The Modern Approach to Workforce Planning: Best Practices in Today’s Economy

Madeline Laurano
Principal Analyst
April 2009
# TABLE OF CONTENTS

## Introduction

5

## Getting to the Answers: Workforce Planning Methodology

7

## Insight and Analysis: Workforce Planning in Crisis Mode

9

Case in Point: VolksWagen Group of America 10

## Key Findings

11

1. The Majority of Organizations Are Ineffectual at Predicting Future Talent Demands. 12

2. Workforce Planning Fails When It Is Viewed As an HR Issue Rather Than a Business Issue. 12

3. The Industries with the Weakest Skills Sets Are Also the Same Industries Placing a Heavy Priority on Strategic Workforce Planning. 14

4. Our Research Identified Key Best Practices to Help Leading Companies Tackle Workforce Planning. 14

5. Strategic Workforce Planning Will Not Happen Overnight. 15

6. Organizations Need a More Consistent Approach to Workforce Planning. 16

7. Understanding Talent Gaps Is Imperative to the Success of a Workforce Planning Process. 16

8. Recruiting and Staffing Currently Play a Small Role in Workforce Planning. 17

9. Technology Can Improve the Workforce Planning Process for Any Company at Any Level of Maturity in Workforce Planning. 18

## Where to Begin: Understanding Workforce Planning

20

Defining the Process: A Practical Workforce Planning Maturity Model 21

Level 1: Headcount Planning 23

Level 2: Workforce Analytics 24

Level 3: Strategic Workforce Planning 25
# The Modern Approach to Workforce Planning

## Level 4: Enterprise Strategic Workforce Planning
27

## A Workforce Planning Action Plan
30

## Best Practices in Workforce Planning
31

### Involvement of Recruiting and Staffing
31
- Case in Point: McKesson
32

### Support from Senior Management
33
- Case in Point: Braun
33

### Ability to Understand Talent Gaps
34

### Alignment with Succession Management
36

### Continuous Evaluation
38
- Case in Point: T-Mobile
38

### Center of Excellence
39
- Case in Point: Southern Company
39

## Technology Enablers
40

## Workforce Planning Solution Provider Landscape
41

- Pure Plays
42
- ERP Players
44
- ATS Players
44
- LMS Players
45
- Performance Management Players
46
- Analytics Players
46
- Emerging Players
46

## Workforce Planning Solution Provider Profiles
48

## Conclusion
49

## Appendix I: Research Demographics
50

## Appendix II: Solutions Providers Profile Reports
51

### Aruspex
51

### InfoHRM
53
Vemo 55
Appendix III: Table of Figures 56

About Us 58
About This Research 58
About The Newman Group, a Futurestep Company 59
Introduction

As the global economy continues to hit unprecedented lows, today’s senior leaders are feeling intense pressure to reexamine workforce needs and understand the importance of talent in their overall business strategies. Unfortunately, leaders frequently lack the visibility to predict workforce needs in difficult times, and HR professionals typically lack the knowledge or business acumen to answer detailed data-driven workforce questions. As a result, the majority of organizations are operating in crisis mode. These organizations are reacting to economic turmoil by downsizing their workforces, implementing hiring freezes and even implementing employment furloughs.

This situation should sound familiar, since organizations have operated in the same manner during the past four recessions. They are, in effect, “binging on talent” when times are good and “purging talent” when times are tough. This cycle of extremes is not only costly but it is detrimental to the stability of the workforce. Looking for a more stable path, many organizations are now seriously thinking about workforce planning as a foundation for both a short-term fix and for a long-term strategy. Unfortunately, thinking about workforce planning and executing a well-defined process are very different activities. Although 92 percent of companies have some level of workforce planning, only 21 percent take a strategic, long-term approach to addressing the talent demand, talent supply and the actions necessary to close the gap between the two.

The majority of companies view workforce planning as a temporary solution. They apply a relatively small amount of information currently available which does little to address the urgent need for a forward-thinking approach. Instead, workforce planning is commonly seen as a tool for the elimination of weak performers. It is not surprising that 75 percent of companies with a workforce planning process have reduced their workforces over the past 12 months. Unfortunately, simply applying workforce planning to target staff cuts is a reactive, ad-hoc approach. Ultimately, it prevents companies from making informed decisions and preparing for the future.

The value of workforce planning reaches far beyond downsizing. While companies cannot control external forces, what they can do is minimize the impact of economic cycles by understanding talent gaps, forecasting
Companies can minimize the impact of economic cycles by understanding talent gaps, forecasting operational and recruiting budgets, and managing attrition – a few of the pillars of a strong workforce planning process. Most business leaders now understand the need for more transparency around the demand and supply of talent. Departments (such as finance and marketing) regularly forecast operational expenses. Why should we not expect the same type of data and planning around our workforces? Our research reveals that if HR and recruiting are unable to provide visibility and accountability around workforce planning, not only will they lose credibility – but they may also lose their jobs in an ever-increasing, global competitive landscape.

What does it take to emerge from a reactive approach to workforce planning? How can an organization develop a truly strategic workforce planning process that can guide it through the downturn and help it prepare for the future? To shed light on the answers, we developed this study, in partnership with The Newman Group, with a specific aim of understanding just how mature companies are in their workforce planning practices today. A mature workforce planning effort is sophisticated, and involves information and activity from many sources in the enterprise. It is also the key to achieving strategic value from the workforce planning process. For many talent leaders, workforce planning is now a priority – understanding what mature workforce planning actually is and how it is applied is the first step to putting that priority into action.
Getting to the Answers: Workforce Planning Methodology

Although studies have been conducted around the challenges and strategic actions of workforce planning, no current research has addressed the stages of workforce planning and the best practices that help organizations develop a more mature, long-term approach. The goal of this study, conducted in partnership with The Newman Group, is to take an in-depth look at workforce planning and provide key insights in:

- Identifying the current state of maturity in workforce planning processes;
- Level of ownership in workforce planning;
- Range of maturity in audiences served;
- Processes included in workforce planning; and,
- Best practices for evolving into a more strategic company.

Based on a comprehensive survey, this research report combines expert analysis, qualitative interviews and solution provider profiles. We studied the workforce planning practices from various industries, including manufacturing, technology, healthcare and transportation. (See section, “Appendix I: Research Demographics,” for a more comprehensive breakdown on industry, geography and company size.) This study is designed to help companies understand the four-stage Maturity Model for workforce planning, identify the various Levels of Maturity within their own organizations and implement best practices through analysis of key business outcomes. Finally, this study examines the various technology solutions that enable companies to implement a seamless approach to workforce planning.

