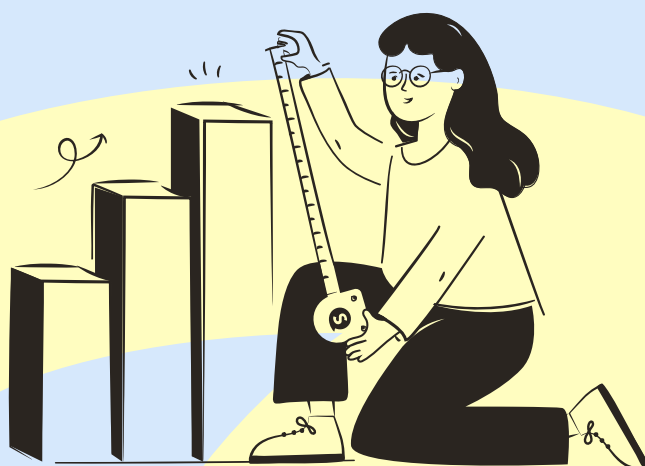


The Business Impact: the ROI of a Mobile-First Employee Communications Platform

Investing in internal communications is not just an expense, but a strategic decision that yields significant returns in employee engagement, productivity, and ultimately, business success.



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THE CURRENT STATE OF INTERNAL COMMUNICATIONS

A conspicuous gap exists in both efficiency and effectiveness, particularly when engaging with frontline employees. Survey data reveals a disconcerting reality: 40% of frontline staff perceive their managers as out of touch, while 42% find the communication from their superiors often irrelevant. Furthermore, 30% believe that internal communication itself hampers their day-to-day work.

Compounding this challenge is the unique nature of the frontline work environment. Operating in a deskless setting, these employees frequently find themselves in the field or on the move. Traditional communication methods, seamlessly effective in conventional corporate structures, often fall short in meeting the needs of these dynamic roles. Nevertheless, establishing smooth, two-way communication with frontline employees is imperative for organizational success.

A revealing statistic underscores the shift in communication habits, with 53% of global frontline workers acknowledging the use of messaging apps like Facebook Messenger, WhatsApp, and GroupMe for work-related communication, with a frequency of up to six times daily. Alarming, 16% indicate that their HR departments remain oblivious to this prevalent usage for work purposes.

Despite the prevalence of these apps, challenges persist. The 24/7 nature of messaging platforms and social media creates difficulties in maintaining a healthy work/personal life balance for 30% of frontline workers. Additionally, 12% express concerns about the potential exposure of sensitive data, leaving them susceptible to data breaches.



While the reliance on popular social media platforms for frontline internal communication is widespread, it proves less than ideal. Compromising digital well-being, data security, and regulatory compliance, this approach may inadvertently lead to audit failures in regulated industries, even in the absence of actual breaches.

Fascinatingly, a significant majority—68%—of frontline workers in the same study express a keen interest in abandoning these prevalent communication mechanisms if provided with an alternative, dedicated internal communications platform. This widespread disillusionment with current processes signals a readiness to embrace more intelligent alternatives.

The overarching consequence of the current state of internal communications is far-reaching. A lack of connection translates to a lack of commitment, with a staggering 77% of the global workforce remaining disengaged. This disengagement poses a substantial threat, as studies indicate a staggering \$7.8 trillion in lost productivity globally due to disengaged or actively disengaged employees. Importantly, this disengagement not only impacts organizational efficiency but also frontline performance, with engaged employees proving less prone to accidents and more likely to deliver positive service experiences to customers.

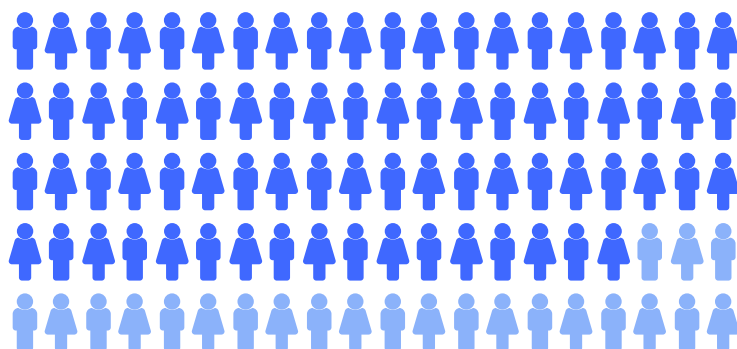


It's clear that internal communications has long been in need of a makeover for its own sake. Because a lack of connection leads to a lack of commitment.

