



7 step guide: building your business case for HR technology investment

Create a concise, compelling and factual argument for new HR software



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Introduction

Departments battling over budget in an SME or enterprise organisation is nothing new. When resources are limited and “ROI” is all important it can be tough shouting above the noise to make a clear and compelling case as to why your department needs a new software tool.

HR and people departments are often acutely aware of this struggle. Sales and marketing teams can use analytics platforms to display their ROI and revenue as a method to justify further investment in their departments.

Human resources and payroll teams often can’t pull on this type of data though. Combine that with the fact many business leaders see HR as a cost center and not a revenue generator and you have a situation where requests for new tools made by HR and payroll are often deprioritised.

But this doesn’t need to be the case. Investing in new HR technology can have far reaching, positive benefits, not only for your team internally but for your business as a whole. Creating a rock solid business case for HR technology investment and communicating the benefits of that investment to your business leaders is the goal of this guide.

By presenting a concise, tailored and actionable business case for HR technology investment, you can show your C-suite the value of your HR department and how investment can have a real benefit on your company’s bottom line.

This guide is going to be broken up into 2 parts. The first part will define what is and what isn’t a business case for HR technology investment. The second part will go through our 7 steps for building a business case for HR tech investment.

Defining what a business case for HR change is

Before we jump into our 7 step guide we first need to define what a business case is, what a successful one looks like and, most importantly, what one shouldn't include.

What should your business case do?

The ultimate goal of your business case is to convince your leadership team that they should let you undertake an HR technology transformation project.

The business case must clearly present the reasons why you need new HR technology and explain how a new piece of HR software would benefit your HR team and the business as a whole.

These reasons must be quantifiable too. When presenting your business case it must be accurate and actionable. If you talk about efficiency improvements across your department without tying them to any tangible business figures, your business case will fail.

These number's don't need to be revenue based either. You can talk about hours reclaimed per month, or increased efficiency in your department, that in turn can lead to better revenue metrics across your business.

Your business case should lay out 3-5 clear reasons why you want to change your HR technology. These reasons should be backed up and justified by data which proves the change will be beneficial to your business. These "Reason For Change" will then become the starting points that you can use to begin the research phase of your HR technology transformation project.

Finally, any business case you present to your C-suite should end with them agreeing that your HR transformation project is necessary.

You should walk away from that meeting confident that you can approach the transformation project in whatever way you see fit.



What a business case presentation isn't

Formulating and presenting your business case for HR technology investment is only the first step to finding new HR software.

Once you've presented your business case, you can then begin researching HR software. You can start speaking with departments within your business and begin formulating a list of features that you'll want your new HR software to include.

The process for finding and onboarding new HR software is quite long. You want to be thorough in your research and check in with key stakeholders at every stage of the process.

You should view your business case presentation as the launch off point for your HR tech transformation project.

It should not be you presenting an HR software platform to a room of business leaders.

Before you make a decision on which HR software is right for your business you should undertake a lot of research. The decision shouldn't be made by you alone. You want to get opinions from everyone in your team and organisation to truly understand their needs and what they want from new HR software. You can then combine these insights with your reasons for change and find a software that serves everyone's needs.

If you stumble across a new piece of HR software one day that you like the look of, that shouldn't be a signal for you to present it to your leadership team. The software might have some great points, but until you do your research and due-diligence on the effectiveness and suitability of the tool, you're essentially gambling on the impact it'll have on your business.

If you do come across a situation like this, it's much better to take a step back and ask yourself why you're drawn to a new HR software. What about it appeals to you? Once you start critically analysing why you like the look of this particular piece of HR software, you've already started the process of building a business case for HR tech investment.

Make sure you always do this. New products and tools can be exciting, but jumping in feet first to a new HR software tool without really thinking about why you want it, can land you with a platform that ultimately isn't fit for purpose in your business.

Taking the time to build and present a thought-out business case with detailed reasons for change tied to real world positive impacts for your business, is the best way to find a tool that your whole company will love.

This is a marathon, not a sprint.



