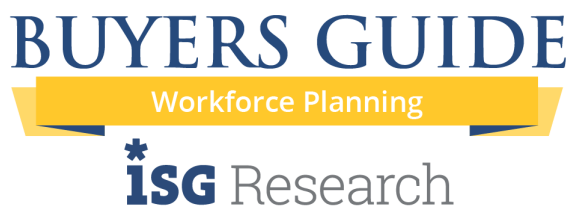




ISG Buyers Guide for Workforce Planning Classifies and Rates Software Providers

ISG Research is happy to share insights gleaned from our latest Buyers Guide, an assessment of how well software providers' offerings meet buyers' requirements. The [Workforce Planning: ISG Research Buyers Guide](#) is the distillation of a year of market and product research by ISG Research.

Planning software aims to refine and expedite the budgeting process, boosting the productivity of the financial planning and analysis (FP&A) group, while also enabling executives to set objectives and allocate resources in alignment with an enterprise's strategy.



In most enterprises, headcount is the one of the top three costs, often the largest, so it is essential to plan and budget for it accurately. Workforce planning software, an integral part of enterprise planning and budgeting, enables FP&A, business unit managers and HR departments to improve their planning processes. The right software can reduce the

time managers spend projecting headcount costs, improve accuracy, and give HR departments greater visibility into future hiring needs.

To increase the value of time spent on planning and budgeting, FP&A organizations need to model and measure the resources budget owners use to achieve their business objectives, rather than just assessing their monetary value. When budget owners plan and budget, they typically think in terms of the resources needed to run their part of the business, such as headcount, advertising campaigns, facilities, laptops and other items. The budgeting system must be able to translate this list of resources into accounting line items simultaneously, allowing the system to aggregate the financial data into a company-wide budget and financial forecast.

Starting with a list of resources simplifies the process for budget owners. It is a user-friendly approach that allows them to think about their business in terms of the resources they need. This method enables budget owners to quickly and accurately translate their list into a financial budget to address the needs of the finance department. Although it is a simple idea, making it feasible requires the right technology.

Headcount is a good example of how this works. For instance, a department head plans to keep their existing personnel but adds a couple more during the year to meet the growth plan outlined by the senior leadership team. Rather than searching for the right number, the department head builds a



headcount plan from the list of existing employees. The budget owner connects this list to the related cost data, such as salaries and benefit costs, and then adds two other hires in generic roles. Pay and benefit data supplied by human resources instantly transforms that headcount plan into a headcount budget.

Taking this approach to headcount planning, when it comes time to negotiate the department's budget, the discussion is not just about abstract numbers in a spreadsheet. It is about whether the department needs to add people to handle the increased workload, if it can manage without adding one of those positions, or if it could wait until late in the year to add that individual. At that point in time, in evaluating the performance of that business unit manager, if they were allocated budget to add a resource that they never hired, they should have to explain why, since that resource might have been used productively elsewhere.

Workforce planning takes headcount planning a step further by making the process more detailed and aligned with business strategy. The objective is to improve planning accuracy while increasing its value as a business tool. ISG Research defines workforce planning as including the modeling of hiring, transfers, and retention, and skills capacity by location, ramp time and workforce costs. When integrated with overall business planning, workforce planning enables more accurate forecasts of headcount needs and adapts easily to rapid scenario planning, providing managers and HR professionals greater agility. Embedded dashboards and reports in the software provide performance insights and ensure that future workforce composition aligns with strategy and objectives.

The requirements for effective workforce planning have multiplied in the past decade. ISG Research asserts that by 2026, one-third of enterprises utilizing compensation planning tools will require them to support complex (salary increase and bonus) budget allocation modeling scenarios, rules and guidelines, by both P&L and talent segments.

Planning the resources needed to achieve business objectives alongside the required budget increases the business value of the process and shifts the discussion between executives and budget owners away from abstract financial numbers and toward the resources needed to achieve their objectives. This approach distinguishes between the elements the budget owner can control and those they cannot. For example, displaying resource requirements in the budget alongside costs focuses discussions on business issues, not just spending caps. Questions arise, such as the rationale behind cutting the department's budget or whether it is requesting too many people relative to the work that needs to be done. Workforce planning software can facilitate that discussion by providing readily available facts and performance data.

Enterprises that want to make workforce planning an integral part of their financial budgeting process will find that they need dedicated software to handle the complexities associated with this strategy. Using spreadsheets to manage workforce planning is ineffective and can be problematic when trying to achieve optimal outcomes. Spreadsheets are two-dimensional constructs, while planning, analyzing and reporting an enterprise's workforce is all inherently multidimensional. These dimensions include geographies, employment status and currencies, among others. Spreadsheets are not well equipped to manage the data needed to plan the complexities of today's workforce, comply with related laws and

Total Compensation Management

Market Assertion

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regulations or measure performance toward goals and targets. They typically produce scattered and inconsistent information, which serves as a major impediment to enterprise-wide planning. Spreadsheets also cannot scale well enough to support an enterprise as it grows.

The ISG Buyers Guide™ for Workforce Planning evaluates products based on how well the software facilitates the creation and updating of headcount forecasts, models the employee lifecycle, supports hiring and retention plans, aligns skills with requirements and promotes agility through scenario planning. It includes embedded workforce analytics that improve performance and assesses the depth and breadth of specific embedded AI to improve the timeliness and accuracy of headcount planning. In addition, the guide assesses support for executives, participants and administrators, advanced planning techniques, reporting and dashboards, as well as the impact of investments made by the provider in this area.

To focus on the specific needs of workforce planners, this buyers guide excludes our evaluation of the providers' capabilities for integrated business planning, other departmental and functional planning and enterprise budgeting. The applications evaluated in this workforce planning buyers guide are those that broadly facilitate business planning. We therefore do not include software providers that do not have support for financial planning and, thus, did not consider providers that focus mainly or exclusively on workforce planning.

