

# Agile workforce planning

Building a dynamic workforce blueprint that responds to constant change

 **anaplan**



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The world has changed. A once-in-a-century set of events have damaged society's foundations and our confidence in our ability to plan for change. Looking ahead, we can expect even more change, especially with how and where work gets done. Every business organization has needed to adapt, whether to thrive, drive, or merely survive. Whatever the case, success in the face of constant change begins with an agile workforce.

Your workforce plan needs a plan of its own. We call it a **dynamic workforce blueprint**, and this white paper will guide you through its essential elements. We'll show you how it becomes the framework for an agile organization and drives optimal workforce activity, which in turn enables business agility, and ultimately empowers you to take more control of business risks and opportunities.

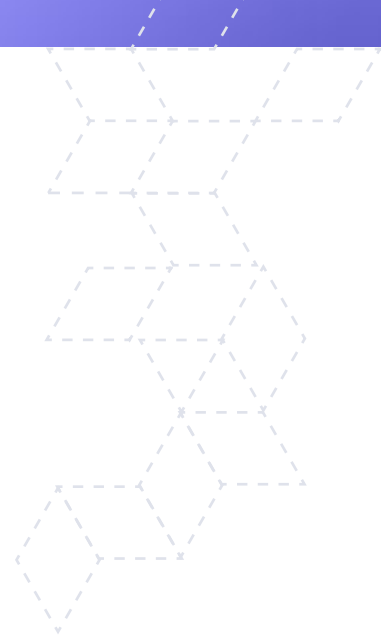


## Background: Work doesn't stay the same for long, and neither does the workforce. You can plan on that.

More than ever, HR has everyone's attention in the organization, especially executives and senior managers. They all are looking to HR for leadership about the workforce, and the stakes are high. They want to know how HR will elevate organizational agility to make it a significant differentiator and a competitive advantage.

Easily accessible broadband and the pandemic have given rise to a whole new set of challenges around the "where" and "how" of work, especially the transition to work from home, decisions on when (or if) to return to the physical workplace, and the continuing need to build a high-performance, thriving organizational culture according to a whole new set of rules and measurements. More than ever, business leaders across the organization are looking to HR to help them anticipate and respond to turns in the economy, competitive landscape, and growth challenges.

For HR to perform at a strategic level, it needs better tools and methods for creating plans, forecasting, and course-correcting. In particular, HR hungers for modern tools to help generate workforce plans and continuously align those plans as conditions change.



# Effective workforce planning: What it looks like, what goes into it, and what gets in the way

When done right, workforce planning enables leaders to create a dynamic blueprint of their organization — that is, a set of plans that help their company identify vital talent and capabilities, establish proper headcount and capacity levels, and stay ahead of skills gaps. The following three elements make up an iterative process that helps HR leaders and their organizations lay out their success plans through a dynamic workforce blueprint.



## Aggregate

Accessing and integrating various company and third-party systems and data sources is important for a single, unified source of truth.



## Build

Blending data from multiple sources, developing it into models and scenarios, analyzing the results, and deriving insights from those results are critical to knowing and prioritizing the things that matter.



## Connect

Collaboration throughout the planning process among HR, recruiters, external talent sources, hiring managers, finance, business unit leaders, budget owners, and executives is the most critical driver of decisions and actions that impact business results.

# 1. Aggregate

## Everyone in the organization should work with the same workforce planning data, and the same framework for working with that data

