



# Conquering 6 workforce planning challenges with Anaplan

Why workforce planning and optimization  
initiatives can't be put off any longer

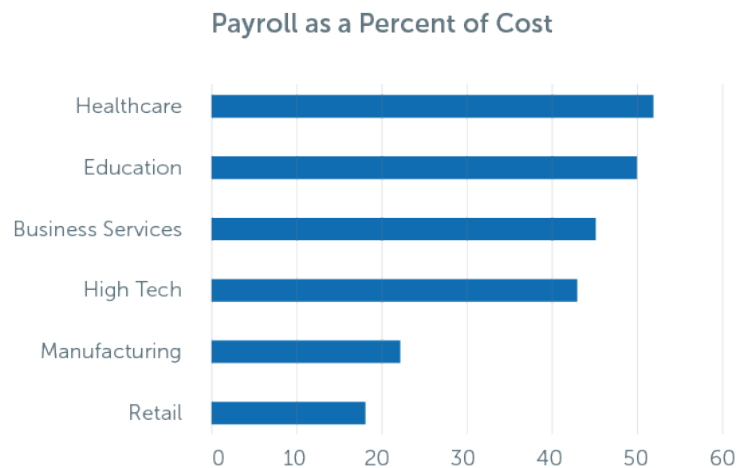


# Enterprise workforce planning: 5 reasons why it matters

**Your workforce is likely your most expensive asset—and yet an investment in a workforce planning platform isn't usually a top priority for executives. But did you know that companies tackling their workforce planning and optimization with Anaplan are saving 2–5 percent on their payroll costs?**

Let's dive into workforce planning and why it matters. In a recent webinar poll, Anaplan asked what was the main reason why workforce planning matters to your organization.

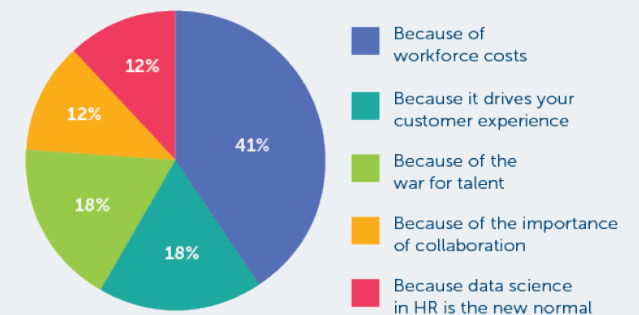
Although answers were dispersed, we found that over 40 percent agree that workforce planning matters most because of the cost of the workforce on the overall business. This is a true concern for organizations: The fact is, if your workforce strategy and headcount planning aren't as efficient and effective as possible, there can be a huge loss in cost and cycle times due to turnover or resources wasted because of incorrect allocation of headcount.



Source: Society for Human Resources Management

In a recent survey, companies ranked their satisfaction with existing workforce planning tools as 2.8 out of 5. They ranked the importance of analytical capabilities for workforce planning as 4.6 out of 5.

## Why workforce planning matters



Source: Crunchflow. "[Global Workforce Planning Survey](#)." Published August 2016.

With 41 percent of HR leaders polled claiming workforce planning matters most due to the cost of the workforce, efficient hiring and payroll processes are clearly needed.

The diversity of the benefits or impacts highlighted in the poll explain why workforce planning is so important—it touches and can impact everything from collaboration (internally) to customer experience (externally). This shifting mindset implies that HR professionals are seeing their responsibilities broaden across the organization to more directly impact both the top and bottom line. In order to measure workforce planning against the broader business and market dynamic, leading HR organizations are investing in workforce planning, optimizing their hourly workforce, and [people analytics](#). This depth of insight into the workforce can not only decrease turnover and increase employee engagement, but can also cut costs and help managers better act on previously unseen opportunities to impact business results.

In this white paper, we discuss how you can transform your HR processes with Anaplan to meet these growing workforce planning expectations. We identify six challenges you can conquer when investing in workforce planning platform, including:

1. Gaining a true picture of your workforce capacity and current headcount
2. Modeling and predicting attrition
3. Forecasting workforce demand accurately
4. Preparing a workforce gap analysis down to the role
5. Testing the impact of significant workforce changes
6. Creating a data-driven hiring plan

# 6 workforce challenges you can conquer with Anaplan

Whether you are using dispersed HRMS systems comprised of point solutions, a legacy planning system, spreadsheets, or a mix of the three, you are likely quite familiar with the headaches of consolidating data and departmental hiring planning to gain an accurate picture on the health of your workforce.