Workforce planning is a combination of both science (analytics) and art (planning). It can help address critical talent issues in the short term and allow organizations to plan for the future. While they have long viewed workforce planning as a weak area of talent management, organizations are beginning to realize that there is tremendous opportunity to strengthen the workforce planning process. In recent news, organizations
(such as Wyndham Hotels, Takeda San Francisco and ALMACO) are including workforce planning as an area of focus in their job requisitions. Other organizations (such as Baystate Health and T-Mobile) now have positions for vice president and directors of workforce planning. This trend in workforce planning leadership reveals that companies recognize how imperative workforce planning is for gaining competitive advantage.
Insight and Analysis: Workforce Planning in Crisis Mode

If workforce planning is not simply a practice for eliminating low performers, what is it? “Workforce planning” is a set of business processes that analyze the supply and demand of talent. This discipline helps organizations understand the current state, forecasted gaps and the actions necessary to close talent gaps. An effective workforce planning process will consistently help business leaders make informed decisions regarding their talent. Although best-practice companies align workforce planning as an integral part of their business and financial planning, 67 percent of companies at every level still conduct workforce planning on an “as-needed” basis.

A recession is not the only driver of “as-needed” workforce planning efforts. Companies have embarked on workforce planning initiatives to address other needs and goals such as:

- Relocation;
- Mergers and acquisitions;
- Change in leadership;
- Change in company strategy;
- Global expansion; and,
- Diversifying the workforce.

The tendency to strengthen workforce planning during times of change should not always be viewed negatively. In many cases, it will act as the catalyst for companies to adopt a more strategic approach to understanding and forecasting talent. Just because companies look at workforce planning on an “as-needed” basis does not mean they are not or will not implement a long-term strategy.
Case in Point: VolksWagen Group of America

In 2006, Volkswagen (VW) Group of America faced the daunting task of relocating its headquarters from Michigan to Herndon, Virginia. Looking to move out from the shadow of the “Big 3,” VW was not only moving employees but HR was also responsible for replacing three-fourths of its workforce in a year and a half. HR leaders became committed to not only finding the right talent for the right type of roles, but also to finding this talent regionally. To complicate matters, VW was looking for candidates to join an automotive industry in a very “non-automotive” area of the country. This change required a reevaluation of workforce planning in a very short period of time.

Over the past 30 years, VW Group of America viewed only current headcount. This level of reporting was led by individual business leaders who reported this data to HR. During the relocation period, this decentralized process changed dramatically. The primary driver for this change was the need for more business planning. HR started by defining the core competencies it needed to fill positions – and used these competencies for general hires and for specific job families. HR led the workforce planning initiative by putting more planning around the timing of hires and the type of skills needed to fill positions. As a result, VW was able to effectively forecast headcount needs, as well as the gap between the skills available and the skills needed to help business leaders make informed decisions.

More than two years later, the lessons learned were undeniable. HR realized that workforce planning was able to effectively forecast hiring needs and examine the talent needs. It also realized that the amount of effort required to complete this task in a short timeframe could be mitigated by a long-term, forward-thinking approach. Although HR achieved its goals, the process required a considerable amount of work to complete on an “as-needed” basis. This situation sparked the desire and demand for a more robust workforce planning process. Both business and HR leaders now recognize workforce planning as a priority in order to understand the true talent needs of the organization.
Although, the emphasis on workforce planning will naturally accelerate during times of change, maintaining a far-reaching strategy, and reevaluating that strategy based on internal and external conditions will help organizations reduce costs and increase the overall productivity of the workforce.
Key Findings

1. The Majority of Organizations Are Ineffectual at Predicting Future Talent Demands.

Although 92 percent of companies report some level of workforce planning, only 21 percent of these companies take a strategic, forward-looking approach to their workforce planning initiatives. Since the majority of workforce planning processes are conducted on an “as-needed” basis, they address current headcount, but fail to help business leaders plan for the skills and core competencies needed in the future.

In this report, we provide specific examples of how organizations take a proactive, systematic approach to workforce planning initiatives by including the following key elements:

- Consistent analysis of current headcount versus forecasted headcount needs;
- Understanding the core competencies available and evaluating the skills needed in the organization;
- Analyzing “what-if” scenarios, based on internal and external business conditions;
- Aligning workforce planning activities with the overall business strategy; and,
- Identifying the criticality of job roles in the business strategy.

2. Workforce Planning Fails When It Is Viewed As an HR Issue Rather Than a Business Issue.

By aligning workforce planning with the business goal, HR will gain a “seat at the table.” Although the majority of organizations recognize the value of strategic workforce planning, many HR practitioners do not have the necessary skills sets or the business acumen to design and implement
The top challenges to a successful workforce planning process include “no defined methodology,” and the “lack of tools and technology.” (See Figure 2.) As a result, only 25 percent are effective at helping business leaders forecast revenue and operating budgets.

During qualitative interviews with a large real-estate company based in California, it became clear that the company realized the criticality of implementing a strategic workforce planning process – yet did not have the direction, leadership or tools to institute a formalized process. In this report, we provide examples of methodologies for organizations to begin or improve their workforce planning processes. Organizations effectively predict future financial planning; the same logic should be applied to their workforce needs.

### Figure 2: Top Challenges in Workforce Planning

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of tools and technology to execute the process</td>
<td>36%</td>
</tr>
<tr>
<td>No defined methodology or business process</td>
<td>36%</td>
</tr>
<tr>
<td>Inability to correlate business strategy with workforce requirements</td>
<td>27%</td>
</tr>
<tr>
<td>Unclear process or ownership</td>
<td>24%</td>
</tr>
<tr>
<td>Lack of funding</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
</tr>
<tr>
<td>Executive support</td>
<td>12%</td>
</tr>
<tr>
<td>Failures at workforce planning in the past</td>
<td>10%</td>
</tr>
<tr>
<td>Not well publicized or actionable to critical areas in HR</td>
<td>10%</td>
</tr>
</tbody>
</table>

3. The Industries with the Weakest Skills Sets Are Also the Same Industries Placing a Heavy Priority on Strategic Workforce Planning.

According to Bersin & Associates Winter 2009 TalentWatch report\(^1\), the following industries are among those that show the weakest skills sets in line management, and sales and customer services:

- Banking and finance;
- Healthcare;
- Manufacturing;
- Technology; and,
- Nonprofit.

These industries can no longer afford poor decision-making about present and future workforce conditions. As a result, they are becoming early adopters of workforce planning technology solutions and also striving to reach optimum levels of workforce planning. They cannot afford to wait – they need a proactive workforce planning process in order to understand talent gaps.

4. Our Research Identified Key Best Practices to Help Leading Companies Tackle Workforce Planning.

Companies looking to provide business leaders with a framework for determining “the right people in the right place at the right time” should consider the following:

- Support from senior leaders;
- Creating a “center of excellence”;

---

• Aligning workforce planning with succession management and internal mobility;
• Identifying and forecasting talent gaps;
• Involving recruiting and staffing in the process;
• Reviewing workforce planning on a monthly basis; and.
• Investing in technology.

We explore these best practices in more depth and include specific examples from today's leading companies.

