

5 Questions to Help You “Sell” the Value of HR

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In the current business environment, it can be very frustrating some days to be an HR professional. In many ways it is like we are living the first line of Charles Dickens' *A Tale of Two Cities*: *It was the best of times, it was the worst of times...*

Never have there been more HR programs and initiatives that can have a direct impact on business results – and never has it been harder to get the attention, investment and commitment of business leaders to make substantive – and at times even minor - changes in order to use the full value of our HR expertise.

In many companies, while HR has been granted a “place” at the table – or earned that place – they have not yet been granted or earned an equivalent and impactful “voice” at that table.

Businesses are in a constant state of change; yet, HR often waits in line for attention and investment behind technology, and technology, and technology, and then marketing (driven more and more by technology) and finance (often driven by technology in the endless appetite for more data). I think you get the point – and if you are an HR professional you not only *get* the point, you are probably living it. There is an endless, jostling line-up at the money trough for change initiatives – and there is a limited amount of money, resources, “brain-space”, time or attention to handle them all.

There are three reasons why it is easier to sell a technology – or marketing or finance – investment than an HR investment:

1. The **business value** of a change in technology can be easier to calculate and justify. The business case is usually more predictable and anchored in more accepted investment metrics.
2. There is often a “**business imperative**” that is easier to identify and argue – “Our value proposition is falling behind our competitors because we can’t offer (fill in your own technology-driven blank) – or “Our cost base is too high compared to our industry peer group because we are not utilizing the most up-to-date technology” or “Our data security is not strong. Our customer data is at risk!” Loudly supporting these imperatives in the popular press are studies like the recent Citibank research that claims that 57% of all existing jobs will be lost to technology in the next twenty years.¹ This is in addition to the jobs that have already been lost!!

¹ Dyer, G. (2017, January 18). Davos: The Rich Are Worried | Gwynne Dyer. Retrieved April 06, 2017, from <http://gwynnedyer.com/2017/davos-the-rich-are-worried/>.

3. Finally, **changes driven by HR are usually changes that involve – gulp!! – people!**

Shocking! But people – managers and staff alike – are a lot harder to manage or change than machines, or marketing campaigns or financial data sets. On top of which it is often harder to draw a direct line between a dollar investment in HR initiatives and a specific, time-bound rate of return.

The great irony, of course, that is never lost on HR professionals is that it is only by developing a well-recruited, qualified, motivated, engaged, well-managed, and competitively compensated work force that any change can be effectively evaluated and executed.

So that's where most of us live – in a competitive, noisy, money-driven environment. What can we do? *We can teach ourselves how to sell our ideas.* To sharpen our pencils and our presentation skills. To build relationships and accept small, steady, measureable victories – to accept the reality that in this day and age having good ideas and a willingness to work hard are not enough. We have to shape and sell and implement those ideas so that they can be seen to have a measureable impact on business results.

To help HR professionals “muscle up” in the realm of selling and relationship management, we have created a checklist of 5 Questions that you need to answer as you work to be heard and have impact. They are essential questions to test yourself against at the start of every project. As you read through this for the first time, we suggest that you identify a critical HR initiative that you are responsible for getting your senior management team (or your boss) to support. As you work through the 5 Questions keep a pad of paper to one side. Answer each question as clearly and honestly as you can for that initiative. In other words, let's start by candidly admitting where we stand.

The 5 Questions

1. Who do I need to sponsor this initiative?
2. What business problem are we solving?
3. What are the numbers?
4. How will our solution directly impact the business?
5. How do I present the value of my solution in a relevant, compelling way?

Here we go....

Question #1 - Who do I need to sponsor this initiative?

Implied in this question is that you need a sponsor. Accept it. You need a sponsor and that sponsor needs to come from the business, not HR. Why? Because you need someone at the senior table who has a stake in the solutions that you provide to improve their business.

So the question then is: Who? Who do you need to sponsor this initiative? The sponsor needs to have a stake in the problem. We define this best as the executive who holds the “money” responsibility for solving the problem or capturing the opportunity that your solution addresses. You need to engage the executive with the greatest stake in the game.

