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simplicity at your fingertips

Strategic Workforce Planning Webinar







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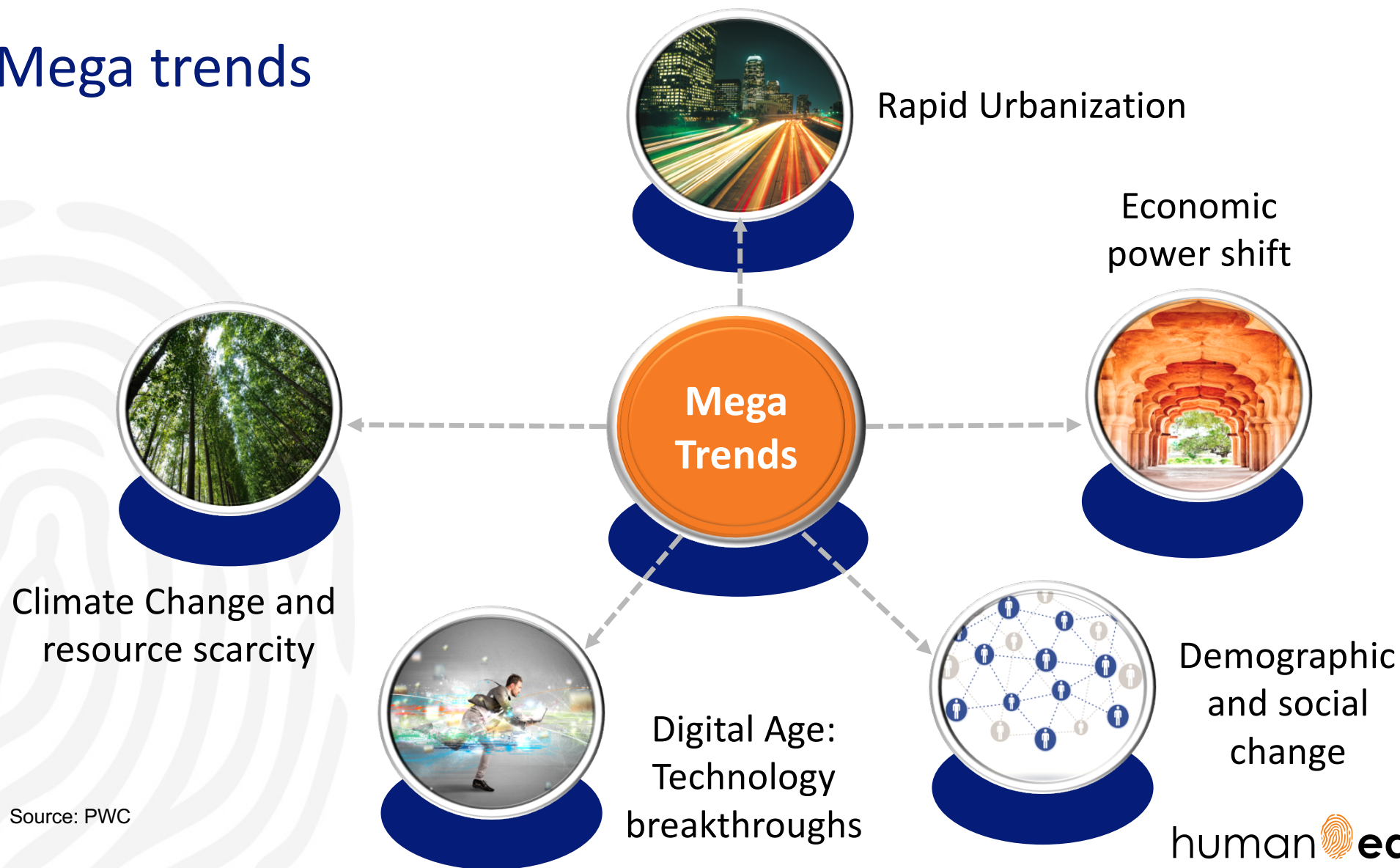




