

HR Economics



LinkedIn

Marstella
Maria Scarangella

What you should leave with:

1. A way to demonstrate your value and ROI
2. How to shift from a cost center to a revenue generator
3. Tools to fund your initiatives
4. A new way to talk to the board



My Story



MarstellaTM

- Tech solution to calculate the employee life cycle costs
- Deliver profit through people
- Data-driven decision-making for talent

Scarangella Consulting, LLC

- C Suite Strategy
- Retreats
- Executive Coaching

GEICO[®]

- 37 yrs. SR Leader of Operations and VP Enterprise Talent
- \$2.5 b P&L, 1.5 m Customers,
- 400k annual sales



The Evolving Role of HR



Administrative HR

Transactional Focus

Process-Oriented

Reactive Fire Fighting

Strategic Partner

Value-Driven Focus

Outcome Oriented

Data Informed - ROI



HR's Role in this Industrial Revolution



HR
Economics

What?

Why?

How?



What gets measured gets managed, but what is understood drives strategy

What?

Methodology:

- Connect HR costs & investments to the bottom line in a continuously changing environment.
- Prioritize impact & use the data to drive business outcomes

[From Metrics to Meaning: How to Connect HR Data to Financial Outcomes — Marstella](#)



Why?



WHY?



The World Changed – Has HR?

- COVID Elevated HR
- HR had a seat at the table
- AI & Technology is rapidly evolving
- Rapid pace of change
- Economic changes - Tariffs
- Align People-Data-Technology
- **Results are King!**

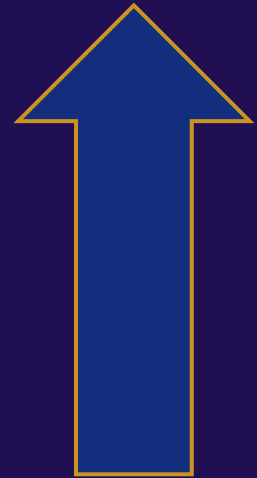
“Rule number 1: never lose money. Rule number 2: never forget rule number 1”.

“You only have to do a few things right in your life so long as you don’t do too many things wrong.” - **Warren Buffett**



The *Employment Deal* Shift “Give More, Expect Less”

Why?



Productivity & ROI
Longer workdays
Heavier Workloads
Growing Change Volume

Full Return to Office
Now Required for
Majority of Fortune 100
Desk Workers

Bloomberg July 2025

Think Work-Life
Balance is Overrated?
You're Hired

WSJ July 2025



Less Flexibility
Waning Culture
Investment
Reduced Job Stability

CEOs are shrinking
their workforces - and
they couldn't be
prouder

WSJ July 2025



Why?

HR is at a Crossroad

**Be
Minimized**

**Reinvent
Yourself**

Path 1:
Others Taking
the lead



Path 2:
HR Taking
the lead

Paid to Deliver Results



How?



How?

