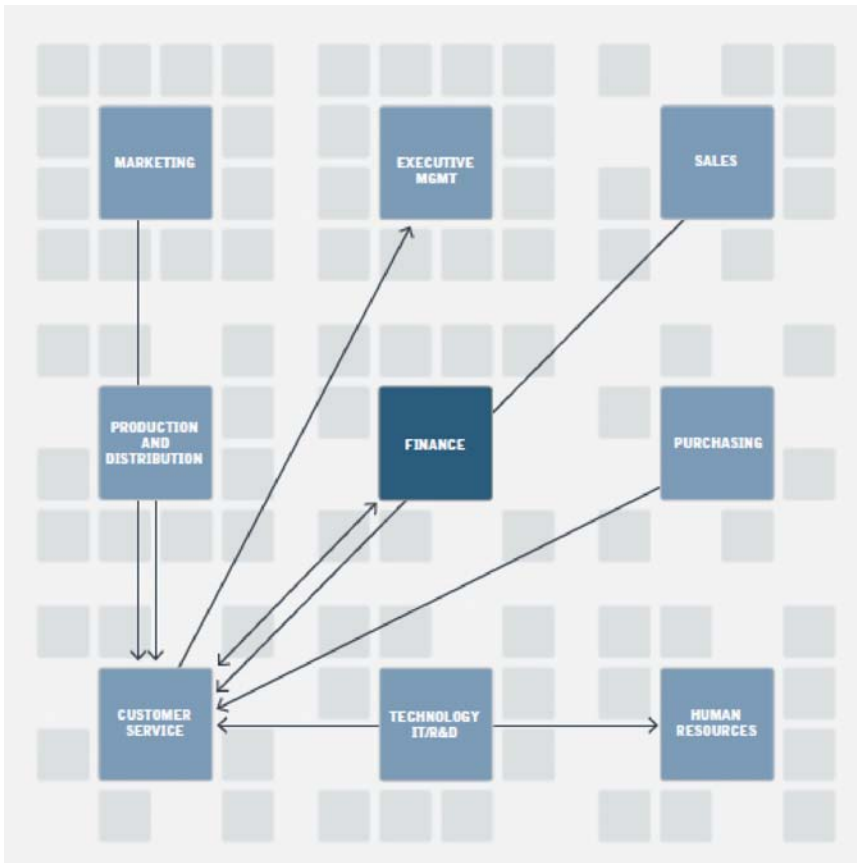# Workforce Resource Management Performance Blueprint

Workforce resource management helps corporations align one of their most important and expensive assets—their employees—with activities needed to effectively and efficiently run the business.

As noted in the Workforce Planning Business Value Guide (2005), employee-related costs often comprise the greatest share of corporate operating expenses. While Workforce Planning helps managers better utilize their human capital budget, here we examine the importance of correctly aligning available resources with business activities that require staffing.

At all organizational levels—especially the lower levels—managers make daily staffing decisions. Optimal staff utilization can significantly increase customer service levels, increase customer satisfaction, decrease overtime costs, increase staffing effectiveness, and improve staff morale.

Managers and employees seek forward visibility into resource requirements to understand both their own responsibilities and their employer's expectations. This is typically achieved by publication of detailed staff rosters or schedules so employees know when they are expected to be working and what they are expected to be working on.

Unlike workforce planning, Workforce Resource Management (WRM) is typically short-term in scope, but highly detailed.
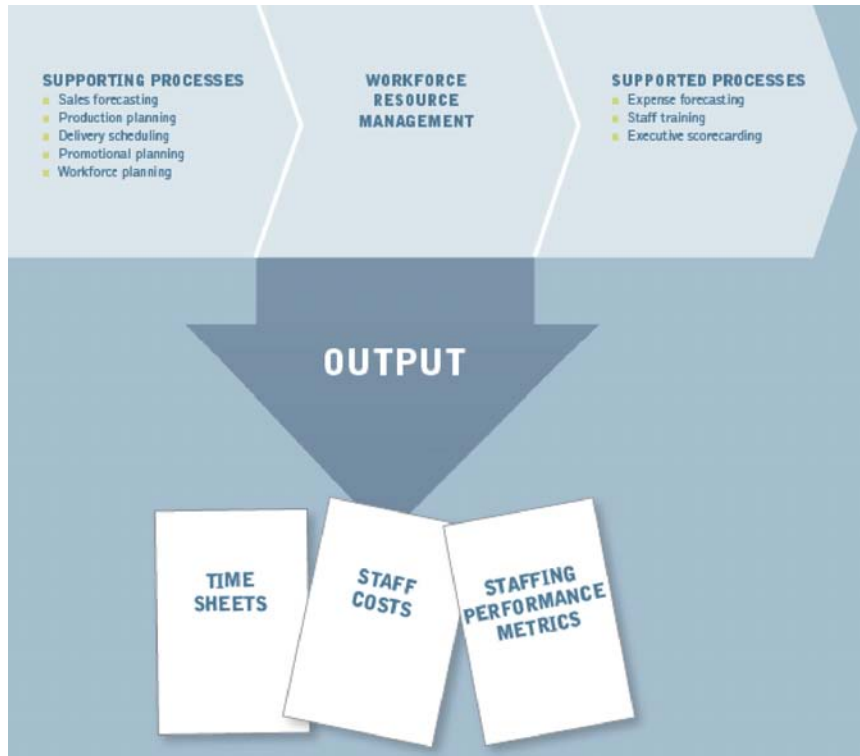
Workforce resource requirements can be linked through drivers to nearly any part of the corporation. Management and requirement delivery can have both direct and indirect financial implications.

