

Workforce Planning Blueprint Online Demo PowerPoint Script

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Performance Blueprints from the IBM Cognos Innovation Center for Performance Management accelerate your implementation of performance management capabilities. In this demonstration, you will see how the *Workforce Planning Performance Blueprint* enables an integrated workforce planning process that aligns corporate financial objectives with divisional workforce decisions

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IBM Cognos Performance Blueprints help companies align corporate objectives with operating plans so they can operate more profitably and efficiently. Performance blueprints are pre-defined data, process and policy models developed to help improve planning, budgeting, forecasting, reporting and analysis. A *Blueprint* pre-populates your plan with common operational drivers and business structures, dramatically reducing the time required to deploy a new performance management application.

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Employee-related costs often make up the greatest share of corporate operating expenses. It's no surprise, then, that executive management focuses on controlling employee expenses in every way possible. At divisional and departmental levels, however, managers must make hiring and compensation decisions that will help their units meet objectives: hiring the right people for the right jobs, compensating them fairly, keeping them productive and retaining them for as long as possible.

Workforce planning helps corporations manage cross-enterprise employee headcount, compensation and benefit costs so that they can align business unit decisions with corporate objectives. However, most companies use human resource management systems and spreadsheets for the planning process, which often results in error, delay and difficulty. Consequently, executive management, finance and HR are looking for tools and disciplines to manage headcount and compensation planning. To boost accuracy in this vital planning process, a solution with flexible modeling capabilities, personalized analytics and integrated workflows is required.

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The *Workforce Planning Performance Blueprint* enables an integrated workforce planning process that aligns corporate financial objectives with divisional workforce decisions. You can establish links to business drivers in other planning areas, such as sales or customer service, to ensure proper alignment with headcount plans. Staff managers throughout your organization can manage existing and new employee headcounts from one integrated system. You can make salary, merit and bonus decisions at the employee level, group level or both. And you can unravel the complexity of fixed and variable compensation requirements for any industry and company—even those spread over multiple countries.

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Now we will give a brief demonstration of how the *Workforce Planning Blueprint* can help you move to best practices in your business segment and product management.

The IBM/ *Workforce Planning Performance* solution is designed for multiple users needing access to key information concerning human resource management and planning. When logging on at the top level we see a very robust workflow containing 5 depth levels, representing 7 operational levels, over 6 countries, and covering 93 departments worldwide.

When I log in as Exec 51, manager of US Procurement I see that information is grouped within multiple tabs - each serving a specific purpose within the solution. The administrator of the model has full control over which tabs are available and what departments and employee information I can view. As the manager of US Procurement, I will be able to see and work on only the employees in my department.

In the 'Employee Information' tab I can quickly see those employees that are currently employed in my department, as well as basic information from our HR department such as name, employee number, salary, position, grade, location, and the health plan they may be on.

'Input Existing Headcount' is where I make changes to an employee's status. Drop down boxes are made available to assist our decision making process. The tool also has intelligence built into it to help the user avoid making common mistakes. For example terminating someone with severance would require a start date and severance amount to be entered. Having made action decisions around our existing employees we proceed to 'Input Compensation Planning'.

We now make decisions around performance that will affect both the individual's Merit Increase and Bonus. Merit Increases and Bonuses also take into consideration where an individual's salary stands as it relates to the midpoint for their salary grade. Rating systems, Grade levels, differentials, Bonus plans are all decisions made by management and built into the blueprint logic. All Salary assumptions may be tailored to the clients needs. In our example, the user has the ability to adjust both the system recommended merit and bonus amounts. This tab also allows a user to grant stock options or Restricted Shares Units.

Our next tab, 'Existing Employee Salary Calc', takes the information we've entered thus far and calculates by employee; their salary, benefits and government impositions – taxes for the upcoming year. Since we are in a US department we are seeing taxes such as Social Security and Medicare. Were we to log on as a French, Australian, or German department we would see the taxes associated with those governments. Beside those mentioned the blueprint as designed also supports Japanese and UK tax methodologies. The model could be modified to take into consideration the tax consequences of any number of nations.

If we select Julie Owens, the person we terminated with severance in April, on the Input Existing Headcount tab - we see her being terminated and granted severance as intended. This tab may be hidden from the end user at the administrator's discretion.

New headcount is added by selecting a position, location, start month and full or part time status. If known or anticipated, the health plan may also be entered. The model, based on position and location, calculates a differential and applies it to the salary grade to arrive at a target base. The manager may adjust this target base.

As was done with the existing employee calc, the NewSalaryCalc tab then will, by individual, calculate their salary, taxes and benefits based upon our selections.

The Headcount Comp Summary tab pulls together new, existing and total headcount compensation into a single view.

The 'Corporate Guidelines Summary' tab gives as a quick look at our proposed merit, bonus, and options as compared to corporate guidelines. Looking at our results we see that we could go back into the 'Input-Compensation Planning' tab and grant more merit pay, more bonus dollars, award additional options and restricted share units.

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To view the Business Intelligence associated with the Workforce Planning blueprint I've logged on as the manager of world wide operations. The Workforce Planning Dashboard shows at a glance, our top two reports give me a feel for both salary and headcount with the monthly incremental changes. Hovering over either graph gives us detailed information as well as the ability to drill down further into the data. The circle pie graph on the right gives us headcount information for the total company. By drilling down into operations, I get another chart showing the distribution of my operations personnel across countries. Drilling into US operations I see headcount by department. Since my security is sufficient I can even drill down into the department – in this case US Procurement and see individual contributors.

While these graphs, views, and reports are packaged with the blueprint, a user may develop any others they might think of or find valuable in running their operation.

A number of reports are also packaged within the blueprint. The compensation letter which can be sent in a number of ways including as an email, lifts information out of the TM1 Contributor model we will look at in a moment and incorporates into the letter. This letter may then be distributed as desired. This letter is easily modified to reflect the clients style desires.

Many other reports are also available, such as: Employee Information which may be sorted as to the client's preference; HR Exception Reports; and Employee Compensation Details

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The *Workforce Planning Blueprint* has numerous benefits. First of all, staff managers can update existing employee status information as changes occur: In just hours or even minutes, staff managers can also modify new-hire headcount forecasts based on real business events, such as changes in customer service KPIs to warrant additional hotline

or on-site field support headcount. Then, during compensation planning cycles, staff managers update compensation expense forecasts tied to actual existing employee changes and new hires, so finance doesn't have to settle for gross averages when determining headcount expenses. HR benefits, too, with immediate visibility of new-hire forecasts as changes take place and can now manage the new-hire pipeline more effectively with what-if scenarios on variables such as hire date or salary.

Because the *Blueprint* blends advanced personalization with workflow activities, contributors can dynamically build their own alternatives to increasing headcount and then immediately share any number of the scenarios with their team for input, submitting the best scenarios into the planning templates for optimal business. The whole process now takes only weeks and results in accurate, reliable alignment of corporate expense plans with divisional headcount and compensation decisions.

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For a full list of IBM Cognos Performance Blueprints available for other functional areas in your organization please visit the IBM Cognos Innovation Center at www.ibm.com/cognos/innovation-center.

Thank you for your interest in this *Blueprint*.