Agenda

-  **External Perspective**
-  Introduction to Strategic Workforce Planning
-  Strategic Workforce Planning Process
-  Client examples
-  Building internal SWP capability
-  Questions & Answers

Mega trends

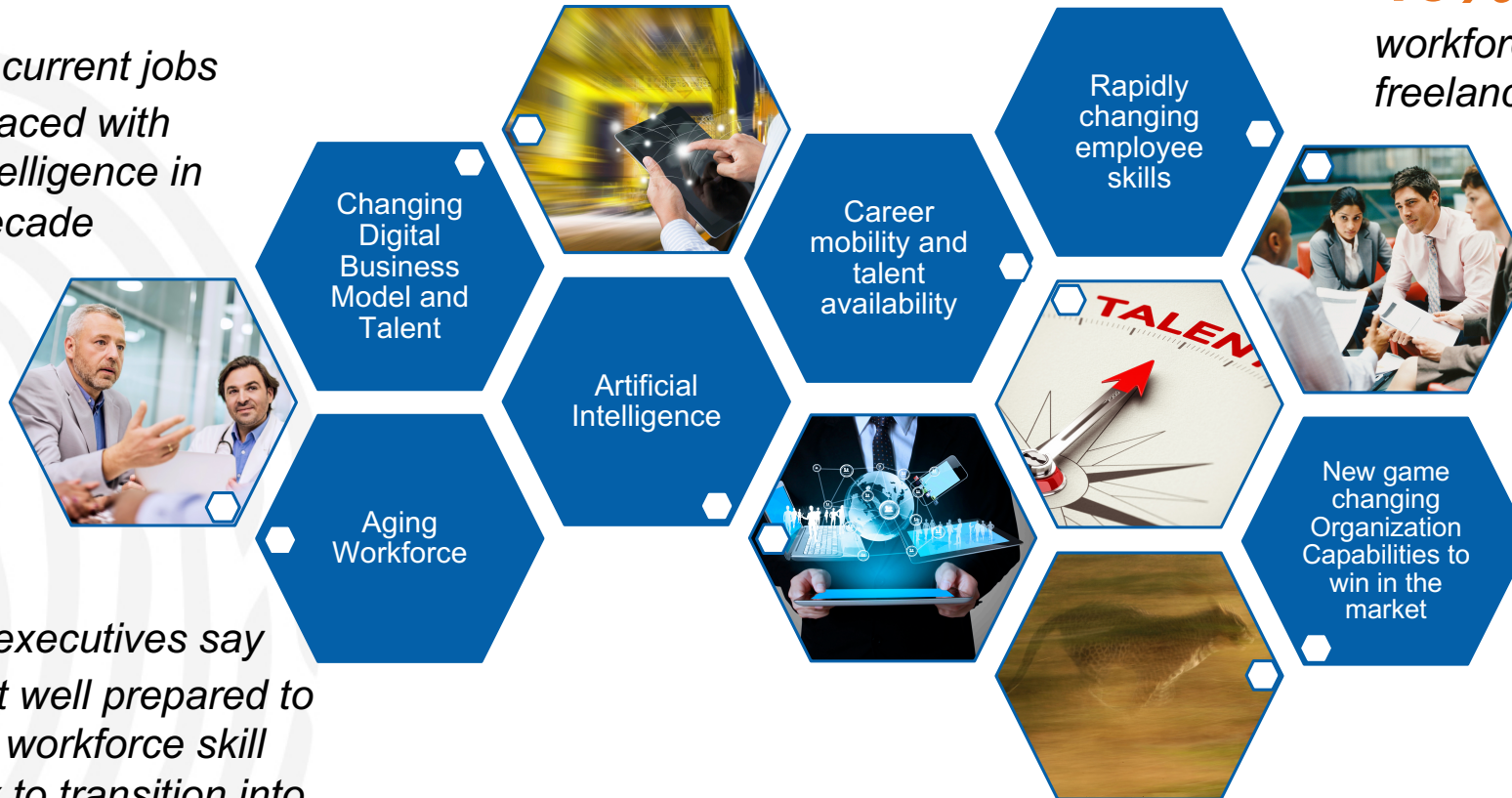


Source: PWC

The perfect workforce storm is approaching

50% of current jobs will be replaced with artificial intelligence in the next decade

43% of the US workforce will be freelancers in 2020



61% of executives say they are not well prepared to change the workforce skill and job mix to transition into a digital business

Polling question 1

What challenge is most pressing for your organization over the next 2 to 3 years?