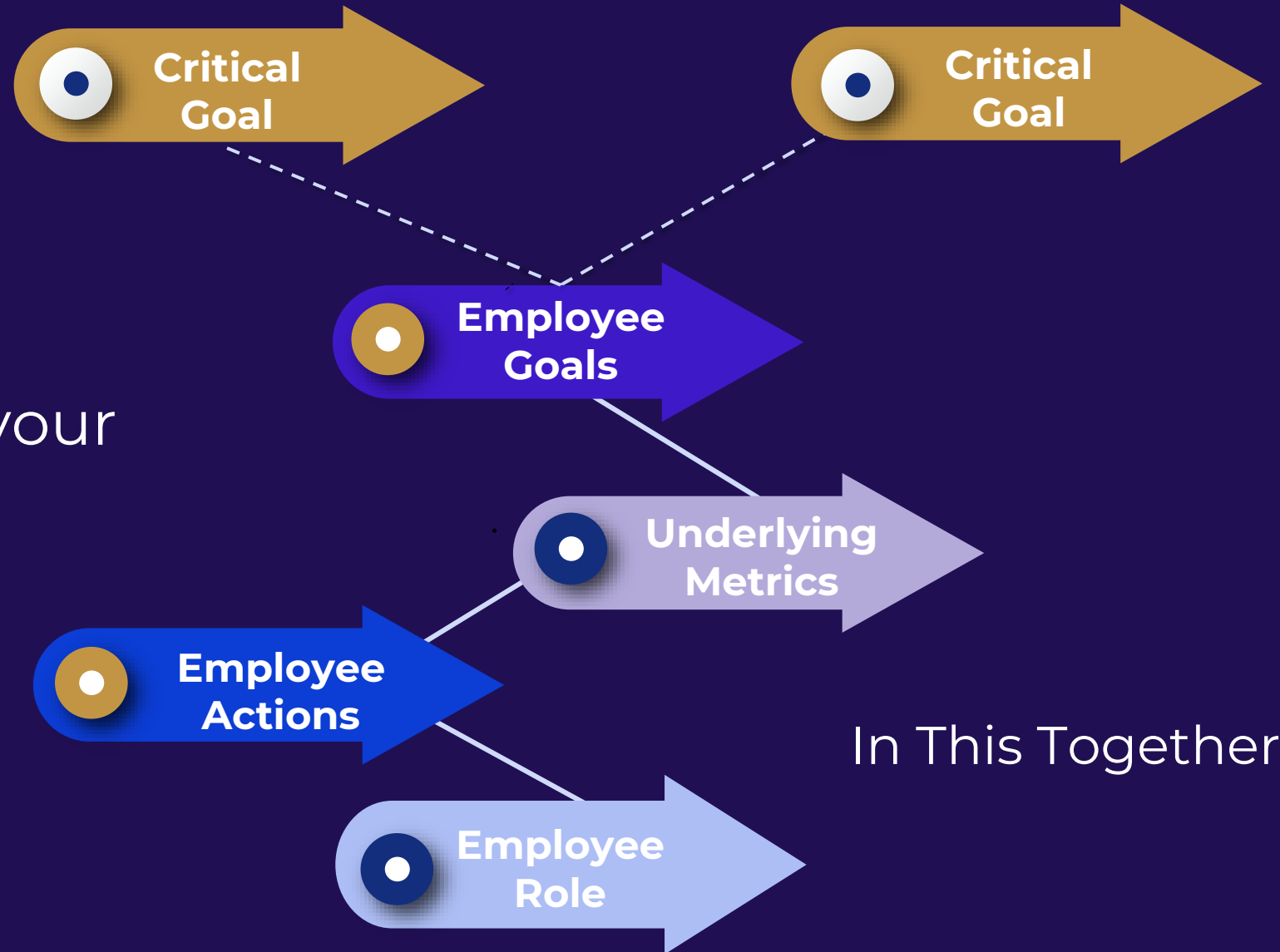
- Understand how your business makes money
- Learn how to calculate key financial metrics
- Speak the same language as the CEO & CFO
- Align strategies to deliver business outcomes
- Foster innovation
- Evaluate & redesign processes
- Demonstrate value added

[Learning the Language of Finance: What Every HR Leader Should Know — Marstella](#)



How?

Alignment: Make the connections to move your organization forward.



How?

9 Levers

INCREASE

Revenue
Market Share
Margin Expansion
Scalability
Talent
Development

Performance Gaps
Turnover
Costs
Leverage/Debt

DECREASE



How?



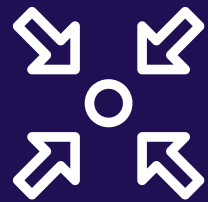
Language



Bottom line



Purposeful



Alignment

**Speak the
Language
of the
Business**



How?

1. Track the metrics that move the needle
 - Connect the meaningful data to goals:
 - Cost
 - Productivity
 - Revenue
 - Risk
2. Identify Data Barriers
3. Translate to financial terms
4. Tell a compelling story
 - Build your case - CBA
 - Demonstrate business value



How?

What are the 2 Ultimate Goals? 01

What business result do you drive? 02

What are your key challenges? 03

How can you solve them? 04



How?

Our Roadmap to Success

1



Determine key business objectives and identify barriers then codesign strategies to optimize performance and streamline processes



Prepare for change management

2



Develop frameworks to create a culture of execution and accountability

3



Track Progress and iterate to realize ROI

4



Monetize and expand for greater organizational impact

5



Patent Pending serial #63/533,694

How?

