

Discovering the true value of your intranet

ClearPeople 
whitepaper

The return on investment (ROI) for intranets is notoriously difficult to measure. The key metrics for success are often based on broader organisational benefits like improved communication, collaboration, and knowledge sharing, increased productivity and higher staff retention, all of which foster a better sense of community and engagement. Such intangible factors are deemed unhelpful in letting business leaders and finance teams understand the monetary value in investing in technology. But the conventional financial measure of ROI isn't necessarily the best approach to measuring the success of your intranet and

this whitepaper will also consider both the **ROBO (return on business objectives)** and **ROE (return on engagement)** approaches to measuring intranet success. Such approaches take into account the main challenges your employees are facing and how the functionality of the intranet helps to solve their daily needs, making their working lives that much easier. It's especially important to remember that every organisation is different and so the requirements of every intranet will differ as much as how to measure them.

Shape your business strategy

To demonstrate the value of your intranet to your Board, you first need to understand your overall business strategy and identify how the new intranet can help contribute to these goals.

Fostering a culture of engagement, sharing knowledge, enhancing productivity, increasing revenue, generating innovative ideas and reducing costs are often the key elements of a business strategy and can be directly aligned to the positive impact of an intranet.





Identify business benefits by understanding pain points

Your employees will have daily challenges and gripes that they face every working day which a new intranet could potentially alleviate. An important stage in preparing to prove the value of your intranet is to understand what these pain points are so you can align them to problem-solving benefits.

Let's take a look at some of the top challenges your employees might be facing:

1 Finding the right information

A study by BAE Systems discovered that 80% of employees waste an average of half an hour per day retrieving information. That's a lot of time wasted on a weekly, monthly and yearly basis which directly impacts profitability.

2 Locating the right people

Similar to finding the right information, accessing the right people to help with enquiries and projects, and being able to easily contact them, is a major activity that is wasting precious billable time.

3 Duplicating work

The same study by BAE Systems identified that 60% of employees are spending an hour or more duplicating the work of others.

4 Email management

Navigating through your inbox to access attachments, respond to messages and prioritise email conversations costs companies on average \$8,000 a year per employee according to the IDC.

5 Attending too many meetings

Meetings are expensive. MeetingSqaured research found that the average worker in the UK attends 3.7 meetings every week, spending 1 hour and 9 minutes preparing for each meeting, and 1 hour and 22 minutes actually attending it. Across a 40 year career, this equates to a total of 17,470 hours – two entire years of someone’s life or around ten years of work time.

6 Accessing information on the road

Accessing documents and files on the go can be a hassle or impossible depending on your company’s systems. Not having the ability to work from anywhere on any device is a major issue with an increasingly global workforce.

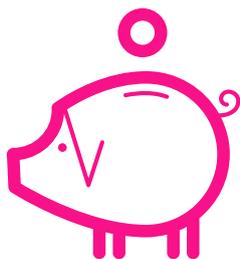
7 Onboarding

As staff leave and new employees join, the onboarding process can often be time-consuming for managers and co-workers. With handy resources readily available on your company intranet including policies, videos and how-to guides, the onboarding process can be simplified.

Cost savings

Most of these pain points can be identified as time wasters and as the old adage goes “time is money.”

To put a monetary value against such tasks, let's take the BAE Systems study example of 80% of employees wasting an average of half an hour per day retrieving information, while 60% are spending an hour or more duplicating the work of others. If you have 100 employees handling documents daily and their average wage is £10 per hour, that's £8,000 a month wasted on retrieving information and an extra £12,000 spent duplicating work.



Reducing this wasted time directly impacts cost savings, so think of other time-saving tasks an intranet has the potential to fulfil.

Here's a few other suggestions:

On-boarding new employees

Finding staff contact details

Answering queries over the phone or by email

Completing and submitting forms

Keeping staff up to date with company news

Informing staff of changes to policies and procedures

Booking annual leave

Logging time

Collaborating effectively

Sales support

Idea management

IT teams updating content

Furthermore, the McKinsey Global Institute has found that when companies use social collaboration tools internally, the time employees spend searching for company information can reduce by as much as 35% as messages become content; a searchable record of knowledge.