5. Strategic Workforce Planning Will Not Happen Overnight.

Our research has identified four distinct levels of workforce planning (see Figure 3). Based on survey results, workforce planning has identifiable stages of maturity that can help companies evolve into more forward-thinking organizations. Through conversations with best-practice companies (such as T-Mobile, Braun and McKesson), organizations begin with a pilot program to improve their workforce planning processes and slowly roll out this program through other levels of the organization. Although several organizations attempt to start workforce planning at the most strategic level, the sharp learning curve requires a step-by-step approach, as well as a high level of training and consulting to reach full maturity.

**Figure 3: Various Levels of Workforce Planning Maturity**

6. Organizations Need a More Consistent Approach to Workforce Planning.

Seventy-eight percent of organizations do not have a companywide approach to workforce planning. Consequently, only some business units follow the formalized workforce planning process or business units follow their own processes independently. Matrix-style organizations are decentralized in their business planning and, as a result, workforce planning remains siloed. Mature workforce planning processes are more successful at creating one source of data for the entire organization.

Regardless of where individual business units start in the workforce planning process, they should aim to adopt a consistent methodology and key best practices to help create a strategic approach. Braun is one example of a company that is implementing a flexible, customized workforce plan for its manufacturing units and a more strategic workforce plan for its non-manufacturing business units. Both of these business divisions still follow the same direction and have placed the same parameters around their workforce planning processes.


Even with some level of workforce planning in place, identifying talent gaps is still a challenge for most organizations. A dynamic workforce planning process needs to consider more than the supply of talent – it needs to forecast the demand for talent. Since the majority of companies are very immature in their workforce planning processes, few are able to identify talent gaps within their organizations, ensure a clear view of talent gaps or forecast talent gaps (see Figure 4).
Organizations at a more mature level of workforce planning have a clear view of talent gaps. Seventy-one percent of these companies claim that they are effective at understanding talent gaps.

**8. Recruiting and Staffing Currently Play a Small Role in Workforce Planning.**

While close to one-half of organizations consider workforce planning an integral part of their overall staffing and recruiting strategies, only 27 percent of workforce planning processes are conducted by recruiting and staffing departments (see Figure 5). The majority of workforce planning processes are owned by individual business leaders – so they are disjointed from recruiting and even HR. At many organizations (such as T-Mobile), talent acquisition directors expressed a strong demand for workforce planning, but the responsibility to lead this program lies elsewhere.
Companies that implement consistent workforce planning processes throughout the entire organization rely heavily on their talent acquisition departments. They take a different approach, and involve recruiting and HR in the workforce planning process – 67 percent of which are conducted by corporate HR, and 53 percent are conducted by recruiting and staffing.


Whether using a workforce planning solution, applicant tracking system (ATS), learning management system (LMS) or human resources management system (HRMS), companies do not need to reach a certain level of maturity before adopting technology. At the most basic level,
technology can help organizations with both analytics, providing static reports – and also with strategic planning and forecasting. The overall goal for companies investing in technology is a robust workforce planning process that will ultimately cut recruitment costs in the long run and provide accurate data to business leaders in the short term. Several companies (such as Starbucks, Aetna and WellPoint) use multiple service providers for both the analytics, and the benchmarking and planning. Technology provides a quick ROI for any organization looking to report, plan and predict talent.
Where to Begin: Understanding Workforce Planning

When it comes to workforce planning, most companies want to know, “Where do I begin?” It is a question familiar to most technology providers, consultants – and one that came up often during our qualitative interviews. Given the limited amount of information available on workforce planning, it is no surprise that the greatest challenge for organizations is “no defined methodology.”

Through our research, we identified key steps that best-practice companies follow when beginning their workforce planning processes (see Figure 6).

---

**Figure 6: Key Steps to Begin a Workforce Planning Process**

When identifying the business case, companies need to consider marketplace and workforce demographic trends. As the McKesson business leader told us,

“There need to think outside of McKesson.”

Organizations also need to determine the organizational readiness that involves support from senior management. The next step is to determine
the talent gaps or discrepancies between the talent that exists and the talent needed in the future.

The pilot program usually begins in one business division of the company, and is rolled out to other business units and geographic locations. Seventy-three percent of companies do not have a companywide approach to workforce planning. Instead, some business units follow the process or business units follow their own processes independently. Creating a uniform process under these circumstances means that workforce planning will take time, investment and support from every level of the organization – as well as a deep understanding of the various levels of maturity. Once a workforce planning leader begins this process, he / she can design a talent strategy for the entire organization.

**Defining the Process: A Practical Workforce Planning Maturity Model**

Based on a well-respected framework, developed by The Newman Group (an industry leader in talent management consulting services (see section, “About The Newman Group”), Bersin & Associates developed a detailed model for understanding workforce planning maturity. Through quantitative and qualitative analysis, we expanded on the framework to include a fourth level of maturity in workforce planning (see Figure 7). This report will help organizations understand their current level of workforce planning and the best practices required to move up the ladder of maturity. Many organizations do not take a companywide approach to workforce planning. As a result, companies often have different Levels of Maturity within their organizations. The most advanced Level of Maturity is achieved when a consistent approach to workforce planning is implemented throughout the entire organization.
Workforce planning is not a quick fix. It involves a process and a far-reaching commitment to current and projected business needs. Organizations evolve in workforce planning maturity over time and some business units may evolve faster than others. Once companies establish their goals and success measures, they can move up the Maturity Model and look not only at the current supply, but forecast and plan for the future.

As described in the following sections, the Maturity Model is based on specific research findings that define the strategic actions and key outcomes at different Levels of Maturity. One outcome not included in the definition of maturity but one that deserves recognition is “reducing recruiting costs.” For the organizations we surveyed, the ability to reduce costs through workforce planning ranged across the board from “excellent” to “very poor.” Since many factors contribute to an organization’s ability to reduce recruiting costs, especially during a recession, cost-savings is not necessarily indicative of the Level of Maturity of workforce planning.

Although not every company will need to start at the Level 1, each company should evaluate its process and determine what steps are
needed to evolve its workforce planning maturity. This Maturity Model is unique, since companies moving up the maturity spectrum will continue to build on the basic elements or stepping stones of workforce planning. For example, Cessna Aircraft is one example of a company with a strategic workforce planning process that continues to build on headcount planning, workforce analytics and scenario planning.

Each of the four Levels of Maturity is determined by:

- Key practices of workforce planning;
- Alignment with other areas of the business; and,
- Consistency of process and evaluation.

Level 1: Headcount Planning

**Key Activities** – Workforce planning is an emerging discipline and, as a result, 57 percent of companies we surveyed have processes that fall under our categorization of the basic level. In basic workforce planning, companies look at current headcount as the primary driver of the process. Of these companies, 53 percent take it one step further by addressing future headcount based on historical trends. These organizations seek to understand what they currently have (based on the past) and, in doing so, predict what they may need for the future. At this level, individual business units drive the processes and HR provides these leaders with static reports on headcount.

**Figure 8: Top Challenges – Level 1**

- No defined methodology.
- Lack of tools and technology.