- Digital business and operating model and needed talent
- New game changing organization capabilities needed to win in the market
- Rapidly changing employee skills
- Changing demographics and growth of contingent workforce
- Artificial Intelligence
- Career mobility and talent availability
- Aging workforce
- Other



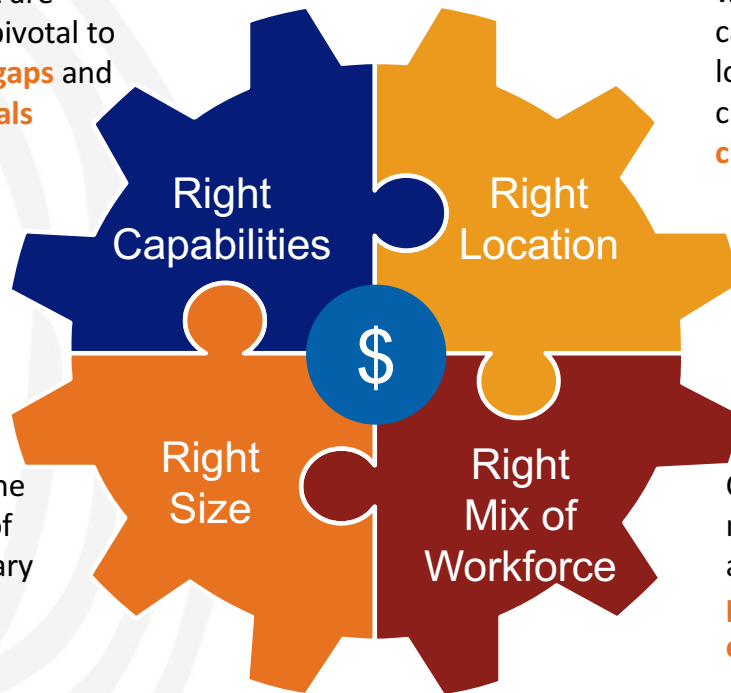
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What is Workforce Management?

Proactively translating business strategy into human capital strategies to ensure clients have:

Clarity about the capabilities that are necessary and pivotal to bridge **current gaps** and **meet future goals**



Clarity about the right number of people necessary to **execute on strategy**

Availability of people with the right capabilities at the right locations, ensuring critical mass, to meet **changing requirements**

Clarity about the right mix of workforce types and the ideal balance of **permanent** and **contingent workforce**



Value chain of total Workforce Management

Competitive Advantage

Level
01

Vacancy Management

- Basic gap analysis capability supply versus demand
- Annual headcount planning

Level
02

Workforce Analytics

- Ability to report and develop meaningful workforce metrics and identify trends or patterns

Level
03

Strategic Workforce Planning

- Translate business strategy into long-term workforce initiatives
- Use predictive modeling and forecasting on a scenario basis

Transactional

Transformational

Polling question 2

What level of Workforce Management is your company currently at?

