Anaplan

The future of workforce planning

CREATING A LIVING BLUEPRINT THAT RESPONDS TO CONSTANT CHANGE

First, the good news: Markets have trended mostly positive since the 2008 global financial crisis. Now the bad news: The economy remains unpredictable and susceptible to external events and near-instantaneous global news, as demonstrated by the wild fluctuations in U.S. stocks after the Brexit vote. In an environment with such unpredictability, companies want better tools and methods for creating plans, forecasting their impact, and course-correcting for both external and internal changes.

In particular, business leaders seek tools to help them create workforce plans and align those plans as conditions change. Deloitte's 2016 Global Human Capital Trends report revealed that more than 45 percent of organizations are either in the middle of an organizational restructuring or are planning to restructure. They need to better anticipate and respond to turns in the economy, new competitors with a disruptive technologies, existing competitors with new or improved products, or their own desire to enter new markets (either organically or by acquisition).

In addition to changing conditions, there's another factor complicating workforce planning today: Talented employees are tough to attract and retain. Nearly three-fourths of respondents to PWC's 18th Annual Global CEO survey said availability of skills was a serious concern, an increase of 10 percent from the previous year. Meanwhile, Gallup's 2015 "State of the American Workplace" report showed that 68 percent of employees were either "not engaged" or "actively disengaged" at work, implying that they're at risk of leaving. Executives in virtually every industry recognize that people are their most important— and expensive—assets, and agree that finding and retaining the right people drives innovation, customer experience, and operational excellence.

For all of these reasons, workforce planning (WFP) has emerged as a critical competitive differentiator for companies today. When done right, WFP enables leaders to create a "living blueprint" of their organization— that is, a plan that helps the company identify needed skills and talents, establish needed headcount, and stay ahead of skills gaps. New WFP technologies, such as those pioneered by Anaplan, are coming into the mainstream and giving many organizations the living blueprint they need to put their workforce to best advantage.

This white paper provides key insights into how new WFP technology helps organizations succeed. Specifically, the paper explores three technology-enabled abilities that companies need to master:

- **Visibility and integration**. Access to diverse company data is the foundation of better workforce planning. The paper explains why visibility and integration are so important and what gets in the way of doing it right.

- **Analytics**. Analyzing data is central to deriving value from it. The paper explores why people analytics is hot and what strategies HR teams use to build their analytics competencies.

- **Collaborative WFP**. Collaboration among HR, hiring managers, and executives contributes to effective organizational design. The paper discusses the needs and benefits of collaborative WFP.

The paper then examines the concept of a "living blueprint" of an organization and the benefits such a blueprint delivers. It concludes with a summary of how Anaplan addresses modern WFP requirements.

The WFP challenges discussed in this paper are not new. What is new is the scale at which today's businesses operate, and the speed at which businesses must course-correct to stay competitive. Modern WFP solutions like Anaplan are designed to operate at the scale and speed of business today.
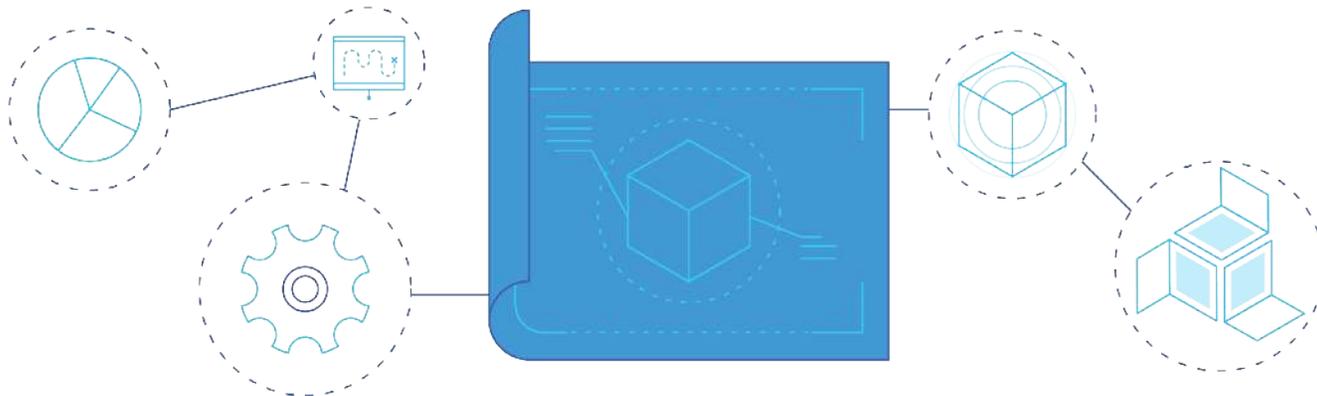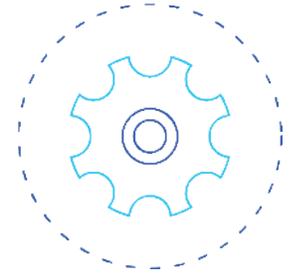
Integration and visibility

