5 Essential Ingredients of Successful Workforce Planning
INTRODUCTION

The economic downturn and massive layoffs of recent years have taught learning executives a valuable lesson—in order to create a viable, sustainable organization, training requires a multi-disciplinary approach with strong support at the executive level. And while the learning organization has “gotten down to business,” many executives are expanding their scope to include more strategic workforce planning as a way to further position their companies for the challenges of future.

Increasingly the training department is playing a more dominant role in the workforce planning process. What was traditionally an activity with no clear ownership, workforce planning is now getting the attention of senior-level executives who think expanding this responsibility to include other mission-critical departments (like finance and training) is key to maintaining a competitive advantage in the marketplace.

In our most recent Learning Executive Think Tank discussion, a handful of top learning executives shared insights to workforce planning and the training department’s role in securing the future of business. Specifically, we asked learning leaders:

How does your training organization get involved with workforce planning and/or retooling for future skills?
Participants were asked about the measures they have taken in their companies to prepare for the future, ensure employees are prepared to meet anticipated business needs, and maintain company growth. Participating learning executives represented a variety of industries, including: energy management, financial research, software services, telecommunications, information management, corporate health and medical benefits and business outsourcing. While their markets are diverse, the challenges these learning executives face are quite similar. Some common concerns include:

- How do we best prepare our company for the future?
- What does the future of our organization look like?
- What changes will occur in our products, geographies, and client base?
- How can we continue to grow our business?

An underlying theme to all these questions is comprehensive workforce planning. Some of the learning leaders already have processes in place to help prepare them for the future. Others are just getting their feet wet in understanding the different workforce segments and how best to utilize training, technology and data to sustain the organization. From this very interesting conversation we have uncovered there are five essential ingredients to successful workforce planning.

1. Business and Organizational Structure

   In order to effectively workforce plan, you must have a clear understanding for current business and organizational structure.

Create a Road Map for the Future—Successful learning organizations are developing a three to five year road map of where their organization might look like in the future. As was noted by one of participants representing the healthcare industry,

   “It’s necessary to understand what each department needs today and what their needs will be going forward. Most difficult is the conversation. When you are talking with health and network, you have to know the business as well as what that person does. Otherwise you can’t align thoughts and strategies for the development of workforce planning. As a learning organization, we want to be more of a performance consultant. Learning executives need to be prepared to figure out what the business is all about and where it’s going. Most learning and development professionals just don’t have that knowledge.”
This learning executive shared her road map helps illuminate:

**Capabilities**—Defining what skills will be most needed by the organization over the next three to five years to meet objectives.

**Availability of qualified employees**—Identifying where the most qualified talent pools are, how much training will be required to fully integrate new employees, what organizational shifts are anticipated, and the tools and processes that will be needed to meet these demands.

**Jobs of the future**—Identify the positions that do not exist today but will in the next three to five years. Determine how these positions will be filled and what the training might look like for these individuals.

**Strategic Talent Management**—One of our participants, who represents a software services firm, stressed the need to infuse training leaders in the hiring process.

> “The shift toward strategic talent management reflects a change in how companies are constructing their workforce to meet new challenges. Rather than simply hiring employees based on individual department needs, skills need to be more adaptive and expansive—they need to be part of a much larger organizational strategic plan.”

Smart strategic talent management means building your talent instead of buying. Traditionally, hiring has been viewed as a numbers game. Quarterly projections were generated to assess the current number of employees needed in specific areas of the company to meet current demand. In smart strategic talent management the focus is on building your talent base—looking at how employee skills grow in new capacities and adapt to help organizations achieve future targets.

Today, hiring should be a part of a long-term plan. One participant from an information services company pointed out:

> “The training department needs to work closely with Human Resources in developing a skills database and planning to ensure that new hires fit into the future of the company and not just the present need. Hiring needs to work from the reality of constant change. This ensures that new employees have the skills to meet current needs and the knowledge to adapt to an ever-changing organization.”

**Solutions-Based Model of Training**—Where change is the norm, the traditional model of training is quickly becoming obsolete. Today, learning executives are turning to a solution-focused approach to training to affect positive business outcomes such as leadership behavior and productivity. One learning executive from a financial services firm commented:
“Training is in a state of transition from classic, straightforward instruction of basic skills to a more solutions-based model. Today’s trainers need to be performance consultants—determining the learner’s needs, continuously evaluating offerings to ensure they meet business requirements, and then seeking out innovative solutions to anticipate future needs. Programs must be created based on a clear understanding of what an individual does, what they need and how they can best be prepared for success.”

2. Know the Strategy—Organizational Development

You must understand future business strategy in order to be effective at workforce planning.

In order to effectively plan for future workforce requirements, it’s important to not only understand the current business strategy, but be proactive in anticipating future trends. One learning executive participant, who works with an energy management company, evaluates his training and development on both internal and external business projections.

“Our learning strategy process engages business leaders and business partners. We project our training services about three years out, based on business strategy. We then use these projections and competency models as a starting point for the development of our training. In the development process we address gaps, seek to enable business, and get them the right workforce for the business need.”

Another learning executive, from a health services company, added that training will play an increasingly important role in the front-end of business development and growth.

“Our company is looking to Asia and China to build our research and development organization. We are responsible to build out a dedicated sales force to tackle this initiative. From the workforce plan, we have developed a risk-mitigation strategy. We’re looking at organizational design that is adaptive to the marketplace. Change-management, on-boarding, performance management, sales and product education are all important elements to meeting business strategy objectives.”

As markets expand into emerging nations and economies, training will be essential in determining where a company should move. Training will also be an integral part in assessing the talent pool of a potential region in many capacities, including:
Sales—An competent, dedicated sales force will be required to represent the company, its products and services for maximum impact.