With Anaplan, you gain a real-time pulse on your workforce by aggregating data and a single view across recruiting, onboarding, headcount costs, compensation, and succession planning to ensure your planning and resourcing strategies are most effective. In this section, we will discuss six of the most common workforce planning challenges we see with our customers and lay out how you can conquer these challenges to optimize your workforce using Anaplan.

“There has been a seismic shift in the war for talent. Those that don’t understand that shift and change their approach to talent management are going to fall into a newly opened crevasse from which they may never escape.”

- George Bradt, Forbes.com

# 01

## Gain a true picture of your workforce capacity and current headcount

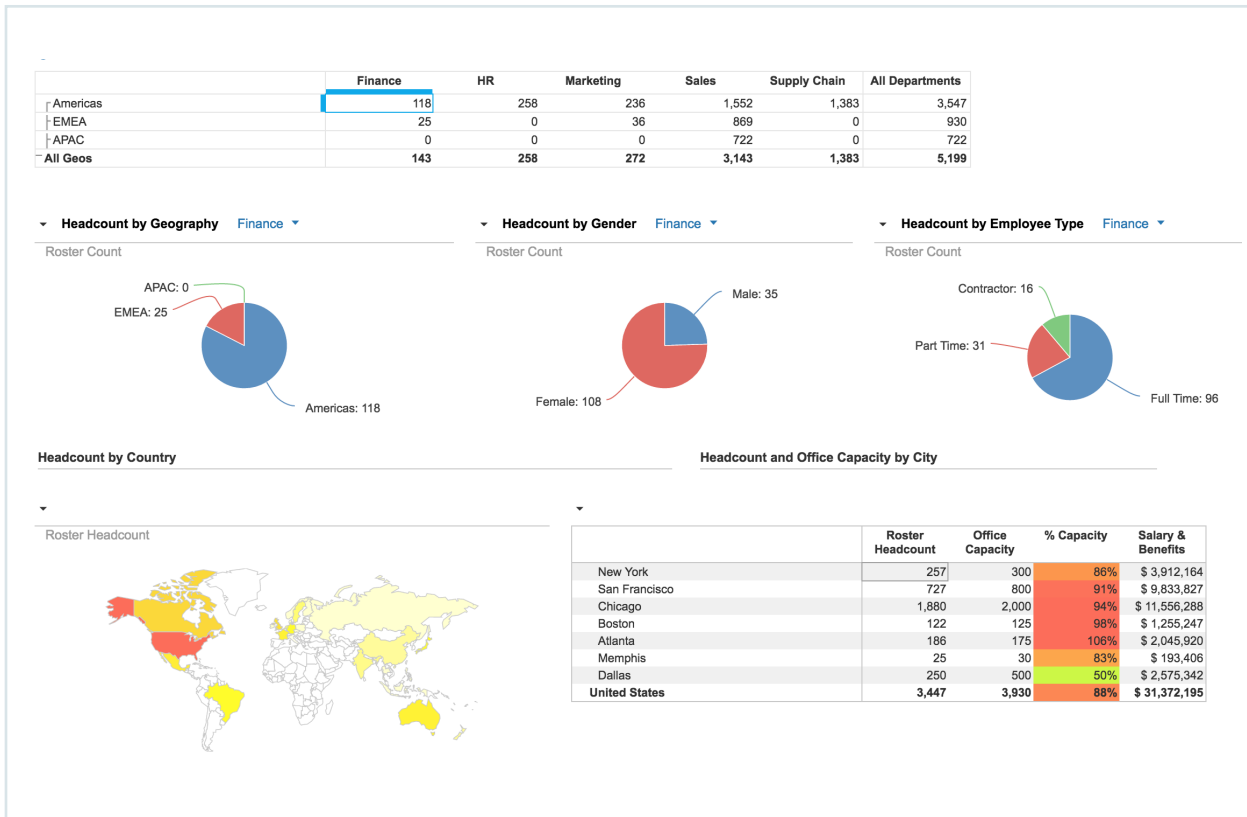
At first glance, a dashboard that gives you an up-to-date picture of your key workforce dimensions may not seem like a big deal. But anyone who has tried to produce such a view without a solution like Anaplan will readily agree that it is difficult, if not impossible, to maintain.

The reason why capturing a picture of the current state of your workforce is so difficult is due to the dynamic nature of your data—what your organization looks like today is different than what it will look like tomorrow. People will leave, new people will get hired, some others may be termed, roles will change, etc. If you try to manage this in Excel®, the data will be out-of-date by the time you finish your analysis, if not before.