7 steps for building a case for HR technology change

Creating a robust and thorough case for HR technology investment can be an insightful and rewarding process. Once you feel you need new HR software you can begin to analyse your current processes and speak with peers about how to improve your department.

Having this initial spark is only the first step in building your business case for HR technology innovation. Once you've decided you want new software, you need to identify the problems in your current platform and explain how a new HR platform would solve these problems. In turn, you should also demonstrate how solving these issues will improve your department and the business as a whole.

In this part of this guide we'll go through this process step-by-step. At the end of these 7 steps, you will have a complete business case planned out and ready to present to your leadership team.

You can find a business case worksheet at the [back of this guide](#).

To accompany this guide we've produced a business case template worksheet that you can find at the end of this ebook. Once complete, you'll have a full business case planned out, in order and ready to present to your leadership team.

You can fill the worksheet in as you go through the steps in this guide or you can wait till you've finished reading it and work through it then.

1. Define why you need new HR software

Maybe your current software is outdated. Perhaps your HR cloud platform has reached its maximum number of users. Or, maybe the tool you're currently using is getting discontinued, or the team behind it are no longer providing customer support.

These are just some of the potential reasons you might want to start building a business case for new HR software. Other reasons for HR tech investment include:

- Point 1 - Your platform's poor UI is discouraging people from using it
- Point 2 - Your HR software lacks functionality you want, like automation
- Point 3 - Your tool doesn't allow for transparency and communication across a business.

Once these annoyances start getting to a point that they're unmanageable, it's time to make a change. When you've reached that tipping point it's hard to talk yourself down.

It's far better to start listing all the things you don't like about your current HR software platform, leaving the list for a day or two and coming back to it once you've calmed down.

If you still feel that it's a good idea to explore onboarding a new HR software, then you've started building your business case for new tech investment.

The first step is listing all the things you want to change about your current platform. No matter how trivial they might seem and regardless of how little they'll move the needle in regards to your productivity, if a change will make your life easier (even if only by a fraction) then that's worth including.

Once you've made that list, look at all the things you've written down and see if any can be combined. Once you have this list, you have the beginnings of your reasons for change.

This isn't done though. After you've made this list, you now need to move on to step 2. This step is all about explaining how solving these annoyances will benefit you and your business.

KEY QUESTION

What are reasons for change?

You might have seen us mention the term "reasons for change" a few times in this guide already. But what do we mean by this?

Simply put, a reason for change is one of the arguments you'll present to your leadership teams when trying to convince them to invest in new HR software.

2. Show how new HR software will benefit your business?

So far you've decided you want to invest in new HR software and you've written down all the problems and annoyances your current HR tool has. While fixing these issues may be high on your agenda, your leadership team will want to know how solving these problems will lead to greater productivity and efficiency in their business.

You can't just go to your C-suite and ask for a new HR tool if you don't like your current one. You need to take each problem and annoyance and explain how fixing these issues will have a net positive outcome for your entire business.

Broadly speaking, this step is about listing the benefits a new HR software tool will have on your business. You could just list some benefits you've thought about, but skipping the first step in this process isn't advised.

If you can explain how a new HR software tool will solve the issues you're having and also benefit the business, you create a much stronger argument for HR tech investment.

It means you're not just going to your C-suite with a list of features and benefits you've seen advertised for a new HR tech tool.

You're actively solving the issues you're currently facing in your HR team and getting the added bonus of improved efficiency and productivity across your company.

Approaching your business case this way gives you some actionable things you can report on, too. If you know your current tool has 4 big issues that are costing you time, money and energy, you can fix these one by one with the implementation of a new HR software. Then you can show your C-suite that the problems are fixed and how that's improved their business.

If you just lead your business case with the benefits of a new HR software, it's much more difficult to get a before-and-after picture of the positive work you've done.

Some examples of business benefits include:

- Increased productivity through automation of manual processes, letting the HR team focus on projects that'll add value to the business.
- Improved management and processing of personal data. Which, in turn, will lead to increased compliance and a reduction in breaches of regulations.
- Better workforce visibility across the organisation, which means it's easier for the HR team to identify and fix people-related problems.

