

WHITE PAPER

A banking leader's guide to strategic workforce blueprinting

 anaplan



To succeed in today's profit-squeezed banking environment, managing your costs and creating a lean operating model is key. And the pressure is on. With only 15% of banks expected to achieve both long-term profitability and growth, innovation, meticulous planning, and superior service is what will set the winners apart.¹

To stay ahead of the competition, you need a workforce that serves your needs of today, while aligning to your business priorities in the future.

The banks that will emerge on top are those that understand exactly what talent levers they need to pull – and when – to optimize costs and secure the talent needed to deliver on their strategic goals. However, the siloed state of hiring and workforce planning at most banks today renders this level of insight and planning nearly impossible.

In this white paper, we'll explore how forward-thinking banking leaders are moving from reactive hiring and talent practices toward a strategic approach to workforce planning to reduce costs, drive sustainable growth, and improve customer satisfaction.



¹ McKinsey Global Banking Review 2022

Today's banking landscape

Geopolitical risks and macroeconomic factors like inflation, higher capital requirements, and rising interest rates continue to complicate banks' operating models. Though overall return on equity (ROE) in the banking industry increased after a decade of stagnant growth post pandemic, the total number of banks expecting to both drive growth and profitability remain low. Why is that?

85% of banks fall into one of two categories: they either erode value, indicated by a low price-to-book ratio reflective of short-term profitability, or they generate short-term profits with lower expectations for future growth, as evidenced by a low price-to-earnings ratio.

Against this economic backdrop, banks face a myriad of other challenges that complicate their workforce planning efforts including:

- **A skills shortage in technical fields**, particularly related to artificial intelligence (AI), security, and automation.
- **Cross-cutting layoffs**, particularly in the United States, as banks realign after a period of unchecked growth.
- **Shifting customer behaviors and preferences toward digital** make it difficult for banks to accurately forecast demand and labor capacity across channels.

Success in this landscape hinges on cultivating a high-performing, motivated workforce that aligns with your bank's objectives and strategic vision.



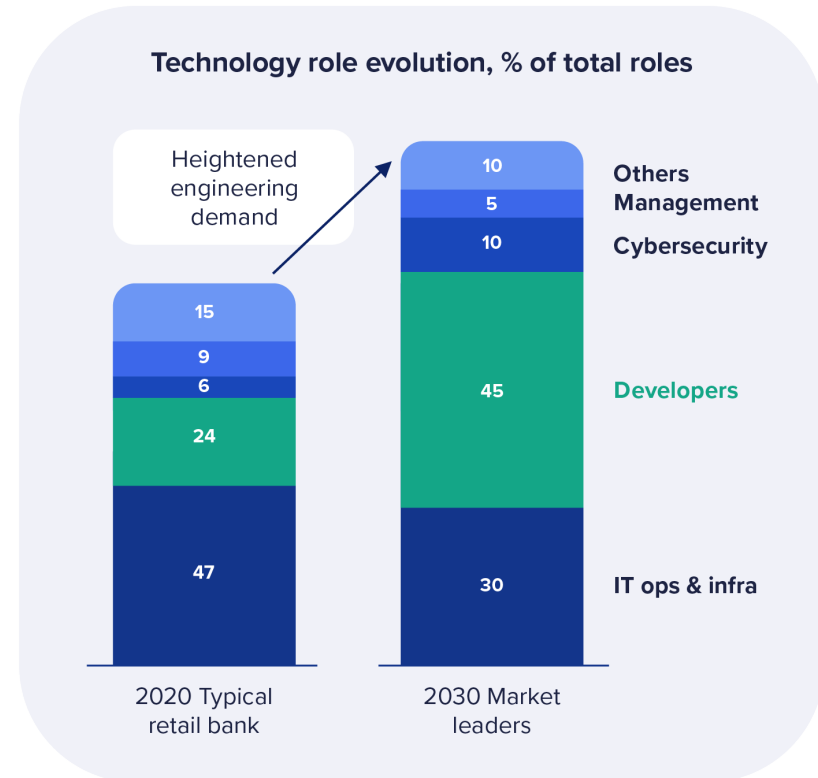
The changing workforce composition

In a typical banking institution, your workforce accounts for over 50% of the total operating expenses.² As cost pressures increase and customer preferences evolve, finding the right workforce composition is critical to ensure you have right people and right channel mix (e.g., branches, online banking, contact centers, etc.) to optimize costs and deliver a positive customer experience.

