

# Making the Business Case for a Modern Intranet

SIMPLR



RESEARCH

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# Introduction

## How do you calculate the return on investment (ROI) of a modern intranet?

Teams advocating for a new intranet are often the ones who feel the most day-to-day pain. When Simpplr Research meets with internal communications (IC) and intranet practitioners, ROI conversations usually gravitate toward one or more of the following:

1. Time spent administering systems or creating content
2. Frustration with clunky or hard to use applications
3. Lack of employee logins
4. Low employee readership
5. Poor employee engagement scores

While these are the most common pain points, your organization's decision-makers may see these as mere vanity metrics if they're not tied to organizational priorities.

Other conversations involve fanciful arguments and draw partial conclusions.

Here are a couple of examples:

"According to Gallup, 70% of employees are disengaged, therefore we should buy an intranet to improve engagement." Or, "According to McKinsey, employees waste one day of every workweek searching for information. Hence, we should buy an intranet to improve productivity."

Although these arguments should not be used to draw accurate conclusions, both are legitimate quotes from prestigious firms, and you may be able to incorporate some of this logic into your proposals. The challenge in the ROI conversation lies in the details that need to be addressed in between. No rational CFO is going to sign off or prioritize an initiative with this information alone.

To make a successful business case, you need to accomplish the following:

- **Show that the need for a modern intranet is an organizational problem, not isolated to only you and your team.**

It sounds crass, but your organization is likely indifferent to the fact that your processes are laborious, your systems are clunky, and nobody is reading corporate communications' updates.

- **Map the initiative to a tangible business priority instead of trying to create a new one.**

The biggest competitor is other conflicting priorities, and unfortunately, intranet projects are notorious for being delayed. The best bet is to show how a modern intranet will help improve something that's already top of mind. The good news is that there are many examples of how to do this later in this eBook.

- **Show that the status quo is actually worse than doing nothing.** This is the only way to establish a sense of urgency.

- **Get alignment across departments and leadership.**

Intranets are built to bring organizations together across departments and locations. A successful business case will need alignment across the organization.

- **Formulate a logical justification for how a modern intranet helps the organization.**

We'll discuss multiple ways to show how a modern intranet provides business value and ROI.

This paper aims to (1) share ways to address both your specific pains while showing how an intranet can address broader business challenges, and (2) help meet your organization's most pressing challenges.

# How Organizations Justify New Intranet Solutions

An intranet business case is more likely to be successful if it addresses current priorities. Fortunately, there are different ways to accomplish this. Here are the most common use cases that you can anchor on:

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## **We simply need to modernize our intranet technology.**

Many organizations approve intranet projects because they have old, legacy software in-house. Generally, this means the organization is struggling to get employees to use the software. They're often allocating too much time and headcount toward cumbersome administration, bug fixes, or simply upkeep. To become a program champion, you must show that a new approach will increase engagement and lower the total cost of ownership.

## **Our workforce is distributed. Employees aren't equally engaged. Even less so since COVID-19.**

Employee engagement scores may be down, and employees may be missing critical news and announcements. These are familiar arguments from IC teams. Companies may have a Hunger Games-style of communication where employees at different locations have disparate access to information. COVID-19, in particular, exposed many areas where companies' communications tech stack fell short.

For the most part, employees are well-connected to coworkers in our direct teams (often using Zoom for meetings or chat apps like Slack, Teams, or Yammer). But we're getting further removed from coworkers in other departments and across geographic locations. In this scenario, a new

intranet can be set up as a "virtual headquarters" to help everybody stay equally informed, ensure formal communications don't get lost in email or Slack messages, and be able to maintain a cohesive company culture.

## **We need a single source of truth.**

This is a common argument from IT teams. Employees typically don't lack access to information; rather, they struggle with making sense of the information they already have. This isn't easy in a world where the average employee has to log into 10-15 systems daily to do their work. In addition, when documentation is abundant and disparate, it's hard to know whether the content was complete or if it's accurate. Many see the ideal intranet as an employee's ultimate source of truth. When done right, the intranet can serve as a front door to the broader digital workplace by helping employees improve productivity and reduce frustration by guiding them to reliable, up-to-date information.