In this stage of building the business case, it's important that any benefit you mention is tied to a problem you're currently dealing with in your current system. Doing this means you present the strongest argument possible for a new HR tech tool.

The advantages of Cloud HR in numbers

No conversation about HR software investment can be complete nowadays without considering cloud HR tools. Cloud technology is revolutionising traditional HR functions and enabling HR managers to design great workforce experiences for their people.

Cloud HR technology lets HR departments produce reports with a touch of a button. Automation eliminates human error and cloud HR tech frees up an HR leader's time, letting them focus on delivering extra value to their company's employees.

If you're having a conversation or thinking about a new HR software tool, make sure a cloud enabled platform is at the center of your planning. If you need any more reasons to consider a cloud based HR tech tool, check out the numbers* below:

COMPANIES INCREASING SPEND ON HR TECHNOLOGIES

45%

large companies

THE TOP EXPECTED DEVELOPMENTS FROM INTELLIGENT AUTOMATION INVESTMENTS

56%

improved performance

51%

medium sized
companies

54%

freeing resources or staff to
perform more strategic work

*Figures from Sage Consulting

3. Make sure your reasons for wanting new HR software align with the goals of your business

You may feel after the first two steps you're ready to present your business case to your company's decision makers, but there are a few more things you need to do first.

Your company's goals and direction could be at odds with the reasons you want new HR tech. For example, there's no point explaining that a new HR tool will have no upper limit on the number of users it can have if your company is looking to reduce its workforce.

Making sure your business case for new HR technology supports your overall business goal and direction at this stage is really important. It will save you from championing features in a business case presentation which are useless in the grand scheme of your business.

It also means that you can tie the benefits of some new HR software to the overall goals of the business. When you can show your leadership team how new HR tech can have a positive impact on the whole company and not just your department, you're much more likely to get buy-in from them.

Step 2 and 3 may sound similar on paper, but in reality they are different. Step 2 is all about the productivity, efficiency savings and ROI a new HR tool can provide a business. Whereas in step 3, you want to zoom out and talk about the strategic goals and mission of the business.

For example, if a company's goal is to open a new office in another city, new HR software can help facilitate that through better candidate attraction and screening.

By using step 2 and 3 together, you provide more evidence and reasons to invest in new HR technology.

In step 4, you are going to specifically detail what success looks like for each of your reasons for change. Once you've completed step 4, you will have your 3-5 reasons for new HR technology. At that point, we'll have a break in the guide to go over what they should look like.

4. Define what success looks like for each of your reasons for change

So far in this process you've identified several problems you're experiencing with your current HR software. You've explained how a new HR tool would help solve these problems and benefit your business, as well as contribute to its macro goals and mission.

The last thing you need to do is now tie all of the above together with a success metric. This metric doesn't need to be monetary, but it must show a positive gain for your department or business (ideally both).

This success metric should be used as a marker for success in your HR transformation project. By giving each of your reasons for change a success metric, you have created several goals you'll aim to achieve when you undergo your HR transformation project.

These success metrics give your leadership team a clear indication of the positive benefits your new HR software will provide the business. It also gives you a measurable goal you can report on and track.

These success metrics can take many forms, we've listed a few examples below:

- 20 hours per month saved in the HR team thanks to automation tools
- New talent has been found and onboarded to the business 40% faster than before the new HR software tool
- We've saved 15% on people management labour costs since installing the new HR software

By adding a success metric to each of your reasons for change, you're creating a defined end goal and outcome for each. This helps your leadership team visualise the end goal of your HR transformation and it shows you've thought deeply about the macro implications of new HR software. You're not just driven by improving your own department.

Writing your reasons for change

The first 4 steps of this guide have been packed full of information. To avoid you getting overwhelmed we're going to go through an example reason for change so you can see how to piece one together and where each step fits into the overall process.

