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Adaptive Planning

eBook

THE PATH TO MODERN PLANNING

Strategic workforce planning:

what it is and why it matters.



Company-wide workforce planning.

Want the truth about company-wide planning? Its practitioners hold a distinct advantage over their rivals. The reason is simple: traditional planning ignores the big picture. It's often led exclusively by finance—and though FP&A teams enjoy a rich vantage point, theirs is a singular strategic perspective.

Company-wide planning, however, broadens that view. It becomes an extended planning and analysis (xP&A) model, where individual planning activities among business units connect to form an overarching plan.



This eBook focuses on that collaborative planning process, and explores the practical application of company-wide planning as it pertains specifically to workforce planning.

- Learn how the most forward-thinking companies integrate workforce planning into their established planning practices.
- Read real-life examples of enterprises that are already pulling away from the pack.

Rather than charging toward full-scale, company-wide planning from a standing start, you'll see much greater success implementing xP&A brick by brick, or more precisely, function by function.

And workforce planning is a fantastic place to start.

Let's begin.



Section 1

HR's great potential.

Most organizations cite people as their most valuable asset. But not every company systematically integrates its workforce planning activities with the strategic planning happening across the business.

And that's a problem. Because left in isolation, workforce planning (the engagement and empowerment of multiple departments) is reduced to headcount planning—in which the focus stays limited to finance's relationship with HR.

This forfeits huge potential for HR leaders to improve outcomes across the business—from enhancing employee retention and development to right-skilling for strategic objectives.

The outcomes of strategic workforce planning are more than nice-to-haves. They dictate whether your businesses' plans reflect market realities, and incorporate the talent needed to drive business agility.

But when workforce planning is integrated with finance's wider strategic plan, great things happen. As a partner to the business, no department understands its future workforce requirements better than HR. And framed by strategic objectives, growth projections, and new business opportunities, this HR and finance partnership can shape company talent to complement wider business goals.

Effective workforce planning makes it easier to estimate—and hit—accurate target hire rates. It simplifies the discovery and retention of talent for future needs, and helps filter through the explosion in system-based HR data.

> "Our finance team starts the process alongside our HR team, which supplies us with critical information on our entire workforce. Our workforce plan, integrated with our budget, revenue forecasts, and corporate financial plan, helps us determine where to expand next and when, how to staff new locations, what practice areas to grow, and more.
>
> **Financial Planning and Reporting Manager**
> Pinsent Masons

Learn more about how international law firm Pinsent Masons LLP used company-wide planning to get an integrated 360-degree view of performance.

Section 2

The costs of disconnected workforce planning.

What goes wrong for companies without strategic workforce planning? We already mentioned a narrow, cost-centric view of human capital. While that's limiting in its own right, there are bigger consequences in a rapidly shifting competitive landscape.

Traditional business models, best practices, and skills are being replaced. New trends, industries, technologies, and customer demands are reshaping what a winning workforce looks like—in terms of skill sets, geographical distribution, team structure and hierarchy, compensation, development, employee experience, and more.

It's hard enough to support your known strategic objectives with a future-ready workforce strategy—to say nothing of the unknown forces you couldn't anticipate. Businesses without an integrated workforce planning mechanism simply won't have the right people in the right roles to keep up with the new world. And, crucially, they won't be able to change fast enough to avoid disruption from more agile (and better prepared) competitors.



Take location as an example. Imagine a global manufacturer plans to build a new production site or sales office. Obviously, it will need a support structure of employees around it. This is where strategic workforce planning proves essential. Without it, the company risks allocating the wrong mix of workers, wasting money and resources in the process—and potentially jeopardizing critical strategic objectives.

Executive hires are another example. Through a cost-center lens, a multinational retailer may determine that hiring a vice president offers the best plan of action for launching a new marketing division. But with integrated planning, HR might assess that hiring three fewer senior managers fits the bill better at a lower cost.

