



# Building the Business Case for Investing in Employee Engagement

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



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# Introduction

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Hi there,

I'm Kylie Green, SVP of Consultancy at Reward Gateway. After working with countless HR professionals over the years, one of the struggles I notice time and time again is building a business case for employee engagement 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 HR to prioritise and assign budget to the initiatives that will bring about tangible and long-term change.

“Harvard Business Review” reports that up to 70% of change efforts fail. Without the tools to connect people or the metrics to showcase the positive impact employee engagement 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 working with clients is showing them how impactful employee engagement programs 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.**
- **The best (and worst) times to present.**
- **Tried-and-true best practices on creating and presenting a business case for a quality employee engagement investment.**

Let's get started!



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# How to Perfect Your Business Case “Language”



Have you ever attended a meeting or conference call and felt like the presenter was speaking a different language? Without a unified “language,” you’ve already lost the attention of your audience, no matter how compelling the presentation is meant to be.

Recently, my colleagues presented the differences in perspective from an HR professional vs. a CFO in real-time, showing the value of language and how it can get lost without proper preparation. Here’s what we mean:



**Debra Corey, Group Reward Director:**

### **She said...**

“I want to spend more money on training.”

“I’m considering a new employee engagement platform.”

“I want to devote more resources for job design.”



**Doug Butler, CEO (and former CFO):**

### **He heard...**

“When would the company feel the benefit of that?”

“Debra wants to spend money on the new trendy HR topic.”

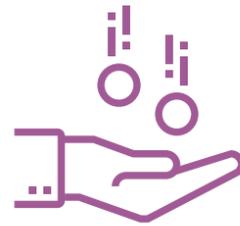
“Sounds like another ‘fluffy’ HR project.”

Things can easily get lost in translation, which is why you need a business case for your employee engagement initiatives.

When you enter the room to pitch your proposal, your business case should speak the language of the stakeholders who will impact the decision - whether that's your CFO, executive leadership team or board members.

This means you have to have a deep understanding of the business strategy - and how your proposal aligns to it and supports it.

An effective "pitch" to your stakeholders show them that you've thought through:



**Creative solutions to sourcing budget**



**Financial impacts**



**Credible data to back your decision and proposal**

"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."

- Doug Butler, CEO of Reward Gateway

# Find the Common Ground



Today, HR leaders require buy-in from an average of 5.7 stakeholders - often this includes 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.

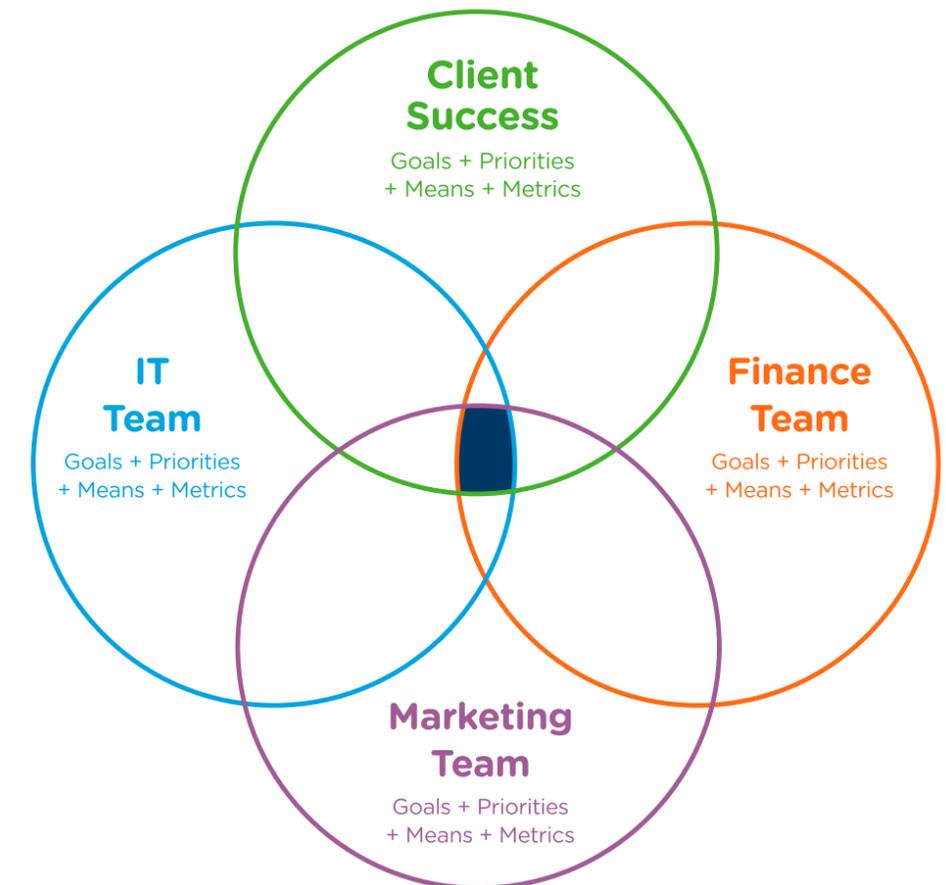
Forward-thinking HR leaders know that gaining buy-in is more complex than ever before - but instead of being deterred, they embrace the challenge.