We'll colour code this example for extra clarity. Before we look at the composition of a reason for change, we'll quickly run through the steps again and assign each one a colour:

- Step 1** - Define why you need new HR software
- Step 2** - Show how new HR software will benefit your business
- Step 3** - Make sure your reasons for wanting new HR software align with the goals of your business.
- Step 4** - Define what success looks like for each of your reasons for change

Combining the 4 steps together we could get a reason for change that looks like this:

Our current HR software is no longer fit for purpose. We currently employ 30 people, yet the tool only has 10 licenses and we can't purchase anymore. This is causing a lot of frustration because people can't access the platform when they need it and it's causing the HR team a lot of extra work.

Changing to new HR software will reduce the amount of time the HR team is spending managing this problem. We won't need to manually enter employee data when they can't access the platform and it will benefit everyone in the business as a new tool, with no upper user limit, will be easier to use, improve productivity and reduce frustration.

We're about to enter another growth phase. As the business gets bigger, we need to be able to serve our growing workforce effectively to keep them happy and engaged with their work. Easy access to our HR department is essential to making this happen. We can't grow if churn is high. A new HR system will help keep employees happy and let us monitor for any people-related issues that could result in staff leaving.

By taking a proactive approach to our company's people management, using a new HR software we can help the business achieve its growth goals for this year.

Once we've implemented the new HR systems we'll see an increased engagement with the HR team, as more people can simultaneously access our HR platform. As more employees become comfortable with the new software, we should see a reduction in the amount of manual admin work the HR team is doing.

This should help to recoup 20 working hours across the team per month. This time can then be spent doing other activities which have a greater impact on the business.

As you can see, going through steps 1-4 creates a small narrative within your reason for change. You should now look back at all the problems you highlighted in step 1 of this process and repeat the steps above.

When you're done you should have 3-5 reasons for change structured like the one we've just gone through. Presenting these reasons to your leadership team one after the other, forms the backbone of your business case.

7 Persuasive reasons for HR investment

When you're writing your reasons for change it can sometimes be difficult to think of unique reasons for wanting to invest in new HR technology. If you've reached that roadblock, we've listed 7 reasons below here that will help your thought process.

1. Reduce attrition	People want to work for companies that listen to them and have a forward thinking approach. A new HR system demonstrates your commitment to creating an agile and engaged workforce.
2. Improve performance	A new HR software tool can provide employees with a clear path towards improving their performance with regular feedback and communication.
3. Reduce recruitment time	HR technology can reduce the time and energy your HR team spends finding and onboarding new talent to your company.
4. Drive productivity	HR software can reduce the time you spend on repetitive administrative tasks. AI and automation functionality can significantly improve your productivity.
5. Provide better experiences	The right HR system can improve communication in your company and boost engagement across your workforce. This, in turn, can help build a collaborative company culture.
6. Maintain compliance	HR software can keep your company's data safe and help you stay compliant with government regulations. It can also help with data gathering and reducing errors.
7. Make data-driven decisions	HR software lets you store all your data in one place. This gives you a unique source of actionable insights into your business. Insights you can use to make strategic decisions that can benefit your company.



5. Demonstrate the viability of your business case and mention any risks

Once you've decided on your reasons for change and have them all in order, the next thing you need to turn your attention to is the viability and risks associated with your business case.

Viability and **Risk** are the two main focuses of this section and we'll discuss each one shortly.

This step is all about demonstrating the achievability of your HR transformation project and setting expectations around the difficulty and setbacks you might experience when onboarding your new HR software.

When you're presenting your business case we always advise starting with your reasons for change. These are very interesting points to talk about and, if presented well, can get your leadership team very excited about onboarding new HR software.

Once you have your leadership team's attention, it's time to prove to them that there is a solution out there that can fulfil everything you've set out to do in your reasons for change. After that, you need to lay out the risks associated with the project. Don't underplay these, transparency is key here.

Viability

Demonstrating the viability of your business case isn't you championing a specific HR tool. If you go back to the first part of this guide, you'll remember that your business case should avoid doing this. Once you've been given the greenlight from your leadership team to undertake your HR transformation project, you can then begin researching HR software tools properly.

