



Finance for HR Professionals Course: People Costs, Business Cases and ROI



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Introduction:

Finance for HR professionals on people costs, business cases and ROI is a five-day course for HR practitioners who advise business leaders on people decisions, ending with an HR initiative business case backed by a workforce cost model. In many organisations HR proposals stall at the finance committee because they are written in headcount language rather than in profit, cash and return terms. Participants already advise line managers on staffing, retention and development, and the course is taught as a modelling build in spreadsheets. CoreConcept Training Center delivers this course on the financial side of people management.

Course Objectives:

- Interpret the income statement, balance sheet and cash flow statement to locate people costs, employee provisions and their effect on profit and cash
- Calculate the total employment cost of a role and classify people costs by behaviour for decision-making
- Build a driver-based workforce cost model in Excel that compares headcount scenarios side by side
- Quantify the financial cost of turnover, absence and unfilled vacancies for a business unit
- Appraise HR initiatives with ROI, payback period and net present value and test the assumptions behind them
- Present an HR business case to finance and board audiences that links HR metrics to financial KPIs

Target Audience:

- Practitioners responsible for advising business unit leaders on workforce and organisation decisions
 - Managers responsible for HR functions whose proposals require finance committee approval
 - Specialists responsible for talent, learning or retention initiatives that need a return case
 - Practitioners responsible for preparing people cost figures for management reports
 - Managers responsible for workforce planning inputs to annual and strategic plans
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Course Outline:

Day 1: Reading Company Accounts Through an HR Lens

- Income Statement Walkthrough Locating Staff Costs and Operating Margin
- Balance Sheet Reading for Employee Benefit Provisions and Accruals
- Cash Flow Statement and the Timing of Payroll Outflows
- Accrual Versus Cash Basis in People Expense Recognition
- Financial Ratio Snapshot from a Case Company Annual Report

Day 2: People Cost Economics and Workforce Cost Models

- Employee Cost Build-Up from Base Pay to Total Employment Cost
- Cost Behaviour of Fixed, Variable and Semi-Variable People Costs
- Driver-Based Workforce Cost Model Structure in Excel
- Headcount Scenario Switches for Growth, Freeze and Outsourcing
- Contribution Margin and Breakeven Applied to Staffing Decisions

Day 3: Costing Turnover, Absence and Vacancies Against Financial KPIs

- Turnover Cost Calculator Covering Separation, Replacement and Ramp-Up
- Absence Cost Estimate Using Lost Output and Cover Costs
- Vacancy Cost Model Based on Unfilled Role Revenue Impact
- Value Driver Tree Linking HR Metrics to EBIT
- HR Finance Dashboard in Excel with Pivot Tables

Day 4: Investment Appraisal for HR Initiatives and Board Challenge

- Return on Investment Formula for HR Initiatives and Programmes
- Payback Period Calculation and Its Decision Limitations
- Net Present Value with Discount Rates and Cash Flow Timing
- Sensitivity Tables and Downside Cases for Benefit Assumptions
- Board Paper Structure and Finance Committee Challenge Questions

Day 5: Modelling Build: HR Initiative Business Case and Workforce Cost Model

- Case Company Accounts Review and People Cost Baseline
 - Case Workforce Cost Model with Three Headcount Scenarios
 - Case Retention Initiative Turnover Saving and Benefit Quantification
 - Case NPV, ROI and Payback Appraisal of the Initiative
 - HR Initiative Business Case Completion and Board Pitch
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Skills You Will Gain:

- Financial Statement Interpretation
- People Cost Classification
- Workforce Cost Modelling
- Turnover Cost Quantification
- Investment Appraisal
- Sensitivity Testing
- HR Business Case Writing
- Board-Level Financial Communication

Why Attend This Course:

- Deliver an HR initiative business case and workforce cost model to the finance director and executive committee for a funding decision
- Decide which HR initiatives to put forward based on their NPV, payback and sensitivity to key assumptions
- Avoid rejected or delayed HR proposals caused by cost figures that finance cannot reconcile to the accounts
- Coach HR colleagues to translate turnover, absence and vacancy data into profit and cash terms

Conclusion:

Back at work, the participant gives the finance director and the executive committee an HR initiative business case and workforce cost model they can use to approve, phase or reject a people investment. HR practitioners and finance analysts then work from the same cost definitions, scenario switches and discount assumptions, so later proposals are reviewed faster. After the first funding round, the unit should review whether forecast turnover savings and cost figures matched actual results, and update the model drivers and benefit assumptions accordingly.

Frequently Asked Questions FAQ:

What should participants know before the finance for HR professionals course?

Participants should already advise managers on people decisions and be comfortable with basic spreadsheet formulas. No accounting qualification is needed; bringing a recent HR proposal and a copy of their organisation's management accounts helps them apply the modelling exercises to real figures.

How does finance for HR professionals differ from HR budgeting or HR analytics courses?

It concentrates on reading company accounts, costing workforce decisions and appraising HR initiatives with ROI, payback and NPV. HR budgeting courses focus on position control and monthly variances, and HR analytics courses focus on metric definitions and statistical analysis, so both appear only where they feed the business case.

Why does finance for HR professionals use net present value for HR business cases?

Net present value converts the future savings and costs of an HR initiative into today's money, so finance can compare it with other investments. A positive figure indicates the initiative is expected to create value, while payback and ROI add speed and scale views.

What do participants take back from the finance for HR professionals course?

Participants take back an HR initiative business case and workforce cost model for a case company, including a people cost baseline, headcount scenarios, turnover savings and an NPV, ROI and payback appraisal. It can be adapted to their own organisation for the next funding round.