One senior HR professional with experience in both the public and private sectors shared with us the hard-learned wisdom - after making this mistake a few times in her career - that your sponsor can't simply be a senior person who likes you or likes working with you. It's nice, of course, to find people we like to work with, but it can also deceive us into thinking that we have the correct type of senior support. You need a sponsor who has responsibility for the profit & loss that is affected by the change you are working to implement.

Question #2 - What business problem are we solving?

People buy things to solve problems. I need a pen. I'm thirsty. I can't drive legally without insurance. I want to be well-dressed for my next interview. We all do it, all the time. We buy things to solve problems. Executives leading business units are no different. “I will implement – or buy – this HR initiative because it helps me get closer to reaching my business goals or will mitigate the risk of achieving them.” Remember, when you are “selling” you are helping your buyer make an informed decision to improve their business.

Business problems can be defined in one of three ways: How do we make more money? How do we save money – or better manage our costs? How do we mitigate risk? For any HR initiative, you need to be able to connect the dots that create a direct line from your solution to money or risk, because those are the three fundamental criteria at the end of the day that executives use to make decisions: How can I make more money? How can I save money? How can I manage my risk?

Sometimes our challenge is that what we see as a problem - or opportunity - is not seen in a similar way by the senior executive team. In one well-known private sector company, the HR professional told me that she was trying to convince her senior leadership team that they should do a world-renowned Leadership Development program. She was getting no traction. I asked

her three simple questions. What was the company's revenue growth in the past two years? Fantastic, she said, two record years in a row. And what was happening with the stock price? Going up and up; higher than it had ever been. And the direct competition in the market? Very low – their major competitor had gone out of business. By the time she answered the third question she got the point: her leadership team did not believe they needed leadership development. *They did not see their leadership skills as a problem to be solved or an opportunity to be captured.* By the numbers they were being measured on, they were doing just fine. In HR, we can be guilty of running around with great solutions looking for a problem. Start with the problem – as defined by the business – then work with them to craft an appropriate solution.

An interesting note about definitions: Some organizations and individuals don't use the word "problem" when defining what they are trying to accomplish – they prefer opportunity, or issue, or situation. Understand how your sponsor views the world and the language that they use and adapt your vision and language to it. If for no other reason than it just makes life so much easier.

So, put together #1 and #2: work with a sponsor who has a stake in the game and clearly define the business problem you are working with them to fix in their terms.

Okay, now we're moving. But we need to take one more step before crafting our solution...

Question #3 - What are the numbers?

Numbers are the language of business. As HR professionals, we need to get comfortable with many aspects of operational and financial measurements – not just those that impact HR like headcount, turnover, compensation bands, etc. – but more so the operational and financial measurements that drive your business leaders. Some will be financial, some won't; we need to understand them all.

In understanding numbers, it is important to identify different kinds of numbers and different types of measurements. There are hard dollar measurements – revenue and cost. But there are critical numbers that define problems and opportunities that are not money related – customer satisfaction, repeat customers, share of wallet, time to fill orders, days lost to plant accidents, budgeted headcount vs. actual headcount, etc. You have to gather, understand and get comfortable with all the numbers that are relevant to the problem you are aiming to impact.

To start, understand the profit & loss statement. Know how the money moves and how and when decisions are made.

Then identify the numbers – revenue and/or expense – on which your program/initiative/solution can have a positive impact. And be as specific as possible.

Next identify the level of investment that will be involved, when the investment will need to be made and in what budget period the impact will start to show and how much that impact will be.

So how do we know what numbers are important and which ones will be directly relevant to our solution? Here, I will point you back above: When in doubt, go back at Question #1. Ask your sponsor. Have a conversation. I have never met a business person who would not meet with you to answer questions and have a conversation on how to improve their business. Obviously, ask in a polite way, with a genuine interest: Can I buy you a coffee and can you explain....(pick your subject)....your business, how money flows, what numbers are important, how can I help, how can HR help to make those numbers better? Any executive will find time for you: not only do people like to talk about their business, but more importantly, they will help you so that you can help them.

