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How to Fund a *Talent Transformation*

A Practitioner's Guide to Building the Case,
Securing the Budget, and Making it Stick



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| FOREWORD

You Already Know Change is Needed. The Hard Part Is *What Comes Next*.

Most HR leaders reading this already believe their organization's approach to performance and talent is overdue for a real overhaul. You've seen the friction firsthand. You know what a better system would make possible – **better decisions, faster redeployment, stronger retention** of the people who actually move the needle.

The problem isn't conviction. The problem is the path from conviction to funded, approved, and actually happening.

Over the past several years, working alongside HR leaders at mid-market and enterprise organizations, I've seen the same patterns play out repeatedly. Strong ideas die not because they lack merit, but because the work required to fund and sustain them was done in the wrong order – or not done at all. Champions lose credibility in a **single CFO conversation**. Vendor evaluations stall when leadership was never truly aligned. Initiatives launch and quietly fade because adoption was treated as an afterthought.

This guide is built around a framework I've used across dozens of engagements to help HR leaders do this work in the right sequence, with the **right people**, using the **right language** at each stage. It's not a theory – it's a practical roadmap drawn from real organizations trying to get real investments funded and real change to stick.

If you're at the beginning of this important work, use it as a planning tool. If you're already mid-process, use it to diagnose where you might be off-track. If you're about to walk into a **CFO conversation**, read the chapters on **metrics twice**.

The organizations that fund transformations successfully aren't the ones with the most internal support from day one. They're the ones that built it, deliberately, in the right sequence. **This guide shows you how.**



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The Environment That's Making *This Hard*



“Employee satisfaction and engagement dropped to 7th in CHRO priorities – down from the top 5 in 2025.”

– [Gartner CHRO Leadership Perspective Survey, 2026](#)

If you've tried to get a performance management initiative funded in the past two years and found it harder than expected, you're not imagining it. The rules of the game have changed in ways that catch a lot of HR leaders off guard.

Here's what's actually different right now – and why it matters for how you **build your case**.

Engagement alone doesn't get funded anymore.

This one still surprises people when they hear it said plainly. Leadership teams have grown skeptical of satisfaction scores and survey results as the primary currency for people investments. The ask for funding and resources has to connect directly to business outcomes: productivity, retention of high performers, internal mobility, revenue per employee. Sentiment is supporting evidence. It is not the whole case.

Gartner's 2026 CHRO Leadership Perspective Survey of more than 400 CHROs found that employee satisfaction and engagement dropped to 7th in CHRO priorities – down from the top 5 in 2025. That shift reflects a broader market reality: the metrics HR has historically leaned on simply don't move the conversation at the executive level the way they once did.

Technology budgets are centralized and under more scrutiny than ever.

HR rarely controls its own software budget anymore in mid-market and enterprise organizations. The CFO is in the room. The CIO or CTO often own the decision. Every investment is expected to show defensible ROI before approval – and [Forrester's 2026 technology predictions](#) note that tech and security leaders are being called on to recalibrate investments under tighter financial scrutiny and governance, with CFOs leaning more heavily on **ROI-based approvals** than in prior years.

This means the conversation you need to be ready for isn't just with your CHRO. It's with a CFO who will ask what business problem this solves in the **first thirty seconds**.

Talent teams are being measured on the “*what*”, not just the “*how*”.

Running a clean performance review cycle isn't enough anymore. The question executive teams are asking is whether the talent function is actually moving the business forward: Are we keeping our best people? Are we deploying talent fast enough to hit growth targets? Are managers driving performance or just documenting it?

The organizations winning executive support right now are framing talent investments around execution outcomes – **not process metrics**.

The consequence of getting this wrong is getting worse.

When transformation initiatives stall or fail, the casualty isn't just the project. It's credibility. HR leaders who can't survive a CFO conversation about a talent investment will find the next attempt **even harder**.

The good news: the path to getting this right is learnable, repeatable, and not dependent on having perfect organizational conditions at the start.