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, 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 5-6 stakeholders, but a collective “no” to your overall project.

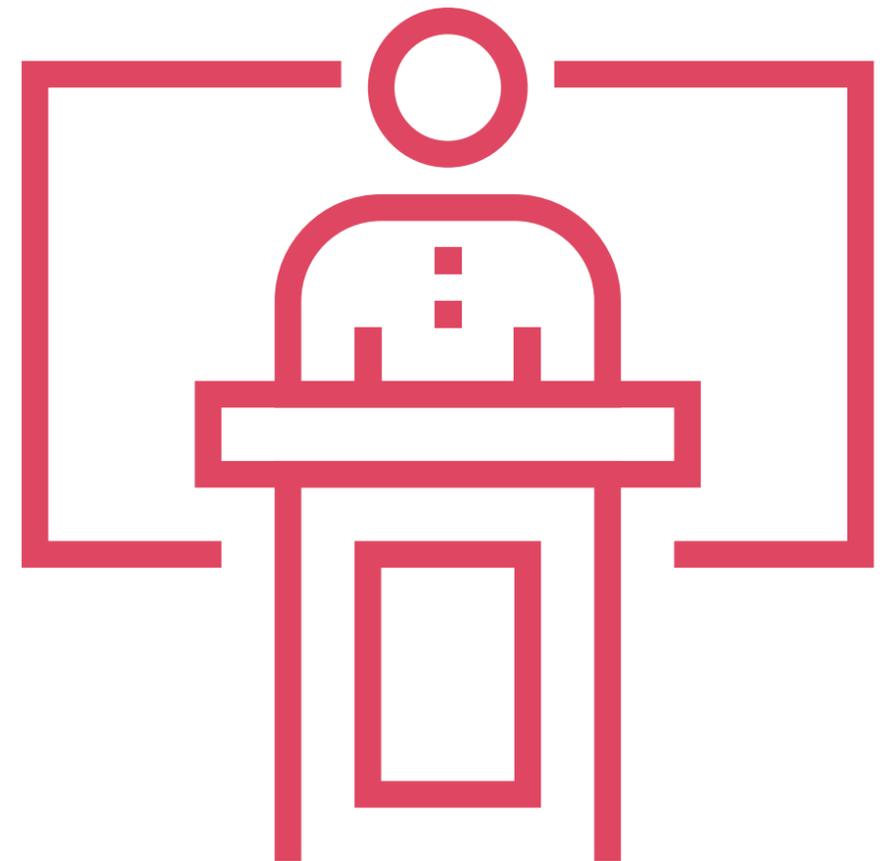
While it’s still important to meet with each stakeholder, rather than building a business case that targets their *individual’s* objectives, it’s more effective to focus on how your employee engagement efforts will **address and benefit the areas where the interests of your stakeholders overlap**. Spend 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”