## **We've had a recent merger and need to create a unified community.**

Mergers and acquisitions bring on many new intranet purchases. These events bring about new employees to connect with, new products to learn, and new systems to enable. Plus, organizations often find the need to focus on communications to maintain employee morale during times of uncertainty.

# How Organizations Justify New Intranet Solutions

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## **We're going through a digital transformation and need to enable employees.**

Many companies are willing to invest in a new intranet because it is a vehicle that can help train employees for other large-scale software deployments. Many Simplr projects were fast tracked to precede new HRIS system rollouts and ERP changes.

## **We're experiencing hyper growth and lack systems and processes.**

Commonly seen among venture-backed high-tech companies, many companies became victims of their own success. The stories are all similar. At first, they build a positive company culture with a couple hundred employees. Then, they grow to thousands overnight. As a result, all of that institutional knowledge stays locked in the early employees' heads, new employees struggle to onboard, and that unique startup culture starts to feel different. The intranet bridges those challenges by connecting the growing company socially and establishing better ways to share knowledge.

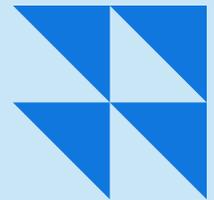
## **The millennials are coming, followed closely by Gen Z!**

Many companies in traditional industries have argued that they need better ways to attract and retain talent. Younger professionals expect consumer-grade technology, but more importantly, they expect a transparent, collaborative work culture. An investment in a modern intranet provides younger employees a knowledge center and reflects the employee values too. It's imperative to have a modern intranet for knowledge management, collaboration, and information sharing, so employees don't feel lost and frustrated.

## **Employee experience reflects our employer brand.**

Employee experience is synonymous with company culture. As mentioned, talent and retention are common reasons for intranet initiatives. Creating a transparent and connected culture is critically important because employee engagement correlates with voluntary employee retention. Moreover, many companies rely on external sources like Glassdoor.com to realize that bad company culture hurts retention and the ability to attract new talent. So, what are the primary drivers of Glassdoor scores? Simplr Research found that company culture and company leadership (or lack thereof) are **the top drivers of company ratings on Glassdoor.**

A modern intranet can provide a company with a contemporary vehicle to align with its employee brand aspirations (versus an old, ugly, clunky intranet portal), a platform for leaders to communicate better, and a place to forge employee connections and company culture.



## **We'd like to reduce internal support tickets.**

Many HR and IT teams have justified an intranet investment based on the thousands of hours saved by not having to respond to one-off requests. Usually, reducing the number of internal support tickets is one of the top reasons for IT to deploy a modern intranet. Modern intranets also integrate with modern help desk ticketing systems, so users can retrieve knowledge documents for previously asked questions and submit new tickets directly from within the intranet.

# Proving Why a New Intranet Is Worth It

Below are the three most common use cases we see organizations using to justify new intranet initiatives. They provide examples of how a better intranet can map to tangible business outcomes. Many software investment pitches follow a comparable problem-solution approach.

The examples each use a common framework to distinguish between the current pain and desired improvements. This approach will help you delineate symptoms from where you want to go and force you to think about why that matters. You'll learn how outcomes and ROI approaches go beyond merely measuring vanity metrics like logins and content consumption.

## 1

### Justify Technology Modernization

Many intranet projects get approved simply because companies have old, legacy software in-house. This reason generally means the organization is struggling to get employees to use the software. Usually, companies are also allocating too much time and headcount toward cumbersome administration.

#### Symptoms you may have a problem:

- Employees don't use your intranet
- Your intranet is not up-to-date and employees can't find reliable information
- Your intranet looks old, is hard to use, and hasn't been upgraded
- Parts of your platform are stale or no longer supported (e.g., some integrations no longer work, old communities have been abandoned, etc.)
- Too much IT Ops budget is spent on maintaining the legacy platform
- Processes the intranet is supposed to support get circumvented. (e.g., too many employee support requests, company updates sent through emails, documents inconsistently shared in messaging apps, etc.)