In organizations worldwide, **77% of the workforce** remains disengaged, which poses a substantial threat. Studies indicate that disengaged or actively disengaged employees cost the world \$7.8 trillion in lost productivity. Additionally, disengagement not only impacts efficiency but also frontline performance. Engaged employees are less likely to cause accidents and more likely to deliver positive service experiences to customers.

Having dissected the current state of internal communications, it becomes evident that a profound transformation is not only desirable but also essential for organizational success. The existing gaps in communication efficiency and employee engagement underscore the need for a strategic overhaul.

In transitioning from the challenges highlighted to a forward-looking perspective, it's crucial to explore how a revamped internal communication strategy can directly impact key business outcomes. The urgency is palpable, considering the substantial costs associated with disengagement and inefficiency.



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LINKING INTERNAL COMMUNICATIONS TO BUSINESS OUTCOMES

Leaders, driven by a natural instinct for preservation, find themselves navigating a delicate balance to ensure the sustainability and growth of their organizations. The key question that often surfaces in leadership discussions is: **Will effective internal communication reduce risk, cut costs, and contribute to revenue generation?**

Consider this scenario: a company grappling with a high turnover rate of 30% annually, costing a staggering \$3 million. The root cause, as identified through exit interviews, lies in the perceived lack of advancement opportunities within the organization. Left unaddressed, this situation threatens to escalate turnover, jeopardizing both profitability and growth.

One proposed solution centers around improving communication channels, particularly for frontline workers. The existing practice of relying solely on emails to managers, who then print and post them on bulletin boards, falls short in fostering engagement and addressing critical employee concerns. To illustrate the potential impact, let's delve into two real-life examples of companies that successfully linked internal communications to tangible business outcomes.



Example 1

Logistics company

In a 2000-employee logistics company, the implementation of bi-monthly 15-minute stand-up meetings using the Speakap platform proved transformative. Stand-up topics were efficiently disseminated to small teams via Speakap, and the actual meeting time was utilized for in-depth discussions and Q&A sessions. The result? Meeting times were halved, and the recaptured time translated directly into increased productivity.

Example 2

Hospitality/retail company

Similarly, a 12.5k hospitality/retail company tackled onboarding challenges by adopting Speakap's Journeys feature. The hitherto ad-hoc onboarding process, as indicated by employee surveys, underwent a remarkable transformation. Time to full proficiency was reduced by 18%, and training costs were slashed by 20%.

These examples underscore the tangible returns on investment that result from strategic communication initiatives. By leveraging modern communication platforms, organizations can not only address immediate concerns like turnover but also enhance overall productivity and efficiency.

PART 1

BUSINESS IMPACTS OF A MOBILE-FIRST EMPLOYEE COMMUNICATIONS PLATFORM

Navigating workplace safety and customer satisfaction

► Challenge

The main problem is that the current top-down communication, managed by a centralized communications department, often fails to effectively reach and impact day-to-day operations. This deficiency directly affects business results, leading to issues like work accidents that waste time, money, and resources due to inadequate communication about incidents and non-compliance.

In 2020 alone, employers spent a substantial \$163.9 billion on work-related injuries. Beyond safety, an organization's ability to guide employees in providing positive customer experiences is crucial. Poor customer experiences cost US businesses \$83 billion yearly, and 63% of consumers admit to abandoning a brand due to subpar customer service. Importantly, acquiring new customers is 5 to 25 times more expensive than retaining existing ones.

The solution to this problem involves a shift in approach. Traditional internal communications, focused on sharing organizational news and creating content for employee magazines and intranets, has proven ineffective in adding value and aligning with business goals.