One HR professional who was an internal HR business partner for the technology division of a major Canadian Bank phoned me two weeks after attending our *Linking HR Strategy to Business Strategy* workshop. She had been trying to get the head of the division to allow her to hire a full time recruiter for the division, which needs highly technical experts in systems, networks and data security. She had not gotten any traction; he said they couldn't afford it and the division was under cost pressures. She went back from our program and started digging into the numbers of the business. She went to him and explained two things: 1. The division was currently paying outside recruiters \$1.2 million per year. And 2. She could hire an experienced full-time recruiter who could do the same work for \$120,000 all-in cost. With these numbers in front of him, her boss made the decision in less than three minutes: Hire the recruiter, he said. It was the dollar figures – the numbers – that made the solution very real for him and the decision very clear. These changes would save his division \$1 million dollars a year. Not all solutions are that clear cut, but the numbers – especially dollars and cents – can often make the difference.

So, where are we? Get a sponsor, define the problem in their terms, match the relevant numbers to the problem and the solution.

Now it is time to look at what we do with all that...

Question #4 - How will our solution directly impact the business?

When you are making a change it is sometimes hard for your “buyers” to see or understand exactly how it will affect the operations and what the potential benefits might be. It is our job as the experts in HR to school our executives on how the change will impact the business. Remember, busy executives are dealing with a myriad of change initiatives in addition to the normal challenges of running their unit. They need our help to see how the HR initiative we are proposing will benefit them.

So, you have to answer this question in three ways:

- How the change will be implemented in the business unit?
- How it will affect the current operations of the business unit?
- How it will impact the numbers?

To answer these questions you will need to work closely with your sponsor and his or her team to calibrate the solution you are offering and to discern the impact it will have. Remember, work with them. Don't work in isolation – they have to own the final product if it is to be strongly implemented.

A couple of important things to consider when recommending solutions:

- **Scope:** Start small. Work with your sponsor to craft an initial pilot project to test the solution on a manageable scale. As you work out the kinks and score some early quick wins, the sponsor will help you build a plan to move to a broader rollout. You will have created champions of the change and the word will get around.

One of our HR colleagues joined a company that had sinking sales and huge turnover in its salesforce. The head of sales didn't believe in strong recruitment practices or training. He would say: “I can tell a good salesperson after talking with them for 60 seconds” and “Sales people are born, not made.” Our colleague wisely found one of the regional directors who was interested in finding a way to make positive change. Within three months that region's sales were growing and turn over had dropped to zero. Suddenly, all the other regional directors were very interested in what he was doing that had scored such quick success. “I worked with HR to put in a professional recruiting process and a training program for sales and performance management.” Within months the entire company was doing the same. A huge win for the company and a quiet victory for HR.

- **Change Management:** Working with your sponsor, create a steering committee or working group to run the initiative that is led by the sponsor and that develops a realistic roadmap, with clearly defined, modest steps to implement the change. If you just throw the idea at a group and don't keep strong sponsorship and change management practices throughout, the program will become this month's "flavour of the month" and you will have wasted everyone's efforts and your internal political capital. One step, well done, followed by the next, with steady discernable progress, is all in service of executing the longer plan.

So, where are we: an engaged sponsor, a clearly defined problem, supported by realistic, relevant numbers, all leading to a well-managed implementation taken in digestible steps, meeting agreed deadlines and showing tangible business results....

Question #5 - How do I present the value of my solution in a relevant, compelling way?

At many points in this process, you will be required to present your ideas - to the sponsor, to the executive team, to the project team, etc. Structure and present your presentation based on everything we have already discussed.

- Present the problem/opportunity in business terms.
- Outline the relevant current numbers.
- Present your solution and show how the change will be implemented, the effect it will have on the operations, and what the impact on the numbers will be.

A few things to consider whenever you are making a presentation:

- **Review the material with your sponsor** before presenting to any larger group. Let them help you shape it to make it compelling and relevant. Have them introduce the presentation and support you in whatever ways are appropriate. Always remember: the business has to "own" this change, not HR. It must be seen as endorsed by the business.
- **Start your presentation with the answer first.** In other words, lead by showing the direct impact on the business; don't wait until your final pages or slides. Busy executives want to know if the story is worth sitting through – make the answer short and compelling and show the direct impact on the business, especially the numbers; with showing the impact first, you will entice them – they will be totally engaged from that first slide.