Banks will need to make seismic changes to support the workforce of the future. As customers continue to change how they interact with banks, McKinsey predicts a 33% decline in branch workforce, with branch size expected to shrink from six to four FTEs (full-time equivalents).³

By 2030, McKinsey estimates there will be a 9x increase in the need for universal bankers in branches, trained to provide a wide range of both sales and service responsibilities, highlighting the need to reskill current employees.⁴

Likewise, technology departments will evolve and expand similar to the image on the right, primarily driven by the growing demand for skilled developers writing code and cybersecurity experts to bolster digital initiatives.⁴



The question then becomes how can banks plan and optimize their workforce to successfully navigate impending business, technology, and regulatory changes? That is where strategic workforce blueprinting can help.

² Federal Reserve Bank of New York (OpEx defined as non-interest expenses)

³ McKinsey 2021 “How Banks can build their future workforce today”

⁴ McKinsey 2022 “Reshaping retail banks”

The shift from reactive to intentional workforce planning

Traditionally, hiring at most banks has been reactive with little planning beyond annual budget and headcount plans. It's done in silos and tackled in bits and pieces by various stakeholders (e.g., commercial banking, retail banking, asset management, finance, operations, HR, etc.) by passing spreadsheets back and forth.


Leaders lack a single source of truth for visibility into workforce and costs across their organization, and struggle to answer questions like the following:

- Do my open requisitions align with top priorities or am I hiring for the same old roles and skills?
- Is there someone internal that could fill this position?
- How will generative AI and task automation impact demand for talent (e.g., contact centers)?
- How should I assess trade-offs in hiring or bake in enough budget flexibility for in-year hiring?

The inability to answer critical questions like these leads to inefficiencies, redundant resources, and increased costs. Inaccurate demand and capacity plans also lead to repeated overstaffed and understaffed shifts, resulting in decreased service level agreements (SLAs) and a poor customer experience.

While many banks were able to side-step this disconnect in the past by “throwing money” at hiring or contracting people on short notice, with today's tight labor market, talent scarcity, and increasing cost pressures, banks need to rethink their approach to workforce planning.

Forward-thinking banks aren't content with reactive strategies. Instead, they embrace the power of predictive insights and strategic workforce blueprinting solutions from software providers like Anaplan to tackle their workforce challenges head-on.



Strategic workforce blueprinting is a collaborative and integrated approach to workforce planning that ensures alignment with your bank's objectives to drive growth and profitability.



Australian Big Four Bank

One of the largest banks in Australia looked to Anaplan to improve its workforce planning processes and customer service.

Challenges

- **Manual, spreadsheet-based workforce planning** resulted in lower-than-desired customer experience.
- **Lots of time spent gathering, organizing, and analyzing data** rather than on decision-making.
- **Lack of relevant business insights** resulted in missed opportunities and lower market share.

Results

With Anaplan, the Australian Big Four Bank was able to:

- **Reduce forecast variance from 13% to 5%** using Anaplan statistical forecasting.
- **Realize workforce expense savings** across three business units and 9,000 employees.
- **Improve customer service and decision-making** with integrated, real-time data.

“By creating an agile workforce, we increase our overall efficiency and competitive advantage.”

– *Head of Workforce Optimization, Australian Big Four Bank*

Strategic workforce blueprinting: the future of workforce planning is here

Instead of focusing only on the current jobs (or roles), the Anaplan platform brings strategic workforce blueprinting capabilities allowing you to identify how skills needed for targeted jobs and roles will shift over time. It also allows you to forecast demand and workload with unparalleled accuracy, considering historical data, seasonality, and other external factors like market trends.