# When to Present Your Business Case

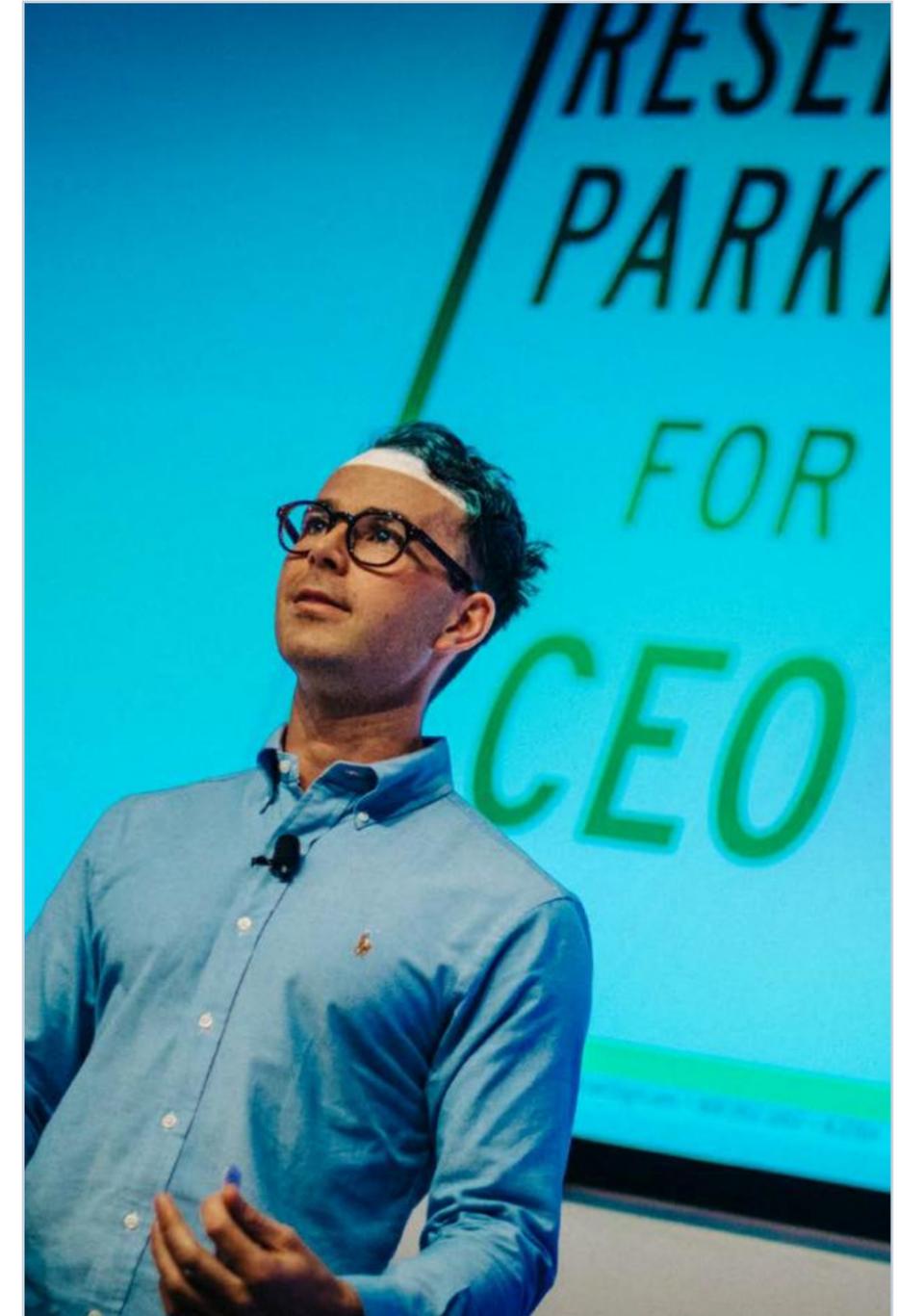


So, I've covered why you need a business case but here's another important "w" to consider: *when*. As we all know, timing is everything. Knowing when to present your business case can make or break the outcome.

Finding the perfect time to propose a business case varies across industries and clients. That's why I suggest starting first with **engaging with your stakeholders** – and engaging them early. Keeping a finger on the pulse of what the current climate of your leadership team is (what they're dealing with, and when) will clue you into when's the right time to present your proposal.

For example, in retail, it's important to avoid the busy holiday season as there are too many competing priorities and your proposal is likely to get delayed, or overlooked entirely. You should familiarize yourself with budget processes at your organization so you're aware of when the fiscal year budget is set, and at what point throughout the year any of it is re-evaluated.