- Vacancy Management
- Vacancy Management and Workforce Analytics
- Vacancy Management, Workforce Analytics and Strategic Workforce Planning
- Vacancy Management and Strategic Workforce Analytics
- None of the above



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Strategic Workforce Planning

1 Gain strategic insights



Demand Scenarios for Critical Segments

2 Determine the gaps risk



Risk Scenarios for Critical Segments

3 Closing the workforce gaps



Workforce Plan

4 People Practices and Initiatives

- Productivity
- Attraction
- Retention
- Engagement
- Performance
- Career Development
 - Accelerate
 - Retrain
- Rewards
- Leadership
- Mobility
- Artificial Intelligence

Proactively addressing the future workforce gaps

Regroup

Challenge business strategy due to unavailable labor resources or prohibitive costs to implement

Transform

Leverage business drivers (e.g. new technology, new business and operating model, multi-skilling) to increase productivity

Buy

Source external talent through increased recruitment and future candidate engagement

Retain

Retain existing talent through improvements in the employee value proposition

Build

Develop talent from inside the organization through increased training and development activities

Borrow

Borrow or access talent through contracting with contingent workforce

..to enable strategy execution

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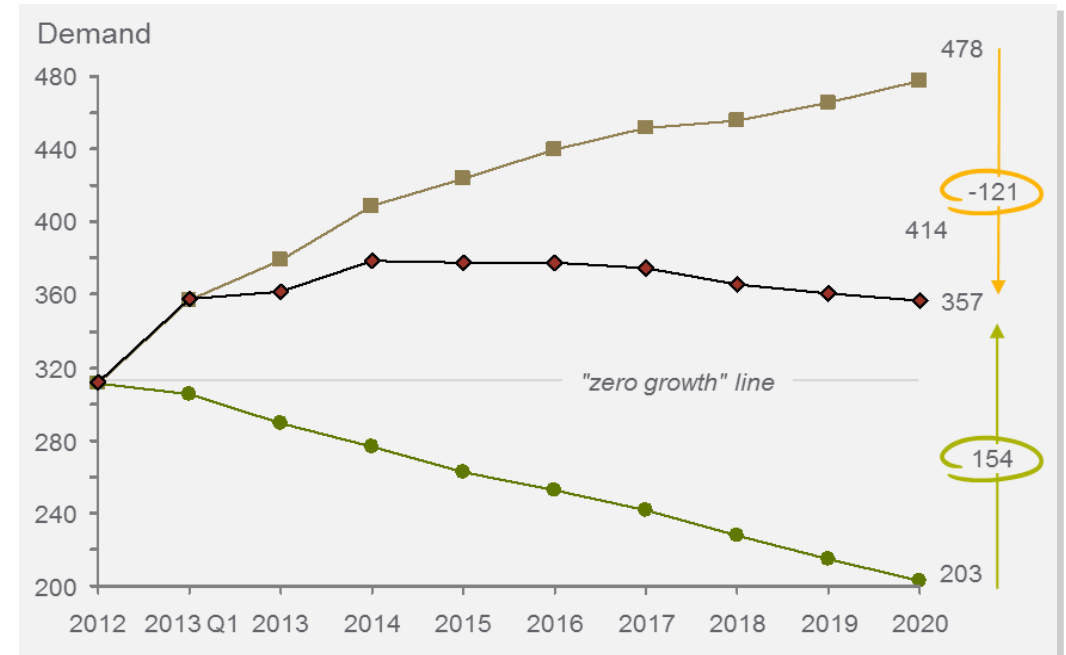


