



# Making the Case for Skills-Based Practices

**A toolkit for adopting or expanding skills-based talent strategies**

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# About this guide

This step-by-step resource helps HR professionals and other talent leaders make a clear, evidence-based business case for adopting or expanding skills-based talent practices. It's intended for teams that are leading or sponsoring their organizations' skills-based strategies—those with the visibility and authority to align goals, secure buy-in, and demonstrate business value. While others may contribute, the core team should own the process and guide decision-making.



# Overview

This guide walks you through three practical phases to help you define your company's talent challenge, design a skills-based solution, and make a strong business case for investment. Each phase includes guided tools, templates, and examples grounded in real employer experiences.

## Phase 1: Define the Problem and Context

- Identify your most pressing talent challenges and designate key stakeholders for each.
- Pinpoint where a skills-based approach can drive the greatest impact.

## Phase 2: Design the Solution and Build the Evidence

- Define goals and outline a skills-based strategy that aligns with business priorities.
- Use templates to select metrics, quantify value, and plan for measurement that demonstrates ROI.

## Phase 3: Build the Case and Make the Request

- Turn your findings into a persuasive business case for adopting or scaling skills-based practices.
- Apply proven frameworks to communicate results, gain executive buy-in, and move your initiative forward.

# Define the Problem and Context

PHASE 1

# Step 1: Pinpoint the Business Challenge and Opportunity

Clarify the business need driving your work. Every organization faces pain points—like slow hiring, skill gaps, or high turnover—that connect to broader enterprise priorities. Identifying both helps you position your initiative where it will have the most strategic impact.

## Questions to consider:

- What business challenge is most visible today? (A talent shortage? A skills gap? Low retention? Slow adoption of new tech?)
- Which enterprise priority does that challenge connect to?
- What are the talent implications of that challenge?
- What would success look like if this challenge were solved?
- How might skills-based talent practices help address it?

# Business Priorities Where Skills-Based Strategies Drive Impact

Use this table to identify where your business challenge aligns with broader enterprise priorities and talent needs. This will help you pinpoint where skills-based strategies can drive the greatest impact.

Enterprise Priority	Business Challenge	Talent Need
Drive profitable growth	Rising costs, inefficiencies, and pressure to expand margins	An agile, high-performing workforce that can be deployed efficiently
Accelerate digital transformation and AI adoption	Integrating new technology and automation at scale	To identify skill gaps, retrain teams, and redeploy talent quickly
Strengthen operational resilience	Disruption from economic volatility, supply chain issues, or labor shortages	Greater workforce agility and visibility into transferable skills
Improve innovation and competitiveness	Demand for faster product cycles and better customer experiences	Adaptable, cross-functional employees who can innovate and collaborate
Enhance the employer's reputation and retention	Competition for top talent and risk of employee turnover	Clear career pathways, mobility, and engagement strategies
Improve the customer experience	Pressure to increase satisfaction, loyalty, and market share	Frontline workers equipped with both technical and durable skills

# Step 2: Identify Your Audience

A skills-based business case succeeds only when the right champions are at the table. The leaders you engage early will determine how, and how fast, your initiative gains traction.

## Questions to consider:

- Who must approve or sponsor a skills-based approach? (The CFO? The chief HR officer? Business unit leaders?)
- What business unit(s) will shape the strategy? (HR? Learning and Development? Data Analytics? Workforce Planning?)
- Who will benefit most from better skills visibility and mobility? (Managers? Employees? Project leads?)
- Who may be skeptical about skills-based practices, and how will you engage them or help them understand the value of this approach?
- Who has previous experience with skills-related efforts, and what lessons can they share?

# Positioning Skills for Every Audience

Each stakeholder will view the value of skills-based practices through a different lens. Tailor your message to what matters most to them.