What other events can lead to perfect timing? Look for annual events such as your Employee Engagement Survey results being released. Use the opportunity to create urgency among your leadership team to reduce churn or improve your score.



## The Burning Platform

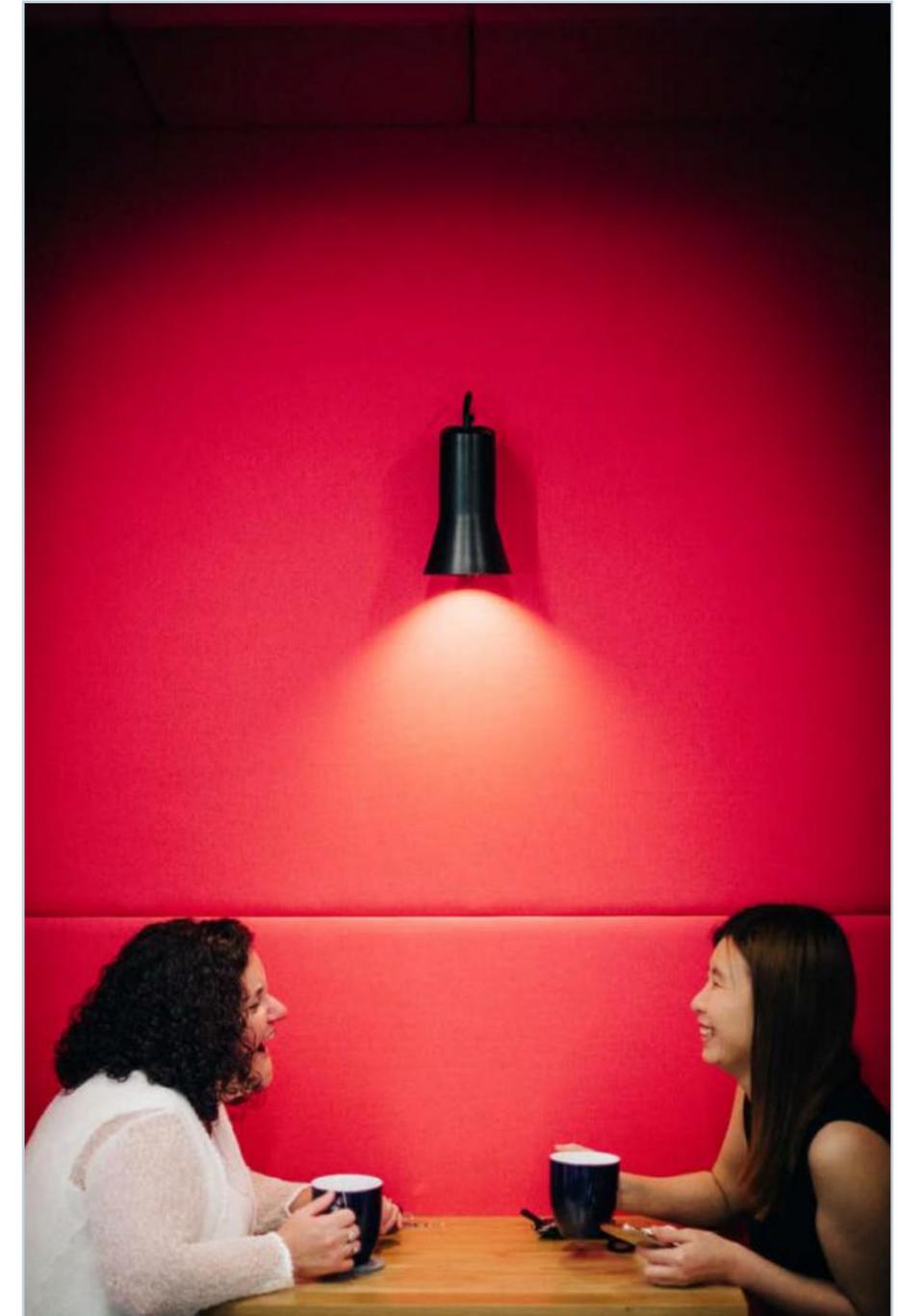
Let's take a look at the engagement survey results coming in, for example. Are the results less than favorable? Now is the time to act fast and respond. If, for example, your employees said they didn't feel valued by your organization, the proposal to put a recognition program in place will make business sense, as you have timely and meaningful data to present to your board. By addressing the burning platform and making visible changes, employees will feel genuinely heard. It also reinforces the power of two-way communication and builds trust with your employees, as your suggested investment is a direct response to what *they* care most about.