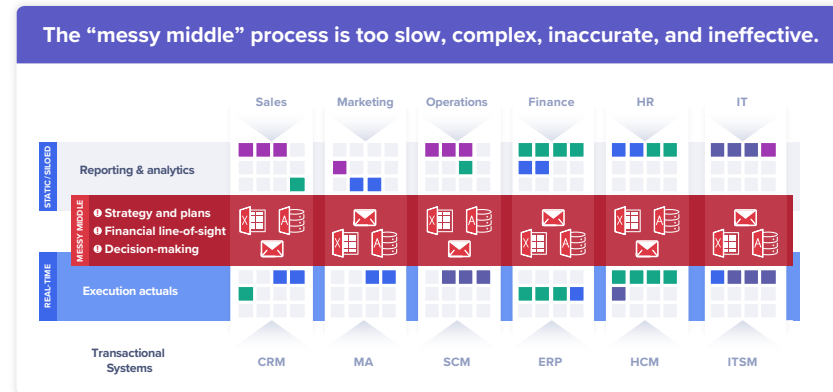
Planning initiatives invariably begin with an appeal from the business leadership that all contributors and stakeholders need to be working off the same page. Everyone nods in agreement and they commit to doing their best, yet gradually disengage as the process moves forward.

The reality is that often the most-needed workforce data is scattered across multiple departments, in the systems they most frequently use, in formats that make the most sense to them. That includes financial systems, individual HR and talent management solutions, enterprise systems components, and spreadsheets on managers' hard drives. The more scattered and idiosyncratic the data sources are across departments and systems, the more difficult it will be to begin (or repeat) the initiative ensuring data accuracy, timeliness, and reliability.

### Pitfall: The messy middle and spreadsheets

#### The messy middle, where data goes to die, and planning frustrations go to feast

Things only get trickier when it comes time to retrieve and distribute key data. Often, good planning initiatives get mired down in what we at Anaplan call the messy middle: a notoriously troublesome disconnect between the functional applications and systems of record that produce abundant data and the analytic tools and capabilities that make sense of all the data. It is arguably the weakest link in the entire planning process, vulnerable to



bottlenecks, miscommunication, error propagation, data mishandling, and the blame game that goes along with it all.

Often analyses are conducted ad hoc, and data is delivered piecemeal, without context. HR leaders get caught in a situation where they cannot easily combine and examine all relevant information about individuals, teams, and departments. They also struggle to bring together the accurate and timely information that their executives need to make workforce and business decisions.

Repeatedly the sources and quality of data come into question, which can change the course of the conversation and distract from the objective. Without complete visibility into all relevant data, decisions about recruiting, deploying, and retaining people are made in a vacuum and based on anecdotal information.



### Spreadsheets — a standby solution that creates more problems

A common solution to provide some workforce visibility is to aggregate the data into spreadsheets, which happen to be the most accessible tool.

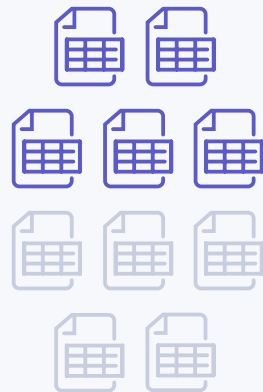
An [Aberdeen Research report](#) revealed that 46 percent of organizations surveyed have manual or spreadsheet-based workforce planning capabilities.

[The Human Capital Institute](#) found that 50 percent of their survey respondents use spreadsheets as a workforce planning tool.

Yet spreadsheets were designed to be personal productivity tools, not corporate systems of insight. Because of spreadsheets' inherent limitations, companies waste considerable time and resources consolidating and integrating data, troubleshooting errors, and reloading data when updates and iterations are needed.

# 50%

of surveyed respondents use spreadsheets as a workforce planning tool



### Solution: A workforce planning solution that enhances — rather than replaces — a traditional HR system of record

An ideal workforce planning solution will ingest key data from various systems of record and stage it into a single platform. It will assemble data logically according to organization KPIs, structure, and operational dependencies instead of structuring it according to the system architecture of its main software vendor.

**The key takeaway is that the purpose of a workforce planning platform is not to replace any systems of record or existing enterprise stack, but rather eliminate improvised remedies and bring organization to the task of managing, staging, and making sense of data.** This enables planners the crucial ability to flex, that is, allowing the introduction of new data elements and dimensions needed for modeling different scenarios. Such agility is difficult and costly to achieve with purpose-built solutions, which tend to be rigid in their data structures and limited in modeling capabilities.