	Chief HR Officer / Chief People Officer	CFO / Finance	Learning and Development / Talent Development
What They Value Most	Retention, a workforce made up of people with a wide variety of perspectives and experiences, a future-ready workforce	ROI, cost efficiency, workforce productivity	ROI of training programs, acceleration of retraining timelines, alignment to business goals
How to Frame the Case	Link skills-based strategies to stronger internal pipelines and an increase in advancement opportunities that are accessible to all employees, including frontline workers	Quantify the financial upside of internal mobility, reduced turnover, and faster onboarding	Show how skills data aligns training investments with the ability to fill critical roles
Example of Message Illustrating Impact	<p>“With better visibility into employee skills, we can increase internal promotion rates by 20% for employees who are members of populations currently underrepresented in midlevel and upper-level jobs, strengthen leadership pipelines, and improve retention in hard-to-fill roles by up to 15%. This helps us build a future-ready workforce made up of people with a wide variety of experiences and perspectives and reduce costly external searches for hard-to-fill positions.”</p>	<p>“Reducing voluntary turnover by 5% would generate \$1.2 million in annual savings by cutting recruiting and onboarding costs while preserving institutional knowledge. Internal hires get up to speed 25% faster, which means more productive work hours sooner and less lost revenue. Over a three-year period, these savings can be reinvested into strategic talent initiatives or innovation efforts.”</p>	<p>“By designing training to address our needs for critical skills, we can reduce learning costs by 18% and close gaps in the supply of high-priority talent 30% faster. This ensures that every learning dollar supports a business objective and employees can pivot quickly to meet new demands – making our workforce more agile and resilient.”</p>

# Positioning Skills for Every Audience (cont.)

	Business Unit Leaders / Operations	IT / Data Analytics	Communications / Brand / Marketing
What They Value Most	Filling roles quickly, maintaining performance	Data integration, AI readiness, workforce insights	Employer reputation, storytelling
How to Frame the Case	Emphasize how skills-based redeployment improves agility and team readiness	Position skills data as a strategic asset for AI and digital transformation	Frame skills-based policies and practices as a proof point of innovation and opportunity creation
Example of Message Illustrating Impact	<p>“With a skills-based approach, we can fill 30% of open roles internally, cutting vacancy times by 40%. That means fewer project delays, faster time to market, and stronger team continuity – allowing business units to hit their goals even during periods of rapid change.”</p>	<p>“Integrating skills data into our HR systems would give IT and analytics teams a powerful asset for AI-driven workforce planning. This lets us predict future skill needs, better allocate tech investments, and ensure that we have the right talent in place to support digital transformation initiatives.”</p>	<p>“Publicly embracing a skills-based strategy would enhance our brand as an employer, increasing positive perception by up to 25%. This gives us compelling stories to tell about innovation and opportunity, making it easier to attract top talent, strengthen customer trust, and stand out in a crowded marketplace.”</p>

# Stakeholder Engagement Tips



**Map influence and interest:** Build a stakeholder map showing each group's impact on the initiative and openness to change.



**Tailor your case:** Connect skills outcomes to business results—say “reduced hiring costs” or “faster retraining,” not “enhanced mobility.”



**Speak their language:** Use internal analogies like, “Just as we use data to optimize sales, we can use skills data to optimize our workforce.”



**Show quick wins:** Identify where skills data can produce early insights or efficiency gains to build credibility fast.

# Design the Solution and Build the Evidence

PHASE 2

# Step 1: Identify Your Skills-Based Solution

Once you've clarified your organization's most pressing business need, the enterprise priority it connects to, and the relevant stakeholders, the next step is to identify the skills-based solution or initiative best suited to address it.

This is where you move from understanding the problem to defining a practical response that builds capability, reduces risk, and delivers measurable business results.

## Questions to consider:

- Which business priority or challenge are you focusing on solving?
- What specific outcomes would signal success to key stakeholders? (Reduced time-to-fill for open roles? Stronger retention? Faster adoption of new technology?)
- Which skills-based solution or practice can most directly address this need?
- Are you testing a pilot or expanding an existing initiative? What scale and resources are appropriate?
- What data or benchmarks can help you model expected ROI or build confidence in the potential impact?

# Skills-Based Solutions that Advance Enterprise Priorities

Use this table to identify which skills-based practices can best address your company's top priorities. Each example shows how targeted, skills-based solutions create measurable business impact. To learn more about different skills-based talent practices, explore JFF's [Skills Navigator](#) tool.