The solution to this challenge is to have the data from supporting systems integrated into your model in order to get automatic daily updates. A common question is: “Can’t I get all of this from my HRMS system?” The answer is: You can get some of it. Many of your basic employee dimensions will be in your HRMS, as well as employee movement data. However, there is much more that needs to be considered—such as financial information and contractor/contingent labor, for example—but if those aren’t in your HRMS, then you won’t have a complete picture nor will you be able to develop a workforce planning model. For many HR practitioners, having a near real-time view of their key workforce headcount KPIs is a big advantage and the starting point for more advanced workforce planning.

**In Anaplan:** When it comes to determining your workforce capacity, there are a couple of ways that having an Anaplan model can assist. If your employee population is primarily exempt workers (i.e., salaried), then capacity can be calculated at the headcount level (pulled from HRMS), by role or employee, with expected attrition deducted to come up with a net capacity headcount number. You may choose to attach some form of productivity standard to convert headcount into a related business driver, such as determining how many IT systems your organization can support. Either way, being able to model this in Anaplan is incredibly powerful.

For non-exempt employee populations, you will want to get more precise on capacity, meaning the calculation should not be rounded and you take it to at least one decimal point. Why does this matter? Because minutes matter when it comes to large employee populations and when you are talking about customer service and labor costs. Fortunately, with Anaplan, you can net out all non-productive workforce capacity by modeling historical data. The resulting KPI is productive full-time equivalents (PFTE), and it is an integral component of the ultimate workforce demand and supply gap analysis.



# 02

## Model and predict attrition

Perhaps no other topic in HR analytics has received as much attention recently as attrition. The increasing popularity of big data and predictive analytics has given rise to the question: “Can we predict which employees will perform best or leave the company soon?” Successfully answering these questions can prove to be very valuable.

There are two fundamental ways to look at attrition: looking back and looking forward. A basic model of attrition looking back should consider, at the minimum, turnover by month and whether it is voluntary or involuntary. If voluntary, then determine whether it is regretted or not regretted. This data can be incorporated into a workforce planning model simply as a monthly average to get a sense of the impact on headcount.

**In Anaplan:** With Anaplan’s powerful modeling capabilities and pre-built algorithms, you can do much more. First, it should be noted that there is no substitute for ample historical data if you wish to predict

### Customer success story: Tableau

“The scope of our headcount can be a complicated matter. Every department plans headcount differently and on a different cadence. So each planning team really needs to own their own data. We want people to self-serve with their data, and Anaplan allows us to really edit our data.”

Erin Hoff, Business Analyst, Tableau



attrition (or anything else for that matter). The more variables you have related to employees, the more likely you will be able to correlate something to attrition. For example, you could capture and model the following items: source of hire, candidate test scores, length of commute, who is the manager, the team, and so on. Not all will prove to be relevant but you won't know until you test them.

This is where Anaplan comes in. Once you have your data in Anaplan, you can apply and test up to 15 different algorithms against your data set and rank the results based on mean absolute percent error (MAPE).

For example one customer leveraged this functionality to model their attrition as part of an overall workforce plan using Anaplan. Not only does the system make it easy to see which is the best-fit algorithm, it also allows a seasoned forecaster to override the different parameters if they wish to adjust the calculations based on other knowledge they may have about the data.

**Attrition Override Settings**

Message	
Message?	0
Override Cost Center	<a href="#">27726 - BAR</a>
Override Supply (L2)	<a href="#">Help Desk</a>
RFT / RPT	<a href="#">Regular Full Time</a>
Override Forecast?	<input type="checkbox"/>

**Attrition Forecast Settings**

<b>Forecast Method Selection</b>	
History Type	
<b>Forecasting Method Best Fit</b>	<b>Naive Method</b>
Forecasting Method Override	<a href="#">Linear Regression</a>
Override Best Fit Forecast?	<input checked="" type="checkbox"/>
<b>Method Specific Parameters</b>	
History Smoothing (α)	0.5
Croston's (α)	0.5
Winter's (γ)	12
Seasonality Basis	
Moving Average Periods	5