## 2. Build

### Everyone works with, builds and models, and expands on the same set of information

Integration and aggregation of data, visibility into it, and the ability to cascade information and roll it back up are at the foundation of comprehensive workforce planning. Together, they assure that the process ensues with everyone having access to the same information.

Every organization is rich with workforce data, which, if handled adeptly, will reveal the unique combinations of behaviors that truly drive performance. For example, predictive indicators for attrition often lurk in multiple systems, not just an HRIS (Human Resource Information System). Analytics tools can help to reveal that data and identify attrition "hot spots," which in turn allows managers in all departments, with help from HR, to recognize and retain individuals whose critical skills have been recruited for and nurtured.

Of course, reporting and analytics tools are increasingly helpful for compliance-related activities, such as understanding and reporting workforce attributes like age, gender, ethnicity, and pay equity. But at the same time, organizations have a responsibility to go beyond, being proactive in promoting social justice and diversity across the organization by setting targets and laying out their plans to reach and surpass their targets.

#### **Pitfall: Appealing to a limited audience and telling them only what they like to hear**

Most companies say their analytical insights, inter-functional collaboration, access to current data and relevant metrics, and technology for strategic

workforce planning fall short. While it's easy to blame technology, there are several reasons for these shortcomings independent of any technology solution.

While HR data is plentiful, workforce planning and analysis routinely get hung up measuring and driving HR objectives, which are not connected to the broader business objectives. Regardless of how many other departments participate, initiatives are usually episodic or cyclical (versus being a year-round activity), project-based, and all too often retrospective. They seldom benefit from being a budget item, and therefore must make do with limited resources. And despite everyone's best efforts, analytics as it relates to strategic workforce planning often delivers its results out of sync with various departments' staffing needs.

#### **Solution: HR leads workforce planning, not just the discussion about how it ought to be**

An ideal situation takes a broader perspective, with everyone playing their part in determining the connections of analytics findings and workforce planning with strategic and operational business objectives and striving to make those connections understandable beyond an HR context. That doesn't mean that HR or anyone must always have the answers to workforce analytics puzzles. But it does mean that everyone shares the same line of sight and are always asking one another critical questions based on the same set of analytics findings: "Are we going in the right direction?" "Do we need to course-correct?"



With this broader perspective, workforce planning/analysis becomes more forward-looking and in a better place to support growth plans and strategic initiatives.

As powerful as it can be, high analytical proficiency is a means, not the end. Taking a step back, **the key takeaway is that planning is iterative, starts simple, and is always linked to organizational goals and objectives.** But be aware that organizational goals and objectives are themselves also likely to be very fluid. Start with smaller steps and expand from there, iterating on past work instead of building from scratch. Strive first to achieve iterative processing, developing the ability to incorporate additional data and sources, and layer and build in sophistication and complexity over time.

In so doing, planning teams will naturally accumulate the specific analytics skills to link across models and plans to both get influenced and drive influence, and to conduct what-if scenarios and evaluate impact. The ultimate aim of workforce analytics is scenario planning, where insights enable managers and leaders from across the organization to anticipate different situations and develop workforce options that put them in a position to win.



# 3. Connect

## Everyone can align and work toward the same goal

With workforce data integrated and visible, and the ability to analyze that data in place, collaborative workforce planning becomes the ultimate strategic apparatus of HR departments. Collaborative workforce planning serves the needs of HR, hiring managers, line of business owners, and executives by helping teams across the organization stay connected, aligned, and working towards shared goals.

**"Strategic Workforce Planning (SWP) has for years been one of the most under-supported capability areas in HR technology, which is ironic given it is an opportunity to positively impact so many areas of a business. SWP platforms like the one offered by Anaplan are changing the dynamics here, including better cross-functional collaboration, which SWP forces." - Steve Goldberg, practice leader, HCM research & advisory group, Ventana Research**



**88%**

of respondents said building the organization of the future was important.