💡 Solution

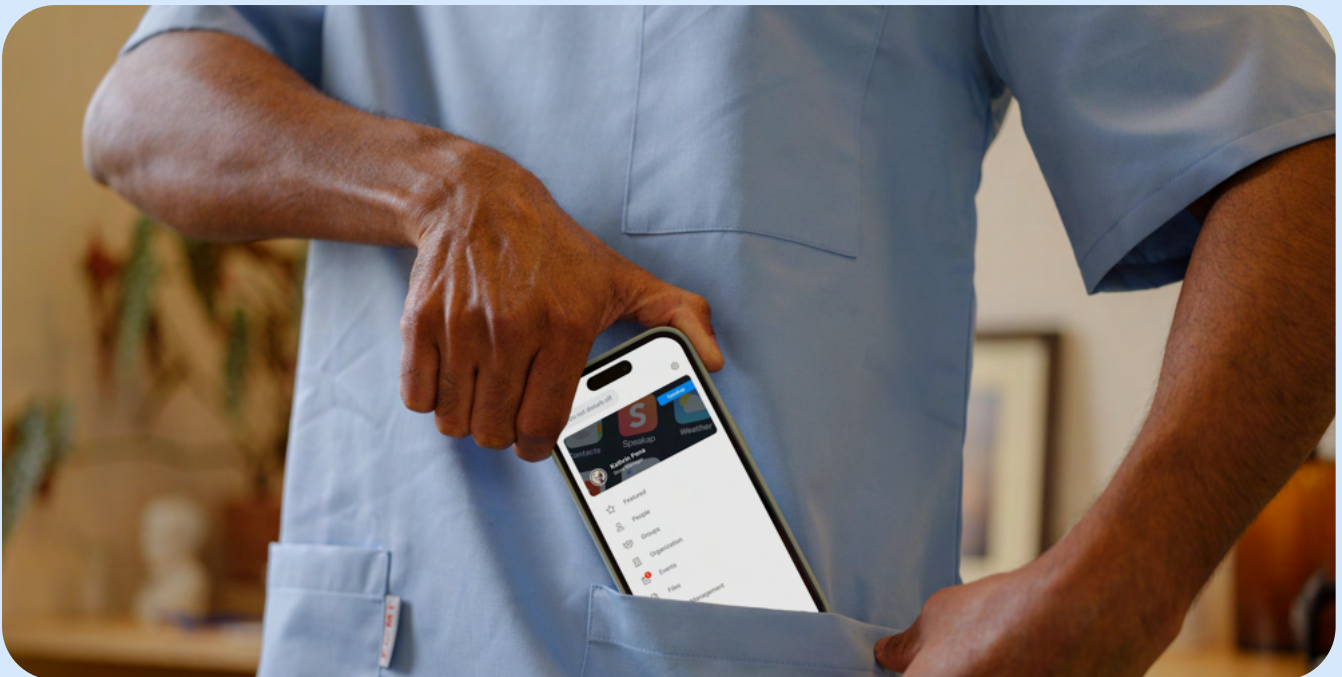
Embrace decentralized communication methods. This involves spreading out the responsibility for messaging, allowing operational leaders to communicate directly. This change is crucial for reducing risks, as it provides frontline information to improve performance and boost customer satisfaction. It's a strategic shift that turns internal communications from a simple informer into a valuable supporter of overall business goals.

How mobile-first employee communications platform helps

Inadequate training and communication gaps often lead to work injuries, costing an average of \$20,000 per incident. A mobile-first intranet can revolutionize internal communication, empowering leaders to share crucial job-related information in real-time, boosting compliance, and ensuring safety.

For example, implementing an employee app can reduce the incidence rate by 2.0, resulting in a significant 31% annual savings (approximately \$135,000 for a company with 750 employees) in occupational injury and illness costs.

In terms of customer satisfaction, mobile tools like an employee app play a key role, improving the Net Promoter Score (NPS) by 10%. This strategic approach not only enhances workplace safety and compliance but also elevates customer satisfaction, correlating with a 7% boost in revenue growth for every 10% increase in NPS. It's a cost-effective solution with a positive impact on the bottom line.



Addressing inefficiency

► Challenge

Inefficiency, the arch-nemesis of employee productivity and workflow, arises from time-consuming activities like hunting for available information and grappling with administrative tasks such as handling vacation requests, filing expenses, and completing timesheets. Studies confirm that employees dedicate an average of 20% of their work time to searching for essential information and an additional 12% on administrative tasks. Inefficient utilization of tools, programs, or machines further compounds the problem, leading to attrition and resource wastage, often stemming from inadequate training or information when new tools are introduced.

