



Commercial Case for Building Change Capability

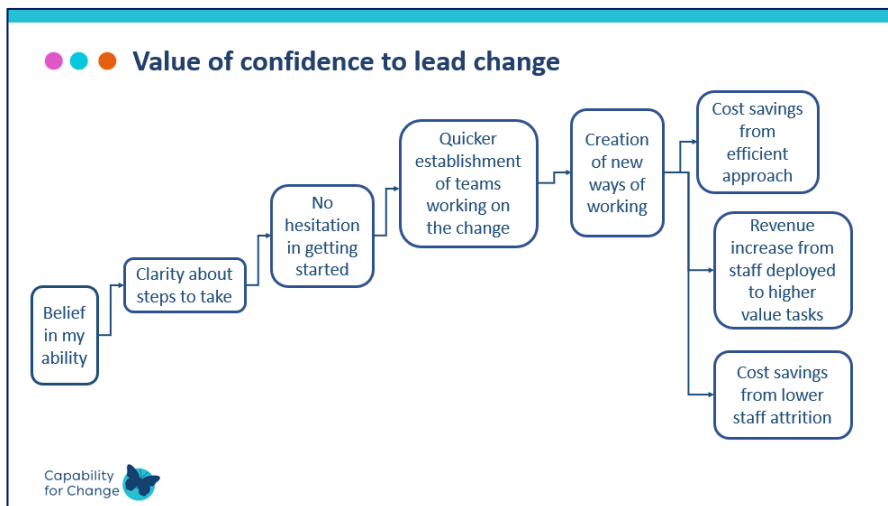
Context

At a workshop in March 2026, with invited guests from multiple organisations who are senior leaders from HR; Learning and Development and Change Management, we debated what is required to build the change capability for organisations coping with high volumes of change.

In this session we focused on creating a commercial argument for investment in change capability building for line managers and team leaders. The outcome is the identification of areas of benefits and costs. The caveat is that these ideas will need specific numbers from our own organisations to create a useable ROI model.

Translating the value of capability into financial measures

Melanie described a technique to identify the value of the change capability and gave examples of how these build upon each other. The group then used this technique as the basis of those own discussions.



The Financial Case

Cost Savings: People & Attrition

Staff attrition is one of the most significant and consistently underestimated costs in any organisation. Poor change management is a known driver of voluntary leavers. The cost of replacing an employee, factoring recruitment fees, onboarding time, lost productivity during transition and the knowledge that leaves with the individual typically ranges from 50% to 200% of annual salary depending on role seniority.

Driver of Cost	Capability Investment Impact
High voluntary attrition during poorly managed change	Managers equipped to lead change reduce uncertainty and disengagement — directly lowering leavers
Recruitment & onboarding costs per leaver	Each retained employee saves recruitment fees, lost productivity and knowledge loss costs
Absenteeism spikes during periods of change	Engaged, informed employees supported by capable managers show lower absence rates
Manager time consumed by people issues during change	Capable managers resolve ambiguity faster, freeing time for strategic activity

One participating organisation noted that by enabling line managers to confidently own change, they could materially reduce the volume of escalations, informal grievances and change-related performance issues that currently consume significant HR and management time.

Cost Savings: Rework & Change Programme Efficiency

A significant proportion of change programme cost is consumed not by the change itself, but by rework where resistance, low adoption, or poor embedding requires the programme to revisit decisions, re-engage stakeholders, or repeat roll-out activity.

Where managers are equipped to engage their teams early and effectively:

- Issues surface at the design stage rather than the implementation stage — where the cost of correction is a fraction of late-stage rework
- Adoption is faster and fuller, reducing the tail cost of extended hyper-care and support
- Fewer escalations require senior or specialist intervention
- Programmes close on schedule, releasing resource to the next priority

Beyond rework, there is a significant opportunity cost in change programmes that do not close. This is because the resources including people, budget, technology licences, management attention remain allocated to incomplete programmes. The financial drag of an open portfolio is substantial and often invisible in standard reporting.

Anecdotally we identified the inefficiencies of continually reviewing changes that were incomplete, or had ground to a halt, taking up valuable time in team meetings, requiring people to hold information about these initiatives in their heads, when it would be better to move on. As one practitioner observed: every unfinished change creates an exponentially increasing cognitive load on the teams carrying it. That cognitive overhead has a direct productivity cost and finishing change faster directly reduces it.