Many organizations hold workforce-related planning data in a slew of sources, including financial systems, HR systems, and even departmental sources maintained in spreadsheets by individual managers. Because of these multiple data sources, HR leaders cannot easily integrate and examine all relevant information about individuals, teams, and departments. They also struggle to bring together the accurate and timely information that executives need to make planning and retention decisions.

The challenges presented by multiple data sources extend beyond the executive suite. Without comprehensive visibility into all relevant data, decisions in various HR functions—including recruiting, deploying, and retaining people—are made in a vacuum, and HR engagements with hiring managers across business units are siloed.

To provide some level of workforce visibility, HR departments often cobble disparate data sources together using spreadsheets. An Aberdeen Research report revealed that 54 percent of organizations surveyed have manual or spreadsheet-based workforce planning capabilities, and the Human Capital Institute (HCI) found that 90 percent of their survey respondents use spreadsheets as a workforce planning tool.

About the only good thing about this strategy is the fact that almost everybody knows how spreadsheets work. The many downsides stem from the fact that spreadsheets were designed to be individual productivity tools, not corporate systems of record. Because of spreadsheets' inherent limitations, companies waste considerable time consolidating and integrating data, troubleshooting errors, and reloading data when updates are needed. The result? Loss of business agility and missed opportunities.

Some companies think that new HR point solutions will fix their integration and visibility challenges. But with separate systems for recruiting, talent management, learning management, and so on, the old silos of data live on. (See Figure 1.) Integrating data from all these systems for analysis often requires IT intervention—and when that fails or is too slow, HR practitioners once again default to spreadsheets and manual integration processes.
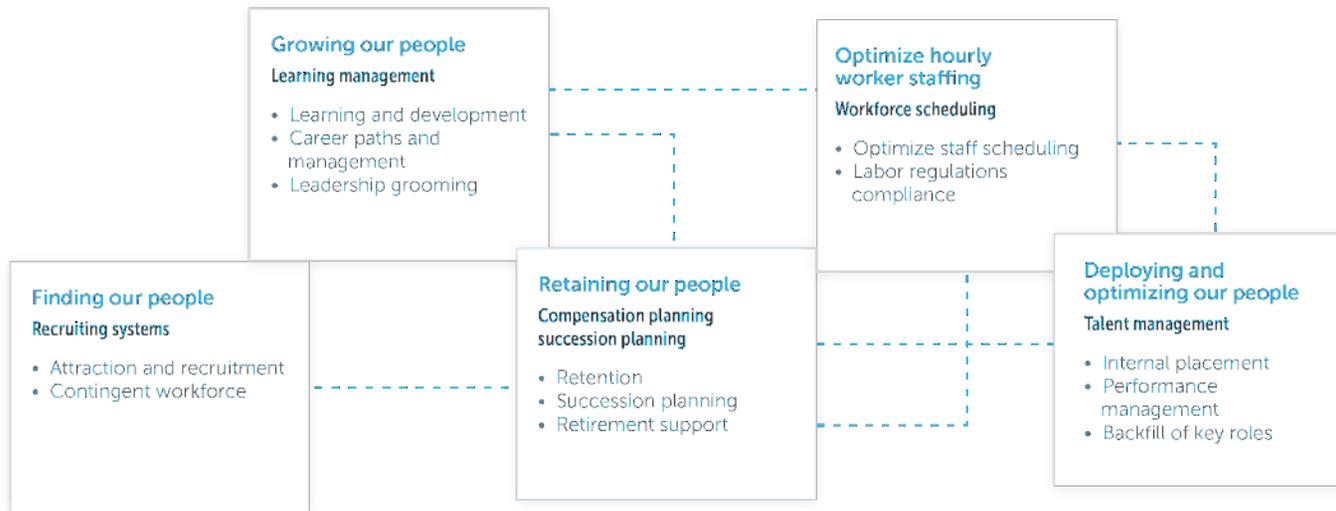

Figure 1. Data from many HR point solutions must be integrated for comprehensive workforce planning.