Not sure which of these dynamics is most relevant to your situation?

Chat with an expert to identify where you are in the funding process and what your highest-leverage next steps look like.

[Get a Readiness Review →](#)

The Four-Phase Framework: *An Overview*

The 4 Phases of a Funded Talent Transformation



A talent transformation that gets funded and sticks moves through **four phases** – in order. This sounds obvious, but the most common reason initiatives fail is that teams skip ahead or treat phases as **optional**.

The framework below reflects what I've observed across hundreds of engagements: the organizations that get funded are rarely the ones with the most internal enthusiasm. They're the ones who did the right work, in the **right order**, before a single demo was booked.

Phase 1 — The Diagnosis (*Discovery & Evidence*)

Start with the business problem, not the process or tool. Before any vendor conversations, you need a clear, **evidence-backed** articulation of the organizational friction that talent investment would solve – in language a CFO or COO would recognize as their problem.

Phase 2 — The North Star (*Strategy & Gap Analysis*)

Once the problem is defined, you need a picture of the future state and an honest gap assessment. This is where executive alignment happens — before procurement, not after.

Phase 3 — The Commitment (*Business Case & Selection*)

This is where the initiative moves from a recognized need to a budget line. The discipline of this phase is sequence: executive alignment must precede vendor evaluation, not follow it.

Phase 4 — The Execution (*Deployment & Realization*)

Signing the contract is not the finish line. McKinsey research puts it plainly: **42%** of the potential financial benefit of a transformation is lost during implementation and post-change. Only **12%** of organizations sustain transformation gains for three or more years — but those that do grow at twice the rate of those that don't.



The teams that get funded aren't necessarily the ones with the best vendor evaluation process. They're the ones who did the right work, in the right order, before a single demo was booked.

The following **four chapters** go deep on each phase: what to do, what to avoid, and how to know you're ready to move to the next stage. Each chapter includes a **practical tool** you can use directly with your team.

Phase 1: *The Diagnosis*



The first mistake most HR teams make is opening a browser and starting a vendor shortlist. Before any software, you need to prove there's a business problem worth solving – in language that resonates **outside HR**.

Consider two versions of the same *organizational reality*:

"Our performance management process has low adoption and employees don't find annual reviews valuable."

VS

"We can't move talent across divisions fast enough to hit our growth targets. High-performer attrition in critical roles has increased **23%** over the past 3 quarters impacting operations, and time-to-productivity for internal transfers is nearly double what it should be."

One describes an HR problem. The other describes a business problem with a talent dimension. One gets funded. **Guess which one?**

Phase 1 is about assembling the evidence to tell the second version – with data. That means stakeholder listening across business units, a friction analysis using hard numbers, and a market scan of how peers are solving similar challenges. Engagement data belongs in the appendix, not the headline.

The deliverable isn't a deck. It's a clear, evidence-backed problem statement that a CFO would recognize as their problem – not yours. The worksheet below is how you build it.

PHASE 1 TOOL

 **Business Problem Framing *Worksheet***

Use this to pressure-test whether your business case is ready to move to Phase 2.

Step 1 — Identify the business friction

What specific business outcomes are being constrained by a talent gap or performance issue?

Business Area	The Constraint	Data You Have
Revenue / Growth		
Operational Speed		
Talent Mobility		
Key Role Retention		
Other		

Step 2 — Quantify the cost

What is the measurable cost of the current state?

- Estimated annual cost of high-performer attrition in critical roles: \$_____
- Current internal mobility rate: _____% (benchmark target: _____%)
- Revenue per employee (current vs. 12-month trend): \$_____ / \$_____
- Time-to-productivity for new hires or internal transfers: _____ days

Step 3 — Frame it in the CFO's Language

Complete this sentence:

"Our [business outcome] is being constrained by [talent gap or process failure]. The evidence is [data points]. At current rates, this is costing us approximately [\$impact or velocity impact] annually."

Step 4 — Gut-check your stakeholder map

Who have you talked to outside of HR to validate this problem definition?