Enterprise Priority	How Skills Drive Business Value	Example Practices	Skills Data
Drive profitable growth	Focused hiring and performance systems ensure that the right people, with the right skills, are in the right roles—improving productivity and reducing the amount of time, money, and other resources spent on hiring.	Skills-based job requirements; skills-based candidate assessment; skills-based compensation; company-wide skills inventory	<ul style="list-style-type: none"> <li>Deloitte research found that companies adopting skills-based hiring are 107% more likely to place talent effectively and 49% more likely to improve processes for efficiency.</li> <li>In a TestGorilla survey of 2,000 employers, 78% of respondents who had adopted skills-based hiring reported lower total hiring costs, 81% reported shorter time-to-hire, and 90% reported fewer mis-hires—all of which can drive measurable gains in productivity and profitability.</li> </ul>
Accelerate digital transformation and AI adoption	Building workforce visibility and digital capability accelerates technology deployment and minimizes reliance on outside hires.	Widely available professional development (digital upskilling); company-wide skills taxonomy; periodic skills-based workforce planning	<ul style="list-style-type: none"> <li>Deloitte research found that 61% of executives cited AI and automation as key reasons for adopting skills-based approaches, and that 85% of HR executives are planning or considering redesigns of the way work is organized so that skills can be flexibly ported across work over the next three years.</li> <li>The research also showed that skills-based organizations are 57% more likely to anticipate and respond effectively to change. This enables faster technology adoption and digital readiness.</li> </ul>
Strengthen operational resilience	Enterprise-wide skills visibility allows leaders to quickly redeploy workers as the need arises and maintain business continuity during times of disruption.	Reskilling over offboarding; company-wide skills mapping and inventory; periodic skills-based workforce planning	<ul style="list-style-type: none"> <li>Deloitte research shows that 77% of executives said flexibly moving skills to work is critical to navigating disruption.</li> <li>The research also showed that skills-based organizations are 57% more likely to anticipate and respond effectively to change. This allows for faster redeployment and reduced downtime during crises.</li> </ul>

# Skills-Based Solutions that Advance Enterprise Priorities (cont.)

Enterprise Priority	How Skills Drive Business Value	Example Practices	Skills Data
Improve innovation and competitiveness	Cross-functional learning and transparency about opportunities for skills to be used in multiple jobs across the organization fuel innovation, shorten product cycles, and improve collaboration.	Cross-training and job rotation opportunities; skill-based team formation; skill-based knowledge sharing; internal talent marketplace	<ul style="list-style-type: none"> <li>According to <a href="#">Deloitte research</a>, skills-based organizations are 52% more likely to innovate and 49% more likely to improve processes to maximize efficiency.</li> <li>Transparent skill data empowers leaders to assemble the right teams, accelerate product development cycles, and enhance cross-functional collaboration.</li> </ul>
Enhance employer reputation and improve retention	Transparent career paths and rewards that are accessible to all employees improve engagement, reduce turnover, and strengthen the employer's brand.	Skills-based career pathways; manager-led career coaching and development; skills-based mentoring programs; skills-based compensation	<ul style="list-style-type: none"> <li>According to <a href="#">Deloitte research</a>, skills-based organizations are 98% more likely to be viewed as great places to grow and retain high performers.</li> <li><a href="#">McKinsey</a> reports that employees without degrees stay in their jobs 34% longer than workers with degrees.</li> <li><a href="#">Burning Glass and Harvard Business School</a> report that the retention rate of non-degree workers is 10 percentage points higher than that of their colleagues with degrees.</li> </ul>
Improve customer experience	Empowering frontline employees through continuous learning and skills development improves the quality and consistency of the organization's customer service and helps build trust in the organization.	Widely available professional development; skills-based mentoring programs; cross-training and job rotation opportunities	<ul style="list-style-type: none"> <li>According to <a href="#">Forbes</a> and research by the <a href="#">Association for Training and Development</a>, companies with comprehensive training programs enjoyed a 24% higher profit margin and 218% higher income per employee.</li> <li>According to <a href="#">Culture Amp</a> research, employees who felt they had access to the learning and development opportunities they needed were 21% more engaged than those who didn't.</li> <li>Investing in employee learning directly strengthens service quality and engagement, which are core drivers of a better customer experience.</li> </ul>

# Step 2: Establish Measures of Success

Once you've identified your skills-based solution, define how you'll measure success. Leaders invest in what they can measure, so your business case is strongest when it shows that your approach is evidence-driven, trackable, and tied to business results.

A strong plan includes clear key performance indicators (KPI), reliable data collection, and regular review processes to demonstrate progress and drive continuous improvement.