Many HR point solutions have other shortcomings that get in the way of data integration and visibility. Some provide current data, while others are backward-looking. They are not necessarily aligned with one another in terms of individual records, organizational structure, geography, and other factors. Perhaps the biggest problem is that HR leaders find it difficult to modify these point solutions to reflect organizational restructuring, reordered business priorities, or other changes to the business. They are "black box" systems that require IT intervention—or even the software vendor's assistance—to reconfigure.

Workforce analytics

Integration of data, and visibility into it, are just the beginning of comprehensive workforce planning. HR professionals need to analyze data to make HR a strategic resource.

Deloitte's Global Human Capital Trends survey found that 77 percent of survey respondents rated *people analytics* as a key priority. Why? Predictive indicators for attrition often lurk in HRIS systems, and analytics tools can help to reveal that data and identify attrition "hot spots." HR teams need analytics to help managers retain individuals whose critical skills have been recruited for and nurtured. Analytics are also useful for compliance-related activities, such as understanding and reporting workforce attributes like age, gender, ethnicity, religion, and pay equality.

HR departments, historically, are not rich with analytics talent, so people analytics competencies are typically developed in one of two ways: by shifting people with analytics skills from other departments into HR, or by developing workforce analytics and planning skills in current HR team members.

Regardless of the strategy they follow for developing people analytics skills, most companies say their analytic insights, inter-functional collaboration, and technology for strategic workforce planning fall short. According to HCI, technology proved to be the most troublesome area, with nearly three-fourths of respondents (73 percent) saying that the technology they use is either far from, or very far from, the ideal.
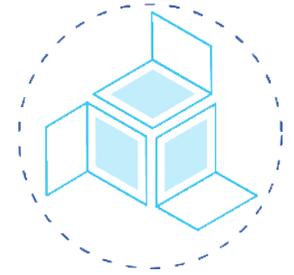
Collaborative workforce planning

With workforce data integrated and visible, and with the ability to analyze that data in place, collaborative workforce planning becomes the ultimate goal of HR departments. Collaborative WFP serves the needs of HR, hiring managers, and executives by helping teams across an organization stay aligned and work towards shared goals.

Organizational design is an umbrella term for the art and science of aligning all aspects of an organization (including HR) to respond to change. It's top-of-mind for today's business leaders: In Deloitte's annual Global Human Capital Trends Survey, 92 percent of executives rated organizational design as a top priority.

To execute a successful organizational design, leaders need to understand current team structures and hierarchies, and then determine where restructuring can make employees and processes more efficient. This requires a holistic yet detailed picture of the workforce. Generating this holistic view requires collaboration between HR, business leaders, finance experts, and other professionals with specific knowledge. With a collaborative WFP solution, business leaders can determine the right number of people they need, with the right skills, in the right departments, at the right time. They can determine the optimal skills the people in a department need, which roles drive profitability, how best to manage current talent, and what pipeline of incoming recruits they need to fill important roles. Forecasting these HR functions drives recruiting, retention, deployment, employee development, and leadership decisions. Collaborative WFP also helps to fine-tune the balance between cost control and company growth.

Finding a WFP solution that enables true data integration and visibility, people analytics, and collaboration eliminates the need plan using spreadsheets, point solutions, and HRIS legacy systems. As HCI pointed out, "integrated technology solutions provide the glue between talent, data, and strategic workforce planning, which is one reason for the recent 17 percent growth in the talent management software industry."
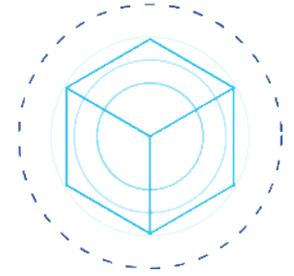
Creating a "living blueprint"

Collaborative WFP supports the HR mandate to "find the best and keep the best." It helps an organization can stay ahead of the competition and address skills gaps quickly with improved headcount forecasting, compensation planning, organizational deployment, and workforce optimization. The right WFP technology platform creates a "living blueprint" of the workforce that:

- Feeds operational and tactical workforce plans into long-term skills requirements.