## Set the Stage

Let's look at another example: Your employer just won a Best Employer Award! Congrats! But, now what? While this is the perfect time

to shine a light on why your organization is a great place to work, the spotlight can serve another purpose, too. Now that you've been recognized, top talent will be looking closely at you as a potential employer. Here's your chance to get in the ear of senior decision makers. Let them know that in a survey from Glassdoor, **76% of job seekers** want details on what makes the company an attractive place to work, and **50% of employees** who say they love their current jobs would still leave for a new opportunity if given the chance (Source: Adobe). Like is good, love is great, but if your goal is *engaged* employees, there's still work to be done.

Emphasize that the work you've begun will get you noticed, but that it is only a start. Map out the continued journey you must embark on to continue to meet your engagement objectives.

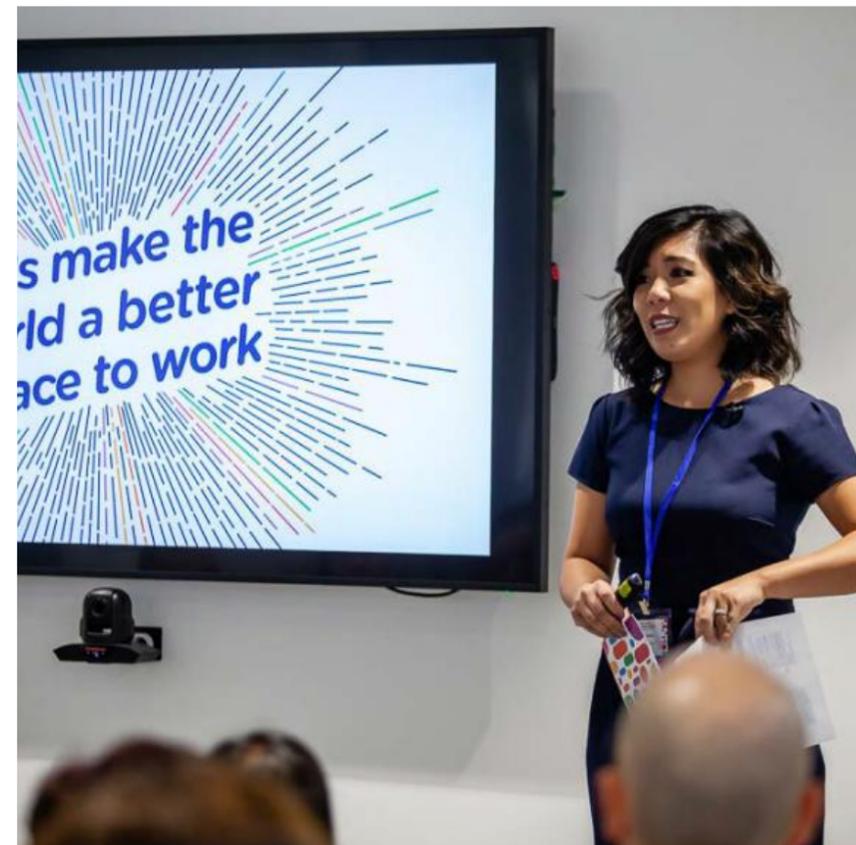


## The “Skeptic” could be your biggest supporter

While it’s tempting to seek out the supporters in your organization and focus your efforts on demonstrating how your employee engagement initiatives will align with their goals, successful HR professionals put equal effort in identifying, listening to and responding to the skeptics.

They encourage the skeptic 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 skeptics 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 organization actually want to achieve.

When skeptics 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 mobilize these people and transform “why nots” into “what ifs.”



## Five 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?**

# 10 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? Over the years, I've coached clients to start with the intended outcome – in this case, a green-light for their 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 program or initiative is business-critical.