**Alignment with Talent Acquisition and Talent Management** – Without a clear understanding of how to close the gap between the qualitative demand and quantitative supply of talent, these organizations are **poorly aligned** with other areas of talent acquisition and talent management, including:
The Modern Approach to Workforce Planning

- Employee development;
- Recruiting and staffing;
- Contingent labor and outsourcing; and,
- Managed attrition.

**Evaluation** – At the basic level, organizations do not review the process consistently. Only 11 percent of companies review their workforce planning “monthly or more continuously,” while 39 percent of companies review the process annually and 29 percent of companies review on a quarterly basis. By not revisiting the topic on a regular basis, organizations can become complacent – and are ill-prepared for workforce transitions, as well as unexpected external and internal changes that may occur. Microsoft is one example of a company with a “basic” process. However, the company does review workforce planning on a monthly basis and this will allow for a smoother transition to the next Level of Maturity.

When evaluating this process, the majority of basic organizations are effective at:

- Understanding business cycles (58 percent); and,
- Hiring quality talent (71 percent).

**Level 2: Workforce Analytics**

**Key Activities** – At the intermediate level, 22 percent of companies take a more dynamic approach to workforce planning by including both workforce analytics and workforce scenarios. Building on headcount analysis, workforce analytics focuses on quantitative data analysis, including relationships with key data variables (such as cost, turnover and performance). Forty percent of companies at this Level also include “scenario planning” or “what-if” situations to test the quantitative data relationships, and make projections that are more accurate and relevant. Companies (such as McKesson) effectively use scenario planning for senior positions (vice president and above). At this Level, workforce planning is able to develop both the past and current state picture, and make predictions for the future.

**ANALYSIS**

By not revisiting the workforce planning process on a regular basis, organizations can become complacent – and are ill-prepared for workforce transitions, as well as unexpected external and internal changes that may occur.

**ANALYSIS**

At the intermediate level, 22 percent of companies take a more dynamic approach to workforce planning by including both workforce analytics and workforce scenarios.
Alignment with Talent Acquisition and Talent Management – With a focus on core competencies, and an emphasis on the supply and demand of skills in the organizations, companies at the intermediate Maturity Level are better able to align their workforce planning with talent acquisition and talent management. At this Level, workforce planning is somewhat aligned with:

- Employee development;
- Recruiting and staffing;
- Contingent labor and outsourcing; and,
- Managed attrition.

Evaluation – Despite a heavy focus on data analytics, organizations at this Level still do not review the process consistently. Sixty percent of these organizations review annually, while only 13 percent review both quarterly, and “monthly or more continuously.”

When evaluating this process, the majority of these organizations are effective at:

- Understanding talent gaps (60 percent);
- Understanding business cycles (60 percent);
- Hiring quality talent (73 percent); and,
- Reducing recruiting costs (53 percent).

Level 3: Strategic Workforce Planning

Key Activities – At this strategic stage of workforce planning, organizations integrate the process with business and financial planning, as well as align with the overall business strategy. Although only seven
percent of organizations have currently reached this Level of Maturity, 93 percent of strategic organizations are able to include “workforce segmentation” by identifying and understanding the criticality of job roles in the business strategy. Workforce segmentation breaks down workforce planning by categories (e.g., job families, job titles, segments) and allows organizations to analyze the dynamics needed to understand business strategies. Workforce segmentation requires both consulting and technology to enable the process – and allows organizations to have a strategic approach that looks far into the future. Eastman Chemical Company is one example of a company that successfully avoided workforce reductions last year, partly due to a robust workforce planning process that includes workforce segmentation and an excellent understanding of talent gaps within the organization.

**Alignment** – Unlike the first two stages of workforce planning, strategic workforce planning is well-aligned with talent acquisition and talent management. At this Level, workforce planning is at least somewhat aligned with:

- Employee development;
- Recruiting and staffing;
- Contingent labor; and,
- Outsourcing and managed attrition.

**Evaluation** – Strategic companies are more consistent with evaluation and they review the process more regularly (57 percent review the process quarterly) – but they still need to consider reviewing the process on a monthly basis.
When evaluating this process, the majority of these organizations are effective at:

- Understanding talent gaps (100 percent);
- Forecasting talent gaps (71 percent);
- Driving the business to partner with HR (57 percent);
- Providing results that are visible and actionable to those who need to execute (71 percent);
- Providing business leaders with recruiting and operational budgets (57 percent); and,
- Hiring quality talent (86 percent).

**Level 4: Enterprise Strategic Workforce Planning**

**Key Activities** – The most advanced stage of workforce planning includes strategic workforce planning for the entire company. Organizations (such as Ensco International, Textron and ARCADIS) have successfully aligned workforce planning with overall business planning and workforce segmentation.

**Figure 11: Top Challenges – Level 4**

| Failures at workforce planning in the past. |


**Alignment** – Strategic workforce planning at the enterprise level is also well-aligned with talent acquisition and talent management. Alignment corresponds with multiple functions, including:

- Employee development;
- Recruiting and staffing;
- Contingent labor; and,
- Outsourcing and managed attrition.
Evaluation – These organizations evaluate the process on a quarterly and monthly basis. When evaluating this process, the majority of these organizations are effective at:

- Forecasting talent gaps (71 percent);
- Planning staffing and recruiting needs (71 percent);
- Driving the business to partner with HR (71 percent);
- Providing business leaders with recruiting and operational budgets (71 percent);
- Hiring quality talent (100 percent);
- Creating transparency to business leaders (71 percent); and,
- Understanding business needs (71 percent).

Organizations that invested in and developed a systematic workforce planning process will be able to move up the Levels of Maturity – and achieve results by closing talent gaps and helping business leaders predict future talent demands. This chart will help you determine your current level of workforce planning, as well as the actions required to move up the maturity ladder.
### Figure 12: Overview of the Bersin & Associates Workforce Planning Maturity Model by Level

<table>
<thead>
<tr>
<th>Maturity Level</th>
<th>Workforce Planning Activities</th>
<th>Alignment with Other Areas of the Business</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>• Headcount Planning</td>
<td>Poorly alignment with:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employee development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Recruiting and staffing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contingent staffing / outsourcing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Managed attrition</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Annually</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Some quarterly</td>
</tr>
<tr>
<td>Level 2</td>
<td>• Headcount Planning</td>
<td>Adequately aligned with:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Skills Gap Analysis</td>
<td>• Employee development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Scenario Planning</td>
<td>• Recruiting and staffing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contingent staffing / outsourcing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Managed attrition</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Annually</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Some quarterly</td>
</tr>
<tr>
<td>Level 3</td>
<td>• Headcount Planning</td>
<td>Extremely well-aligned with:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Skills Gap Analysis</td>
<td>• Employee development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Scenario Planning</td>
<td>• Recruiting and staffing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Alignment with Business</td>
<td>• Contingent staffing / outsourcing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td>• Managed attrition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Workforce Segmentation</td>
<td></td>
<td>Quarterly</td>
</tr>
<tr>
<td>Level 4</td>
<td>• Headcount Planning</td>
<td>Extremely well-aligned with:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Skills Gap Analysis</td>
<td>• Employee development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Scenario Planning</td>
<td>• Recruiting and staffing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Alignment with Business</td>
<td>• Contingent staffing / outsourcing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td>• Managed attrition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Workforce Segmentation</td>
<td></td>
<td>Quarterly</td>
</tr>
<tr>
<td></td>
<td>• Strategic Workforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planning on Companywide</td>
<td></td>
<td>Monthly or more</td>
</tr>
<tr>
<td></td>
<td>Level</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A Workforce Planning Action Plan

Strategic workforce planning is a complex topic for any hierarchal, functional organization. When developing a disciplined approach within a matrix-style organization, the task of workforce planning can feel intimidating at best.