💡 Solution

The antidote to these inefficiencies lies in enhancing access to and the quality of information crucial for job execution, streamlining administrative processes, and providing comprehensive training resources for optimal tool usage.

👥 How mobile-first employee communications platform helps

When it comes to addressing inefficiencies in communication and tasks, a mobile-first employee communications platform (ECP) emerges as a game-changer. This platform organizes job-related documents, providing essential information instantly and reducing search time. ECPs with integrated HR tools are particularly valuable for non-desk employees, potentially cutting time spent on tasks by 15%, enhancing efficiency.

ECPs with integrated HR tools like timesheets, vacation requests and so on are especially beneficial for non-desk employees. Some even include onboarding and training materials, potentially cutting time spent on these tasks by 15%, boosting efficiency.

Reducing time spent on information retrieval and administrative tasks can increase revenue per employee by 5%. Despite other communication methods, email remains a primary channel, costing an average of 64 seconds per email—totaling over 350 hours per week for every 1,000 employees. This amounts to an annual expenditure of around \$415,000 for employees to read emails.

Revolutionizing employee recruiting and retention

► Challenge

Every company invests critical resources in the perpetual pursuit of hiring and retaining top-notch talent. Human Resources expends valuable time and energy in the hiring process, while the loss of an employee results not just in diminished knowledge and workplace literacy but also in lost productivity due to vacant positions.

Filling a position takes an average of 36 days, each day with an empty seat translating to financial losses. Recruiting costs, including headhunters and job advertisements, can mount up to 35% of a new hire's annual salary, and onboarding expenses add to turnover costs. Replacing a lost employee costs, on average, 20% of their annual salary, with a substantial 36% annual employee turnover rate.

💡 Solution

Addressing turnover costs requires a three-pronged strategy: expediting job vacancies, streamlining onboarding processes, and actively engaging current employees to reduce the likelihood of them leaving. Leveraging employee advocacy emerges as a lucrative approach to enhancing recruiting communications by utilizing employees to share information about job opportunities and fostering greater trust in the company through their authentic voices. Digitalization can accelerate onboarding processes, and high employee engagement is a pivotal factor in reducing turnover risk.

How mobile-first employee communications platform helps

Employee engagement, crucial for factors like recognition and effective communication, can be addressed with an employee app. This app seamlessly integrates into daily communication, keeping employees connected with real-time updates on company events, goals, and culture. Features like commenting, liking, and feedback functions create an interactive exchange.

Branding the employee app boosts identification with the company, reducing turnover rates by 12.6% and cutting vacancy fill time by 25.8 days, resulting in a 15% cost reduction. Disengagement costs, equal to 35% of employee salaries, can be recovered by improving internal communication.

Employee apps play a pivotal role in advocacy, keeping employees informed and empowered to share within personal networks. With push notifications, these apps significantly amplify message reach by over 800%, potentially reaching nine times more people via social media than traditional methods. This translates to substantial savings of \$16,000 on recruiting.

In essence, employee apps transform by reducing turnover costs, expediting recruiting, and fostering a culture of engagement and advocacy throughout the organization.

Navigating change with a cost-effective solution

► Challenge

Whether driven by digitalization, remote work transitions, mergers and acquisitions, technology upgrades, or sustainability concerns, organizational changes demand time and resources while necessitating swift employee adaptation. The inherent uncertainty accompanying change, such as job security concerns and ambiguity in reasoning and objectives, carries financial implications. Faulty decision-making during times of uncertainty can lead to productivity slumps, project delays, budget overruns, and increased employee stress. Employees experiencing change-related stress perform 5% worse than average, resulting in revenue loss for companies.