- Enables unlimited driver-based scenario modeling that exposes the impact of changes in headcount, organizational structure, and compensation by department, skill set, and experience.

- Identifies, models, tracks, analyzes, and predicts key workforce metrics such as employee engagement, development, and retention.

- Puts needed people information in the hands of the ultimate consumers of that information—that is, the business users—in a useful way.

- Empowers all parties to adjust planning models, dashboards, views, drivers, scenarios, and forecasts without IT intervention.

The result is that human capital can be managed like other areas of the business, with robust planning and performance management solutions. Benefits of such modern workforce planning include:

- High ROI: Organizations can maximize their return on talent by proactively moving employees into new roles.

- Cost savings: Hiring internally instead of searching externally cuts costs, saves time, and decreases turnover rates.

- Flexibility: Modern workforce planning systems support both full-time and contingent workforces.

- End-to-end workflows: How a new hire enters a company goes a long way toward forming the employee's expectations—which, in turn, encourages employee retention. Modern WFP creates a candidate experience that seamlessly flows from recruitment to talent management and beyond.

- Efficiency: Ability to internal placement, redeploy people to critical positions, and backfill key roles faster.
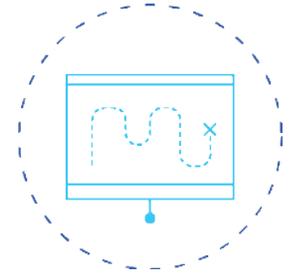
How Anaplan addresses workforce planning

HR professionals: Imagine having the ability to collaborate with the executive team at a moment's notice on strategic workforce objectives and recruiting needs. As you make changes and explore scenarios, the results cascade to line item impact within operations plans in every area of business.

Imagine having cloud-based, zero-latency dashboards that help you understand the HR and business-unit inputs you need to keep your company's workforce and financial plan current.

Imagine having it all connected: Each department manager's workforce and capacity plans automatically roll into HR recruiting plans, learning and development plans, and budgets. Your workforce planning process adheres to global policies for assessing, recruiting, developing, deploying, and retaining your workers.

Anaplan aligns business plans with your people plans. With Anaplan, you bring together information from all relevant systems—recruiting, learning management, talent management, time and expense management, and HRIS—to address changing needs. Everyone at the team, department, business unit, and executive level has the visibility and analytics they need to optimize the organization.

Anaplan's workforce planning capabilities help you identify skills gaps and adapt your plans with unlimited "what-if" scenarios. Once a plan is vetted and approved, Anaplan helps you track the effectiveness of plans and programs throughout the employee lifecycle and course-correct as needed. (See Figure 2.)

Valuing our people

Finding our people

- Talent requisition plans
- Talent search sourcing plans
- Recruiter bench plans
- Recruiting velocity tracking

Growing our people

- Skills capacity plans
- Learning program plans
- Career path plans

Deploying and optimizing our people

- Headcount and cost plans
- Internal placement plans
- Redeployment to 'surge positions' plans
- Backfill of key roles plans

Retaining our people

- Retention plans
- Compensation plans
- Succession plans
- Retirement support plans

Figure 2: Anaplan helps you connect and track the effectiveness of plans and programs throughout the entire employee lifecycle

Companies choose Anaplan to address the gap between their current HR solutions and their desire for true collaborative workforce planning. Whether you need to plan for global expansion, respond to uneven business performance, prepare to launch new products or services, or address talent mobility challenges, Anaplan can help.

HR and operations leaders who use Anaplan report faster, more accurate data consolidation that gives their entire organizations access to one source of truth. HR teams spend more time collaborating with business partners to course-correct workforce plans and reconfigure processes to meet business realities. The transparency of data and models in Anaplan enables collaborative scenario planning and provides real-time views of business and workforce impacts.

With Anaplan, organizations enhance their planning experience by aligning workforce plans with the business, sharing real-time insights that drive relevant results, and continuously adjusting to the realities and pace of business. It is the future of workforce planning.

Contact us to learn more or attend a workforce planning demo.

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About Anaplan

Anaplan is driving a new age of connected planning. Large and fast-growing organizations use Anaplan's cloud platform in every business function to make informed decisions and drive faster, more effective planning processes. Anaplan also provides support, training, and planning transformation advisory services. To learn more, visit anaplan.com. Follow us on: Twitter, LinkedIn, YouTube, and Facebook.