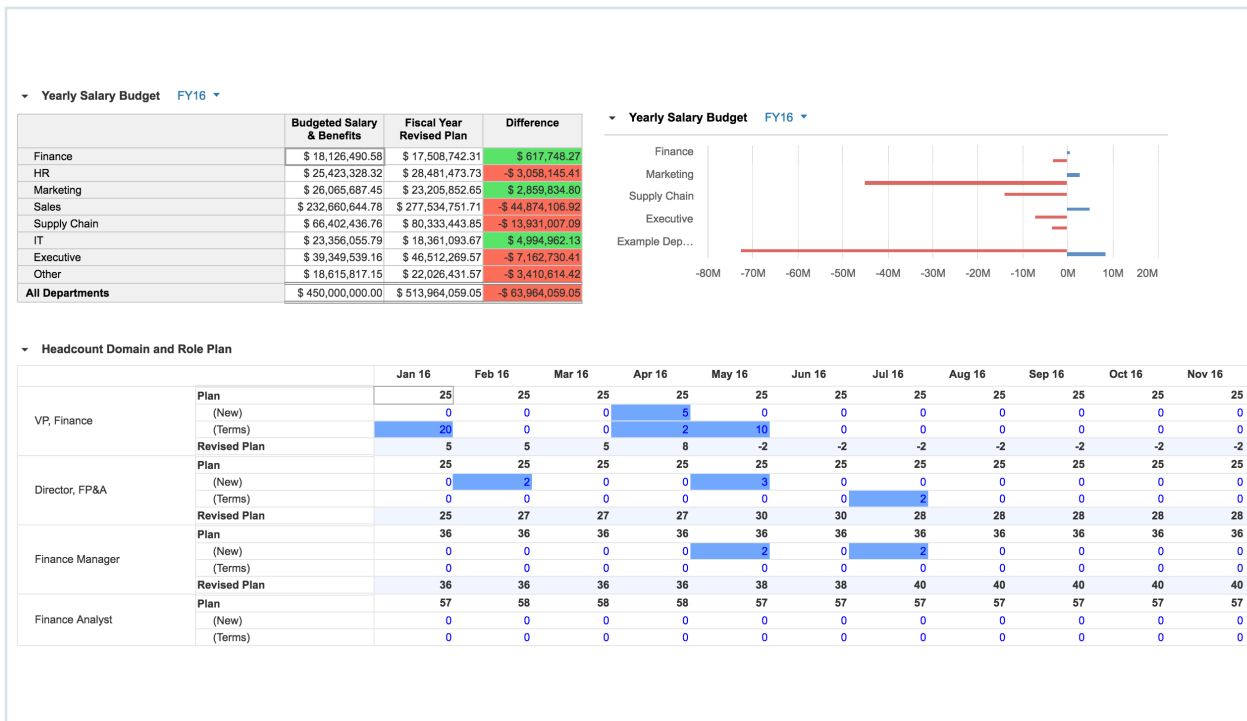
**Attrition Forecast Accuracy**

	MAPE	RMSE	MAD	MAPE R <sub>a</sub>	RMSE R <sub>a</sub>	Selected
Naive Method	4.56%	0.13%	0.04%	1.00	4.00	<input type="checkbox"/>
Double Moving Average	4.97%	0.07%	0.05%	2.00	1.00	<input type="checkbox"/>
Moving Average	5.74%	0.10%	0.06%	3.00	3.00	<input type="checkbox"/>
Winter's Multiplicative	8.98%	0.09%	0.09%	4.00	2.00	<input type="checkbox"/>
Linear Regression	12.00%	0.17%	0.14%	5.00	5.00	<input checked="" type="checkbox"/>

# 03

## Accurately forecast workforce demand

An accurate workforce plan is ultimately a factor of accuracy for both the demand and supply of labor for your organization. We discussed supply and capacity above but how do you determine demand? First, you need to figure out what the appropriate driver(s) is/are for your labor requirements. For example, in a contact center, it is the number of calls, chats, and emails. In a retail store environment, it is sales and customer traffic. In a sales organization, it may be the number of accounts, population, geography, or the ratio of account reps to sales support personnel.



	Apr 01 2016	Apr 02 2016	Apr 03 2016	Apr 04 2016	Apr 05 2016	Apr 06 2016	Apr 07 2016
DOW - Volume Factor	1.06	0.53	0.48	1.32	1.26	1.20	1.15
Weekly - Volume Factor	0.91	0.91	0.94	0.94	0.94	0.94	0.94
Daily - Volume	5,926	2,972	2,793	7,652	7,270	6,948	6,672
Smoothed	6,223	2,972	2,793	7,652	7,270	7,295	6,672
+/-	5.00%	0.00%	0.00%	0.00%	0.00%	5.00%	0.00%

Those are easy examples, but how do you accurately calculate workload for the IT organization? One Anaplan customer is doing this by applying a workload factor to each internal system supported by IT. This is a simple but effective way to begin assessing capacity within departments where you may not normally have clear workload drivers.

**In Anaplan:** Regardless of what drives demand for your labor, the most important point is to ensure the uniqueness of your different departments or business units is respected. This is where Anaplan’s flexibility is key because one model can accommodate whichever drivers are required to most accurately calculate demand for your workforce. For most enterprises, the full workforce plan will encompass numerous business units or departments, with variables that drive how much labor is required. Anaplan allows you to pull the labor driver data—such as shipment data that will determine the workload in a warehouse—associate it with a set of labor standards (e.g., minutes to unload a truck), and precisely calculate the optimal amount of work minutes required for a day or part of a day.