💡 Solution

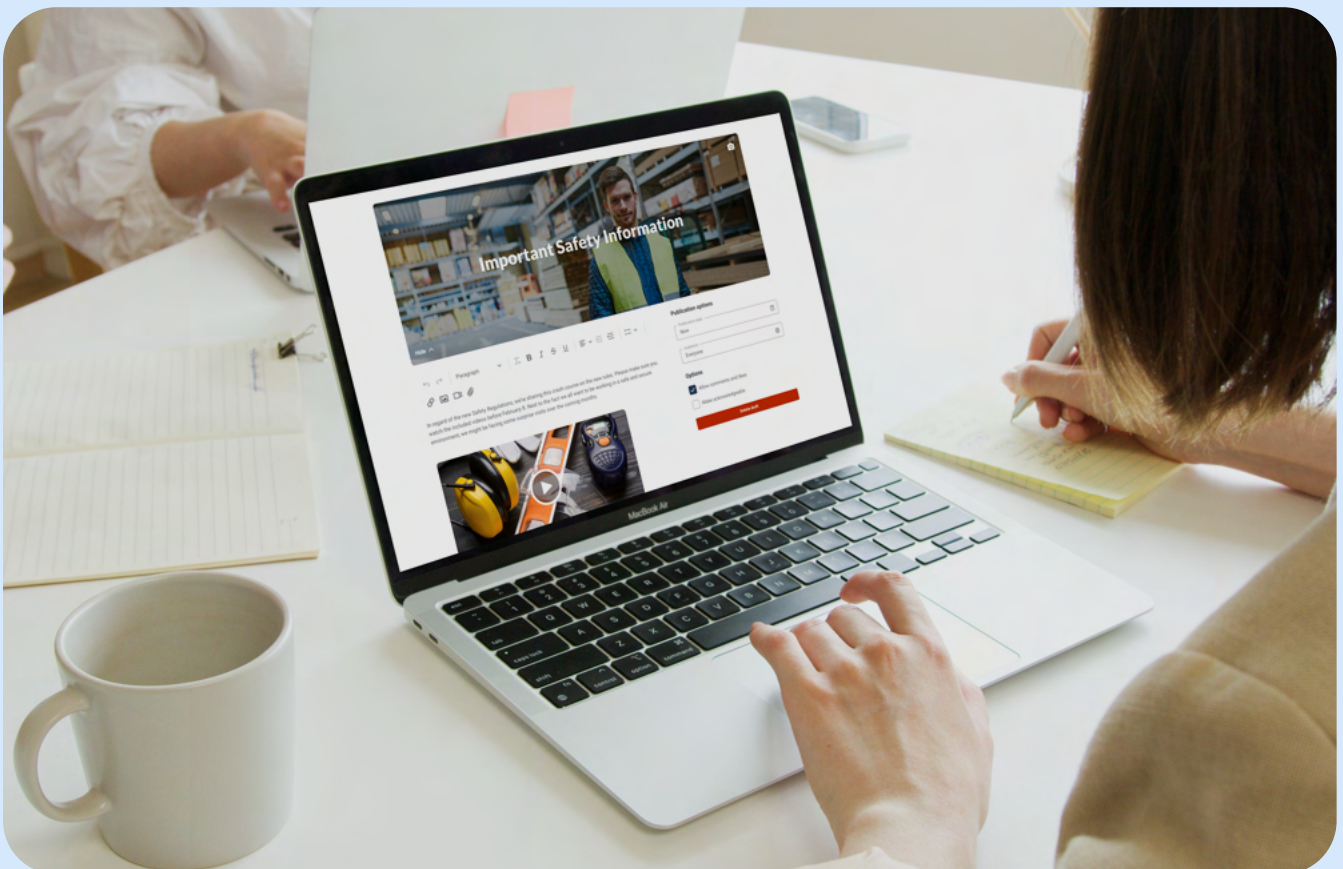
Effective communication stands out as one of the pivotal factors in steering organizational success during change processes. Organizations excelling in organizational change management (OCM) programs achieve project ROIs of 143%. A key determinant of successful OCM programs is ensuring that the reasons for change are understood and embraced throughout the entire organization, not just within leadership.

👥 How mobile-first employee communications platform helps

An employee app plays a vital role in significantly cutting change costs, expediting processes, and ensuring smooth transitions. The app reaches all employees, making communication faster and simpler, ensuring everyone has the necessary information. Traditional channels often fall short, leaving employees with inadequate time and information, leading to stress and suboptimal decision-making.

Active employee involvement in change is crucial for understanding and accepting it. The app facilitates feedback through features like surveys and polls, reducing stress and improving the speed and quality of change processes.

