

*Making the*

# BUSINESS CASE *for* RESOURCES

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Running a successful, *Stage 4, mature learning business* requires the right human resources and technology. But learning businesses often don't have adequate or appropriate resources. Making the business case for new or better resources is an essential skill for those leading and working in learning businesses.

Here we offer five approaches to making the business case to secure the money, materials, staff, and other assets you need for your learning business to not only survive but thrive.

Each approach can be used on its own but is often most effective when used in combination with others. If you need ways to convince decision makers of the essential work learning does and why they should fully support and fund the learning business, read on.

# 1

**Look to strategy.**

# 2

**Nail the OMV.**

# 3

**Teach to sell.**

# 4

**Pre-suade to  
set the stage.**

# 5

**Wield  
influence.**

**tagoras**<sup>TM</sup>  
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# Making a business case is **SELLING**.

Before we turn to the five techniques, it's important to understand how we view making a business case. We believe that when you're making a business case, you're selling.

With the knowledge that you're selling, next determine to whom you're selling and what motivates them.

- Who makes the decision related to your case?
- What do they care about?
- Why do they care about it?

Answering those questions will require thought and perhaps some footwork. As you do your research, check assumptions. On any of these three questions—who, what they care about, and why—it's easy to misstep.

You might think the decision maker is the executive director or CEO, but it's the board. Or maybe it's not a board-level or CEO-level decision; maybe the head of IT or HR or the VP of marketing has the ability to say yes to what you want.

Once you know who the decision maker is, you can misstep on what they care about and why. It's common to ascribe our own motivations to others, but don't assume decision makers care about the same things you do. Put yourself in their shoes to understand their perspective. Look for evidence of what they care about—beyond what they might say they care about, what actions have you seen them take that show you what they care about?

If you're dealing with multiple decision makers, you may need to tailor your case for different individuals. There is no single approach that will work across the board in all situations where you're making a business case. But these five approaches are tools you can use. Employ and vary them according to the particular case you're making and to whom.

# Know **WHO** makes the decision, **WHAT** they care about, and **WHY**.

# 1 Look to strategy.

The first approach involves looking at your organization's strategy. *The key outcome of any well-formulated strategy is a framework for making decisions.* Creating a strategy is an exercise in narrowing your choices and focusing on the activities that will contribute to progress. Once the strategy is in place, it becomes a point of reference for all the other choices you and others have to make in running your learning business. Whether you're making decisions about technology, hiring, which products to develop, or which marketing campaigns to run, you should always ask, "Does this support our strategy?"

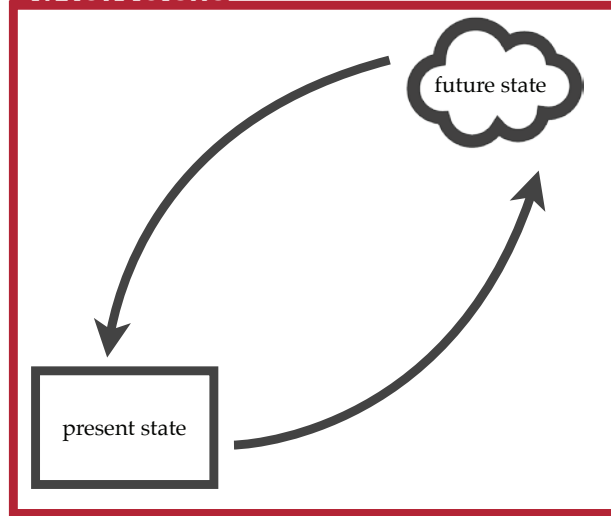


If the resources you're asking for don't jibe with the strategy, abandon the request. If they do, then referencing strategy is a powerful stance, as it highlights the common ground, the decision-making framework, that you and the decision maker share.