Realized Business Impact

GEICO

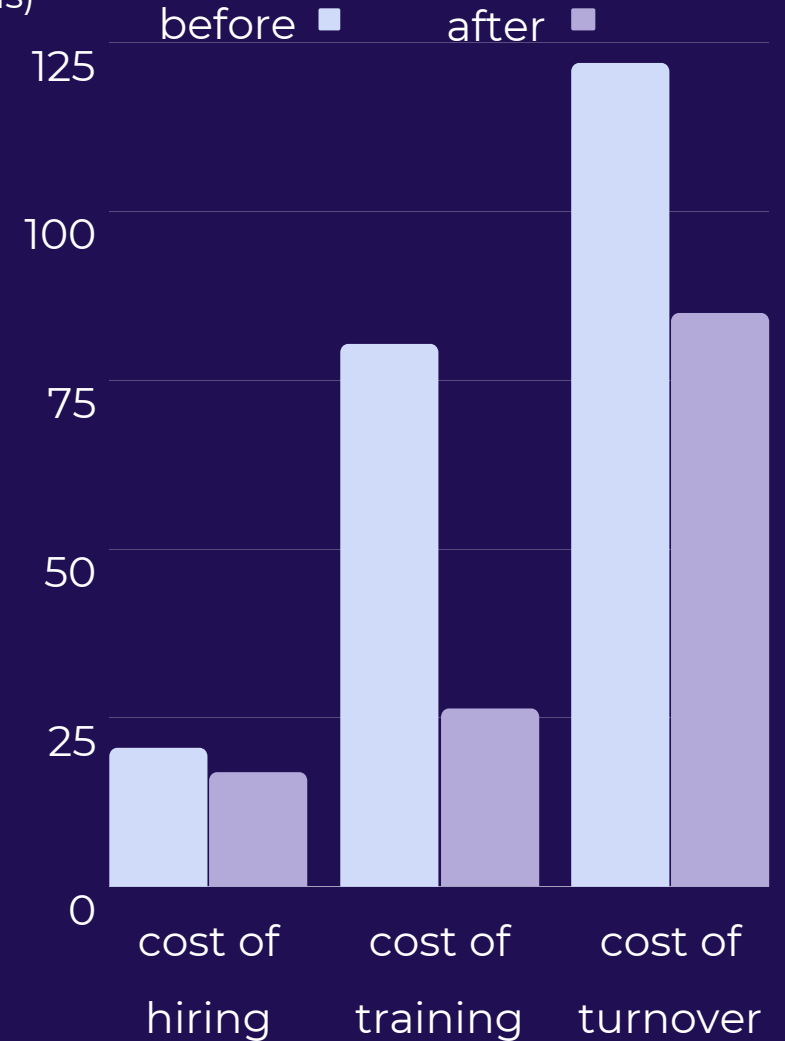
Implemented COEs:

- Talent Acquisition
- Learning & Development

Annual Savings: \$94 M

- Cost of hire = \$3.6 M
- Cost of training = \$54 M
- Cost of turnover = \$37 M

Dollars (millions)



How?

Defined Costs 01

Data-Driven Decision Making 02

Evaluation 03

Design 04

My Model

Infrastructure to trap and evaluate all employee life cycle costs

Use your company data to fuel your decision making

Evaluate all past and future spending based on ROI prioritizing impact to the bottom line

