what does this mean to the business?
- Improvements to retention figures of key employees.
- Streamlining of processes.
- Increased employee engagement.
- Greater individual ownership of the development plan.
- Real time access to performance or goal achievement data across the organisation.
- Increase in productivity and performance.
- Reduction in administration time for the process (you may want to couch this in terms of how this time could be better, more effectively spent to impact the business).
- Saving of material costs.

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- Looking at research from organisations such as Head Light as to what other organisations find are the key benefits from talent management processes or moving on-line. Beware of your audience's cynicism as there will always be differing studies indicating differing benefits.
- Look at how this project fits in with your culture and processes.
- Consider how it impacts the competitive capability and differentiation of your business.
- Where possible work out a Return on Investment (ROI) figure so that you can signpost when 'pay back' on the project is likely.

7. Present a clearly thought-through implementation plan

Finally, you need to demonstrate that you have considered how to move forward. You no doubt will want to look at the timetable for implementation, the associated costs and time, how the project will be managed and evaluated and how any issues raised will be dealt with.

Consider setting up an Implementation Group or Steering Group with key influential stakeholders taking an active role to help support the internal transition and demonstrate the credibility of the Implementation Group – and indeed those writing the business case – in this Business Case document.

Remember to outline the training needs, costs and impact on day-to-day business for those needing training and include how refresher, systems and on-going training will be managed.

Include an ROI or break-even date based on your costs and assumptions.

A supplier such as Head Light will be able to support you in doing all of this.

Next steps

If you would like support to help write a business case, please get in touch.

About Head Light

Head Light is an award-winning talent management software and consulting firm that works with clients to define and implement impactful talent management strategies.

Talent Cloud® is our cloud-based portfolio of integrated talent management software tools designed for those who expect the maximum return from talent management processes. Our training and consulting services uniquely complement our breakthrough software that engages employees, managers and senior leaders in the selection, development and progression of people in their businesses.

Companies in the FTSE 350, public sector, large and small, from retailers to high tech innovators have all benefitted from our tools, techniques and expertise. Founded in 2004, we are headquartered in the UK.

Head Light has attained the ISO27001 standard for Information Security. Certificate No 217613.

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How do I…

transition to Continuous Performance Management

How do I…

introduce robust Succession Planning

How do I...

spot High Potentials and Future Leaders

How do I…

drive Engagement through Career Conversations and Development

How do I…

embed new values and improve culture

How do I…

conduct Skills Assessments and a Gap Analysis

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