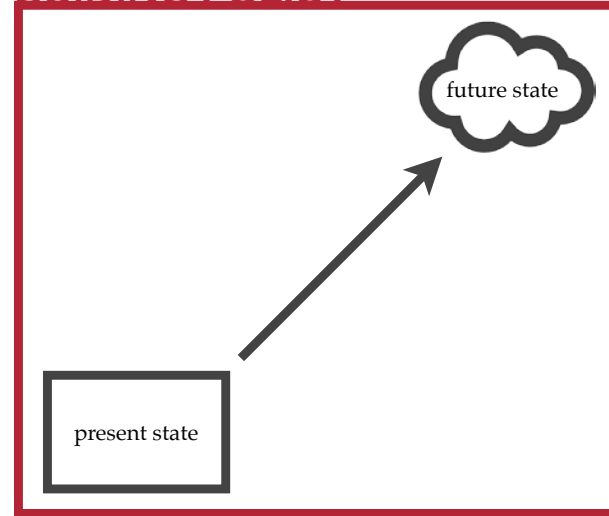
As discussed in **Richard Rumelt's excellent book *Good Strategy, Bad Strategy***, the three essential components of a strategy are a diagnosis, a guiding policy, and coherent actions.

- The *diagnosis* centers on the key challenge faced by an organization. In a diagnosis related to learning business strategy, the challenge often deals with competition, change, or both. Competition is about where else your learners go or can go for their education needs. Change is about the shifts that are inevitably occurring in the environment around you and the tension that exists between where you are now and where you want and need to be. You create a hypothesis about what's going to get you from where you are now—the present state, where the challenge exists—to where you want to be—the future state, where the challenge has been dealt with.
- A *guiding policy* is the response to the challenge identified during the diagnosis. How will you deal with the obstacles you know exist? A guiding policy provides the trajectory, the general path, for how to achieve the ideal future state. In a strategy for a learning business, the guiding policy usually builds on or creates leverage or advantage.
- *Coherent actions* are designed to carry out the guiding policy. These are the coordinated steps that accomplish the guiding policy. The idea of coordination is essential. Without coordination—that is, without the work you've done to diagnose the situation and develop a guiding policy—you might engage in activities that dilute your efforts or, worse, work at cross-purposes.

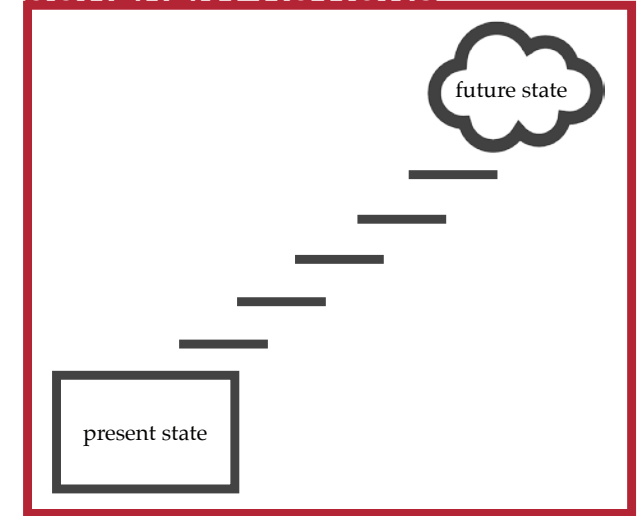
## DIAGNOSIS



## GUIDING POLICY



## COHERENT ACTIONS



When making the business case for resources, look to your strategy, and clearly identify how the resources are consistent with the strategy.

- Do the resources relate directly to addressing the key challenge you identified in the diagnosis?
- Do the resources factor into your guiding policy, that response you formulated for addressing the challenge you diagnosed?
- Are the resources essential for carrying out one or more of the coherent actions you identified?

In a learning business strategy, the coherent actions usually deal with resource allocation and actions around product design, product development, marketing, and selling. Since resources like time and money are always limited (even in well-heeled organizations, resources are limited), it's essential to coordinate your efforts so that what you

invest in actually supports your strategy in as direct and targeted a way as possible.

The need to make a business case arises when there's some disagreement—or at least a question—about how much to spend and on what. Disagreements tend to be about the destination or how you get to that destination. Strategy helps on both counts.

Strategy helps ensure you and whoever has the power to deny or approve your requests are on the same page about the destination (that ideal future state) and in agreement around the general plan for how you get there (the guiding policy and coherent actions).

The power of that strategic alignment can be invaluable in successfully making a business case for resources.

# Nail the OMV.



The second approach draws on the work of [Alan Weiss](#) and is the foundation we've used for our own proposals over the past decade (And we've enjoyed a very high success rate on our proposals—over 80 percent most years.) This approach involves paying careful attention to the OMV, an acronym for *objective, measures, and value*.