- COO or equivalent
- Business unit leaders (which ones: _____)
- CFO or Finance partner
- CHRO (already aligned)
- IT / HRIT

Ready to move to Phase 2? If you have specific data in Step 2 and a complete sentence in Step 3: yes. If you're still estimating or working from intuition: go back to the listening sessions.

Want help framing your business problem?

This is the step where most HR leaders get stuck first. Our team can help you build the diagnostic framework specific to your organization.

[Talk to Our Team →](#)

Phase 2: *The North Star*

Define What "Good" Looks Like Before Buying Anything



Phase 1 answers: What's broken? **Phase 2 answers:** What does it look like when it's working?

Most organizations that stall in **Phase 3** didn't fail at vendor selection. They failed here – either by rushing the executive alignment conversation or skipping it entirely.

Phase 2 has a specific sequence. Get your CHRO's genuine buy-in before going to the ELT – not a willing signature, but someone who will advocate in rooms you're not in. When you do go to the executive team, you're presenting a vision, not a vendor. The moment you're talking about software, you've traded a strategic conversation for a procurement one. That's a weaker position.

From there: run an honest gap assessment across Strategy (clarity of talent priorities, alignment to business goals), People (manager effectiveness, adoption history, change readiness), and Systems (what your current process and tech can and can't do). Then get IT in the room for a tech audit. Late-stage IT resistance is one of the top deal-killers in enterprise HR transformations – getting them in early converts them from veto to partner.

You're ready for Phase 3 when you can show the ELT a defined future state, a quantified gap, and a credible path forward. The checklist below is how you verify that.

PHASE 2 TOOL

Gap Assessment Checklist

Use this before moving to Phase 3. If you can't check most of these boxes, more Phase 2 work is needed.

Strategy Alignment

- CHRO has reviewed the business problem framing and is an active champion
- A clear future-state talent strategy has been documented (not just described verbally)
- Future-state strategy is explicitly tied to 2-3 specific business outcomes from Phase 1
- Executive team has been briefed on the vision, not on vendors or solutions
- Executive team has signaled alignment on the need for change (verbal or documented)

Gap Documentation

- The distance between current state and future state has been quantified across People, Strategy, and Systems
- Gap documentation is in a format suitable for an executive presentation
- Estimated cost of the gap (or cost of inaction) has been calculated

People Readiness

- Manager effectiveness has been assessed – current state documented
- Historical adoption patterns have been reviewed (what has and hasn't worked before)
- Change readiness has been evaluated across key stakeholder groups
- HRBP community has been briefed and is aligned

Systems Readiness

- HRBP community has been briefed and is aligned
- Current tech stack capabilities and limitations have been documented
- A technology audit has been completed or scheduled
- IT has confirmed whether a new solution is required or can be deferred



The North Star test: Ask your CHRO to describe the future state talent vision without referring to any vendor or technology. If they can do it in three compelling sentences, you're ready for Phase 3. If they default to describing software features, go back to the vision work.

Phase 3: *The Commitment*

Turning a Recognized Need Into a Funded Priority



This is where the initiative becomes a budget line – or quietly dies.

The discipline here is sequence. Executive alignment must come before vendor evaluation, not after. Teams that invert this consistently hit the same wall: months of evaluation work collapses when leadership is asked "did we decide we needed this?" and the honest answer is no, not formally.

Before any vendor conversations: return to the **ELT** with specifics – cost, resource commitment, timeline. No surprises. Leaders who feel surprised by scope in a final pitch protect their own credibility by saying no, even when they were supportive in concept.

Once that's confirmed, run a rigorous evaluation with IT and procurement against your specific requirements – not a **generic RFP**. The vendors who should win are the ones who understand your business problem. How a vendor shows up before the contract is signed predicts how they'll show up after.

The final pitch structure: Restate the business problem (already agreed). Describe the future state (already endorsed). Present the gap. Make the recommendation and budget request. Close on financial impact – the metrics below are the ones that actually move CFOs.