Ready to get started? Here are 10 tips to help you prepare your business case:

 <p><b>1.</b></p> <p><b>Involve key stakeholders early</b></p>	 <p><b>2.</b></p> <p><b>Start with why</b></p>	 <p><b>3.</b></p> <p><b>Understand how decision-making occurs</b></p>	 <p><b>4.</b></p> <p><b>Present – then challenge – the status quo</b></p>	 <p><b>5.</b></p> <p><b>Perfect your elevator pitch</b></p>
 <p><b>6.</b></p> <p><b>Speak to Return on Investment (ROI) and Value of Investment (VOI)</b></p>	 <p><b>7.</b></p> <p><b>Explore your BATNA (Best Alternative to a Negotiated Agreement)</b></p>	 <p><b>8.</b></p> <p><b>Proof, proof and proof again</b></p>	 <p><b>9.</b></p> <p><b>Explore cost neutral solutions</b></p>	 <p><b>10.</b></p> <p><b>Don't be an island</b></p>



## 1. Involve key stakeholders early

Depending on the familiarity your leadership team has about 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' "why," and how you can shape your presentation to reflect their business drivers. For example, a CFO's "why" may be concerned with productivity and turnover levels. A Managing Director's "why" might be Glassdoor reviews impacting the ability to attract new talent to their team.

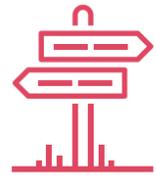
### Did you know?

More than 45 million unique users visit Glassdoor's mobile applications and website monthly. *(Glassdoor internal data, 2017)*



## 3. Understand how decision-making occurs

Another key part of doing your homework is to understand exactly how key decisions are made at your organization. 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 organization, 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, and they often do, 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 organizations so you know what "good" looks like and can show how this product or program 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. Proof, proof and proof again

If you want your business case to be respected and bought into it needs to be 100% accurate. No numbers that don't add up, words spelled incorrectly, etc. Mistakes convey to your leadership team that you aren't serious about what you're presenting, which to them says, why should I then be serious about it?



## 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 program. 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 favorite strategies, and one that can be the determining factors in your executive team's decision.



## 10. Don't be an island

Find ways to integrate what you are proposing into other business or HR initiatives. This shows that you aren't wearing blinders, only thinking of your own little world, and have considered how your initiative will support or align with other key initiatives. This not only helps you create a more compelling story, but your business leaders will respect you for this.

# Common Challenges HR Faces



Surprise! Engaged employees drive ROI. You know it, I know it... now your leadership team needs to know it too. As you put the finishing touches on your business case and presentation, here are a few challenges I've seen our clients face when getting to the proposal stage:



## 1. Cutting through the warm-and-fuzzy and using sufficient, credible data

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



## 2. Having confidence

Your contribution and impact to the business should be presented with confidence, as it will make a monumental difference for your company. Remember, you have a responsibility to your workforce to do what is best for both them and the business. Keep this in mind, especially if and when your presentation and proposal starts getting difficult.



### 3. Sourcing budget

“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 hearing “yes” is coming 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.

#### The bottom line:

Don’t be afraid to come away with a “not right now,” or even a “no.” Many times, even when you’ve done the timing research I mentioned earlier, corporate priorities will shift and the program or project you’re eyeing won’t address the most critical business needs.

That’s okay.

While your goal was to hear “yes,” remember that as an HR professional, your primary focus above everything else is to address your organization’s issues and come up with solutions that will have **the greatest impact on your culture and the business.**

If your current proposal no longer aligns to a key business priority, don’t dwell on forcing a square peg in a round hole. This is the time to pivot, innovate, and work towards solving the next issue at hand.

# Our Top 20 Proof Points



As I've mentioned, there are many ways to show the ROI and true value of an employee engagement program. Depending on what solution (or solutions) you're pitching, there are many ways to talk about the value of employee engagement programs. Here are our top proof points to help boost your presentation on:



**Employee  
Engagement**



**Employee  
Recognition**



**Employee  
Communications**



**Employee  
Discounts**



## Employee Engagement...

Employee engagement is a choice that any organization can make; you can create a culture and an environment where more and more individual employees choose to become engaged every day. But this only happens if you invest in the right technology and processes to support your people and create a culture where people and performance thrive, and business results improve.