Seventy-eight percent of organizations at every Level of Maturity do not have a companywide approach to workforce planning. Consequently, only some business units follow the formalized workforce planning process – or business units follow their own processes independently. These organizations do not know the necessary action steps when different business units have different levels of workforce planning.

Through our research, we have identified the necessary steps to achieve a strategic level of workforce planning (see Figure 13). Although matrix-style organizations will have different levels of workforce planning, each business unit needs to have a consistent approach to the direction and parameters around its workforce planning processes.

**Figure 13: Workforce Planning Action Plan**

Assess Organizational Readiness

Collect Data

Analyze Data

Workforce Supply

Workforce Demand

Talent Gaps

Level 1

Level 2

Static Reports

Scenario Planning: “what if” scenarios

Historical Supply of Data

Build, Buy, Borrow, Bounce

Level 3 Action Plan

Evaluate the Process

The Levels defined in the Bersin & Associates Workforce Planning Maturity Model® are based on an assessment of key components or best practices in workforce planning. Implementing these practices can enable an organization to move up the Levels of this Maturity Model.

Leading companies (such as Braun, Southern Company, McKesson and T-Mobile) include the following best practices in their workforce planning processes:

- Involving recruiting and staffing;
- Gaining support from senior management;
- Continuous evaluation;
- Creating a center of excellence;
- Aligning workforce planning with succession management;
- Identifying talent gaps; and,
- Investing in technology for both analytics and planning.

**Involvement of Recruiting and Staffing**

To be strategically effective, workforce planning needs to be an integral part of the overall staffing and recruiting organization. In this capacity, talent acquisition should not only create interest around the topic, it should help drive the process. In order to gain a seat at the table (so to speak), talent acquisition needs to share in the level of ownership and accountability for workforce planning. In strategic workforce planning processes, 43 percent of workforce planning efforts are conducted by recruiting and staffing. As a result, 64 percent are able to better plan recruiting and staffing needs. One key driver for workforce planning is to link recruitment, development and training decisions to organizational goals. Without involvement and support from talent acquisition departments, organizations will not achieve this goal.
Case in Point: McKesson

McKesson is a healthcare organization with 32,000 employees responsible for the distribution of pharmaceuticals and healthcare information systems. The structure is a matrix-style organization in which business units do not report to the corporate office. Until three years ago, recruiting operations took a reactive approach to requisition management. As a result, recruiters were receiving intense pressure from hiring managers to fill positions in a very short period of time. In order to become more strategic and “gain a seat at the table,” talent acquisition led a workforce planning initiative aimed at “helping solve today’s problems and forecasting the workforce needs of the future.”

This pilot program began in the U.S pharmaceutical division of the company as a bottom-up approach without the support of senior management. Without executive support, talent acquisition had to work much harder to drive the workforce planning process and needed to be directly involved in all aspects of the process. Talent acquisition quickly learned that HR practitioners did not have the necessary skills set to lead the process. The vice president of talent acquisition created a methodology that involved:

1. Understanding the business through executive interviews;
2. Determining what external factors and key data needed to be learned (i.e., mergers and acquisitions, critical skills sets);
3. Creating “what-if” situations (e.g., determining what would happen if a competitor poached senior executives);
4. Including this information as an integral component of recruiting;
5. Creating an action plan to gain support from senior managers; and,
6. Investing in technology.
Although, it just completed the pilot program, the goal of the talent acquisition team at McKesson was to help align talent acquisition with the overall business strategy. Success measures will include the ability to provide quality candidates, to understand workforce trends, anticipate business needs and deliver ahead of time. The ultimate goal (and one that can only be achieved when talent acquisition drives the process) is for business leaders to say, “These are our business partners.”

**Support from Senior Management**

As McKesson learned early in the process, driving the process from bottom-up without the support from senior management creates additional hardships. Organizations that are able to demonstrate a business case for workforce planning and make that case visible to senior leaders will gain support. These organizations need to understand that workforce planning is not an immediate solution to addressing talent gaps.

**Case in Point: Braun**

Braun’s story is not only a lesson in senior support but also in a proactive approach to workforce planning. As a privately owned medical technology company, Braun is not currently affected by today’s recession. The director of corporate HR recognized a strong need to avoid critical talent gaps and to be prepared for external conditions that may occur in the future. She received strong support and visionary leadership from her vice president of HR, individual business units and the company’s workforce investment board. In this effort, she sought to partner with the director of training and development, to begin creating a methodology and to determine organizational readiness.

After attending a government training course, the workforce planning process would include a pilot, soft launch and live launch – all supported by various leaders in the company. The pilot included...
Case in Point: Braun (cont’d)

a very methodical approach with a kick-off meeting and skills analysis (e.g., retirement, generational demographics and globalization).

The director of corporate HR would advise any company looking to do the same to,

“… Keep tending to that relationship. You have to invest the time to show them and you have to deliver. You need to be responsive and keep moving it forward.”

Ability to Understand Talent Gaps

Talent gaps are determined by careful analysis of the forecasted talent needs and future talent supply. By understanding talent gaps, organizations will understand where they have a surpluses and where they need to fill positions.

Since the majority of companies are very immature in their workforce planning processes, few are able to address talent gaps.

- Sixty-eight percent of companies surveyed are unable to identify talent gaps within their organizations;
- Sixty-seven percent have only some view of talent, or little or no view of talent gaps; and,
- Nearly one-half are unable to forecast talent gaps.

Best-practice companies are able to identify talent gaps, because they have completed the necessary steps to reach a more strategic level of workforce planning (see Figure 14).
Why do organizations need to understand talent gaps? The answer is simple. Determining these discrepancies will help organizations identify whether the current headcount and skills available will meet tomorrow’s demands.

The following is a sample form that the U.S. Department of Interior created in 2001 to help its HR department address talent gaps.
Alignment with Succession Management

When considering current and forecasted talent needs, organizations need to consider the impact of succession management and internal mobility. Particularly in today’s economy, organizations need to become leaner and smarter about how they consider both external and internal talent needs. Best-practice organizations have a clear view of their internal talent before initiating strategic workforce planning. When looking to understand staffing requirements, an internal talent pipeline is often the most effective and efficient way to fill open positions. Bersin & Associates Winter 2009 TalentWatch® report found that “…80 percent of business value is derived by 20 percent of the people.”