What about other parts of the organization? In the same model, you could use, for example, sales to drive how much labor is required in a retail store. You could also use the number, type, and size of your project and optimal skills mix when looking at project-based work, like you’ll find in IT support or your professional services team. The flexibility of Anaplan means parts of the organization with different behaviors regarding labor use can all be included in the same model.

# 04

## Prepare a workforce gap analysis down to the role

The workforce gap analysis shows the delta between your forecasted workforce supply and demand, as far as 24–36 months in advance. For most planners, this is the actionable data they have been waiting for because it will trigger a whole new set of activities for their workforce, such as recruiting, hiring, training, transferring, downsizing, and outsourcing over time—the list goes on.



Given the dynamic nature of your workforce, it is best to think of the gap analysis as a rolling process where you are constantly reassessing assumptions and future needs as opposed to a singular period or point in time. Because of the monumental effort required to create a gap analysis using legacy methods like spreadsheets, it is practically impossible to keep a model current.

**In Anaplan:** With a platform like Anaplan, you can take advantage of automatic data integration as demand and supply numbers change. The accuracy of such a model helped one customer using Anaplan to exceed their goals on reducing labor cost. What they anticipated being a 2–3 percent reduction turned out to be closer to 5 percent, translating into more than \$5 million in hard dollar savings.

### Demand & Supply PFTE

● Frontline ▾

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16
Demand PFTE	90.0	78.0	234.0	114.0	144.0	152.4	153.6	138.0	126.0	118.8	99.6	72.0
Supply Effective PFTE (w/out OT)	120.9	111.6	192.9	163.8	146.0	159.3	155.7	152.1	146.2	140.2	137.1	134.3
Gap (w/out OT)	30.9	33.6	-41.1	49.8	2.0	6.9	2.1	14.1	20.2	21.4	37.5	62.3
Supply Effective PFTE (w/ OT)	122.5	113.0	245.8	162.8	150.0	163.4	159.7	155.4	148.9	142.9	139.1	136.3
Gap (w/ OT)	32.5	35.0	11.8	48.8	6.0	11.0	6.1	17.4	22.9	24.1	39.5	64.3

# 05

## Test the impact of significant workforce changes

Once your workforce planning model can produce a gap analysis, you can leverage this great data to perform powerful “what-if” analyses—a hallmark of any Anaplan-based solution. For example, you can test what would happen if you changed any key workforce dimension or assumption and gauge the impact on labor costs, such as: “What would happen if we closed an office in Boston and relocated the affected employees to Raleigh?” Normally, such an analysis could take days to weeks of data gathering and manipulation via spreadsheets to get some semblance of an answer.

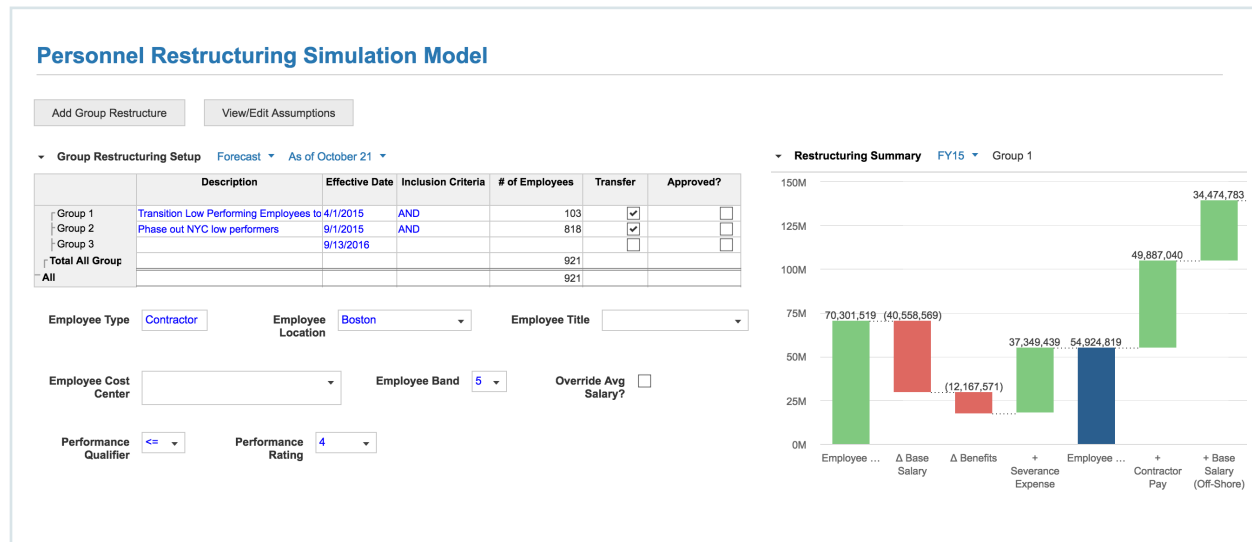
### Customer success story: TELUS

“We outgrew our previous long- and short-range workforce planning system—and chose Anaplan to be the platform for our transformational initiative to improve service delivery and support.”