#### Desired future:

- Employees use the intranet and the intranet achieves high adoption rates
- Employees are more productive with better access to up-to-date information
- Total cost of ownership (TCO) goes down with less technical oversight and full-time administration
- Employees are always on the latest and greatest software
- Content creators and business users no longer depend on technical resources to make day-to-day updates

#### How to quantify ROI:

- Time saved by eliminating IT bottlenecks
- Time and cost savings with faster deployments and upgrade times
- Reduced TCO from freeing up administrators and technical time
- Improved engagement and alignment from higher adoption

# Proving Why a New Intranet Is Worth It

## 2

### Improve Employee Engagement with Better Communication

IC professionals typically see the purpose of their roles to improve employee engagement. Employee engagement and company culture are immensely important, but they're difficult to quantify. Distributed work and COVID-19 have amplified the importance of investing in communications technology. Now is an excellent time to make your pitch.



#### Pro Tip

To start, find someone in leadership who naturally understands the importance of communication, culture, and engagement. Make them a champion. With their support, take your case to the broader organization.

#### Symptoms you may have a problem:

- Employee engagement (and possibly employee retention) are low
- Distributed employees are out of sync and many are ill informed
- Employees have little visibility into what's happening with other departments and locations
- Critical company updates are sent through email (which often get passed up)
- Leadership communications to the broader organization lack a centralized location
- Employees requesting essential company in ad hoc manner
- News and knowledge are tribally shared through disparate channels
- The company gossip mill is churning with false information
- Merged companies continue to operate in silos and don't have a unified identity

#### Desired future:

- A single centralized location for frequently asked questions and communications
- Employees are ubiquitously informed and less stressed with up-to-date company information
- Remote and distributed employees are equally informed and connected to the workplace
- Employees have the improved ability to find information, collaborate, and network across the organization
- Leadership has an uncluttered platform to communicate vision, priorities, values, and results
- Reinforced company values strengthens employee morale
- The company has reduced email creation/ownership, redundant content production, and support requests for information

#### How to quantify intranet ROI:

- Measure the percentage of employees reading critical communications
- Run 'recall' tests: Test employees' knowledge on current critical information
- Track improvements in employee engagement scores and other culture markers (such as external Glassdoor scores)
- Track and trend your organization's voluntary turnover rates relative to your industry

#### Employee engagement tool or productivity tool?

While IC professionals often see intranets as employee engagement tools, IT often sees intranets as productivity tools. Both are correct! Depending on your role, it's important to understand the other point-of-view and align with other groups on what you want to solve.

# Proving Why a New Intranet Is Worth It

## 3

### Simplify the Digital Workplace with a Single Source of Truth

Many see the ideal intranet as an employee's ultimate source of truth. When done right, the intranet can serve as a front door to the broader digital workplace, helping employees improve productivity and reduce frustration by guiding them to reliable, up-to-date information.

It's important to note a distinction between the "source of truth" and an "everything hub." While many think intranets should house everything, employees struggle with information overload more often than information access. Instead, intranets should be highly curated and reserved largely for critical one-to-many type communications.

For example, intranet content should gravitate toward news and knowledge that is needed across departmental lines. Less is more, especially for large, complex organizations. This level of clarity will help your organization better align and ultimately drive a more successful intranet.

#### Symptoms you may have a problem:

- Essential company information is spread across disparate knowledge bases across the organization
- It is difficult for employees to find reliable up-to-date information. Many documents are fragmented, out-of-date, and unreliable.
- Employees arguably have access to too much information, and systems make it difficult to sort through the information
- New hires struggle to find information and experts to help them to ramp up, and struggle to integrate with the company
- It's challenging to enable employees en masse during wide scale change initiatives (e.g., digital transformation projects, merger integration, product launches)
- IT and HR departments suffer from too many support requests, despite documented processes

#### Desired future:

- Employees have a single source of truth to find reliable, up-to-date information
- The intranet helps employees navigate their broader digital workplace, connects with other critical systems, and doesn't overwhelm employees with too much information
- It's easy to find and connect with experts across the organization
- New hires integrate easily and are given tools to succeed
- Organizations have a means to communicate critical, top-down information to every employee
- Employees have better self-service support