Strategic workforce blueprinting provides more accurate and granular headcount planning and forecasting, a centralized view of business lines, and advanced “what-if” scenario modeling to help you better respond to customer needs and market conditions.

Using an integrated workforce planning approach you can achieve the following benefits:

- **Drive sustainable growth.** Align headcount and skills with top-line strategies to identify hiring, upskilling or reskilling, automation, and cost-effective alternatives like contractors and agencies. By ensuring you have the right people with the right skills to deliver on your strategic goals, you can minimize risk and accelerate revenue growth.
- **Reduce costs and increase productivity.** Maximize efficiency and transparency with a single view into talent demand and supply, redundancies, and skills and capabilities across

multiple lines of business and time horizons. Reallocate staff to where they are needed most and use advanced “what-if” scenario modeling to reduce costs by up to 5%.

- **Improve customer satisfaction.** Accurately forecast demand and labor capacity across your different channels (e.g., contact centers, branches, etc.). By simplifying the process of analyzing historical trends infused with market data to generate forecasts, you can minimize under- or overstaffing to better serve your customers.



Best-in-class banks that deploy strategic workforce blueprinting solutions also achieve shorter workforce planning cycle times, increased productivity, and higher customer satisfaction scores.

Keep reading to see real-world examples of strategic workforce blueprinting success from leading banks across the globe.



Major UK Retail Bank

A major retail bank in the United Kingdom looked to Anaplan to optimize their call center fraud operations. They wanted to ensure they had the right people at the right times to take calls and support customers during their critical moment of distress.

Challenges

- **Poor customer experience** due to inadequate contact center staffing focused on fraud.
- **Increased errors and time wasted** due to heavy dependence on fragmented spreadsheets.
- **Poor impact analysis and decision-making** across the wider bank business due to inability to efficiently bring together data from static, disparate data sources.

Results

Within months of deploying Anaplan, the bank started to reap major benefits, including improvements such as:

- **Increased call demand forecast accuracy by 2.7% after only two months**, creating significant operational efficiency gains.
- **Higher net promoter score (NPS)** due to optimization of their contact center staffing levels and the reduction in failure demand.
- **Reduced risk** by responding to calls quicker and shutting fraud instances down promptly, helping to avoid future losses.

The bank plans to use Anaplan across the business to create bespoke forecasting models, integrate fraud profiling capabilities, and extend workforce blueprinting across the organization.



Fortune 500 Global Bank

One of the world's largest banks, with millions of customers globally, adopted Anaplan initially to transform their contact center operations, and subsequently expanded their use of Anaplan to conduct headcount planning using driver-based demand forecasting and institute an integrated budget-to-hire process across the organization. They began their journey at the line of business level to prove value before expanding use cases into the full organization.

Challenges

- **Poor customer experience and regulatory fines** due to inadequate contact center staffing levels.
- **Redundant resources and recurring annual budget overruns** due to disparate hiring processes across geographies.
- **Over- and under-staffing and increased costs** due to oversimplified demand modeling.

Results

The bank achieved a 10x ROI in the first year of deployment and a 2% decrease in personnel costs as a percentage of net operating income by:

- **Increasing transparency and collaboration** by creating a single source of truth for budget targets across operations, finance, HR, and other stakeholders.
- **Improving forecasting accuracy** with the ability to model unit-level drivers of demand tailored to different lines of business.
- **Gaining real-time visibility into their annual hiring progress**, allowing them to swiftly course correct and ensure alignment with business strategy.

Chart your own path to growth

Time is a luxury banking leaders cannot afford to waste. The traditional, siloed approach to workforce planning drains resources, hampers efficiency, and diminishes customer experience and satisfaction. Economic pressures, shifting customer preferences, and accelerated digitization necessitate an urgent shift.

With a strategic workforce blueprinting solution, banks can anticipate and address future business and workforce needs, unlock sustained cost savings, boost efficiency and productivity, and stay ahead of the competition. The time to act is now — or risk falling behind and becoming part of the 85% of banks headed toward long-term value destruction.

To get started, connect with an expert about Strategic Workforce Blueprinting