As well as the time savings, there are other inevitable hard cost savings that are a natural by-product of intranet projects. For example, deploying a new intranet usually results in the reduction in paper usage and printing costs. When we also take into account soft cost savings on software installations, you start to build an impressive picture of how an intranet can help your business.

Reducing IT involvement

A lot of legacy systems require IT teams to update content, and maintain the systems and servers. By reducing IT involvement, consolidating hardware and moving to the cloud, you'll inevitably be reducing further costs. With a cloud-based intranet, applications are located in a central repository and with upgrades managed centrally, time and money is saved as well as efficiency improved.

Of course, it is important to weigh up the pros and cons of an on-premise solution versus a cloud-based solution, ensuring that you choose the right option for your organisation's objectives. Drawing up the total cost of ownership is a useful exercise to compare the investment over time – as on-premise solutions often require a larger investment up-front and cloud-based solutions will have licensing models that you need to take into account.

Here's a breakdown of project costs to be considered:

- 1 Consulting – discovery, planning and design
 - 2 Software and licensing
 - 3 Hardware and infrastructure
 - 4 Development – implementation, configuration, customisation, and integrations
 - 5 Training – user adoption planning, champion-users and end-users
 - 6 Support – maintenance and upgrades
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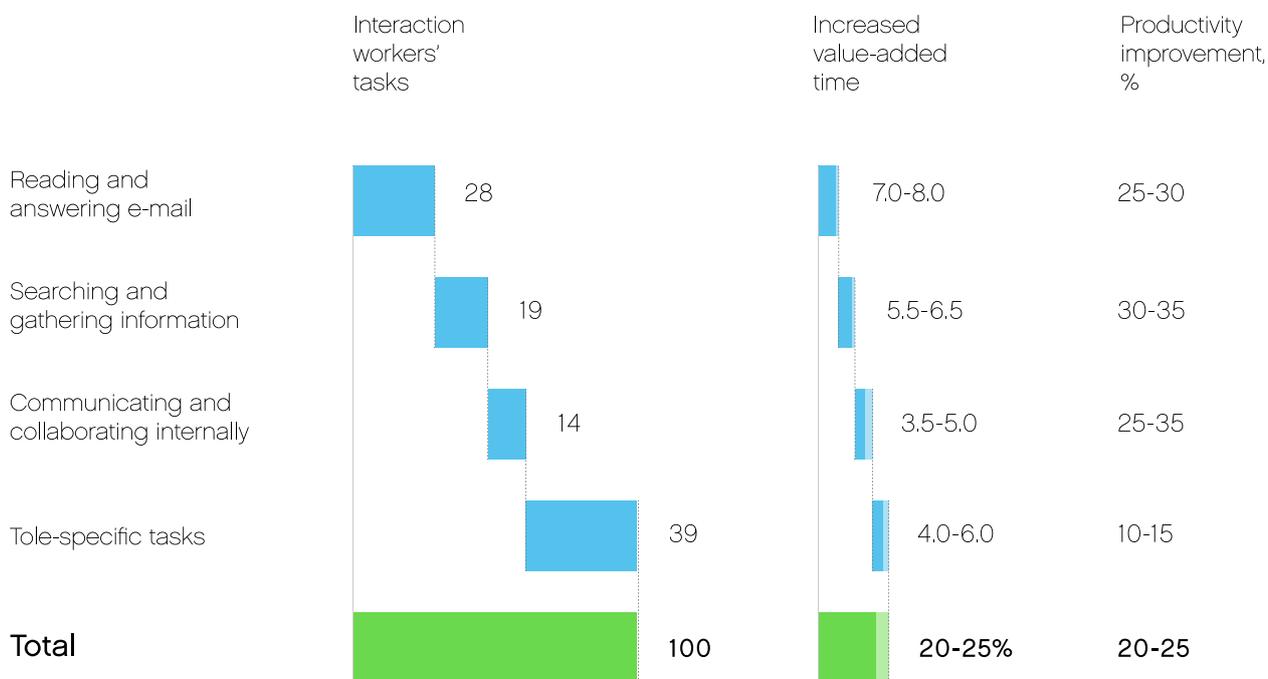
What does success look like?