What does this mean for workforce planning? As companies are slowing down their hiring, they need to focus on their existing employees and understand how to close these talent gaps. Braun is one example of a company that learned this lesson the hard way. When implementing its workforce planning pilot program, Braun encountered obstacles that could have been resolved with a strong succession plan.

Workforce planning can help organizations build talent strategies that will determine their workforce requirements. Organizations need to

---

understand the talent they have and the talent they need to recruit. Best-practice companies include workforce planning as an integral part of their talent management strategies. Bersin & Associates Talent Management Framework\(^3\) includes workforce planning under the umbrella of talent strategy and planning. This discipline spans all areas of talent management from recruitment and sourcing to performance management, career and succession planning to leadership development (see Figure 16).

---

**Figure 16: Bersin & Associates Talent Management Framework**

<table>
<thead>
<tr>
<th>Business Strategy Alignment</th>
<th>Workforce Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Role Identification</td>
<td>Talent Strategy &amp; Planning</td>
</tr>
<tr>
<td>Talent Process &amp; Solution Design</td>
<td>Talent Systems Strategy</td>
</tr>
<tr>
<td>Talent Measures &amp; Targets</td>
<td></td>
</tr>
</tbody>
</table>

**Talent Strategy & Planning**
- Capability & Competency Management
  - Experience
  - Skills
- Talent Acquisition
  - Sourcing
  - Screening & Assessment
  - Interviewing
  - Hiring
  - Onboarding
  - Employer Branding
  - Job Distribution
  - Contact Management
- Performance Management
  - Goal-Setting
  - Assessments
  - Development Planning
  - Competency Assessment
  - Performance-Based Pay
- Career & Succession Management
  - Capabilities / Strength Assessments
  - Talent Profiles
  - Talent Pool Management
  - Talent Reviews
  - High-Potential Identification
  - Career Paths & Plans
- Leadership Development
  - Leadership Competencies
  - Multilevel Curriculum Models
  - Executive Development
  - Formal Programs
  - Coaching & Mentoring
  - Stretch Assignments
  - Job Rotation
- Learning & Development
  - Certification Programs
  - Role-Based Curricula
  - Developmental Assignments
- Leadership Curricula
- Operational Training
- Content Development & Delivery

**Source:** Bersin & Associates, 2008.

---

Continuous Evaluation

Finance and marketing departments regularly forecast and plan their budgets – and need to evaluate these plans quarterly and even monthly. Why would the same logic not be applied to our workforces? As a dynamic process, workforce planning needs to be revisited regularly to ensure that the plan is aligned with the overall business plans, and is adjusted when different internal and external conditions change. By constantly evaluating this process, organizations will be able to reduce recruitment costs, take advantage of talent opportunities and build a strong talent pipeline for the future.

Case in Point: T-Mobile

T-Mobile is committed to building a robust workforce planning process over the next few years, beginning with the addition of an experienced workforce planning director. As a retail-focused company, T-Mobile has three divisions (services, sales, network), each with major variances in talent acquisition and workforce planning. Throughout the entire organization, there is great interest in creating visibility and transparency around the workforce planning process. The key drivers for workforce planning include the following.

- **Cost Containment** – T-Mobile grew rapidly to 40,000 employees, in addition to thousands of third-party employees and partnerships. During this time, business units conducted their own workforce planning on an “as-needed basis,” with little knowledge of the forecasted demand and supply of talent. They needed a better understanding of recruitment costs.

- **Visibility** (“Need to see around the corner”) – By creating some transparency around the process, workforce planning could help business leaders see far enough into the business and create new views for them.
Although the new strategy is in the infancy stages of rollout, it will involve both scenario planning and workforce segmentation by skills sets, and the foundation of this process will be built around continuous evaluation. Both the director of workforce planning and the business leaders understand that workforce planning will be evolving over the next few years. In response, monthly meetings are required to set planning and budget forecasts for business and finance leaders.

As a result, T-Mobile is looking to build a home-grown workforce planning tool that will allow them to evaluate the process more continuously and to address shorter business cycles.

Center of Excellence

Workforce planning is clearly a complex task. Organizations burdened with finding the necessary resources and support to begin the process should consider creating a center of excellence. Best-practice companies develop this entity to deliver more efficient and time-sensitive workforce analytics and planning. The benefits include:

- An objective, single-source of data on workforce planning;
- The ability to facilitate access to leadership development and organizational development as it relates to workforce planning;
- Expert advice and support; and,
- Better coordination and execution of workforce planning.

Case in Point: Southern Company

Southern Company is a utility company and a matrix-style organization. It is revamping its workforce planning strategy for the next two to three years, and investing in a technology solution (Vemo) to help with the following three stages of the rollout:
1. Basic analytics and report writing capabilities;

2. Developing predictive modeling; and,

3. Implementing predictive modeling.

As the company moved away from static reporting, Southern Company planners created a center of excellence that acts as an organization and workforce capability unit in August 2008. This unit (as well as an investment in technology) will help with disparate levels of workforce planning within the organization.

Technology Enablers

Above all, technology solutions help organizations improve productivity and save time – not only the time it takes to get up to speed with hiring recommendations, but also the time involved with moving up the various Levels of Maturity. More strategic companies use technology solutions for workforce reporting and analytics – and the strategic planning of both historical data and trends, and forecasted data and trends. Without technology, business-unit leaders, corporate HR, recruiting and staffing leaders (or any combination thereof) are responsible for juggling their day-to-day tasks, while driving a robust workforce planning operation. Technology takes away the administrative burden by creating these templates, and providing accurate, valid data and predictions based on both the supply and demand of talent.
Workforce Planning Solution Provider Landscape

Technology plays a significant role in helping organizations collect and analyze data, determine talent gaps, and create an action plan for the future. Organizations that are burdened with creating their own templates and formulas for understanding both internal and external factors influencing the demand and supply of talent require a dedicated individual to manage this process. More often than not, the responsibility falls on the shoulders of an HR director or training manager, who is already inundated with his / her own set of responsibilities. Technology provides a quick ROI and a level of credibility for any organization dedicated to strengthening workforce planning.

While few solution providers offer strategic workforce planning solutions, organizations can start the process by leveraging their existing technology platforms. Bersin & Associates, in partnership with The Newman Group, conducted interviews and evaluations of the solution providers included in this report. Each of the solutions offers different levels of headcount planning and workforce analytics.