#### How to quantify intranet ROI:

- Track employee time spent looking for relevant content
- Measure increased intranet usage AND all other applications within the digital workplace
- Survey employee satisfaction with support resources
- A/B test new hire onboarding processes and calculate how much can be saved by ramped time-to-productivity
- Run scavenger hunt tests: Test and measure time spent, retrieval accuracy, and satisfaction for employees to find critical information
- Measure compliance and certifications during major change initiatives
- Measure decreases in HR and IT support tickets

#### Going through a major company change?

Many organizations justify a new intranet purchase to help facilitate change communications. Common examples include mergers and acquisitions, massive technology deployments (e.g., a new HR system), and new hire onboarding during rapid growth. It's easier to align with major company initiatives than to create your own.

# Survey Users to Support Your Hypotheses

Only a few things are more powerful than the voice of the masses. Now that you have a general understanding of how you'll build your case, seek out employee data to support your cause. Collecting employee feedback through surveys can be easily created and cost close to nothing.



## Surveying end users

When you combine quantitative data (like low intranet usage) with qualitative data (like employee sentiment), you'll have much more compelling information to build your case. Consider surveying users in the following areas:

- Overall engagement and satisfaction with the organization
- How connected employees feel to the organization's mission and vision
- How informed employees are and whether they are on top of critical information (be bold and quiz them on recent news to test for recall)
- Overall satisfaction of the intranet relative to other software in house
- How easy it is to find information
- Whether the current intranet reflects the employee brand
- Functional feedback (user experience, search, mobile app, etc.)

## Survey content creators and intranet administrators

A single person challenged with laborious steps and manual work may not get management's attention, but 100 people with the same problem might. A survey may highlight the magnitude of your existing processes and their inefficiencies. Consider surveying users in the following areas:

- Time spent creating and curating information
- Time spent maintaining the system
- Areas of the intranet that have been abandoned for other solutions/ processes
- Overall sentiment of existing tools
- Areas that are flat out broken within the system
- What percentage of information within the system is unreliable, out of date, or nonexistent
- How much time is spent supporting one-off requests because the employees aren't using the system

## Pro Tip

Don't just survey how much time employees spend on ownership; calculate it too! Qualitative information is most effective when you use quantitative numbers to support your statement. For example, if you spend 1,000 hours on administration, that is an estimated \$15,500 in lost costs that affect the bottom line!

When you create your survey, include open-ended questions for employees to share their opinions. These insights will provide valuable pull quotes for future presentation decks and often crystalize the pain you're trying to articulate.

# The Power of A/B Testing

Many organizations struggle to show ROI with intranet investments. A/B testing against the status quo is often a helpful way to show comparative value. Here are a couple of examples:

## Testing for New Hire Onboarding

### How Nutanix conducted A/B test experiments to prove intranet ROI

Simplr's customer, Nutanix, was proliferating and hiring 60 new employees every month. To build a case for a new intranet, they separated new hires into different cohorts. The control group used the company's existing tools and resources, while the test group used Simplr's intranet. Participants were sent on a scavenger hunt, tested for information recall, and surveyed on their experiences. The results are below:

### New to NPS?

The Net Promoter Score is a popular survey measurement standard. It helps boil down satisfaction into one easy to use metric. eNPS is a specific survey methodology for employee satisfaction. To learn more visit [www.netpromotersystem.com](http://www.netpromotersystem.com).

	MINUTES SPENT	ACCURACY	NPS
Group with existing tool	41	83%	7
Group with Simplr intranet	23	93%	76

Nutanix ran more A/B tests with similar results and this helped justify their new investment. You can download the in depth case study [here](#).