Design strategies to reduce performance gaps, expenses and deliver results

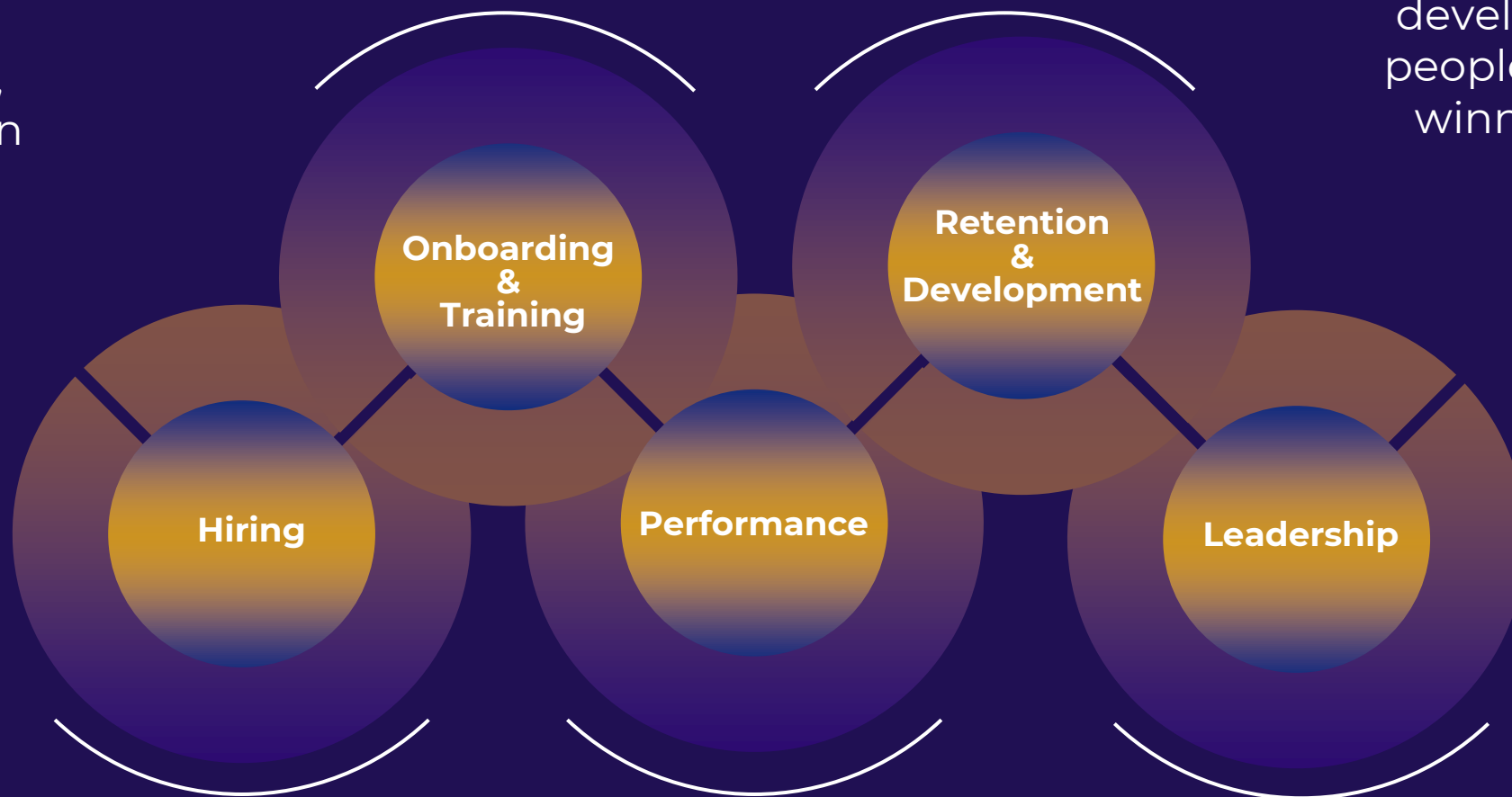
Patent Pending serial #
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How?

Employee Life Cycle

Your ability to efficiently hire, train and retain staff is a competitive advantage



Retaining and developing your best people is **the key** to a winning strategy for consistent high performance

Leaders bring your strategy to life

Patent Pending serial #
63/533,694



How?

The logo for Marstella, featuring the word "Marstella" in a bold, black, sans-serif font with a small starburst icon above the letter 'a'. A trademark symbol (TM) is located to the right of the word.