The Metrics That *Move CFOs*

Metric	Why It Lands
Revenue per employee	The cleanest proxy for workforce productivity and business efficiency. Directly connects talent investment to top-line performance.
High-performer retention rate vs. overall retention rate	Losing average performers is a cost. Losing high performers is a compounding competitive disadvantage – and CFOs know it.
Attrition cost avoidance	With replacement costs running 1.5–2x annual salary for knowledge workers, even a 5% reduction in voluntary turnover typically pays for enterprise performance software 10x over.
Internal mobility rate	Talent agility is a CEO-level priority as organizations navigate AI transformation and operating model change. Low internal mobility signals a workforce that can't adapt.
Time to productivity	For new hires and internal transfers. Directly tied to revenue capacity and operational speed – especially in growth environments.
Goal achievement rate against company priorities	The metric that most directly connects people management to business execution. The one that answers "is our workforce actually executing our strategy?"

Contract, Legal, and InfoSec

Get ahead of this. In enterprise organizations, the stakeholder coordination required for vendor onboarding can take as long as the evaluation itself if it's not planned for. Legal, InfoSec, and IT procurement each have their own timelines. The teams that don't plan for this discover it in the last thirty days and lose a quarter.

PHASE 3 TOOL

Readiness Checklist

Use this before scheduling the final executive pitch. If items are unchecked, resolve them first.

- ELT has been briefed on full investment scope – no surprises remain
- CFO or Finance partner has been engaged (pre-pitch, not in the room for the first time)
- IT and procurement are aligned and participating in the evaluation
- Technology evaluation has been completed against strategy-specific requirements (not a generic RFP)
- Business case document is complete and uses CFO-language metrics
- Implementation timeline is realistic and has been reviewed with IT
- Legal and InfoSec stakeholders have been identified and timelines estimated
- CHRO is prepared to lead or co-present the final pitch
- Post-implementation adoption strategy has been outlined (Phase 4 readiness)

In active vendor evaluation and want a second opinion?

Betterworks shows up in Phase 1 with a business problem framework, not in Phase 3 with a demo. If you're already here, we'd welcome the conversation.

[See How Betterworks Engages Differently →](#)

Phase 4: *Execution*

When Credibility Is Won or Lost



Signing the contract is not the finish line. **McKinsey puts this plainly:** 42% of the potential financial benefit of a transformation is lost during implementation and post-change. Only 12% of organizations sustain transformation gains for three or more years – but those that do grow at twice the rate of those that don't.

The difference comes down to two things.

Adoption, not just rollout. There's a meaningful distinction between launching a system and driving behavior change. Rollout is an IT deployment. Adoption is a strategic campaign. The organizations that get ROI treat adoption with the same rigor they gave the business case: dedicated manager enablement, communications by audience, someone accountable for adoption outcomes – not system uptime. The more performance management happens in the flow of work, the less behavior change it requires to sustain.

Tracking impact against the original business case. Go back to the metrics you defined in Phase 1 and measure against them. Bring the results to the ELT – not system utilization stats, but business outcomes. The organizations that do this never have to fight for HR budget again.

The checklist below structures both.

PHASE 4 TOOL

Checklist: *Adoption & Impact Tracking*

Use this at launch and revisit at 30, 60, and 90 days post-deployment.

Adoption Foundation

- Change management plan is complete and owned by a named leader
- Manager enablement program has been designed and scheduled
- Communication plan by audience (executives, managers, employees) is ready
- Adoption metrics have been defined (not just login rates – behavioral indicators)
- Early win indicators have been identified (what would "working" look like at 30 days?)

Impact Tracking

- Baseline metrics from Phase 1 have been documented and are trackable
- Impact dashboard or reporting structure is established
- 90-day and 6-month review with ELT is already on the calendar
- Business outcome metrics (not just HR metrics) are included in reporting
- Feedback loop from managers and employees is structured and scheduled

Ongoing

- Adoption data is reviewed monthly and acted on (not just reported)
- Phase 1 business case metrics are updated quarterly
- ROI story is documented and ready for next budget cycle

"The organizations that demonstrate measurable Phase 4 impact are the ones that never have to fight for HR budget again. They've proven that talent investments produce returns the C-suite cares about."