Figure 17: Workforce Planning Solution Provider Landscape

Pure Plays

These solution providers dedicate all of their resources to workforce planning. They help organizations determine the optimum bench strength and measurable workforce strategies for growth and reductions. These solutions offer both consulting services and technology solutions for organizations at any level of workforce planning. By helping organizations understand, present and address the demand and supply of workforce planning, they can help HR provide business leaders with key information for closing talent gaps and creating a talent strategy. Through a library of templates and robust data analysis, these solutions can help organizations at both the midsize and enterprise levels. A key differentiator for these solutions is their scenario planning and predictive modeling capabilities. They can help organizations address their future workforce demands based on internal and external conditions. Best-practice companies dedicated to improving their workforce planning processes should consider these solutions.

The following are some examples of how two of these solution providers collect data and present this information in an easily understood format. Workforce planning providers are able to collect and analyze data from multiple sources, generate reports in an easily understood format, and predict future talent demand (see Figures 18 and 19).
Figure 18: Workforce Planning Services – InfoHRM


Figure 19: Workforce Planning System – Aruspex

Source: Aruspex, 2009.
**ERP Players**

An enterprise resource planning (ERP) system can be defined as a software system that coordinates every important aspect of an organization’s production into one seamless process. These solutions providers (including Oracle, SAP and Lawson) are the players that are primarily involved with position management. They have all the data associated with the organizations’ positions in the workforce and they can help organizations with:

- Internal mobility or “people movement” reporting; and,
- Internal “supply” and levels of productivity.

ERP providers primarily help organizations on the supply side of workforce planning and do not address the demand for future talent. They offer predefined reports to analyze key data variables (such as turnover, cost and employee development). These solutions providers offer some level of scenario benchmarking based on historical data. Due to the high cost associated with these systems, these solutions are best-suited for enterprise-level organizations that already have an existing relationship with these companies.

**ATS Players**

Applicant tracking systems involve more than just tracking an applicant. They include:

- Candidate acquisition (including posting jobs to career sites and searching for candidates);
- Tracking the candidate through the interview and testing process;
- Interacting with candidates; and,
- Reporting on metrics that represent this activity (such as cost per hire, time to fill and source of applicants).

ATS systems also include:

- Company career site branding;
- Candidate self-service applications;
Online employee referral programs;

Prescreening questionnaires;

Global capabilities;

Integration with third-party recruiting services;

Candidate relationship management; and,

EEO tracking and compliance with OFCCP rules.

Over the past few years, workforce planning has become a key area of growth for these solutions providers, which are primarily involved with requisition management. They have the data associated with the companies’ vacant positions, so they can help inform organizations of the “requirements” of the needed talent. These solutions providers can help organizations with the inventory of the current “demand” of the organization and create a source of external talent pipelines.

Although they can play on both the supply and demand side of the equation, these solutions providers are primarily set up for candidate management, and do not address the supply and demand of current internal talent.

**LMS Players**

Learning management systems form the backbone of employee training, enterprise learning, compliance, corporate universities and customer training. Over the years, these systems have evolved from back-office training administration applications to highly complex talent management solutions. These providers typically use competency or skills needs to help organizations understand both the existing inventory of talent and also the common language for talent demands. They can help organizations understand the inventory for their current and future demands for talent.

LMS providers span the varying Maturity Levels of workforce planning, but they offer bundled solutions that require different processes and solutions to be in place for a consistent way of viewing talent.
Performance Management Players

The goal of performance management is to create a consistent, fair and equitable process for the establishment of performance standards across an organization. This process is fundamental to a high-performing organization because it establishes the way in which people are managed. These solution providers are the players that typically use competency or skills needs to help organizations understand both the existing inventory of talent and the common terminology for talent demands. These players create an inventory of the current and future “demand” of the organization.

These solutions can span the varying Maturity Levels of workforce planning – but they are also bundled solutions that require different process solutions be in place to ensure a consistent way of looking at talent.

Analytics Players

These are the players that typically act as warehouses (for data from disparate systems) that help to create metrics needed for talent decision-making. One example of these providers is Doublestar, which provides a consolidation of data and reporting, as well as a better understanding of historical trends.

They can provide robust reporting and help organizations to understand data relationships at both the midmarket and enterprise levels.

Emerging Players

These are the players that have recently entered the workforce planning technology space, such as Acquire and Human Concepts. Typically, these applications are less robust than the “pure players,” but do contain some workforce planning functionality. These providers can help organizations at any level of workforce planning. In the newly maturing technology markets (including workforce planning), these solutions might be
considered for partnerships or consolidation. This level of market maturation further enhances the functionality and value of the “pure players.”

These emerging players can also span the varying Maturity Levels of workforce planning, and are best-suited for both midmarket and enterprise organizations.
Workforce Planning Solution Provider Profiles

Although technology solutions can help any industry and any company at any level of workforce planning, early adopters of the pure-play solutions fall under healthcare, utilities and the public sector. These industries are faced with talent shortages, the impending retirement of the baby boomers and a limited availability of critical skills. As a result, recruiting and HR can not afford to provide anything less than data-driven information on the current and future states to their key business leaders.

The three industries that are investing heavily in pure play solution providers are as follows.

• **Healthcare** – Bersin & Associates Winter 2009 TalentWatch report found that healthcare is among the industries with the weakest skills sets and one of the “most talent-constrained” industries. Not surprisingly, with the shortage of nurses and other professionals, healthcare would be one of the first industries to move forward with a workforce planning technology investment.

• **Utilities** – According to the Bureau of Labor Statistics, nearly one-half of utilities’ workforces will be retiring in the next 10 years. Due to the variance in companies and products in this industry, the skills sets required for one business segment may not be transferable to other business segments.

• **Public Sector** – The public sector is also suffering from a skills shortage. Many departments of the U.S. Government have been ahead of the curve in calling to action a solid workforce plan and methodology. Braun is an example of a company that participated in the U.S. Government training course before embarking on its own workforce planning strategy.

(See section, “Appendix II: Solutions Provider Profile Reports,” for more information.)

---

Conclusion

Today’s current economic conditions have taught business leaders one crucial lesson – workforce planning needs to be a priority. HR leaders need to be more analytical in their approaches to talent and offer timely, credible data in an easily understood format. Workforce planning will not happen overnight. Companies need to understand their current level of workforce planning and develop a consistent methodology across various levels of the organization. Companies that recognize the best practices necessary to mature in their workforce planning processes will gain competitive advantage by understanding their current state and preparing for future changes.
Appendix I: Research Demographics

Bersin & Associates *Workforce Planning* research was captured in January and February 2009, from both qualitative and quantitative research. Sixty-seven organizations in a variety of leading industries with more than 2,500 employees responded to the Bersin & Associates Workforce Planning survey.

Eighty-five percent of responding organizations are located in the U.S., 14 percent in Canada and one percent in Mexico.

Seventy-five percent of respondents are corporations, nine percent are nonprofit organizations, 12 percent are government and four percent are from the education sector.

**Figure 20: Respondents by Industry**

Aruspex

Company Overview

Aruspex software, CAPTure, analyzes internal and external workforce trends to ensure that companies have the workforce agility to meet current and future business demands. CAPTure is a proprietary software-based quantitative and qualitative workforce assessment and planning system that guides companies in planning and building future workforces. The system is complemented by Aruspex Client Advisory Services that provide clients with hands-on education and ongoing guidance, from mentoring to full business process outsourcing.