The first step in nailing the OMV is diagnosing the situation (which is also a fundamental part of strategy and ties to the first approach) and understanding the key objective or objectives the decision maker seeks to achieve. Sometimes, if good strategy work has already been done, the objectives are clear. If that's not the case, it can take significant dialog to draw out and focus the objective. Once you've had that dialog and gotten clear agreement around the objective, develop metrics, or measures, that you and the decision maker agree will demonstrate that the objective has been achieved. Finally, work to reach agreement around the overall value, or impact, that will result from pursuing the proposed initiative and achieving the objective.

It's important to emphasize the final piece is not only a matter of tangible, financial value. Yes, you should be prepared with the appropriate financial projections to demonstrate a return on whatever you're proposing, but also consider the intangible and complementary value that will be produced. For example, will your efforts help elevate the brand of the organization?

Will they attract a historically untapped member or customer segment? Also, don't limit your search for value to the organization. Are there ways in which the initiative will create value that is personally important to the decision maker—will it support a pet project, for example, or simply make the person look good?

Finally, the reason for doing all of this is to get to conceptual agreement before you ever ask for a firm commitment. If you and the decision maker have agreed to the objective, to the measures, and to the value that will be generated, and if the value is clear and desirable, then moving to a commitment becomes dramatically easier.

Treat this process like a sales proposal. Write it down, review it with the decision maker, and engage the decision maker in making edits to the objective, measures, and values as you document them. This means the decision maker is more bought into the process—and more bought into implementation when the time comes.

## ↙ Conceptual Agreement ↘

### Objective

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- \_\_\_\_\_
- \_\_\_\_\_

### Measures

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### Value

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- \_\_\_\_\_
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# 3 Teach to sell.

To sell well, leverage teaching as a tool.

A lot has been written on the idea of teaching to sell, and teaching is at the heart of all effective content marketing. But the reference we rely on for this approach is a book called *The Challenger Sale* by Matthew Dixon and Brent Adamson.

Dixon and Adamson analyzed the performance data for a wide range of salespeople and classified them according to characteristics that defined the selling method they tended to use. Dixon and Adamson's work was focused on what is commonly known as "solution selling," selling solutions to relatively complex problems. And that activity is similar to what anyone making a business case must do.

Dixon and Adamson identified five major types of salespeople:

- The Hard Worker
- The Relationship Builder
- The Lone Wolf
- The Problem Solver
- The Challenger

The Challenger was by far the most successful type, and the key characteristic of this type of salesperson is that she uses teaching as her major selling technique. She's called a Challenger because she's not afraid to challenge the status quo and educate decision makers about how things can be different and better. As Dixon and Adamson

put it, "[T]he thing that really sets Challenger reps apart is their ability to teach customers something new and valuable about how to compete in their market."

This implies knowing the situation and capabilities of your organization extremely well and also knowing what the opportunities really are. A fundamental question to ask in preparing to make a business case is how well do you know your organization's capabilities and opportunities? What legwork do you need to do? And, once you've done it, what kinds of teaching situations can you create for helping to make your case?



# 4 Pre-suade to set the stage.

The fourth approach draws on the work of Robert Cialdini, who has arguably done more than any other individual to increase the understanding of influence and persuasion. In his book *Pre-Suasion*, Cialdini defines the eponymous term—and describes how to use it.

Pre-suasion is built around the ideas of anchoring and priming. Anchoring (also known as the focusing effect) is an attentional bias to rely heavily on the first piece of information offered (the anchor) when making decisions. Priming refers to how our attention and responses are systematically biased by what we've just been exposed to (exposure to one stimulus influences the response to another stimulus). Together priming and anchoring mean that whatever first captures our attention is seen as important and directs our response.

This information can be used in remarkably powerful ways.

- If you want people to agree to an expensive purchase, first arrange for them to write down a number that's much larger than the investment required.
- If you want people to improve performance, first expose them to images and words (*win, attain, succeed*) associated with performance.
- If you want people to be more helpful to you, first have them look at photos of individuals standing close together.