Nutanix proves return on investment with Simplr

### Learn how Simplr helped Nutanix navigate hypergrowth

- Distributed, point-and-click administration to relieve IT burden and resources
- Federated source of truth that integrates with multiple content knowledge systems
- Modern end-user experience so intuitive it doesn't require formal training

Read the case study

# The Power of A/B Testing

## Testing for Field Enablement

A Simpplr customer in the retail industry wanted to improve positioning and promotional enablement for their frontline employees. The retail company was experiencing several pains:

1. Many of their regions were experiencing flat sales growth
2. There was no consistent leadership communications to the frontline employees
3. Employees struggled to understand what specific changes could help them achieve sales goals

The communications team started with a pilot program for one region since the investment was easier to justify. This reduced investment and change management risk, but also gave the organization the ability to compare whether communication changes helped. Ultimately the pilot region:

1. Achieved better employee engagement scores
2. Higher marks for managers and company leaders
3. Improved sales results

**The results justified the ability to expand the technology across the full company.**



### Here are some examples of metrics that can be A/B tested with intranet trials:

- Usage statistics, logins, and social engagement
- Content views and readership compliance percentages
- User feedback scores
- Time spent creating content
- Time spent searching and finding information
- Search results accuracy
- Content accuracy (percentage of relevant and up-to-date content)
- Employee engagement score improvements
- Leadership approval survey scores
- Social shares using employee advocacy (social promotion) tools

# The Beauty of Internal Communications and ROI

IC practitioners, usually the intranet power users, have felt frustration from not having a strategic seat at the table. According to Simpplr Research's State of Internal Communications 2021, COVID-19, ironically, has helped elevate the importance of this function, but there are still gains to be made.

**Internal communicators are in the perfect position to show strategic relevance. Why?**

1. They have a front row seat to understand company goals and priorities
2. Improved communications can contribute ROI to almost any initiative

It takes a mindset, a keen ear to listen to what's most important to management, and the ability to uplevel your contribution.

## Aligning internal communications and corporate initiatives

The following table accounts for the majority of corporate initiatives. Notice how intuitive it is to argue that improved communications is a critical component of these objectives:

Corporate Initiative	How Internal Communications Can Impact
Increase revenue	Beat the drum on strategy, goals, and how the org can achieve it
Manage cost	Clarify cost cutting strategy; enable and clarify new processes
Diversify revenue streams/cross-sell products	Enable and train employees on new product lines
Increase share of market	Collaborate to train on differentiation, winning points, and strategy
Achieve best service/improve NPS	Share success stories, best practices, and purpose of the initiative
Differentiate company product(s)	Enable and train on product differentiation
Improve customer retention	Outline and reiterate the strategy to get there
Reduce error rates/improve first time resolution	Build out knowledge bases, promote training, and support resources
Develop leadership abilities/succession plans	Work with Training & Development; promote emerging leadership stories
Improve productivity with cross-functional teams	Encourage network building, highlight communications
Attract the best people	Develop and market employee brand and culture, including improving Glassdoor scores
Improve employee retention	Clarify vision, promote culture, encourage network building, etc.

# Conclusion

Just how modern intranets can help employees make sense of too much information, your business case will need to add clarity to why investment is important. While modern intranets help ensure every employee receives critical communications, your business case will also need to show why the investment is needed now. Focus your argument and choose which angles work best for your organization.

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**As you make your case, remember the following pointers:**

1. Map your case to tangible corporate priorities
2. Find champions in your leadership team to support the initiative
3. Understand intranets are solutions that bring departments together. Align with these groups to build a successful case. Consciously spend time understanding their point-of-views and how a new solution may help or hurt them.
4. Don't try to boil the ocean! Focus your case on the few areas that will have the greatest impact.



**Start making your case and try out Simplr's ROI calculator**

For a limited time, Simplr is extending ROI workshop sessions for non-customers who are looking to build a case to upgrade to a modern intranet.

Contact us at **hello@simplr.com** if you're interested.

Note:  
Simplr's ROI sessions are generally reserved and we're unable to share the IP without a workshop commitment.

# About Simpplr

Simplr is today's modern employee intranet. Our software helps companies connect their workforce by streamlining internal communication and forging employee connections. Simpplr partners with many leading brands, including UKG, AAA, Vertex Pharmaceuticals, DocuSign, Eurostar, and Coursera. Our customers are improving productivity, increasing employee engagement, and reducing employee turnover. More importantly, the improved internal communication is helping employees find work meaningful and fulfilling.