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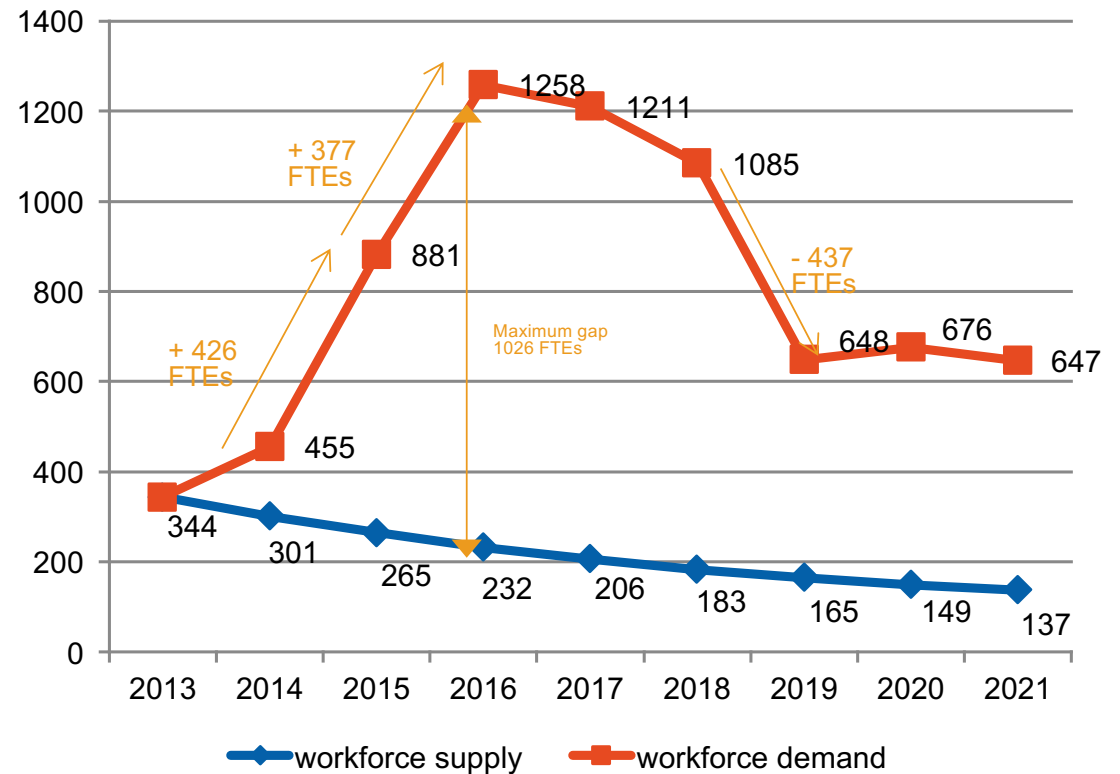
Steep growth in demand forced to rethink operating model in order to close the workforce gaps

- 👉 **Reconfiguration** of the operating model led to a decrease in workforce demand
 - **Transform**: process automation
 - **Borrow**: outsourcing and harmonization of contingent workforce
- 👉 **Remaining gap** can be filled by internal promotion, transfers, training & development, retention activities and finally recruiting
- 👉 **Tangible business benefits**: Reduced hiring of 121 FTE will save up to \$90M (cumulated until 2020)



New product introduction and rapid growth strategy

- Regroup:** strategy had to be challenged and changes to be made
 - Transform:** change in GTM model had to be accelerated to avoid huge number of hiring and layoff few years later
 - Buy:** use contingent workforce to cover short-term peaks in workforce
 - Build:** develop broader skills within existing workforce to avoid layoffs
- Impact:** avoidance of huge number of layoffs and more than \$15M in cost



Client quotes

„I can't believe that any business strategy can be implemented without Strategic Workforce Planning“

„We knew we had a sustainability problem, but only with SWP were we able to quantify it. It allows the business to see the size of the 'elephant'“

„This not typical HR work, this is real strategy, why have we waited so long?“

„The SWP capability will give our business a significant competitive advantage“





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Building integrated SWP capability