In many ways, your workforce strategy is your business strategy. And that's why it's not just a potential advantage, but also a competitive necessity.

So how do you get started?



Section 3

Integrated workforce planning.

So it's clear that while salary sits at the top of your annual budget, your workforce is far more than a cost center. It's your most powerful strategic asset—and optimal planning can support both the business itself and create a better experience for your employees.

How workforce planning supports your organization.

Workforce planning is about more than attracting talented employees. It's about creating an intelligent feedback mechanism between your current and future business interests, and the acquisition, retention, and development of the people best able to drive those interests.

Headcount, capacity, talent mix and distribution all have a material impact on how well you can execute today's critical business operations. They also influence how quickly you can prepare for and adapt to tomorrow's challenges and opportunities.

When you build more sophisticated connections between your shifting talent requirements and available resources, you create enormous strategic freedom to solve more ambitious challenges in ways beyond simply "hire more people." Effective workforce planning unlocks three categories of response to new headcount requirements: **build, borrow,** and **buy.**

Build.

Market uncertainty has transformed employee development from a bonus of employment to a key differentiator. Peer-based coaching—and quick access to skills development courses—makes it easier to both offer career plans for your workforce and build succession plans for your future leadership needs. It also reduces the need for expensive outsourcing.





Borrow.

The organization's shifting needs in this dynamic business environment have given cross-departmental right-skilling renewed momentum. And with an integrated workforce, it becomes easier to do. Take HR, for example. In recent years, HR leaders have hired more data scientists and analysts into their teams to better understand worker trends in areas such as engagement, productivity, mobility, and attrition. Some of these new positions have been filled by internal transfers from finance and IT—employees looking to apply their craft in new ways. Tapping into resource pools via internal transfers keeps teams well matched for new demands.

Buy.

From a hiring perspective, integrated planning ensures every action—from talent acquisition and onboarding, to deployment and retention—mirrors wider strategic intentions. Sharing data on the current workforce drives better decisions about who you end up hiring. You can also account for the pace of hiring in line with short-term budget availability, and identify roadblocks along the way.

How workforce planning increases employee satisfaction.

Businesses often conflate innovative tools, tech, and capabilities with progress toward top-line growth or bottom-line efficiencies. But for your workforce, what matters is employee engagement, performance, productivity, customer relationships, and business agility.

Smart companies recognize that there's both short- and long-term benefits to a great employee experience. And it starts with data. Surveys on well-being provide vital information that can be fed into a collaborative planning process and cadence. Coupled with external training, learning and development courses, and regular reviews, you soon create an environment conducive to a wider performance ecosystem.

We've seen how HR and finance can be powerful collaborators for workforce planning. Combining workforce bottom-up insights with finance's top-down view helps mitigate disruptions, seize opportunities, and keep pace in competitive environments.

Much of this comes down to cross-referencing granular insights with the broader view of what's happening in the business: upstream and downstream challenges and events, and upcoming projects and initiatives.

> "The role of finance at Legendary has changed since using Workday Adaptive Planning because now we're more collaborative. We have an active dialogue with people in different areas of our company, and we're working together and solving issues and problems as a team, as we should.
>
> **VP Accounting**
> Legendary Entertainment



Section 4

Four ways integrated workforce planning improves agility.

When HR becomes a strategic partner to the business, integrated workforce planning becomes one of its most powerful tools.

Here are four ways integrated workforce planning can accelerate your strategic objectives.

1. **The workforce remains resilient and future-ready.**
   Integrated workforce planning rolls conversations about strategy and cost into the same system. Not only do both sides of the workforce discussion get more visibility into current and future hiring expenses, but the organization is also better prepared to address skills shortages in the event of unforeseen needs.

   Example: A travel company undergoing digital transformation pivots to employ more data analysts to measure and optimize call center staffing to customer demand across its new online channels.

2. **Leaders can make better decisions, faster.**
   Companies work more effectively and make better, faster decisions when HR, finance, and operations collaborate.