It also makes HR a key partner in high-performing organizational design, that is, the art and science of aligning all aspects of an organization (including HR) to respond to change. Organizational design has in the recent decade become a top priority for executives; in Deloitte's "High impact organizational design research," 88 percent of respondents said building the organization of the future was important. Since the

emergence of the pandemic, organizational design has focused on workforce readiness, remote work arrangements, and especially scenario planning.

### Pitfall: The biggest silos and the loudest voices win

Even in favorable conditions, workforce planning is performed in silos without full visibility and participation from all key stakeholders, or consideration of all relevant data and KPIs. It is a stubbornly opaque process, wherein only a few fully understand the inner workings of how the plan is formulated and intended to function. And even its results are often excessively influenced by departments or managers who speak up the most.

### Solution: It takes a collaborative, Connected Planning approach to build a workforce of the right employees, with the right skills and proficiency when and where the business needs them.

Success in workforce planning and organizational design has three components:

**1**

Everyone agrees on the proper KPI's, buys into the plan, and has a stake in the result.

**2**

Everyone understands how the plan works and can communicate it to others.

**3**

Everyone has a solid understanding of the data, its sources, and how the plan is using the data.



To execute a successful organizational design, leaders need to understand current skills and capabilities, team structures, and culture, and then determine where restructuring can make employees and processes more efficient. This requires a holistic yet detailed picture of the workforce and its costs. Generating such a comprehensive view requires collaboration between HR, business leaders, finance experts, and other professionals with domain knowledge.

With a collaborative, connected workforce planning approach, business leaders can determine the right number of people they need, with the right skills, in the right departments and teams, at the right time and cost. 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 workforce planning also helps to fine-tune the balance between cost control and company growth.

**The key takeaway is that planning should be inclusive, dynamic, and orderly, characterized by connecting more stakeholders.** Workforce planning is valuable in its own right, but collaborative, continuous workforce planning is the key to making your workforce plan a dynamic, agile blueprint.





# A dynamic workforce blueprint

## Agile workforce planning

We said at the beginning that success in the face of constant change begins with an agile workforce. Very few would disagree in principle. But in practice, assembling and managing an agile workforce requires a virtuoso balancing act of aligning the right resources to the right tasks, at the right time, in the right places, and at the right cost. That's a lot of things to get right, and each represents its own separate plan. That's why we also say your plan needs a plan: *a dynamic workforce blueprint*.

**A dynamic workforce blueprint is a multidimensional master plan for the workforce that reveals and maps out various paths by which organizations can reach their goals, which can be modified to adapt to any changes in both market and workforce dynamics.** A *dynamic workforce blueprint* enables collaborative workforce planning, which in turn supports the HR mandate to "find the best, keep the best." Within the HR function context, collaborative workforce planning helps an organization stay ahead of the competition and address skills gaps quickly with improved headcount forecasting, compensation planning, organizational deployment, and capacity optimization.

A dynamic workforce blueprint minimizes and, in most cases, eliminates the mess in the middle, especially at stress points and bottlenecks where handoffs between business functions or organizational units occur. The table on the next page summarizes the benefits and value of a dynamic workforce blueprint.

One of the most potent benefits of a dynamic workforce blueprint is its ability to connect three critical elements of workforce planning – data, people, and processes – and ensure those elements remain connected throughout the planning and execution cycle.



## Your blueprint for building value through workforce planning

Business goal you want to achieve	The improvement that the dynamic workforce blueprint offers	How your organization realizes the value of dynamic workforce blueprint
<b>1</b> Increasing ROI of talent investment	Feeding operational and tactical workforce plans into long-term skills requirements	Maximizing individual and team performance by proactively moving employees into new roles
<b>2</b> Cost savings, controlling labor and related expenses, and improving budget variance control	Enabling unlimited driver-based scenario modeling that exposes the impact of changes in headcount, organizational structure, and compensation by department, skillset, and experience	Hiring internally instead of searching externally reduces costs, saves time, and decreases turnover rates
<b>3</b> Increasing strategic flexibility	Identifying, modeling, tracking, analyzing, and predicting key workforce metrics such as employee engagement, development, and retention	Optimal staffing and coverage for both full-time and contingent workforces
<b>4</b> Clear, repeatable end-to-end workflows, improving employer brand, improving retention	Putting needed people information in the hands of the ultimate consumers of that information: the business users	Creating a candidate experience that seamlessly flows from recruitment to talent management and beyond
<b>5</b> Improving staffing operations efficiency, reducing time to hire	Empowering all parties to adjust planning models, dashboards, views, drivers, scenarios, and forecasts without IT intervention	Increasing ability to staff by internal placement, redeploy personnel to critical positions, and backfill key roles faster