Identify a **home** for SWP and dedicate expert resources

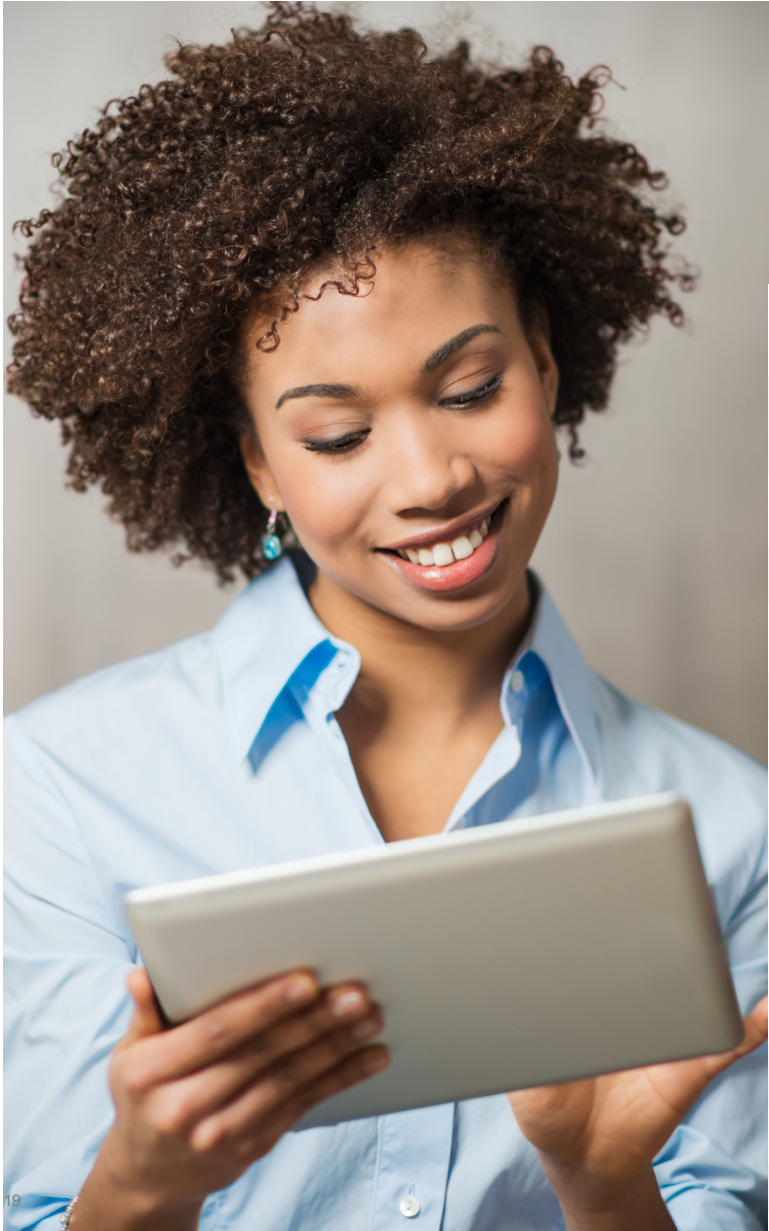
Build and sustain internal **skills**:

- Strategic skills
- Consulting skills
- Data analytics

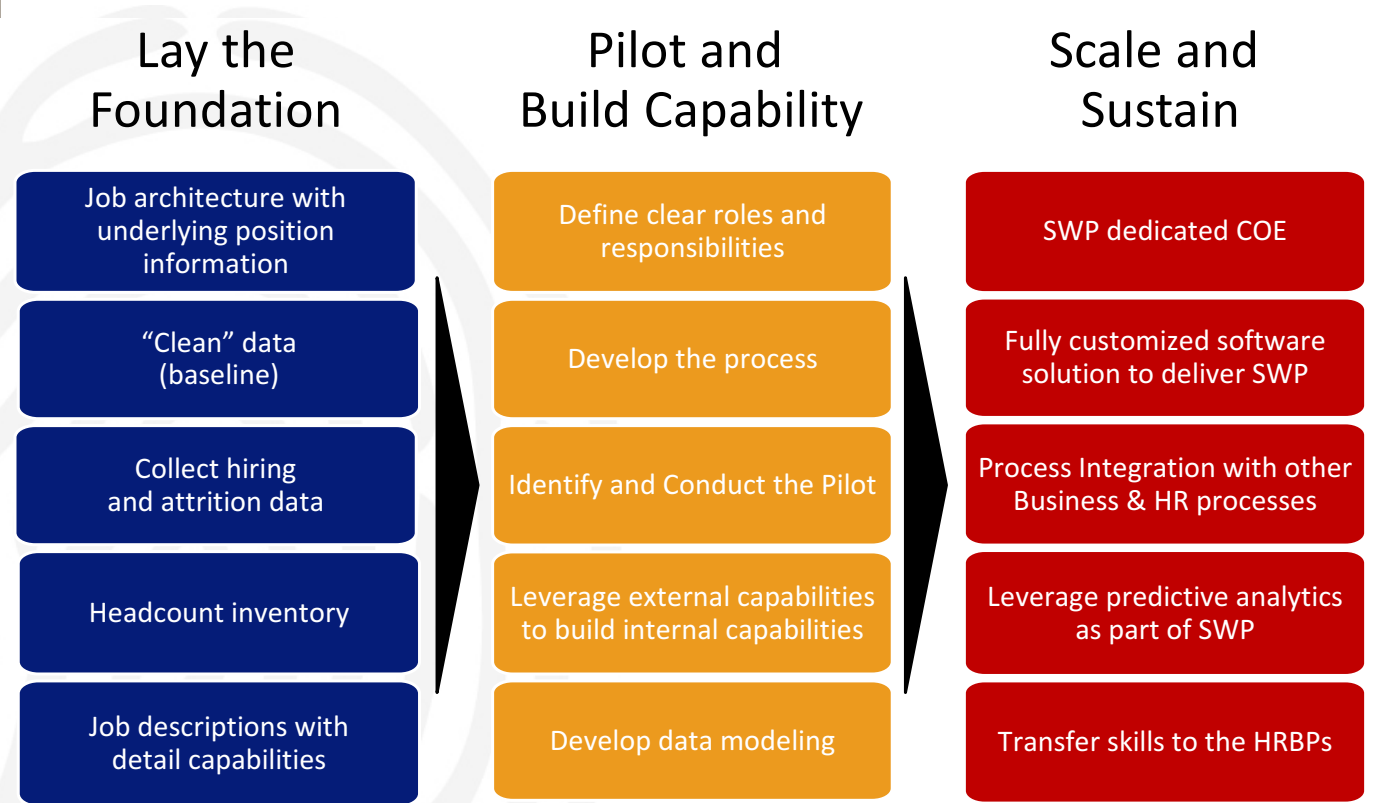


Define a **process** model, consistent across the organization, align and integrate with other business processes, e.g. Strategic Planning

Identify a **software** solution which integrates with process and system architecture to run simulations and scenarios



Building the organizational capability ...



SWP Software Solution

SWP **software** solution which integrates with the process and the system architecture to run simulations and scenarios

Benefits

- Adjust assumptions and parameters in real-time and run online simulations
- Avoid time-consuming slide production
- Re-run simulation and scenarios anytime based on available baseline and supply/demand modeling

The screenshot shows the Human Edge SWP software interface on an iPad. The top bar includes the 'human edge' logo, a menu icon, the 'SWP' title, and a user profile picture. The main content area is titled 'HOME' and displays the following information:

Project Name: "Romania Commercial"

Parameters:

- Planning Period: 6 years
- Number of employees in scope: 209
- Number of FTEs in scope: 209
- Annual attrition rate: 8.4%
- Retirement age (m/w): 60 years

Skill types:

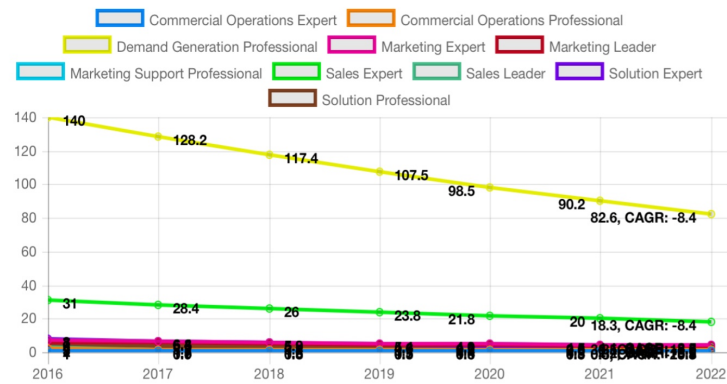
Commercial Operations Expert	Commercial Operations Professional
Demand Generation Professional	Marketing Expert
Marketing Leader	Marketing Support Professional
Sales Expert	Sales Leader
Solution Expert	Solution Professional

A sidebar on the left contains a navigation menu with the following items: Home, Supply Forecast, Demand Forecast, Workforce gaps, Initiatives, and Settings. A small image titled 'Strategic Workforce Planning' is visible in the top right corner of the main content area.