## Questions to consider:

- Which two or three measures should serve as your KPIs – the metrics that define success?
- Which KPIs are easiest to calculate, communicate, and defend to business leaders?
- Can you collect reliable, repeatable data for each KPI using existing methods and tools of gathering and tracking data? (Possibilities include HR information systems, job-applicant tracking systems, learning management systems, and surveys.)
- Who will own each KPI, ensure data integrity, and oversee reviews and updates over time?
- How often will you review results and refine your processes?

# KPI Reference Menu

Use this table to identify the KPIs that best demonstrate the business value of your skills-based solution. Each example should link an enterprise priority to targeted skills-based practices and measurable KPIs.

Enterprise Priority	Drive Profitable Growth	Accelerate Digital Transformation and AI Adoption	Strengthen Operational Resilience	Improve Innovation and Competitiveness	Enhance Employer Reputation and Retention	Improve Customer Experience
Skills-Based Practices	<ul style="list-style-type: none"> <li>Skills-based job requirements</li> <li>Skills-based hiring protocols</li> <li>Skills-based compensation</li> </ul>	<ul style="list-style-type: none"> <li>Company-wide skills taxonomy</li> <li>Skills mapping and inventory</li> <li>Skills-based workforce planning</li> </ul>	<ul style="list-style-type: none"> <li>Reskilling over offboarding</li> <li>Skill mapping and inventory</li> <li>Skills-focused educational benefits in severance packages</li> </ul>	<ul style="list-style-type: none"> <li>Cross-training and job rotations</li> <li>Skills-based knowledge sharing</li> <li>Skills-based team formation</li> </ul>	<ul style="list-style-type: none"> <li>Skills-based career pathways</li> <li>Manager-led career coaching</li> <li>Skills-based mentoring programs</li> </ul>	<ul style="list-style-type: none"> <li>Access to professional development opportunities</li> <li>Skills-based mentoring programs</li> <li>Skills-based job requirements</li> </ul>
Example KPIs	<ul style="list-style-type: none"> <li>Time-to-fill for critical roles</li> <li>Cost per hire</li> <li>Productivity per employee</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of workforce trained in digital skills</li> <li>Percentage of roles mapped to digital capabilities</li> <li>Reduction in time to deploy new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Rate of employees being redeployed to other roles in the organization (instead of being laid off)</li> <li>Percentage of critical roles with identified successors</li> <li>Reduction in downtime caused by skills shortages</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of employees in cross-functional projects</li> <li>Rate of new product or process innovations</li> <li>Internal mobility rate</li> </ul>	<ul style="list-style-type: none"> <li>Internal promotion rate</li> <li>Voluntary turnover rate</li> <li>Employee engagement score</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction (as measured with CSAT scores or net promoter scores)</li> <li>Percentage of frontline employees trained in service skills</li> <li>Retention rate in customer-facing roles</li> </ul>

# Measurement Plan

<u>MEASUREMENT AREA</u>	<u>ACTIONS</u>
<b>KPI Selection</b> <i>Focus on a few indicators that define success.</i>	Choose two or three KPIs that link talent outcomes to business priorities. Common KPIs include time to hire, average time it takes an employee to achieve proficiency or productivity, performance ratings, mis-hire rate, retention rate, and internal mobility rate.
<b>Data Collection</b> <i>Ensure consistent, accurate inputs.</i>	Identify data sources and owners; align data definitions and collection cadence.
<b>KPI Calculation</b> <i>Convert data into standardized measures.</i>	Apply consistent formulas and templates for transparency and comparability.
<b>Regular Review</b> <i>Create structures for accountability and learning.</i>	Schedule recurring reviews with relevant leaders to assess progress and address challenges.
<b>Continuous Improvement</b> <i>Use insights to refine and scale.</i>	Adjust KPIs, processes, or initiatives based on findings and new priorities.

# Build the Case and Make the Request

PHASE 3

# You're Ready to Make the Case

You've built the foundation. Now connect the dots.

You have:

- Problem** → A clearly defined business challenge
- Audience** → Champions who can drive the change
- Solution** → The skills-based practices that deliver impact
- Metrics** → Proof points that show measurable ROI

**Next:** Turn insight into action with a concise, data-backed case that sells your vision.

# Put It All Together

Use this table to summarize your proposal. Use the business case elements in the first column as the headings of slides in a presentation and follow the prompts in the second column to prepare the content for each slide, or otherwise format the information in a way that's most appropriate for your organization and audience.