Proprietary HR
Economics Model

The Solution

Strategy

Framework

Value Add



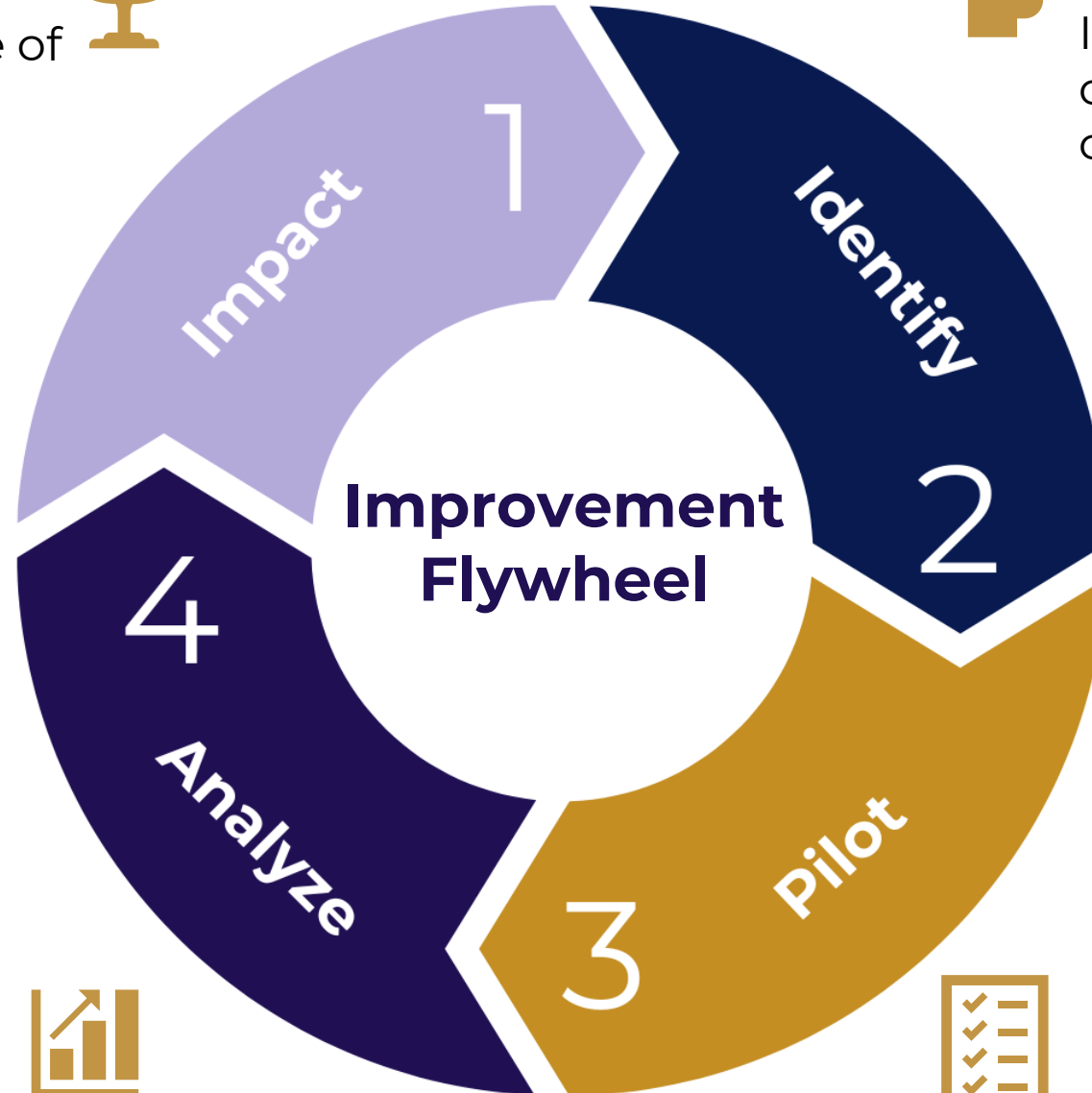
IMPACT

Understand the impact of the change on each stage of the employment lifecycle then identify the next opportunity



IDENTIFY

Identify the biggest areas of opportunity based on current cost and impact



ANALYZE

Analyze the early results, compare to pilot goals, adjust factors as needed



PILOT

Pilot a solution for the opportunity identified



How?

S.O.A.K.

Stop

Outsource

Automate

Keep



How?

A New Mindset

Data Driven Decisions **01**

Quantify financial impact of factors, plans, and actions

Business Leader Buy-In **02**

Identify key stakeholders and critical results you can help deliver

Financial Impact **03**

Ongoing analysis to demonstrate progress, publish results and build excitement

Spending Strategy **04**

Prioritize spending based on ROI, use savings for reinvestment

Competitive Advantage **05**

Present to leaders how you partnered to drive financial value and deliver a competitive advantage





Patent Pending - US 18/810461

Dashboard

Data Entries

How?