Monetary value/cost saving is just one measure of success. The real value of an intranet is focused on improved efficiency and enhanced employee productivity through better communication, collaboration and engagement.

A report published by the McKinsey Global Institute states that by using social technologies, companies can raise the productivity of knowledge workers by 20-25%.

% of average work week



Source: International Data Corporation (IDC); McKinsey Global Institute analysis

Efficiency is a key success metric for measuring intranet ROI. An efficient company is flexible and mobile and can be measured not only by how much time and money they are saving, but also their speed to market with new innovations. Efficiency opens up the channels of communication meaning that the workforce can better communicate and work through processes faster than when using legacy methods. Simple calculations of how long tasks took to complete before and after is a quick measure of efficiency success.

Adoption and Continuous Improvement

Such benefits are only achievable if people are actually using the new intranet, but engagement with a new intranet is not always easy. Without an adoption and engagement programme in place, organisations continue to struggle to ensure that any new technology and processes implemented are fully understood and utilised by their workforce.

Too often we speak to clients who have implemented technology solutions but are baffled by its poor user adoption. When deploying a technology solution like an intranet, it's important to understand that they will live and die by their governance, usability and overall usefulness. Technology provides the tools to enable usefulness, but you need knowledge, experience and creativity to engender user adoption and maximise return on investment.

With this in mind, before you start an intranet project, again you need to decide what key indicators you will measure to determine whether or not its development is a success or not. These will revert back to your business goals, so always look back to your initial pain points and continuously monitor and analyse improvements (or regressions) from launch at regular intervals

To reap the full benefit of your intranet, you need to be able to transform or improve upon your structures, processes, and cultures: becoming more open and non-hierarchical to create a culture of trust. A successful intranet project relies upon the full and enthusiastic participation of employees who are empowered to share their thoughts, knowledge and opinions, and trust that their contributions will be respected. Creating these conditions is often far more challenging than implementing the technologies themselves.

The notion of continuous improvement is paramount with intranet projects. Don't fall into the trap of switching on new technology and thinking the project is over. The launch phase is just the beginning. Your business is constantly evolving and with it, your staff and your intranet need to evolve too. It's important to keep looking back at your business objectives and enhancing your intranet based on analytics and user feedback to ensure that your intranet is continuing to help you meet your overall business objectives.

Surveys and assessments are great tools to quickly gauge perceptions of your workforce in how they are using the intranet and if it is indeed meeting their needs. By capturing success stories and illustrating the engagement levels of intranet usage, and by using the intranet itself to share this information, you'll be able to prove to the Board the real value of your intranet.



Happy to help

The ROI and ROE of intranet projects is not easy to measure. Investment in technology, people and training has to be proved to the Board to see the project through. By starting with your business strategy and identifying key measures of success, you'll be able to define some key metrics to demonstrate how effective your intranet is in boosting employee engagement, enhancing knowledge sharing and increasing business productivity over time.

At ClearPeople, we work with our clients to help them realise the ROI an intranet can bring their business. As award-winning employee engagement specialists, we can help you collaborate more efficiently and have recently rolled out intranets with Stephenson Harwood, Holman Fenwick Willan and Alzheimer's Society, the latter winning Best in Class Intranet at the Interactive Media Awards.

What's more, we can help you to track engagement through analytics, providing a powerful, evidence-led mechanism to report on your intranet's success. Talk to one of our experienced Consultants today for a no-nonsense chat on how to make the best decisions for your future intranet.



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