Revenue Growth: Customer & Commercial Impact

The connection between internal change capability and external commercial performance is real, if sometimes indirect. The pathway is consistent across sectors:

Step	Mechanism	Commercial Outcome
1	Managers confidently lead change, teams adopt faster	Services improve sooner; customer experience improves
2	Improved customer/service user satisfaction scores	Higher retention, increased orders, better NPS
3	Faster time to market for new products/services	Revenue realised earlier; competitive advantage maintained
4	Better reputation as an employer	Higher quality talent attracted; innovation improves
5	Higher revenue reinvested in infrastructure & people	Compounding improvement in delivery capacity

In the rail sector context, for example, every passenger who chooses a car journey over a train because of a poor service experience represents direct lost revenue. The causal chain runs from change capability → operational performance → service experience → revenue.

In a professional services context, clients who experience a partner organisation managing its own transformation well are more likely to extend and grow that relationship — because it signals operational maturity and reliability.

Faster Benefit Realisation from Change Investment

Organisations typically invest significant sums in change programmes — technology implementations, process redesign, structural reorganisations. The intended benefits of those investments are frequently delayed, or never fully realised, because adoption is slow, inconsistent, or incomplete.

Building change capability in line managers directly accelerates the speed at which benefits are realised after go-live:

- Managers who understand their role in reinforcing change drive faster adoption within their teams
- Teams with clear expectations and visible metrics demonstrate faster proficiency improvement
- Benefit realisation dashboards, owned at team level, create a continuous improvement loop, closing the gap between planned and actual benefit on every programme

The financial implication is significant. Even a modest improvement in the speed of adoption across a multi-million-pound programme translates directly into earlier return on that investment. On a programme with a 3-year payback period, compressing adoption by 20% can bring forward substantial benefit realisation.

The Cost of Doing Nothing

A compelling commercial case must account not only for the return on investment but for the cost of inaction. The risks of not building this capability are already being experienced:

Risk of Not Acting	Financial & Reputational Consequence
Continued high attrition	Ongoing recruitment and onboarding costs; knowledge loss; reduced team performance
Change fatigue & programme failure	Sunk costs on programmes that do not realise benefits; board credibility at risk
Inability to attract talent	Employer brand suffers; diversity of thought declines; innovation stalls
Reputational damage	In higher education, NHS, and regulated sectors, poor change execution affects external ratings, league tables, CQC scores, and ultimately funding
Falling behind competitors	Organisations that build this capability move faster; those that do not are structurally disadvantaged in responding to market, regulatory and technological change

In the words of one practitioner: 'If we stick with what we've got, nothing changes. Everything stays old and static.' The financial cost of that stasis is already running, even if it does not yet appear on a balance sheet.

The Financial Return for Change Capability

This is our summary of the primary financial returns from investing in line manager and team leader change capability. They are a useful starting point, but require incorporation of the numbers. For example, I believe the Portfolio Office could provide useful data on the number of change initiatives that are delayed because teams are not ready to implement the changes. This will impact both reduced rework, faster programme closure and earlier benefits realisation.

Personally I think we have more work to do to define the financial benefits of freed management time. Whilst reduced fire-fighting/increased focus on strategy sounds impressive, I think the benefits of this need to be more explicit. For example, I think there are benefits if line managers are able to contribute detailed understanding of what their areas of the business actually do to those who are defining the scope of changes before the scope is approved.

Benefit Category	Description	Nature of Return
Reduced attrition	Lower voluntary leavers during and after change	Direct cost saving

Benefit Category	Description	Nature of Return
Reduced rework	Fewer late-stage programme corrections	Direct cost saving
Freed management time	Managers focus on strategy, not firefighting	Productivity gain
Faster programme closure	Resources released to next priority sooner	Opportunity cost reduction
Earlier benefit realisation	Adoption accelerated; ROI on programmes brought forward	Revenue / saving acceleration
Improved customer satisfaction	Service quality improves; revenue and retention increase	Revenue growth
Talent attraction & retention	Employer of choice positioning; diversity of thought	Cost avoidance + innovation uplift
Succession pipeline strength	Capable change leaders developed organically	Leadership cost avoidance
Risk mitigation	Regulatory, reputational and operational risk reduced	Downside protection
Continuous improvement loop	Self-sustaining benefit realisation culture established	Compounding long-term return

The investment case is not simply that change capability development pays for itself. It is that the cost of not having it is already being paid and will continue to increase as the pace and volume of change accelerates. The question for the Finance Director is not whether to invest. It is how quickly an investment now will close the gap between the change the organisation is attempting and the change it is delivering.

Next steps

For more information about building the capability for change, become a member of the free, global [Change Capability Community](#) and contribute your ideas via the annual, global [Change Capability Survey](#).