Tyler Felber
VP Of Enterprise Sales | Betterworks



The Four Mistakes That Kill *Good Initiatives*

These aren't edge cases. They show up, in some form, in nearly every initiative that doesn't reach the finish line.

Treating the business case as a nice to have

Without a quantified, outcome-connected case for change, the initiative won't survive the first serious budget conversation. "We need better performance management" is not a business case. "High-performer attrition in our engineering function is costing us \$4.2M annually and we have no visibility into flight risk" is.

Running vendor evaluations before ELT buy-in

This is the most common failure pattern – and it's devastating because it usually happens after months of work. Shortlists get built, RFPs get completed, vendors get ranked. Then leadership asks "did we decide we needed this?" and the honest answer is no, not formally. Alignment assumed is not alignment established.

✘ No relationship with IT

HR leaders without a working IT relationship before the evaluation starts consistently face late-stage resistance that kills timelines and sometimes kills deals. IT is not a Phase 3 formality. IT is a Phase 2 partner – and getting them in the room early changes the outcome.

✘ Following the process without persistence

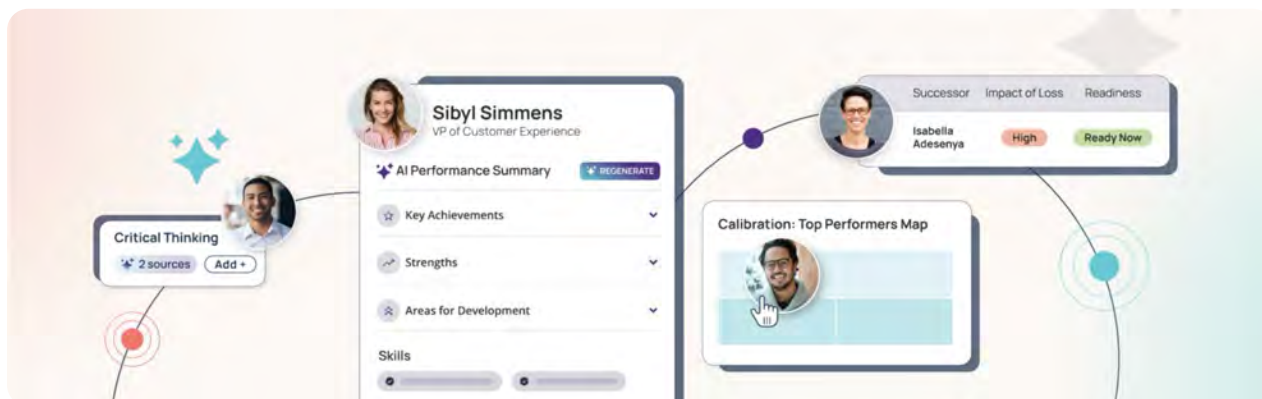
Transformation encounters resistance. That's not a sign something is wrong – it's a feature of significant organizational change. Other initiatives are competing for the same budget, the same executive attention, the same capacity. The quietest transformation initiative is the first one deprioritized when the next quarter gets hard.

Where does your initiative stand?

- No business case yet → back to **Phase 1**
- Demos before buy-in → back to **Phase 2**
- Losing momentum → add structured persistence to your **Phase 3/4** plan



Where Betterworks *Fits In*



Most software vendors show up in **Phase 3** with a demo. Betterworks shows up in **Phase 1** with a framework. That reflects a genuine difference in how we engage — and why the organizations that go through this process with us tend to build more durable transformations.

A few things that make us different in practice:

The business case already exists in your data — it just needs assembling

Most HR leaders already have the numbers that make a compelling case: turnover by role, productivity trends, internal mobility data, manager effectiveness gaps. They haven't yet assembled it through a business lens. The diagnostic work in Phase 1 consistently surfaces it.

