



Source: www.cxo.eu.com
© 2011 GDS Publishing Ltd. All rights reserved.

Strategy before technology, making workforce management initiatives successful

Axsium Group | www.axsiumgroup.com

Each year organisations invest in Workforce Management (WFM) solutions in an effort to reduce labor costs, increase customer service, or eliminate compliance risk. Too often, these organisations set themselves up for failure by expediting the technology selection and implementation without a clearly articulated business strategy.

A well-rounded WFM approach consists of a Solution Strategy that identifies short- and long-term labour objectives; a business case that provides a sound financial plan and anticipated return on investment; a balanced scorecard to baseline current labour metrics and quantify project results; and an executive development plan to ensure that key stakeholders are well versed in the organisation's WFM strategy and benefits.

Start with a Designed Solution Strategy

The Solution Strategy sets the foundation for an organisation's WFM initiative by defining the problems and goals that a solution will address. A properly constructed Solution Strategy not only provides organisations with implementation details, but it aligns the company's short and long-term business drivers, such as reducing labour spend, improving customer service, or increasing sales. Moreover, it identifies the organisational impact of the proposed solution, builds consensus toward measuring project success, and defines implementation strategy and timelines that meet unique organisational requirements.

To develop a comprehensive Solution Strategy, begin with internal workshops with key stakeholders that focus on defining high-level business goals, desired implementation timelines, and any constraints to the project.

Next, assess your current WFM solution state. Validate that your business objectives and the proposed WFM solution will fit the existing operational structure.

Now, with an understanding of how business processes may change and user populations will be affected, you can prepare a well-defined Solution Strategy that includes: historical background, business objectives, solution scope, business transformation process, change management strategy, implementation approach, and risks.

A Better Business Case

A business case, when tied to your Solution Strategy, details the financial opportunities and an expected return on investment of the WFM strategy. It uncovers the complete ROI of your investment, provides a realistic budget for implementation, aligns expectations, promotes buy-in, and establishes a framework for measuring project success.

Initiate a business case using scope and goals defined in your Solution Strategy. Forecast savings opportunities and revenue gains from automated and optimised WFM processes. For example, cost savings may come from the reduction of overtime payments for holidays, alignment of actual hours worked to scheduled hours, or a reduction of overtime. In addition, revenue increases can result from a better alignment of labor to customer demand.

The challenge is finding the data required for such projections. This may require the support and involvement of your executive stakeholders to help cross divisional or departmental boundaries.

The final business case can include soft cost savings but the compelling aspect is the hard cost savings.

The Balanced Scorecard

Creating a balanced scorecard starts with defining the actionable initiatives based on measureable targets for each of four perspectives, in order to:

- achieve the return on investment outlined in the business case,
- realise operational improvements through internal business process change,
- identify and measure the value proposition delivered to end-users, and
- refine and enhance the system to ensure system adoption and utilisation

A balanced scorecard provides a holistic view of current state operations and is used to track progress towards achieving the organisational objectives throughout a WFM project. The balanced scorecard builds upon the financial information contained in the business case and presents four perspectives:

- Financial - How to achieve the return on investment and payback outlined in business case?
- Business Process - How are operational improvements being realised through business process change?
- End Users - What is the value proposition being delivered to the end users?
- Continuous Improvement - How is the WFM system refined and enhanced to ensure adoption and utilisation while meeting the organisational objectives?

For each perspective, objectives are articulated and supported by quantifiable measures, targets, and a summary of initiatives intended to affect the objective. For example, a financial objective may be to reduce or reduce labour spend. One way to accomplish this objective would be correlate staffing with customer demand.

Measures	Targets	Initiatives
Customer Queue Wait Time	Reduce wait time by 45 seconds	- Improve Forecasting Methods - Refine Engineered Labour Standards - Reduce Absenteeism

The key to building an accurate balanced scorecard is to clearly define the objectives of your WFM strategy and establish specific initiatives with realistic targets that can be readily measured. An accurate balanced scorecard is an effective organisational tool that executive stakeholders can now use to guide and promote an organisations Workforce Mangement strategy.

Executive Development

Getting executive buy-in can make or break your WFM strategy and future WFM initiatives. Even if key stakeholders are well versed in their labour strategy and practices, they often remain unclear about the business benefits delivered by a WFM solution. This level of uncertainty can stop your WFM initiative before it even starts.

Executive development is a confidential and consultative process designed to educate organisational leadership in all aspects of the WFM strategy. The goal is to develop stakeholders so that they are well versed in WFM concepts and best practices so that they can further promote the WFM strategy.

Finally, Technology

With a strong WFM strategy that clearly articulates opportunities for labour management improvements, identifies the means and measures to track progress in attaining its goals, and creates champions out of educated stakeholders, organisations can confidently focus on finding the best technology solution to meet their organisational objectives and needs.

WFM offers a unique value proposition whereby it can not only save your company money but increase your revenue. Having a structured approach prior to embarking on a WFM initiative will mitigate risk and significantly increase your likelihood for success.