Petto Chan, Manager Business Analysis, TELUS



**In Anaplan:** With Anaplan, we can run such a model instantaneously and with data that is virtually real time. This is the power of an enterprise-class modeling platform: It unlocks the value of your data that has gone dark in silos.



Another common analysis is testing the impact of altering an organization's full-time, part-time, and contractor workforce mix. With a proper model, you can not only see how such changes affect costs but also factor in productivity, quality, and ramp-up time to obtain a complete picture of the costs/benefits of significant workforce changes.

# 06

## Creating a data-driven hiring plan

The benefits of integrated workforce planning—where finance, HR, and other business unit leaders all share “one version of the truth” in terms of data—become most evident when the hiring and recruiting plans are developed. In non-Anaplan solutions (and most notably in spreadsheets), this is where confusion reigns because unless you have direct links from your workforce gap analysis to your approved hiring plan, and to specific headcount plans for recruiters, it quickly becomes a difficult task to keep all parties aligned and clear on who needs to be recruited/hired, and when.

**In Anaplan:** With Anaplan, not only can you precisely model when you will need someone to be on the job, but you can roll that back and factor in the time it takes for the hiring cycle to be fulfilled. This gives recruiters a better sense of when they need to cast the net for particular roles or skills.

## Hiring Plan

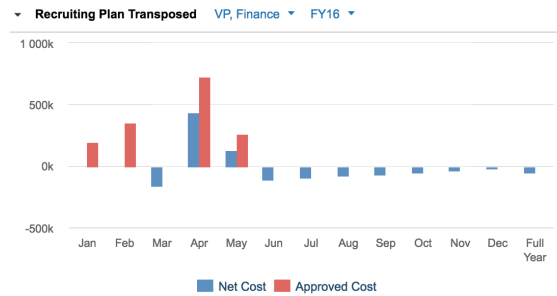
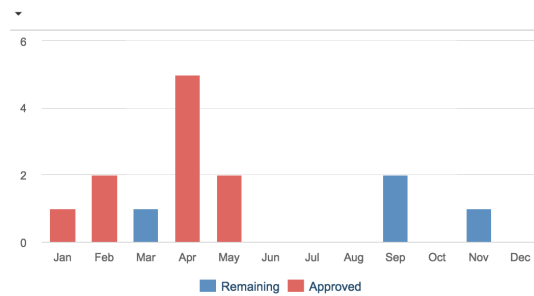
Recruiter Plan >>

FY16

Recruiting Plan VP, Finance

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	No
Bottom-Up Plan	-20	0	0	3	-10	0	0	0	0	0	0
Include Demand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Base Scenario Hire Plan	1	2	1	5	2	0	0	0	2	0	0
Include Base Scenario Plan?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hiring Plan	1	2	1	5	2	0	0	0	2	0	0
Hiring Plan Approved?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hiring Plan Cost	194,799	357,131	162,332	730,495	259,732	0	0	0	129,866	0	0

### Hires Expected



Further, as you hone your process and measure the ratios of initial applicants to screenings, to interviews, and ultimately, to hire decisions, you can feed that information back into your model and calculate the volume of applicants you will need to fulfill a recruiting service level agreement. These are just a few of the areas where you can make significant recruiting-hiring process improvements when you leverage Anaplan. Once you start measuring and modeling these tasks, the productivity gains will reduce the cost of hiring, improve the candidate engagement experience, and increase the cadence with which you attain the best talent.