## Connecting data

A dynamic workforce blueprint assembles, codifies, and connects HR and talent data with finance, business, and operations data from systems across the enterprise and third-party systems. Connected data enables the planning and modeling of a wide range of workforce and talent management approaches that inform the overall talent strategy, including addressing current skills gaps, mapping anticipated future skills needs to business strategy and ensuring workforce readiness at all times.

## Connecting people

A dynamic workforce blueprint connects people at two levels. First, it enables stakeholders and planners to communicate in a mutual environment. By beginning with clear insight regarding their departments' dependencies and how those dependencies relate to the overall business strategy, stakeholders and planners from across the enterprise can collaborate and engage much more effectively in developing plans.



Second, stakeholders and business leaders, who themselves are better connected, are in a much more favorable position to replicate the process across the whole enterprise and build a connected workforce. HR and key stakeholders throughout the enterprise can take a deeper dive, identifying common talent gaps that can impede business success, modeling more sophisticated what-if scenarios and assessing their broader financial impacts, and determining where complementarities lie within the organization. Such collaboration has the additional benefit of enabling more effective long-term planning for critical roles that drive the organization's strategies, near-term alignment of headcount with the budget, and short-term capacity planning and optimization.

## Connecting processes

Just as we discussed the effect of connecting people in the previous section, a dynamic workforce blueprint has the twofold effect of connecting the processes that constitute workforce planning and the wider-ranging business processes that are directly affected by it. A key benefit is that planning teams can connect and layer in plans and build in sophistication over time without compromising the performance of calculations.

*The results are tighter alignment of HR with business objectives and greater transparency of workforce performance at senior management levels. For example, by connecting HR and finance, a dynamic workforce blueprint brings visibility into workforce requirements and alignment on budget and costs. By connecting HR with facilities and IT teams, they all gain insight into workforce requirements and can align on both fixed and variable expenses, and in some cases, capital expenditures. And by connecting the entire enterprise with recruiting, department, or line managers, recruiters can gain early insights into workforce demand that needs to translate into hiring requisitions.*

One of the most visible processes affected by a dynamic workforce blueprint is compensation modeling. A dynamic workforce blueprint better enables shared insights to orchestrate compensation plans and fair practice. HR and business leaders can confidently create compensation plans and frameworks that undergird talent acquisition and retention with equity, diversity, and inclusion and drive performance and results.



**The key takeaway is that a dynamic workforce blueprint represents a collaborative workforce planning solution that brings together all of a business's vital forces into a single whole space instead of connecting data with other data, people with other people, and processes with other processes (but not across elements).** It brings order to the messy middle and eliminates ambiguity about who the right people are, where the right places are, and what the right times are.

# Conclusion

## Your blueprint for building value through workforce planning

The workforce comprises people, representing both the most significant asset and cost on a company's balance sheet. But it's also the company's most important driver of value, and value gets created by all the right organizational resources becoming correctly aligned, according to a master plan. That's ultimately what a dynamic blueprint does: applying workforce planning effectively to improve organizational agility.

Through the virtuous cycle of improving both organizational agility and worker productivity, businesses can ascend the ranks of their industry spaces more swiftly than by the usual playbook of cost control, regulatory compliance, and incremental efficiency gains. And that pays off for everyone in your organization, the customers, partners, and shareholders.

[Discover how you can begin creating a dynamic workforce blueprint for your workforce](#)

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