   Example: Jackson Family Wines had to anticipate rapidly shifting labor needs due to harvest and product cycles. But through collaborative planning, its business unit managers could easily identify and allocate employee costs among multiple business units.

3. **It identifies the cause of staff and skills shortages.**
   From an operational perspective, managers can start baking in hiring strategies that support their plans earlier in the collaboration process.

   Example: A regional sales team gets a tip that a local competitor will be winding down operations in the area later in the year. The team can plan ahead, and train junior business development reps in time for the shift rather than wait to hire more experienced and expensive reps to fill the anticipated increase in opportunities.

4. **It highlights the different objectives among teams.**
   On one hand, leaders can understand their own objectives through a workforce context, and optimize their teams accordingly. On the other hand, it empowers them to see how other teams' plans might affect their own workforce needs.

   Example: As that same regional sales team reforecasts aggressive targets for the year ahead, the customer service team can see it will need to increase capacity to support the extra inbound inquiries.

Multinational IT firm transforms projects with workforce management planning.

BNB, a global IT consultant, realized that a rapidly growing demand for its services affected its agility as well as its ability to make effective decisions and deliver a rewarding customer experience.

As it expanded geographically, its disconnected finance and HR systems made it hard to monitor business performance, engage with its workforce, and change at the speed demanded by clients.

Challenges

BNB's biggest challenge was to transform its project planning and management to scale to its growing business.

Increased client engagements demanded a more accurate and informative view into areas such as project and resource management, time and expense tracking, and analytics. Reliance on separate, manual systems left little operational visibility into each engagement. It was difficult to allocate resources to a client project, or understand the margin on it. Additionally, financial and workforce planning was conducted manually via spreadsheets.



Results

BNB opted for a single system for finance and HR, giving the company complete visibility into the business.

To illustrate, its HR department has workforce planning and talent management in one system, and with role-based access to information can now better train, recruit, and nurture new employees. Additionally, it now benefits from faster, more accurate financial decision-making. Using a singular system provides the team with transactions, accounting, and analytics all in the same place.

At a glance

- Gained a single system for finance and HR
- Increased profitability on client-facing billable projects
- Accelerated informed decision-making
- Enhanced employee engagement and satisfaction
- Improved ability to adapt to change

Learn how to transform "finance numbers" into "our numbers."

Put strategy into practice with Workday.

For strategically minded leaders, workforce planning has become an essential tool for keeping organizations adaptable. It empowers HR leaders to see and plan for their organization's workforce performance in context with finance and the rest of the business. And in practice, both plans should share similar fingerprints.

Each plan revolves around budget—one with buy-in from wider stakeholders that captures all major considerations. And just like finance, HR should start with a top-down, centralized plan. Insight-led discussions with the business then trigger better resource allocation and an optimal workforce mix.

Planning for, training, and upskilling workforces via holistic and data-driven processes protects against changing market conditions. For this, dedicated planning needs a dedicated planning environment. Left to spreadsheets, stakeholders only encourage the old way of doing things.

Organizations can only achieve integrated planning by taking the insights from HR systems out of silos and making them available for finance teams, ultimately connecting them to core business drivers for richer planning.

Watch our on-demand webinar to discover how to accelerate your xP&A journey by rolling out company-wide and integrated workforce planning for every team.

"We use Workday Adaptive Planning for both workforce planning and headcount planning. We've now been able to build a full headcount list for our group, building in all the different tax rates across various different locations; also, building in attrition has enabled us to have a more accurate headcount forecast.

Financial Planning and Analysis Manager
Kindred

"The Workday Adaptive Planning ROI for us is mainly the hundreds of hours we save in creating budgets.

VP, Talent Management Technology
Commerce Bank





+1-925-951-9000 +1-877-WORKDAY (+1-877-967-5329) Fax: +1-925-951-9001 workday.com

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