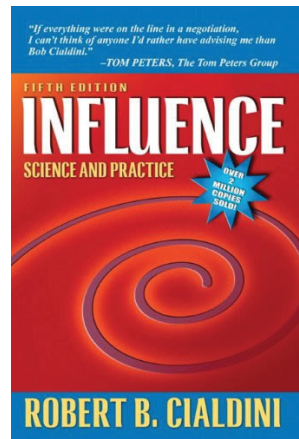
Pre-suasion is not magical, and employing such techniques doesn't guarantee that you will win over your audience—but, given how human brains work, odds are good that such techniques will help your cause. If you're serious about making your case, take some time to understand pre-suasion.



# Wield influence. 5

The fifth approach, like the fourth, draws on the work of Robert Cialdini. His book *Influence* explains six fundamental principles of influence, any of which you can use when making your business case.

- **Reciprocation** is the impulse to repay in kind what another has provided us. Organizations that send us calendars or mailing labels when asking for a donation are playing on this principle. Think about whom you're making your business case to and think about what you can do to help them—helping them will make them more likely to help you.
- The principle of **commitment and consistency** gets at our innate desire to appear consistent with our previous actions. In addition to the strategic alignment that the first approach we discussed ("Look to strategy.") ensures, it also plays on this principle. If the decision makers agreed on the strategy in the past, and you show how the ask you're making ties to the strategy, then the decision makers will likely want to support the request because it's consistent with their past behavior.
- **Social proof** is rooted in the human tendency to look to others to confirm what is correct or acceptable. If you're dealing with a group of decision makers, not a single individual, you can leverage this principle; as you start to get buy-in from some decision makers, you can use that fact to enlist the support of others.
- The fourth principle is **liking**. We have a strong inclination to engage positively with people we like. When making a business case, be aware of personal dynamics. If you and a decision maker



don't have the best relationship, enlist a colleague who has better rapport to help make the case.

- We, as humans, have a compulsion to conform to the demands of **authority**. Even if the decision maker has more authority in the context of your organization than you do, you can still use authority. Go to the experts, the authorities, in whatever domain you're asking for resources in, and use what they've written, said, or researched to make your case.
- The sixth principle of influence is **scarcity**. We tend to view something as more valuable when its availability is limited. This is what drives "limited time only" and "limited supply" claims. Think about your request—what might lend it the persuasiveness of scarcity? You might be able to seize a first-mover advantage, for example—but only if your organization invests now in the resources you're requesting.

Those are some ideas of how you might apply these principles to making the case for resources, but there are certainly others. Think through these principles with your specific case in mind—and your decision maker and their motivations in mind too.

Just as you don't need to use all five approaches outlined here, you don't need to use all six principles of influence every time you make a business case. But employing even one can help inform how you go about making the ask for resources—and produce a more persuasive result.



## From Approaches to Action

We hope at least one of the approaches will be helpful to you in thinking through how you might make a business case. But, more importantly, we hope you put one or more of approaches into action.

If you do, please e-mail us, and let us know how it goes. Additionally, if you've already tried any of these approaches, we'd love to hear about your experience.

Finally, feel free to share this document with others. You may just forward it along, of course, but we'd be truly grateful if you would point anyone who might benefit from these ideas to [tagoras.com/making-the-case](http://tagoras.com/making-the-case) to get their copy.

### P.S. Additional Resources

In case you don't already know about them, be sure to check out the range of other learning business resources we offer on the Tagoras Web site. These include (but definitely are not limited to) the following:

- **The Learning Business Maturity Model™** (blog post and PDFs available at [tagoras.com/learning-business-maturity-model](http://tagoras.com/learning-business-maturity-model))  
The Tagoras Learning Business Maturity Model provides a framework for assessing the maturity of your learning and education business across five domains and determining where to focus your efforts going forward.
- **The Market Insight Matrix™** (blog post and PDF available at [tagoras.com/market-insight-matrix-for-learning-products](http://tagoras.com/market-insight-matrix-for-learning-products))  
The Market Insight Matrix is a tool to help you better understand and assess your market for continuing education and professional development.
- **Tagoras Platform Directory for Learning Businesses™** (available at [tagoras.com/learning-platforms](http://tagoras.com/learning-platforms))  
A directory of 30+ learning platform providers that are an appropriate fit for trade and professional associations as well as other market-facing continuing education, professional development, and lifelong learning businesses.

For a full listing of resources, visit our resource center at [tagoras.com/resources](http://tagoras.com/resources).



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