This research evaluates the following software providers that offer products that address key elements of workforce planning as we define it: Anaplan, Board, IBM, Jedox, OneStream, Oracle, Pigment, Planful, Prophix, SAP, Vena Solutions, Wolters Kluwer and Workday.

This research-based index evaluates the full business and information technology value of workforce planning software offerings. We encourage you to learn more about our [Buyers Guide](#) and its effectiveness as a provider selection and RFI/RFP tool.

We urge organizations to do a thorough job of evaluating workforce planning offerings in this Buyers Guide as both the results of our in-depth analysis of these software providers and as an evaluation methodology. The Buyers Guide can be used to evaluate existing suppliers, plus provides evaluation criteria for new projects. Using it can shorten the cycle time for an RFP and the definition of an RFI.

The Buyers Guide for Workforce Planning in 2024 finds OneStream first on the list, followed by Oracle and Anaplan.

Software providers that rated in the top three of any category – including the product and customer experience dimensions – earn the designation of Leader.

The Leaders in Product Experience are:

- OneStream.
- Oracle.
- Anaplan.

The Leaders in Customer Experience are:

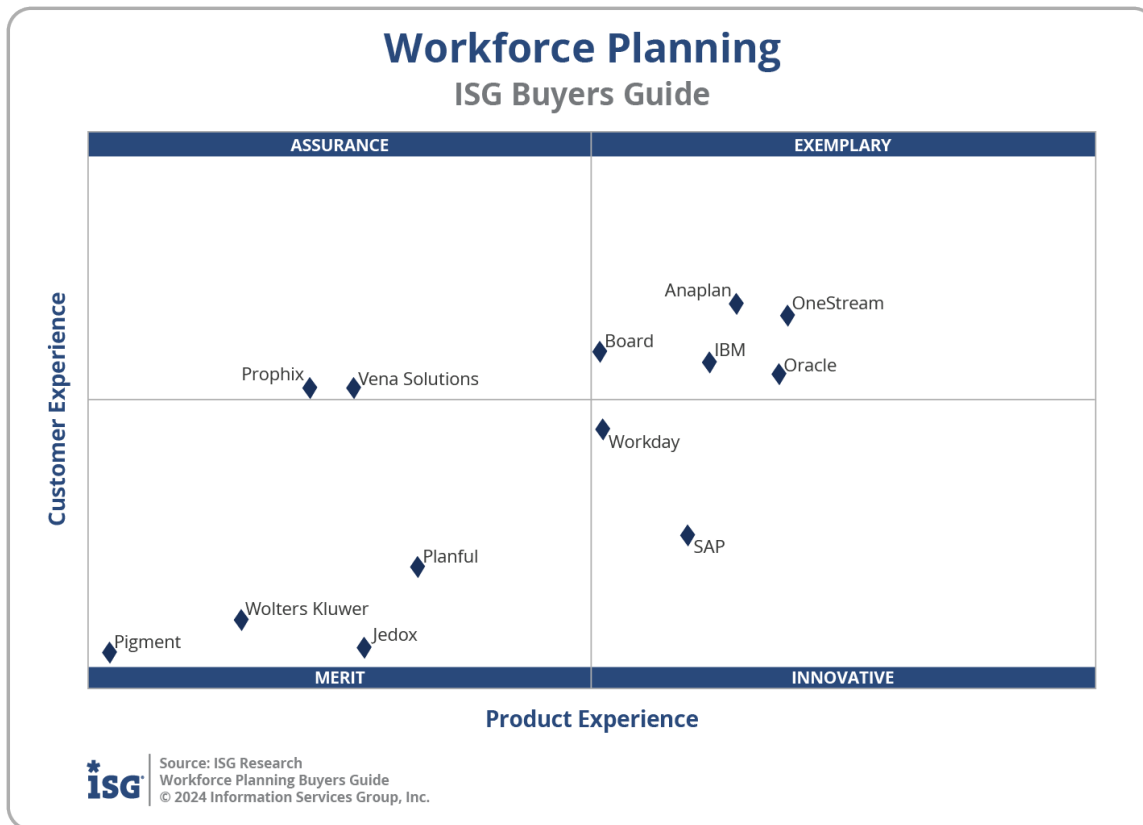
- Anaplan.
- OneStream.
- Board.

The Leaders across any of the seven categories are:

- OneStream which has achieved this rating in six of the seven categories.
- Anaplan and Oracle in five categories.



- IBM and SAP in two categories.
- Board in one category.



The overall performance chart provides a visual representation of how providers rate across product and customer experience. Software providers with products scoring higher in a weighted rating of the five product experience categories place farther to the right. The combination of ratings for the two customer experience categories determines their placement on the vertical axis. As a result, providers that place closer to the upper-right are “exemplary” and rated higher than those closer to the lower-left and identified as providers of “merit.” Software providers that excelled at customer experience over product experience have an “assurance” rating, and those excelling instead in product experience have an “innovative” rating.

Note that close provider scores should not be taken to imply that the packages evaluated are functionally identical or equally well-suited for use by every enterprise or process. Although there is a high degree of commonality in how organizations handle workforce planning, there are many idiosyncrasies and differences that can make one provider’s offering a better fit than another.

ISG Research has made every effort to encompass in this Buyers Guide the overall product and customer experience from our workforce planning blueprint, which we believe reflects what a well-crafted RFP should contain. Even so, there may be additional areas that affect which software provider and products best fit an enterprise’s particular requirements. Therefore, while this research is complete as it stands, utilizing it in your own organizational context is critical to ensure that products deliver the highest level of support for your projects.

You can find more details on our community as well as on our expertise in the research for this [Buyers Guide](#).



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