

## Workforce Planning No more flying blind

The chief executive officer tells investors to expect double-digit growth over the next three years. Your job is to make sure that goal is reachable – which could mean filling some big holes in your critical workforce segments. But which segments will be key for hitting the new growth targets? How many people will be required? Where will they come from? How much will they cost? How much top-line growth will they drive? Who will no longer be needed? These kinds of questions form the foundation of any strategic Workforce Planning program – the process of identifying and filling predicted gaps in supply and demand for an organization’s key talent. In our experience, getting Workforce Planning right requires a smart balance of technology tools, scenario planning, advanced analytics and good old-fashioned strategic insight.

### Creating a business-driven workforce

There’s a lot of buzz these days about aligning human resources (HR) strategies with business goals, but depending on who’s talking, that can mean a thousand different things. Yet almost everyone agrees that certain segments of the workforce are more critical than others for driving growth. Those segments should be the focus of your Workforce Planning agenda.

Despite high unemployment rates, many industries still face large talent gaps in critical areas. That’s likely to get worse as the global economy improves and competition for the best of the best heats up. Workforce Planning offers short- and long-term solutions by identifying current pain points and future shortages or surpluses of critical talent. To be most effective, strategic Workforce Planning requires integrating internal data (about your organization) and external data (about broader demographic and economic trends) into a coherent strategy that balances supply and demand.

### How we can help

Workforce Planning and overall business planning should go hand-in-hand. Yet many organizations draw an artificial line between them. Our broad range of global capabilities contributes to a holistic approach that covers the most critical dimensions of strategy.

Major challenges for Workforce Planning include recruiting, retention, organization design, learning development, compensation and benefits. This integrated approach provides insight into which talent segments deliver the highest returns and warrant greater investment. To help make it happen, we offer services in the following areas:

- Talent Management
- HR Technology
- Workforce Analytics
- Demand Planning
- Labor Economics



### Bottom-line benefits

- **Anticipate and plan for change.** Quantify the talent requirements to meet business objectives over the short and long term; improve business planning and financial forecasts. Establish metrics that help inform leadership about key workforce issues.
- **Drive allocation of talent investments.** Workforce planning helps determine which talent segments deliver the highest ROI and warrant greater investment. For example, which groups of employees should be targeted with extra dollars for training and development?
- **Align HR with corporate strategy.** Ensure that HR policies and programs support overall business goals and objectives. If your strategy includes high-touch customer service, will you have the talent to deliver?
- **Reduce vacant positions and increase workforce productivity.** Workforce planning can help reduce vacant positions and increase productivity.
- **Decrease hiring costs.** Workforce planning can help reduce hiring costs by providing the information HR leaders need to reduce attrition in key segments in which hiring new workers is especially costly.
- **Improve business operation decisions.** Do a better job assessing operational needs, costs and investments based on fluctuating workforce trends (e.g., procurement practices, real estate, mobile technology).

### Seven ways to get more value now

Workforce Planning is one of the most important services an HR organization can provide to the business – the very foundation of effective talent management. Delivering full value means understanding exactly what kind of support the business needs – and when.

**Focus on critical business decisions.** Workforce Planning goes beyond simple reporting by providing deep insights into how to effectively manage talent. Make sure you're focused on the talent decisions that will actually affect the organization's ability to reach its business goals.

**Get serious about scenarios.** Workforce Planning helps anticipate future workforce scenarios. Use it to give business leaders early warnings about important trends such as up or down turns in the economy, retirements and planned and unplanned turnover.

**Master the art of monitoring.** Use Workforce Planning to establish a system for constantly monitoring workforce trends inside your business, as well as in the external environment.

### Make smart investments in enabling technology.

Technology does not guarantee that you'll make the right workforce decisions, but it is a critical component – an enabler – that allows you to execute successful practices. Make sure you have the right technical components in place to capture the information you need, when you need it.

**Think performance management.** With the right framework in place, Workforce Planning can provide the information and analysis necessary to drive performance and efficiency improvements throughout the enterprise.

**Don't get distracted.** Workforce Planning is about critical workforce segments. Don't allow your focus to drift to the entire workforce.

**Look ahead.** Keep one eye on current challenges – and one eye on future needs that your organization must prepare for.

### Workforce Planning in action

We have helped many of the world's leading organizations create more value from their human capital investments through Workforce Planning.

- A large financial services company used Workforce Planning to identify and redeploy surplus staff, generating \$6 million in savings for every 100 employees that were reassigned.
- Many staffing and recruiting organizations still struggle with their manual processes, resulting in long hiring delays and increased cost-to-hire. Using advanced analytical models, a large services company predicted which employees have the highest probability of success, making recruiting more efficient and reducing annual hiring costs by \$13.5 million.
- Predictive models can also anticipate which employees might leave and why, often months before the employees take action. By being proactive, a financial service company was able to retain 94 high-value employees, saving \$7.3 million and avoiding disruption to the business.

### Related insights

- [Managing Talent in a Turbulent Economy](#)
- [Leveraging Advanced Workforce Analytics](#)
- [While Struggling with Workforce Downsizing, Companies Prepare for a 'Resume Tsunami'](#)
- [Developing a Systematic Approach for Identifying Needs, Forecasting and Implementing Workforce Solutions](#)
- [System Boosts State's Workforce Development Efforts](#)
- [Threading the Talent Needle](#)

### Related offerings

- [Workforce Analytics](#)
- [Workplace Flexibility](#)
- [Talent Strategies](#)
- [Global Mobility Transformation](#)

### For more information

[www.deloitte.com/us/strategicworkforceplanning](http://www.deloitte.com/us/strategicworkforceplanning)

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