# The state of workforce planning: What's needed

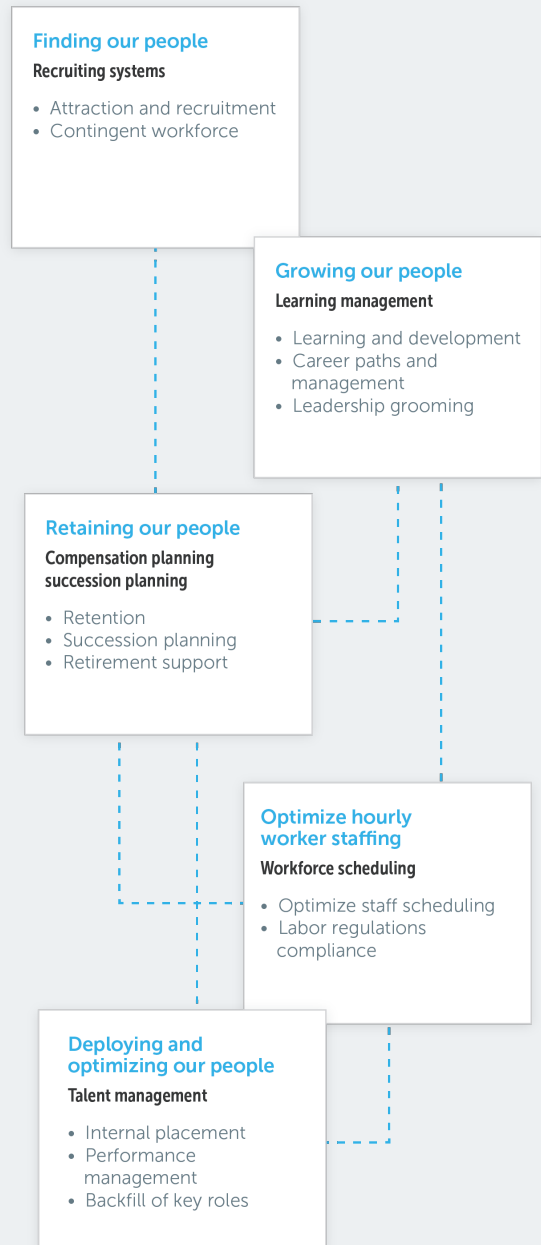
So far, we have highlighted steps to conquer your workforce planning challenges:

- First, gain a true picture of your current headcount and workforce skills capacity
- Next, model and predict attrition and forecast workforce demand more accurately to identify skills gaps down to the role or employee level
- Then, test the impact of significant workforce changes in order to create a data-driven hiring plan

Organizations today are increasingly building and managing a dynamic network of teams. Managers need to be able to build a team, add and subtract team members, and disassemble a team when a project ends. You need to have the right information, freshly updated and available at any time, to make optimal decisions about your team. Regardless of team level—team-level, department-level, business unit- level, c-level—the concepts are the same.

Despite this trend, we still have silos of data today. Recruiting systems are separate from talent management systems, which are separate from learning management systems and the succession plans in a spreadsheet. These data sources are either current or backward-looking, and they are not aligned with one another. But what if you could bring all of these disparate point solutions and spreadsheets together?

## Business plans



# Smart planning for your workforce

Anaplan aligns your business plans with your people plans, bringing together needed information from your recruiting system, learning management system, talent management system for your hourly worker (a.k.a. workforce management system), and your HRMS to address the needs of your team at the team-, department-, business- unit or c-level to have everything in place needed to optimize the performance of the team. Anaplan models your ideas and the impact they could have across the business, all in one platform.

Anaplan's workforce planning capabilities help you identify skills gaps and adapt your plans by allowing you to run unlimited "what-if" scenarios. Once a plan is vetted and approved, Anaplan helps you track the effectiveness of people plans and programs for each component of the employee life cycle, and course-correct as needed.

Companies choose Anaplan to address the gap between their workforce planning needs and capabilities of their current solutions, while solving for a number of key talent issues: attracting and retaining key talent amid changing workforce demographics, planning for global expansion, uneven business performance, product or service innovations, and the mobility of talent.

With Anaplan, HR and operations leaders are seeing faster data consolidation time for improved accuracy as a source of truth. This results in HR having more time to spend collaborating with their business partners and enabling collaborative scenario planning, with real-time insight into the impact to the business and workforce.

Organizations have greatly enhanced their planning experience, driving alignment between the workforce and the business. They are able to share real-time insights that drive action for timely and relevant results, benefiting from a planning platform that—because it is owned by the business—is continuously adjusted to the realities and pace of business, in any department and for any industry.

## 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

# How to make an impact on your workforce plan—starting today

It's hard to know where to get started, especially when trying to figure out which change or shift will make the greatest impact on the business and bottom line. We have created a quick checklist to keep in mind as you dive into how best to optimize your workforce planning strategy.