This part of your business case is showing your C-suite that there are enough HR software options on the market to make any digital transformation project worthwhile.

Look at it this way, if there's only 2 HR tools on the market that you think you can use, you're not giving yourself a big pool of product to compare, review and test. The chances that 1 of the 2 HR tools will suit your needs is very slim and the project isn't very viable.

If, on the other hand, you have a long list of potential vendors it's much more likely that you can find the perfect tool for your specific business case. This is what demonstrating viability is all about.

When you come to presenting this in your business case, a slide with a multitude of different software options on it would be a very visual way to get your point across. You need to show your decision makers there's enough choice out there for you to get the best product possible for your business.

Risk

You can't present a business case for HR technology investment without mentioning the risks. It may sound scary mentioning the dangers of a transformation project, after all, you've just carried out a lot of work convincing your decision makers a new tool is a good idea. Why would you want to put doubts in their minds now?

It can be tricky mentioning the risks, but hiding them can cause you more trouble in the long run if your onboarding timeline gets disrupted and you've failed to mention that could happen.

All projects come with risks, and transparency at this stage can help you manage your own expectations and workload along with the expectations of your leadership team.

And don't forget, this is the perfect place to mention the risks of doing nothing. These risks can be presented as benefits and can be used to further convince your leadership team of the necessity of HR software investment.



6. Show the C-suite you have a plan going forward

So, you've laid out your reasons for change, proved your business case is viable and mentioned the risks associated with onboarding new HR software. The next thing you need to do in your presentation is demonstrate you have a plan for the next stages of this transformation project.

At Phase 3 we have produced a 12 step plan that goes all the way from building your business case to the business-as-usual day-to-day operation of your new HR platform. This guide is an expanded look at the first step in our 12 step guide. You can download the whole 12 step guide [here](#).

Much like demonstrating the viability of your business plan, this step doesn't need to be a blow-by-blow account of what will happen once you finish your presentation. Instead you need to show you've seriously thought about the next steps in this transformation project from a high level.

Your leadership team likely aren't interested in the details of your plan, but you need to show them a broad overview of what you'll do next and why, with a timeline too. In this stage it's best to focus on the big milestones in your transformation project and invite questions when you're done presenting.

If anyone on the leadership team wants more detail, they'll ask you.

The 4 key stakeholders you need to get onside

When you're presenting your business case it's important you bring the right people into the room to hear you speak. Identify these 4 key stakeholders in your business and make sure you explain why your new HR tool will be good for them. Remove their objections, answer their questions and explain how your new tool will benefit them.

Once when you've got these 4 key players* onside you're much more likely to have your request for a new HR tool approved.

*These 4 examples are just archetypes, in a smaller company one person could fulfil two or even three of these roles.

1. The tech expert

This person is likely your CTO, Chief Information Officer or IT Director. They're the person whose job it is to make sure all your company's digital products and processes are running smoothly.

This person is motivated by cutting costs, improving security and simplifying IT complexity. If you can demonstrate that your new HR software can do these things, you'll have buy in from them.

2. The financial decision maker

Your Finance Director or Chief Financial Officer will likely be this stakeholder. They'll want a detailed breakdown of cost and ROI for the business if they're to agree on investing in new HR software.

They're motivated by cost savings, improved risk management and better insights across the organization.

3. The sense checker

This will likely be a member of your legal team or compliance department. In a smaller company this could be the head of operations or HR, which means you've already got the greenlight from one of your 4 key decision makers. This person is focused on business regulatory commitments and data protection.

They'll be looking to find potential risks in your transformation project and will want to ensure the highest standard of data protection is being upheld at all times. Making sure you have these two issues covered in your business case is the best way to get this person onside.

4. The person with the final say

Who is the person who has the final say on whether your transformation project can happen? It's likely your Managing Director or CEO. Even if you get the other 3 stakeholders on side, one word from this person can stop your project from happening.

Head's of fast growing organisations know the value of investing in people and processes, so pitching to this person first and foremost is the key to getting your investment approved.