Viewing as
Cena LLC



MS

Marstella

Admin
maria@marstella.com

Log out

Dashboard

Simplified View



All Departments



Lower Level



Today

Last 12 Months



Staffing Overview

Hires	Terminations	Headcount
165	125	190
23% ↑	12% ↑	12% ↑

Hiring Costs

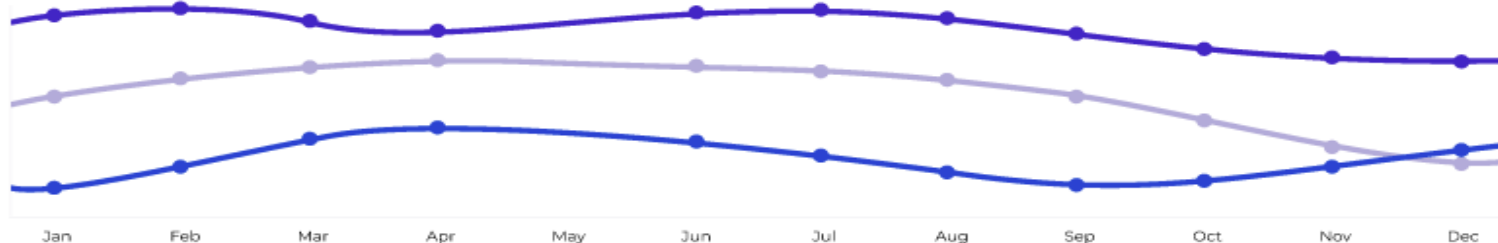
Total	Individual
\$1.7M	\$10.4K
24% ↑	24% ↑

Turnover Costs

Total	Individual
\$2.9M	\$31K
20% ↑	36% ↑

Staffing Overview

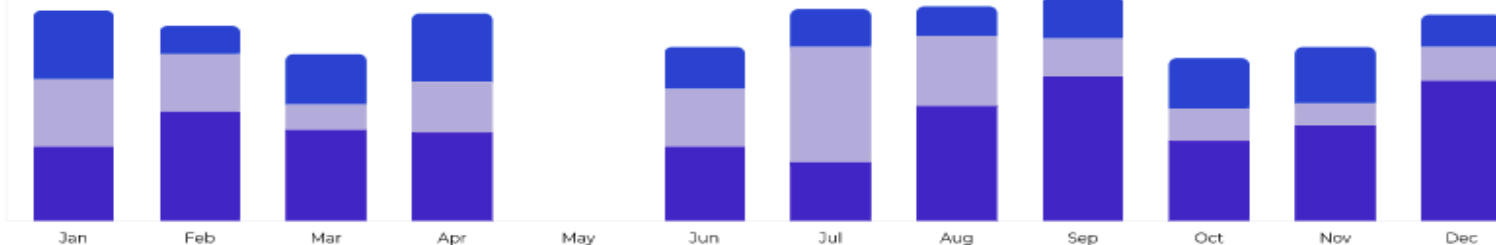
- Headcount **190** 12% ↑
- Hires **165** 23% ↑
- Terminations **125** 12% ↑



Hiring Costs

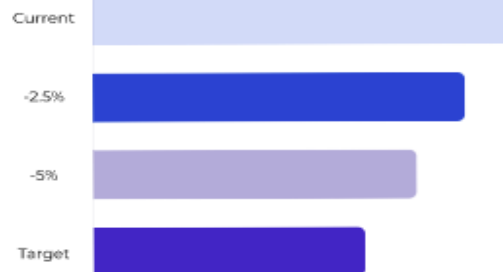
- Conversion **\$6K** 3% ↑
- Selection **\$7K** -12% ↓
- Recruiting **\$66K** 31% ↑

Total **\$23.6K**



Turnover Costs

- Current **\$8.5M** 7% ↑
- If turnover % reduced by 2.5% **\$7.5M** -3% ↓
- If turnover % reduced by 5% **\$6.6M** 8% ↑
- If target turnover % reached **\$6.2M** 5% ↑



Turnover Reduction Savings

- If turnover % reduced by 2.5% **\$922K** -28% ↓
- If turnover % reduced by 5% **\$1.8M** 7% ↑
- If target turnover % reached **\$2.3M** 13% ↑



Be a Strategic Business Partner

How?



- Lead with Impact: Solve Big Problems
- Be Self-Reflective and Bold
- Align, Always
- Flip the Script: From Cost Center to Value Driver
- 10X ROI Through People
- These aren't just HR wins. They're business wins.
- Seize the Day – Be Irreplaceable
- You're a business partner, strategist, and value creator who focuses on HR
- Make sure the organization sees you that way



SEIZE THE DAY

Inspire

Empower

Transform

1. You know the **challenge** ahead
2. Transform from a **cost center** to a **revenue generator**
3. Be **Irreplaceable**
4. Make Talent your **Competitive Advantage**



Thank You!

MarstellaTM

Deliver profit through people.

LinkedIn



Stay Connected
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Marstellatella