<input type="checkbox"/> Connect disparate systems and different departments.	<input type="checkbox"/> Optimize labor costs.	<input type="checkbox"/> Sharpen efforts and timing to find the best talent.	<input type="checkbox"/> Turn deep data sets into powerful models of the organization from a workforce perspective.
<ul style="list-style-type: none"><li>• Are you able to automate the loading in of data from each of your workforce data sources?</li><li>• Anaplan offers a number of integration options for integrating data:<ul style="list-style-type: none"><li>• <b>Simple</b><ul style="list-style-type: none"><li>• Self-service GUI: Point and click file import and export via Anaplan user interface</li></ul></li><li>• <b>Automated</b><ul style="list-style-type: none"><li>• <i>Anaplan Connect</i>: On-premise bidirectional utility. Compatible with any scheduling tool. Simple and advanced file-based integration.</li><li>• <i>Anaplan ETL Connectors</i>: Use predefined bidirectional Anaplan connectors available with Informatica, MuleSoft, SnapLogic and Boomi ETL tools to connect to SaaS applications or ERP solutions like SAP and Oracle</li><li>• <i>Native Connectors</i>: Import standard or custom objects (i.e., Salesforce.com)</li></ul></li><li>• <b>Programmatic</b><ul style="list-style-type: none"><li>• <i>REST API</i>: Custom bidirectional integration with applications or any ETL tool</li></ul></li></ul></li></ul>	<ul style="list-style-type: none"><li>• Are you hitting your service level agreements or goals?</li><li>• Can you benchmark performance across teams? With this information, you can find the positive outliers and drill down on the "why's," then roll out to other teams.</li></ul>	<ul style="list-style-type: none"><li>• Do you have an accurate picture of your current skills capacity?</li><li>• Can you easily course-correct your demand for labor forecasts by role as business conditions change?</li><li>• Do you have a built-in approvals process for vetting and prioritizing your hire list?</li><li>• Can you identify potential bottlenecks to deliver on your recruiting plans?</li><li>• Can you measure recruiting velocity and scenario plan alternatives to improve the time from opening a requisition to on-boarding your new hire?</li><li>• Do you have the right package of salary and benefits, both monetary and non-monetary?</li></ul>	<ul style="list-style-type: none"><li>• Get ahead of trends and outliers. Look at metrics for performance, attrition, diversity, and pay gaps, both against market salary bands and internally for anticipated legislation addressing equal pay for equal work.</li></ul>

# Take a WorkforceIQ Assessment

As a leader in workforce optimization, Workforce Insight can help shed light on where improvement in your workforce can be made regardless of your maturity stage.

[Complete a WorkforceIQ Assessment](#) to learn where you can most benefit from changes in your workforce planning strategy. WorkforceIQ™ provides a structured diagnostic assessment to help you identify your level of workforce management maturity and effectiveness—and prioritize the highest-impact opportunities for labor cost savings, productivity improvement, improved customer satisfaction, and employee engagement

Learn more about Anaplan workforce planning and optimization apps [available on the App Hub](#).

And lastly, learn about Anaplan's approach to ensuring your [successful deployment of Anaplan](#).

The logo for workforceIQ is displayed in white text on a dark blue background. The background features a faint, stylized illustration of a person standing in a network of lines and nodes, suggesting a workforce or organizational structure. The 'IQ' part of the logo is significantly larger and bolder than the 'workforce' part.

## **For companies considering Anaplan:**

Conduct a rapid proof-of-concept to discover how easily you can load and consolidate data in Anaplan, reconciling any discrepancies between data sources.

Replicate current models you may have in spreadsheets or download any one of our workforce planning or workforce optimization apps from the Anaplan App Hub, accelerating your model building with a best-practices template that can be easily configured.

## **For existing Anaplan customers:**

Do a pilot project to start your enterprise workforce planning or workforce optimization model to learn how Anaplan model building competencies established by other departments in your organization can be transferred over to your own.

See how easily you can load and consolidate data in Anaplan, including from your other Anaplan models.

Replicate current models you may have in spreadsheets or download any one of our workforce planning or workforce optimization apps from the Anaplan App Hub, accelerating your model building with a best-practices template that can be easily configured.



## About Anaplan

Anaplan is the leading planning and performance management platform for smart businesses. Anaplan combines an unrivaled planning and modeling engine, predictive analytics, and cloud collaboration into one simple interface for business users. Anaplan is a privately held company based in San Francisco with 16 offices worldwide. To learn more, visit [anaplan.com](https://anaplan.com). Follow us on: [Twitter](#), [LinkedIn](#), [YouTube](#), and [Facebook](#).



## About Workforce Insight

Workforce Insight is the world's leading workforce management and analytics firm. Workforce Insight operates each day with a purpose: To provide outcome-based, workforce management consulting, analytics and support for our clients, generating significant labor cost savings and sustainable performance gains. Our clients, including 48 of the Fortune 500, span key industries including Healthcare, Manufacturing, Consumer Services (Retail, Hospitality, Gaming), Business Services (Financial Services, Professional Services and Public Sector). With unmatched expertise across all workforce management and analytics platforms, rich industry depth and experience in more than 30 countries, Workforce Insight is the leading and most trusted workforce advisory firm.