### Boost your presentation with...

- **70%** of business leaders agree that employee engagement is critical to achieving business results.  
*(Gartner)*
- **46%** of HR pros say retention is their greatest concern, followed by employee engagement at 36%.  
*(SHRM)*
- Cultures in which employees are engaged in their work are safer and report **70%** fewer safety incidents.  
*(Gallup)*
- **69%** of North American employees are disengaged at work.  
*(Gallup)*
- Companies with high employee engagement have **3** times higher profit than those with low employee engagement.  
*(Willis Towers Watson)*



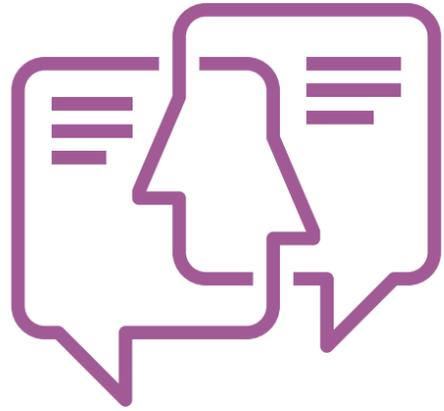
## Employee Recognition...

When employees feel appreciated and recognized for their work, their overall engagement and commitment to your organization will increase. Building a continuous culture of recognition can lead to decreased turnover, increased collaboration and more frequent innovation.



### Boost your presentation with...

- **95%** of HR workers agreed that an effective recognition and reward program helps drive business results, and 96% agreed it has a positive effect on employee retention.  
*(Reward Gateway Survey, 2019)*
- **63%** of employees would rather work for a company that regularly praised and thanked them for doing good work, than for a company that paid 10% more but offered no praise or thanks.  
*(Reward Gateway Survey, 2019)*
- **65%** of people surveyed said they received no recognition for good work last year.  
*(Gallup)*
- Companies with a recognition culture have **31%** lower employee turnover.  
*(Psychometrics)*
- **69%** of employees say they would work harder if they felt their efforts were better appreciated.  
*(Socialcast)*



# Employee Communications

Successful, engaging employee communication informs and connects your teams, strengthens trust across your organization and accelerates productivity and growth. Investing in the right technology to streamline, automate and improve employee communications can drastically reduce administration, boost awareness and uptake of important initiatives, and reinforce your employer brand.



Here's an example of a tailored employee communications platform to reach all parts of your workforce.



## Boost your presentation with...

- The average employee spends **40%** of their working week dealing with internal emails which add no value to the business. *(Atos Origin)*
- More than **80%** of Americans say employee communication is a key factor in developing trust in their employers. *(InsideEdge)*
- **92%** of senior leaders say that soft skills such as communication are now equally as important as technical skills. *(Wall Street Journal)*
- Companies with highly effective employee communications outperform companies with less effective communications — they produced **20%** less turnover, 47% higher shareholder returns and experienced a 29.5% increase in market value. *(Watson Wyatt)*



## Employee Discounts...

Employee discounts help attract, engage and retain your employees by helping you stand out in a sea of competitors. In a competitive market, helping your employees stretch their disposable income with tangible discounts that help improve their overall lifestyle, even outside of work, can mean all the difference.



### Boost your presentation with...

- Only **33%** of employees feel they are fairly paid.  
*(Aon Hewitt)*
- **68%** of people say that salary and compensation is among their top considerations before accepting a job.  
*(Glassdoor)*
- **62%** of employers can't afford to meet new salary increase demands even though they think it's right to do so.  
*(Spherion)*
- **65%** of employees would not work at a leading company if it meant they had to tolerate lower pay.  
*(LinkedIn)*

# Conclusion

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I hope this eBook has armed you with the tools you need to build and present a successful business case. Successful HR leaders know they have to create an environment that welcomes improvement and change. Remember: have confidence, do your homework, focus on the why, and embrace the skeptics in your organization - 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.

Success doesn't always mean hearing a "yes" the first time, and a "no" doesn't have to be a no forever. Every change journey begins with a step, and the next step starts right here, right now, with the ideas and behaviors you have just read and can now implement in your own organization.