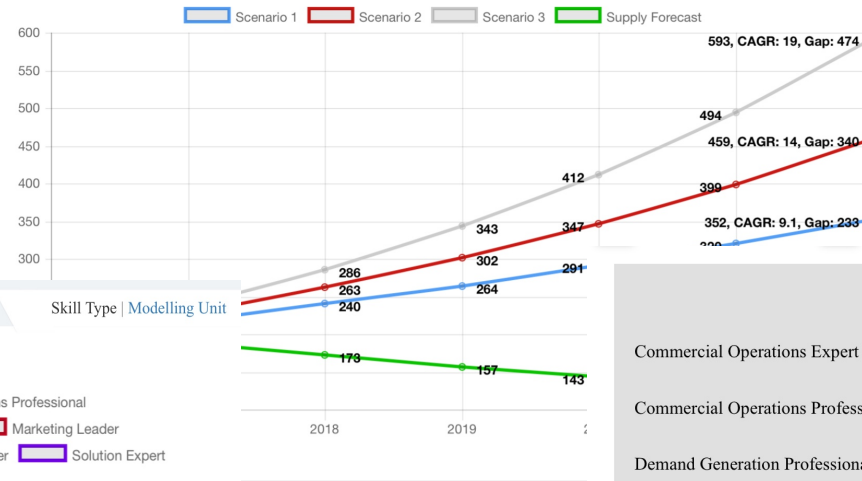
Screenshots of software solution

Supply Forecast

SUPPLY FORECAST BY TYPE



OVERALL WORKFORCE GAPS



Workforce Gaps

Heat Map

	2016	2017	2018	2019	2020	2021	2022
Commercial Operations Expert	1	-0.1	-0.3	4.4	3.8	3.3	2.7
Commercial Operations Professional	2	-0.3	-0.7	-6.0	-6.0	-6.0	-6.1
Demand Generation Professional	140	1.9	-7.1	-20	-11	-5.9	-35
Marketing Expert	7	-0.9	1.9	0.2	5.6	3.3	-1.0
Marketing Leader	6	-0.8	-1.9	-1.0	-2.3	-3.7	-3.1
Marketing Support Professional	7	-0.9	-6.1	-7.2	-13	-14	-15
Sales Expert	31	-4.0	-11	-16	-22	-28	-35
Sales Leader	3	-1.4	-0.8	-2.4	-2.9	-3.4	-3.9
Solution Expert	8	-2.1	-2.4	-3.9	-4.4	-6.1	-7.9
Solution Professional	4	-0.5	-1.2	-2.0	-2.8	-3.5	-4.3

Polling question 3

How ready do you think is your organization for introducing SWP capability?

- Hardly, and not really needed
- Hardly, but would need it badly
- Some fundamental elements missing
- Very much, just need a good business case
- All ready, let's go and do it
- None of the above

Key learnings

Starting with the Business Challenge

- The more complex and challenging the business problem, the more value you can gain from SWP
- Strategy is often underdeveloped or rather an 18 months operating plan – strategy consulting skills are imperative to refine strategic plan

Building Organization Capability

- SWP is industry-agnostic and can be applied at different scale
- An integrated approach (process, technology, skills, people) is recommended if a company wishes to sustain the capability in-house
- SWP is a x-functional capability and requires skills that HR often does not have
- Executive Sponsorship and commitment are critical to deliver successful projects
- Starting small and building on quick successes helps to obtain more executive sponsorship and support



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