Your CEO or MD will be looking to reduce the overall overhead of the business and transform their company into a more agile competitive player in its niche.

7. Get confirmation from your leadership team that you can undertake an HR transformation project

This is arguably the most important part of your entire presentation, but many people forget to do it or don't do it well enough.

Once your presentation is done and you've answered any questions your leadership team has, you need to get a clear answer as to whether they support this transformation project or not.

This can feel like a very forward question to ask your audience. It can make you feel a bit uncomfortable, but clarity here is key. There's nothing worse than a great presentation being forgotten because the presenter didn't push for an answer at the end of their talk. This can be the difference between your HR technology investment project being approved or forgotten about.

If your leadership team can't give you an answer on the day, ask them to go away and consider your proposal and schedule another meeting in their diary to get an answer.

This may feel like you're demanding a lot, but most leadership teams will appreciate the foresight and organisation you're displaying. They're really busy people after all, by making this decision process as easy as possible for them you increase your chance of getting a positive response.





How to structure a business case presentation

Writing and formatting your business case can feel like a big task. But if you follow the steps in this guide you'll find that you can create a business case for HR technology investment quicker than you thought possible.

On the next page we've provided you with a business case worksheet you can fill in whilst going through our 7 steps. Filling in this worksheet as you go will mean you end this guide with a complete business case ready to present.

The template follows the structure laid out below:

- Introduction
- Reasons for change
- Viability and risk
- Next steps
- Questions
- Leadership team buy-in

A quick note on the introduction and questions

In our 7 step guide we didn't mention the introduction. This can be as simple as a hello or a brief spiel about how you arrived at this business case presentation.

Unlike other presentations, your business case will be delivered to people you know, which means the introduction doesn't need to be formal or thorough. You're speaking to peers, colleagues and friends, not investors. Remain professional but you can dispense with most of the niceties that other introductions might include.

Essentially, keep it brief and get straight into the good stuff.

Always field questions before you ask for buy-in from your leadership team. This is likely where you'll do most of the work in the presentation so make sure your facts are correct and figures accurate.

Plan enough time for questions too. They may be over in 5 minutes or could take thirty. It's better to overestimate, if your presentation finishes early your leadership team will be glad they saved some time.

Business case presentation worksheet

On the next page you'll find the accompanying worksheet to this guide. By following the steps we've laid out in this ebook you can fill in the sheet from top to bottom, step by step and end up with a completed business case for HR technology investment.

The worksheet can be completed as you work through the guide or you can fill it in once you've read all the information in the ebook. Keep this worksheet with you when you present your business case, you could even hand out copies to the audience during or after your presentation so they have the information you've presented to them in written form.

Use the worksheet however you see fit. Some people will just use it as a rough guide and will flesh out their business case with details on another document. Other people like to use the worksheet as their main source of information and will take it into their presentation and refer to it solely when presenting. Do whatever works best for you, maintaining the structure and order of the worksheet is what is important. Beyond that add as much flair as you feel like.

Introduction

Your Reasons for Change

Reason 1

Reason 2

Reason 3

Reason 4

Reason 5

Viability and Risk

Viability

Risk

The next steps in your transformation plan

Step 1

Step 2

Step 3

Step 4

Questions

Get an answer from your leadership teams whether they'll invest in some new HR technology or not

If they can't give you an answer today what date have you set for a second meeting?



What to do after you've presented your business case for HR technology investment?

So, you've presented your business case for HR technology investment and you've been successful. What next?

Well, the work is just beginning. You have a list of things you want to fix about your current platform and you've presented several success metrics to your leadership team that you need to fulfil.

The next stage in this process is creating a shortlist of HR software features you'd like your new HR tool to do. We cover the next stages of onboarding new HR software in our guide:

[4 steps to choosing the right HR software: A buyers guide](#)

The ebook you're currently reading, is a detailed look at the first step of the overall HR tech onboarding process. If you'd like to follow the next steps the guide above is a great place to start or you can get a overview of the whole process with our guide:

[12 steps to people technology success](#)



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