- **Rehearse before you present.** And then rehearse again. And then again...it is worth the time.
- **Take pride and excitement in what you do.** And show it. Busy executives want to know that you are there to help and that you are excited about helping them succeed.
- **Leave them with three key points.** This is the “portable story”. They have to be able to tell your story when they leave – everyone who hears you present should be able to repeat the three key “takeaways” in simple, easy-to-understand business language.

If it helps you, on the following page (Appendix A) is the outline of a business case/presentation. Feel free to adapt it and use it to your benefit.

Final Thoughts

For many HR professionals, the selling of their ideas and the value of their expertise can be a daunting exercise. I hope that you have seen that by answering these 5 questions, building key relationships and having a plan can make that sales effort both more straightforward and engaging. We all want to deliver and be acknowledged for the expertise we have developed and the value we can deliver. Go forth, answer the 5 questions and flourish in your work!

And please come and join us for the Queen’s IRC [Linking HR Strategy to Business Strategy](#) program. At the program we help you to apply these ideas and many more in forging closer, value-added relationships with the leaders of your business. We would love to see you!

About the Author

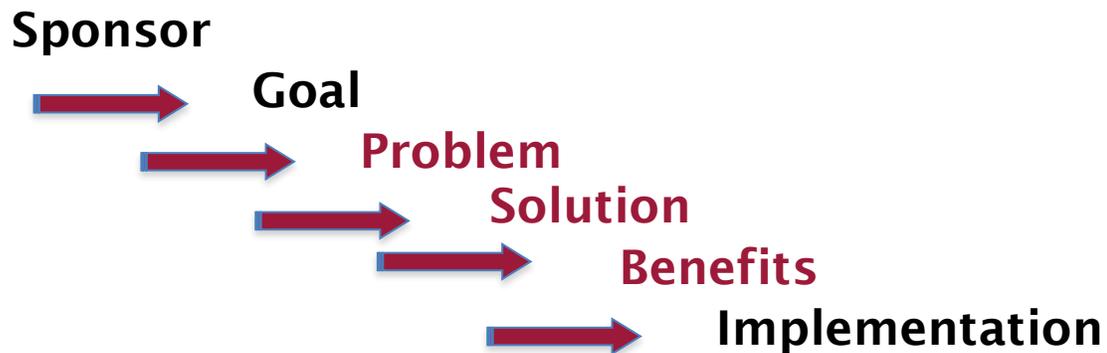


Jim Harrison is an international consultant and facilitator focused on strategy, sales and talent management for mid-sized to large organizations, including government, public service and healthcare organizations. He started his career in financial services, working as a money trader for RBC/Dominion Securities. He has over 30 years' experience in consulting, training, and executive coaching. He works with clients in North & South America, Europe, Australia, and Asia, and regularly facilitates strategy and training sessions for such well-known companies as IBM, Accenture, PwC, KPMG, Deloitte, Fuji, AGFA, TD Bank, AT&T, Deutsche Bank, and HSBC. Jim received his B.Sc. degree in Finance from Florida State University and a Master's Degree in English from the University of California, Irvine.

Jim teaches on the Queen's IRC [Linking HR Strategy to Business Strategy](#) and [HR Metrics and Analytics](#) programs.

Appendix A

Selling Your Value



The Business Case

Sponsor/Goal:

- Aim your business case at the person who “owns” the goal and the problem, has the budget and can make the decision

Problem:

- Define the **problem or opportunity**
- What are they doing now? What needs to change?
- Connect the problem to the sponsor’s **strategic goal or objective**

Solution:

- Show how the **problem** can be **solved**
- Show how the **HR solution** is a key part of the solution
- Show it in their world – how will it work.

Benefits:

- Show the **benefits** first– qualitative & quantitative (\$\$\$)
- Then show the **costs**

Implementation:

- Show the **timeline** - with milestone dates – to reach the benefit
- Show **first key steps to implementation** and measures of success tied to benefits

References

Dyer, G. (2017, January 18). Davos: The Rich Are Worried | Gwynne Dyer. Retrieved April 06, 2017, from <http://gwynnedyer.com/2017/davos-the-rich-are-worried/>.



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