Even with a conservative 2% reduction in the performance gap due to change-related stress, organizations using an employee app during change could see a substantial 41.2% reduction in revenue loss. This isn't just a financial benefit but an enhancement of overall organizational well-being during transitions.



PART 2

SOMETIMES NUMBERS SPEAK LOUDER THAN WORDS

In the world of boardrooms and bottom lines, numbers carry the most weight. So, let's crunch some numbers and delve into the fascinating world of Return on Investment (ROI).

- 1 Reduced turnover costs.** If the median salary per employee is \$45,000 and the annual turnover rate is 36% (equivalent to 271 employees out of 750), the cost of turnover per year would be a staggering \$2,443,442. But, introducing an employee app cuts that turnover rate by a remarkable 65%, bringing the annual cost down to a much more manageable \$846,000. **This means saving 65% on the expenses related to employee turnover.**
- 2 Stress reduction pays off.** Considering the median revenue per employee is \$143,000, a 2% reduction in stress levels due to the employee app results in a noteworthy **41.2% increase in revenue per employee**. Less stress means happier and more productive employees, positively impacting your bottom line.
- 3 Safety first.** If we consider the yearly work injury costs for all US employers as \$69.6 billion and the total number of US employees as 120.1 million, the nonfatal occupational injury incidence rate is 2.9%. For a company with 750 employees, this translates to 21.75 occupational injuries and illnesses. The costs associated with each of these incidents amount to \$19,985, leading to a total cost of \$434,673 under the current situation.



Now, envision implementing an employee app. With an anticipated reduction in the incidence rate to 2.0%, the total cost with the app decreases significantly to \$299,275. So, with the employee app, there is a substantial **31.2% reduction in the costs associated with occupational injuries and illnesses.**

- 4 Productivity boost.** If the median revenue per employee is \$143,000 and the employee app contributes to a 15% reduction in wasted time, the increase in revenue per employee amounts to 5.0%. This showcases how the app doesn't just save time but also directly adds to the productivity and profitability of your company.

Total ROI calculation

Total ROI=(Savings on Turnover+Revenue Increase per Employee+Reduction in Cost of Injuries+Productivity Boost)÷4

Total ROI=(65%+41.2%+31.2%+5.0%)÷4

Total ROI=35.35%

Given the substantial benefits across reduced turnover costs, increased revenue from stress reduction, enhanced safety measures, and a productivity boost, one must wonder:

Is the implementation of an employee app not just a modern necessity but a pivotal strategic move to secure a more resilient future for your organization?

CONCLUSION

The investment in internal communications is not merely an expense but a strategic decision with substantial returns in employee engagement, productivity, and overall business success. This understanding is particularly crucial when addressing the challenges outlined in the previous sections.

Key findings:

- 1 Internal communication challenges:** The current state of internal communications reveals significant gaps in efficiency and effectiveness, especially in engaging frontline employees. The prevalence of messaging apps for work-related communication indicates a shift in communication habits, presenting an opportunity for improvement.
- 2 Disengagement costs:** A lack of connection in internal communications results in a staggering 77% of the global workforce remaining disengaged. This disengagement translates into a colossal \$7.8 trillion in lost productivity globally, emphasizing the urgent need for a strategic overhaul.
- 3 Linking communication to business outcomes:** Effective internal communication is directly linked to reducing risks, cutting costs, and contributing to revenue generation. Real-life examples demonstrate how strategic communication initiatives positively impact productivity and efficiency.



4 Mobile-first employee communications platform benefits:

- a** Addressing top-down communication challenges through a mobile-first platform enhances workplace safety and customer satisfaction, resulting in cost savings and revenue growth.
- b** A mobile-first platform proves to be a game-changer in reducing inefficiencies by organizing job-related documents, streamlining administrative tasks, and increasing overall employee efficiency.
- c** Employee apps play a pivotal role in reducing turnover costs, expediting recruiting, and fostering a culture of engagement and advocacy throughout the organization.
- d** During times of organizational change, an employee app is a cost-effective solution that significantly cuts change-related costs, expedites processes, and ensures smooth transitions. Active employee involvement and feedback through the app contribute to a substantial reduction in revenue loss.





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