Business Case Element	What to Include	Where to Find It
Business Challenge	<p><b>What problem are you solving?</b> Define the talent or performance gap that matters most to your leaders.</p>	<ul style="list-style-type: none"> <li>Slides 5-6</li> <li>Slides 7-10</li> </ul>
Skills Solution	<p><b>Which skills-based practice addresses the problem?</b> Identify the specific approach or program that closes the gap.</p>	<ul style="list-style-type: none"> <li>Slides 12-14</li> <li>Slides 7-10</li> </ul>
Business Impact	<p><b>How does your solution move the business forward?</b> Quantify expected results like productivity, speed, growth, or engagement.</p>	<ul style="list-style-type: none"> <li>Slides 6 and 11</li> <li>Slides 7-8</li> </ul>
Proof/Data	<p><b>What evidence supports your approach?</b> Reference benchmarks, pilot data, or case studies that build confidence.</p>	<ul style="list-style-type: none"> <li>Slides 11 and 12-14</li> <li>Slides 10</li> </ul>
Key KPIs	<p><b>How will you measure success?</b> List two or three indicators that tie outcomes to business value, and note who owns them.</p>	<ul style="list-style-type: none"> <li>Slides 15-17</li> </ul>

Tips:

- Use this framework as your executive summary slide or one-page pitch.
- Keep the narrative short and results-driven. Show how your skills-based solution ties directly to enterprise priorities. Consider using a metaphor to make your case concrete and memorable.
- Color-code or tag stakeholders (finance, HR, or operations leaders, for example) to make ownership and impact clear.

Click [here](#) to download an editable version of the business case builder table

# Skills Business Case Builder Example

Business Case Element	Example Entry
Business Challenge	We're investing heavily in digital tools, but adoption is slow. Teams lack the right technical skills, projects rely on costly external hires, and business units operate in silos.
Skills Solution	Conduct a company-wide skills inventory to map digital and AI-related capabilities. Design targeted training programs to help workers build the skills for high-priority functions, and create internal mobility pathways to redeploy skilled employees to digital initiatives.
Business Impact	Accelerates technology adoption, reduces dependency on external hiring, and builds a more agile, future-ready workforce. Improved cross-functional collaboration increases innovation and execution speed.
Proof/Data	<p><u>Deloitte research</u> shows that skills-based organizations are 57% more likely to anticipate and respond effectively to change, 52% more likely to innovate, and 49% more likely to improve processes—all core capabilities required for successful digital and AI adoption. A skills-based approach also strengthens digital readiness by creating visibility into workforce capabilities and enabling faster, more targeted upskilling.</p> <p>Based on early modeling, the company could see more than \$1 million in savings from reduced reliance on contractors and faster deployment of new technologies as internal teams build and apply the right digital skills.</p>
Key KPIs	<ul style="list-style-type: none"> <li>Percentage of roles mapped to digital or AI-related skills</li> <li>Time to deploy new technology</li> <li>Internal mobility rate for digital roles</li> <li>Cost savings from reductions in external hiring</li> </ul>

Click [here](#) to download an editable version of this table

# Next Steps

## Keep the Case Alive

A strong business case evolves with your business. Revisit your goals, metrics, and message as priorities shift. Regular updates sustain leadership confidence, demonstrate progress, and keep momentum high.

## Explore Additional Resources

Visit JFF's Skills Hub for tools, case studies, and practical guidance to strengthen your skills-based talent strategy. Discover what's working across industries and apply proven approaches to your organization.

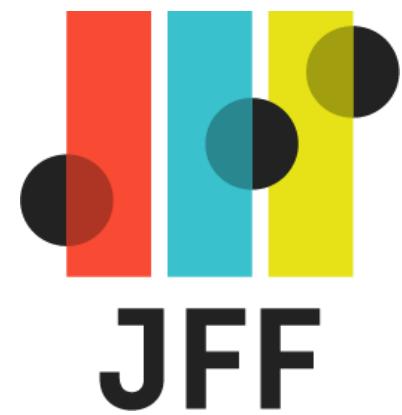
→ [Explore the Skills Hub.](#)

## Partner for Impact

Ready to turn your strategy into action? JFF partners with employers like you to design and implement skills-based solutions that deliver measurable business results.

→ [Learn how JFF collaborates with companies to accelerate skills transformation.](#)





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