Skills visibility without a separate project

Betterworks is the only platform that uncovers skills **organically** through performance management – no separate taxonomy project, no multi-year implementation. As employees set goals, exchange feedback, and complete check-ins in the flow of work, the platform infers real capability signals from real work. Talent leaders get the visibility to make deployment decisions based on **evidence**, not instinct.

Adoption drives quality. Data quality drives better decisions

The model is built around reducing friction to the point where performance management happens as a natural part of work. **Higher adoption → richer data → more confident talent decisions → measurable business impact.**

AI that powers decisions, not just documentation

Betterworks surfaces AI-inferred signals in a human-in-the-loop model – managers verify, contextualize, and act. **Evidence-based** talent decisions that can be explained and defended, not black-box recommendations.

If you're reading this thinking "we haven't done Phase 1 properly" – that's fixable, and it's where we start.

Ready to assess where you are in the transition journey?

A focused 30-minute readiness review helps you identify your exact position in the funding process and the highest-leverage next step – whether you're just beginning Phase 1 or already in vendor evaluation.

[Request a Readiness Review →](#)



Back Matter — Quick Reference

The Four-Phase Summary

Phase	Focus	Key Deliverables	Green Light Test
1 – The Diagnosis	Identify the real business problem	Evidence-backed problem statement in CFO language	Can you complete the business problem sentence with data?
2 – The North Star	Define future state + assess the gap	Gap assessment + ELT alignment on vision	Has the ELT endorsed the vision (not just heard it)?
3 – The Commitment	Build the business case + select a partner	Funded budget approval	Has IT signed off? Does the CFO have the metrics?
4 – Execution	Drive adoption + prove ROI	Measured business outcomes vs. Phase 1 baseline	Are you tracking business metrics, not just logins?

The CFO Metrics Cheat Sheet

- Revenue per employee – workforce productivity proxy
- High-performer retention rate – compounding competitive advantage metric
- Attrition cost avoidance – 5% improvement typically pays for enterprise software 10x over
- Internal mobility rate – talent agility for an AI-transforming operating model
- Time to productivity – new hire and transfer speed to revenue contribution
- Goal achievement rate – the direct line from people management to business execution

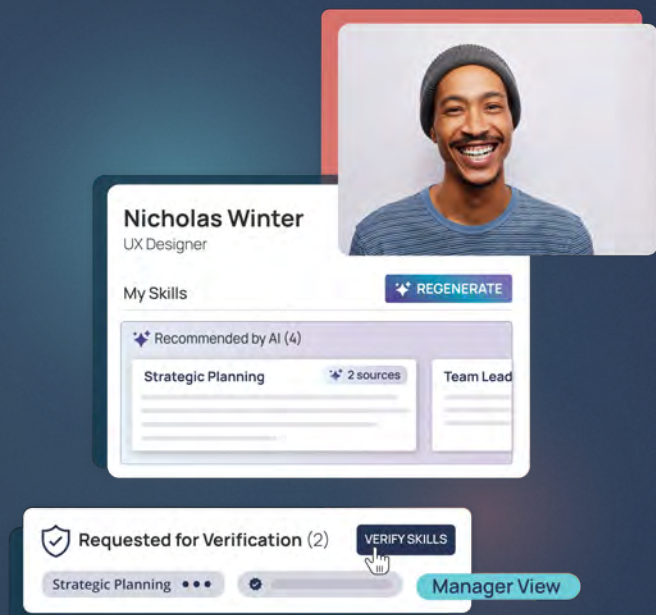
The Four Failure Patterns

1. Treating the business case as optional
2. Running vendor evaluations before ELT buy-in
3. No IT relationship before Phase 3
4. Losing momentum without structured persistence

Ready to move from conversation to commitment?

Whether you're just beginning the diagnostic phase or trying to revive a stalled initiative, Betterworks' team of HR transformation practitioners can help you build the case, navigate the stakeholders, and select the right approach for your organization.

[Talk to an HR Transformation Expert →](#)



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