Aruspex recently received venture capital investment and opened its headquarters in San Francisco, California. The company currently has 54 customers, 18 of which are FORTUNE 1000 companies. Seventy-five percent of Aruspex customers use the solution companywide.

Key Differentiators

- **“Internal Consultant” Software** – Allows for world-class processes and expertise embedded within the tool.
- **Balances Qualitative and Quantitative Trends** – Delivers and monitors comprehensive, actionable models and results from both internal and external sources.
- **Powerful Software-as-a-Service (SaaS) Based Software** – Enables rapid, role-based implementation across the enterprise.
Figure 21: Sample Workforce Planning Report – Aruspex

Figure 22: Sample Workforce Segmentation – Aruspex

Source: Aruspex, 2009.
InfoHRM

Company Overview

InfoHRM has more than 25 years of experience in workforce planning reporting and analytics. The InfoHRM solutions couple on-demand software with strategic consulting and services designed to improve the quality of data-driven decision-making.

InfoHRM hosts an annual workforce planning summit for customers, thought leaders and prospects. The company currently has more than 150 customers, 19 of which are *FOR\(\text{TUNE}^\text{1000* companies. Eighty-five percent of InfoHRM customers use the solution companywide.}

Key Differentiators

- Scalable technology foundation;
- Advanced analysis and modeling capabilities; and,
- Membership model (SaaS application and strategic consulting).

**COMPANY SNAPSHOT**

- **Company Name:** InfoHRM
- **Website URL:** www.infohrm.com
- **Year Founded:** 1982
- **Headquarters:** Washington, D.C.
- **Total Employees:** 130+
- **Financial Information**
  - Private Company
  - Profitable
- **Number of Deals in 2008:** 20
- **Customer Information**
  - Number of Customers: 150+
- **Target Size**
  - Customers with 1 - 1000 employees: 7%
  - Customers with 1,000 - 10,000 employees: 49%
  - Customers with 10,000+ employees: 44%
- **Geographic Presence**
  - North America: 30%
  - Europe / the Middle East: 5%
  - Asia-Pacific: 63%
  - Africa: 2%
- **Key Customers:**
  - Target Corporation
  - Starbucks
  - Nokia
What If Workforce Financial Modeling:

Figure 23: Sample of Workforce Financial Modeling – InfoHRM


Figure 24: Sample of Cost Modeling – InfoHRM

The Modern Approach to Workforce Planning

Vemo

Company Overview

Vemo provides hosted software solutions for strategic workforce planning, analytics and reporting, as well as professional services for implementation, advanced forecasting and HR capability development. Vemo gives customers the ability to create operational talent plans for every line of business and to close talent gaps.

Vemo currently has 15 customers, 10 of which are FORTUNE 1000 companies. Seventy-five percent of Vemo’s customers use the solution companywide.

Key Differentiators

- Strong customer service;
- Deep HR capabilities to work with outputs of the process; and,
- Easy integration with HRMS and ATS.

Figure 25: Sample Supply Analysis to Project Headcount – Vemo

## Appendix III: Table of Figures

| Figure 1: | Volkswagen’s Talent Management Challenges | 11 |
| Figure 2: | Top Challenges in Workforce Planning | 13 |
| Figure 3: | Various Levels of Workforce Planning Maturity | 15 |
| Figure 4: | Identify Talent Gaps | 17 |
| Figure 5: | Who Conducts the Workforce Planning Process | 18 |
| Figure 6: | Key Steps to Begin a Workforce Planning Process | 20 |
| Figure 7: | Bersin & Associates Workforce Planning Maturity Model® | 22 |
| Figure 8: | Top Challenges – Level 1 | 23 |
| Figure 9: | Top Challenges – Level 2 | 25 |
| Figure 10: | Top Challenges – Level 3 | 26 |
| Figure 11: | Top Challenges – Level 4 | 27 |
| Figure 12: | Overview of the Bersin & Associates Workforce Planning Maturity Model by Level | 29 |
| Figure 13: | Workforce Planning Action Plan | 30 |
| Figure 14: | Best-Practice Companies Identify Talent Gaps | 35 |
| Figure 15: | U.S. Department of Interior – Gap Analysis Form | 36 |
| Figure 16: | Bersin & Associates Talent Management Framework® | 37 |
| Figure 17: | Workforce Planning Solution Provider Landscape | 41 |
| Figure 18: | Workforce Planning Services – InfoHRM | 43 |
| Figure 19: | Workforce Planning System – Aruspex | 43 |
| Figure 20: | Respondents by Industry | 50 |
| Figure 21: | Sample Workforce Planning Report – Aruspex | 52 |
| Figure 22: | Sample Workforce Segmentation – Aruspex | 52 |
Figure 23: Sample of Workforce Financial Modeling – InfoHRM 54
Figure 24: Sample of Cost Modeling – InfoHRM 54
Figure 25: Sample Supply Analysis to Project Headcount – Vemo 55
Figure 26: Workforce Planning Model – The Newman Group 59
About Us

Bersin & Associates is the only research and advisory consulting firm focused solely on WhatWorks® research in enterprise learning and talent management. With more than 25 years of experience in enterprise learning, technology and HR business processes, Bersin & Associates provides actionable, research-based services to help learning and HR managers and executives improve operational effectiveness and business impact.

Bersin & Associates research members gain access to a comprehensive library of best practices, case studies, benchmarks and in-depth market analyses designed to help executives and practitioners make fast, effective decisions. Member benefits include: in-depth advisory services, access to proprietary webcasts and industry user groups, strategic workshops, and strategic consulting to improve operational effectiveness and business alignment. More than 3,500 organizations in a wide range of industries benefit from Bersin & Associates research and services.

Bersin & Associates can be reached at http://www.bersin.com or at (510) 654-8500.

About This Research

Copyright © 2009 Bersin & Associates. All rights reserved. WhatWorks® and related names such as Rapid e-Learning: WhatWorks® and The High-Impact Learning Organization® are registered trademarks of Bersin & Associates. No materials from this study can be duplicated, copied, republished, or re-used without written permission from Bersin & Associates. The information and forecasts contained in this report reflect the research and studied opinions of Bersin & Associates analysts.
About The Newman Group, a Futurestep Company

The Newman Group, a Futurestep company, provides talent management consulting services for today's FORTUNE 500 global enterprises, including one out of three FORTUNE 100 companies and recognized industry leaders, such as MetLife, Northrop Grumman, General Motors and McKesson. The company's consultants combine next-practice vision, practical solutions, and an unparalleled level of commitment and integrity to help organizations translate their talent management strategies into measurable business impact. From workforce planning to competency management, talent acquisition strategy and execution, and all vital talent-related initiatives, The Newman Group helps you align people, process and technology to achieve talent management success.


Figure 26: Workforce Planning Model – The Newman Group