Outsourcing—Ensuring that vendors meet the standards and requirements of the organization.

Career Development—Properly cultivating current and new talent, with an emphasis on retention, productivity, and growth.

On-Boarding—Training new hires for rapid integration into the company.

Product Education—Preparing new employees to your product/service base to represent the organization effectively, and with efficiency.

3. Business Strategy an People Strategy

Understand the current talent strategy and skill inventory requires tools and processes to measure and track people and skills.

Unified Set of Targets—Training must play an integral part in the creation of organization objectives and fit core business needs. One of our participants, representing a information technology research firm, said:

“Learning executives need to have a ‘seat at the board table’ so they can provide input into determining if objectives can be met with the current skills set, determine what changes need to be made, and the time needed for successful implementation.”

Risk Analysis—After setting a unified set of targets, what happens if the objectives are not met? How will it impact your profitability, growth and overall effectiveness? In this instance a risk analysis is important to determine possible causes for failure, anticipate areas of weakness, and address them before they emerge. One of our learning leaders, representing the healthcare industry said:

“Failure most often occurs due to the absence of a specific skill, ability or aptitude. It is the responsibility of the learning community to prepare employees to meet present and future performance demands to mitigate failure.”

Be Ahead of Need—A learning executive from a software services company emphasized the importance of anticipating client need to create a more adaptive workforce. She indicates that her department gets very involved in the technical side of the business.

“We try to come up with a training strategy based on what we anticipate the market needing. This methodology adequately prepares our employees and partners to meet the demands of change more readily.”
4. Measurement

Identify the impact of business strategy on talent strategy (and current skill inventory).

Metrics are vital in effective workforce management, including: determining training needs, tracking skills and assessing effectiveness. One of our Think Tank participants, who works for the telecommunications industry, has implemented a comprehensive system to recognize changes on a global scale in the critical areas of:

- **Economy**—Assessing what is the state of the overall, global economy is today, in the coming months and years to determine its impact on business.
- **Hiring Gaps**—Determine the areas the workforce does not meet client needs today and in the future.
- **Attrition**—Study who is leaving the company and why. Determine if this workforce needs to be replace or if their responsibilities can be folded into other positions.
- **Employee Management**—Determine where business is today and where it is growing. Ascertain if new talent needs to be brought into the company or if present talent can be developed to meet anticipated needs.
- **Impact of Replacement**—How quickly can new hires be integrated into the organization and become fully effective.

“We work very closely with our staffing organization to calculate a number of data points where we could potentially move offices and/or talent because of different labor costs and demands. We rely on this metric to determine where we need to develop or move talent based on where the business is going. We built this metric internally to keep tabs on hiring trends, attrition, gaps in talent, and see potential growth costs. We even had the opportunity to do a dynamic hiring scenario that allows us to look at the current and future workforce.”

5. Make the Case for Change

Make a powerful case for change with credible, believable metrics; connect skill gaps to missing numbers or goals; and have strong, clear alignment to business objectives.

Planning for change and then collecting data to support proposed initiatives is one of the best workforce planning activities you can engage in. Anticipate future organizational needs and the best method of delivery to meet those needs. It’s vital to have an adequate skills database in place to perform successful workforce planning. One learning executive from an information technology infrastructure services company said:
“It’s easy to say, if we train people it’s going to impact how we sell. But you really need numbers to support this. When we do a certain type of training it improves the customer satisfaction basis points by two to 3 percent. This is huge. Keep the data simple, believable and business oriented. Business managers love this.”

Take historic trend data and isolate headcount or skills set to establish the correlation between business success and these factors. It boils down to other types of metrics to output measures that the organization really cares about. The bottom line is that you need to give business leaders compelling metrics to state your case.

**CONCLUSION**

Implementing these five ingredients will benefit companies in acquiring and retaining talent and developing successful long-term partnerships. Most importantly, it will provide a long view for company growth and insure that training is aligned with core objectives, not just in the present, but also for future growth. Workforce planning will empower your organization with a clear vision of its future and a detailed map of how to get there, who you will need with you for a successful journey and how you will prepare them for the trip.

Learning has never been a more vital part of successful organization than it is today. Implementing these five ingredients will benefit companies in acquiring and retaining talent and developing successful long-term partnerships.
ABOUT THE LEARNING EXECUTIVE THINK TANK

The Learning Executive Think Tank, sponsored by Expertus and IDC, was created to bring key thinkers together to generate insights and best practices in order to help learning leaders run more effective organizations. For the future viability of the training industry, it's important to look at key issues affecting learning organizations so that we may give back to the training industry and learn from each other.

Learning Executive Think Tanks are by invitation only and are held six times a year—five via conference call and one face-to-face roundtable discussion. Think Tank participants are proven, senior-level learning executives who have long track records of successful leadership. In our discussions, we concentrate on real results and the business aspects of training.

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Tom Clancy is Vice President of Education Services at EMC Corporation. At EMC, Tom has held various field and corporate roles, primarily in Sales Productivity and Partner Management, focusing on field development, best practices and change execution. Since 2002, his primary responsibility has been leadership of the education role for all internal and external audiences.

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Tom Kelly has more than 25 years of experience in the education and training industry and has held positions at NetApp, Cisco, Oracle Corporation, Sun Microsystems, NeXT Corporation and Control Data Corporation. Tom is currently a trusted advisor for a growing list of clients, including small to mid-sized companies focusing on learning organizations systems and strategies.

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Gordon is the Vice President of Marketing at Expertus, where he develops value-added customer communications, integrated direct marketing, and customer advisory programs. He also helps corporate training departments boost their training adoption through internal marketing and change management initiatives. Some of those clients include ConocoPhillips, United Way, GlaxoSmithKline, UPS and Lockheed Martin.