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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**Our employee engagement solution puts communications at the core to reinforce an organization's purpose, mission and values, while amplifying the impact of employee recognition, surveys and discounts.**

If you're interested in learning about any of Reward Gateway's employee engagement products to help align, motivate and engage your people, we'd love to help you get started.

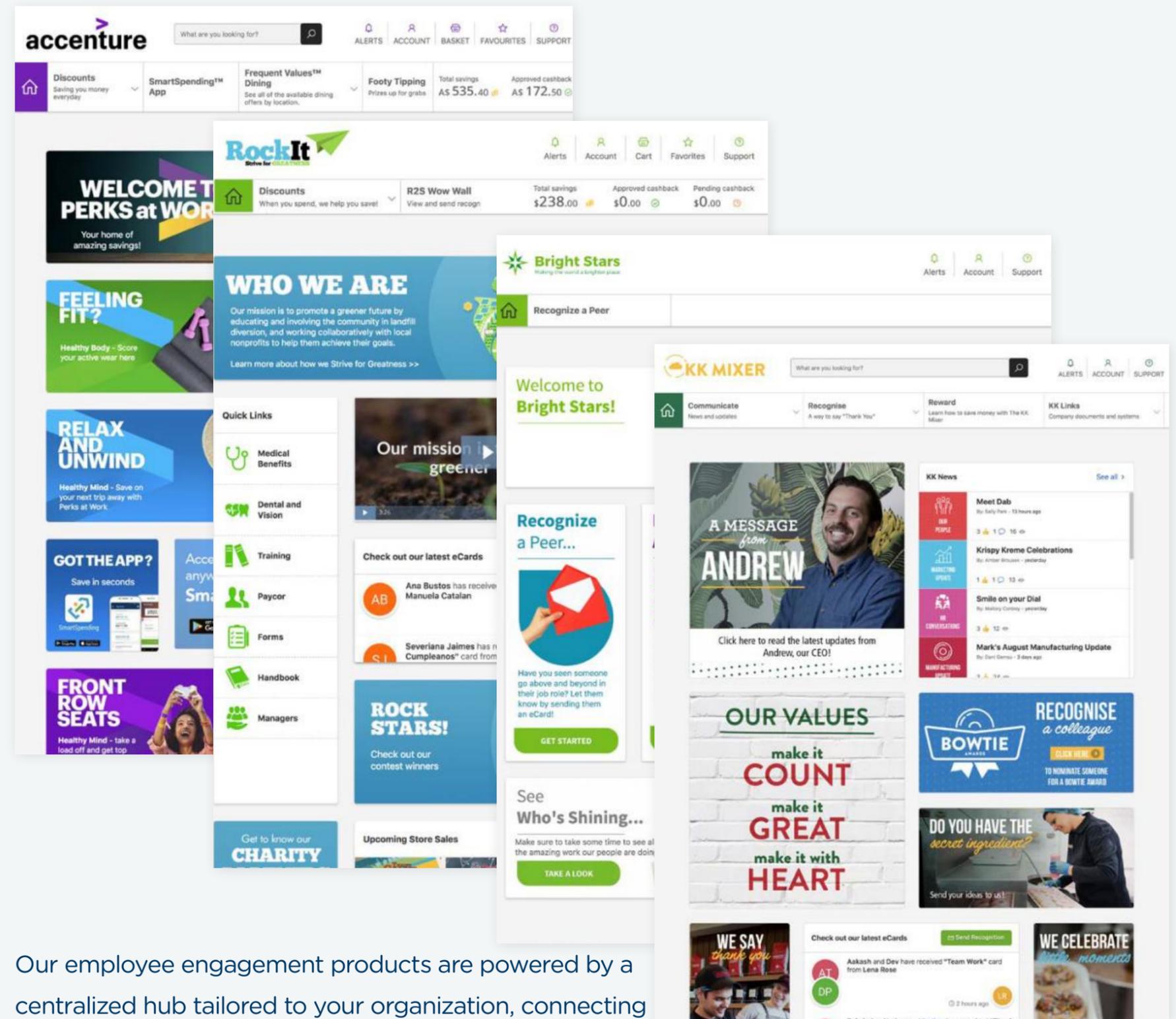
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Our employee engagement products are powered by a centralized hub tailored to your organization, connecting your employees to your brand, vision and goals through a variety of employee engagement tools.