4 Guidelines for Building a Business Case for Talent Analytics

A May 2014 MIT Sloan Management research study[1] reports that investments in analytics have steadily increased since 2009 by an annual average growth rate of 8.5%. Further industry research suggests that organizations making these investments are two times more likely to improve their recruiting efforts and leadership pipelines, and are three times more likely to realize cost reductions and efficiency gains[2]. Though these findings demonstrate the value of data to solve business challenges and gain a competitive advantage, securing funding and support for workforce analytics initiatives can still be difficult, and success hinges on your ability to make an effective business case.

Here are four guidelines to follow for building a business case for talent analytics[3] in your organization:

1 DEFINE THE BUSINESS ISSUE AND DETERMINE YOUR KEY STAKEHOLDERS

In addition to understanding (and prioritizing) specific problem(s) that need to be solved, you must determine the individuals who will be impacted and involved in the process. Ask questions like: Who *owns* the issue we need to solve? Who would help champion this program? Who might challenge this program? Start by speaking with internal business leaders, line managers and other executives as you also conduct industry and market research.

2 BUILD A COMPELLING SOLUTION

Detail the key components of your chosen solution and how it will be implemented. Consider dependencies like time, people and other projects. Key questions to pose include: Where will the solution be used? How will we roll out a multi-phase process? Should we combine the solution with another related initiative?

3 QUANTIFY SOLUTION COSTS

Detail the cost drivers of the solution — from the people expenses (e.g., headcount, training, hiring) to process costs (e.g., assessment costs, technology, overhead, etc.). Partner with key stakeholders to validate cost assumptions.

4 DETERMINE KEY METRICS AND DEFINE WHAT SUCCESS LOOKS LIKE

To make a concept meaningful, you need to make it measurable. Determine how you will quantify the benefits of the program/solution in terms of bottom-line impact or other drivers that will resonate with your key audiences.

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[1]Kiron, Kirk Prentice, Boucher Ferguson. "The Analytics Mandate," MIT Sloan Management Review. (2014)
[2]Bersin by Deloitte. "WhatWorks" Brief. (2013)
[3]Bersin by Deloitte. (2014)