Workforce Resource Management (WRM) involves getting the right people in the right place, engaged in the right activity, at the right time.

The resource requirement for a given activity at a given time is determined by both internal and external drivers. It is important that drivers are both understood and agreed upon, so that their volumes can be measured and forecast, and that the rates at which driver volumes translate into activity resource requirements are clear.

For example, departure time, routing, and number of filled seats on a passenger flight could all affect the opening of check-in counters, hence the number of airport customer service representatives required during the two-to-three hours prior to departure. Realistically, all such drivers are external to the department of the manager responsible for scheduling service representative activities.

Once staff has been scheduled, taking into account driver rates from other departments (such as hourly wage rate from HR), a WRM solution should be able to calculate the schedule's direct cost implications for the carrier's finance department.

Workforce Resource Management uses drivers to determine headcount requirements by activity and appropriately schedule staff.
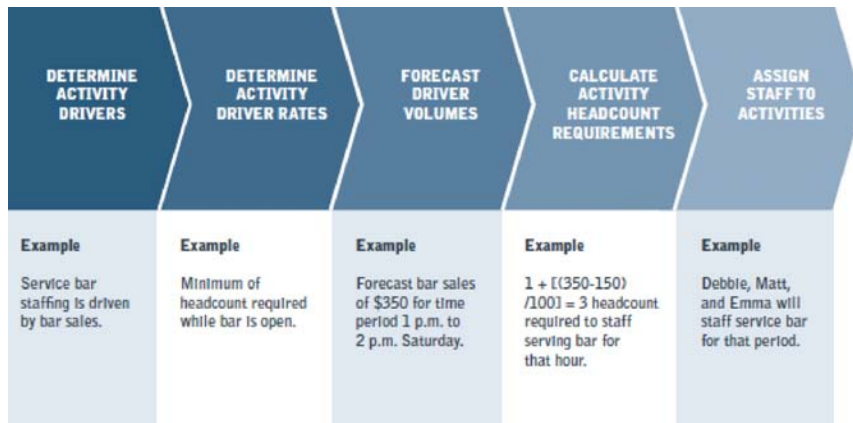
As noted, Workforce Resource Management is typically a short-term process looking only a week or two ahead. It is highly detailed, often down to the quarter hour, and is a high-frequency (usually weekly) process.

WRM is different from processes such as financial planning which consider much longer timeframes (typically a year or more) with considerably less detail and with much lower frequency (often quarterly or annually).

First step is to identify drivers for each activity and the rate at which the drivers determine activity levels, a task typically performed by analysts, rather than staff managers. Analyses must be continually reviewed and refined, since drivers and driver rates vary over time.

Next is to forecast in detail the drivers over the timeframe in which manager will schedule staff. Once again, forecasting is typically carried out by analysts, rather than the managers themselves.

The output of the steps above is a headcount requirement forecast by activity, which is made available to staffing managers so they can most efficiently and effectively manage available resources.

DETERMINE ACTIVITY DRIVERS	DETERMINE ACTIVITY DRIVER RATES	FORECAST DRIVER VOLUMES	CALCULATE ACTIVITY HEADCOUNT REQUIREMENTS	ASSIGN STAFF TO ACTIVITIES
Example	**Example**	**Example**	**Example**	**Example**
Service bar staffing is driven by bar sales.	Minimum of headcount required while bar is open.	Forecast bar sales of $350 for time period 1 p.m. to 2 p.m. Saturday.	1 + [(350-150)/100] = 3 headcount required to staff serving bar for that hour.	Debbie, Matt, and Emma will staff service bar for that period.

**A typical workflow supporting Workforce Resource Management.**

Effective, efficient workforce management is critical. In the typical WRM process:

- Managers anticipate demand for the activities their staff must perform.

- Staff must know in advance when they are to work and what duties they are to perform.

- Customers must be served promptly and efficiently.

Without a process and solution in place to support staff scheduling, a manager must perform the task manually, too often based on experience and intuition to answer questions like:

- What levels of activity do I expect?

- What staff will I need to support those levels?

- Who on my team can perform those activities and how efficiently?

Then managers must decide who will work at what time on what activity and publish a schedule, typically by printing out a spreadsheet and posting it on the office notice board.
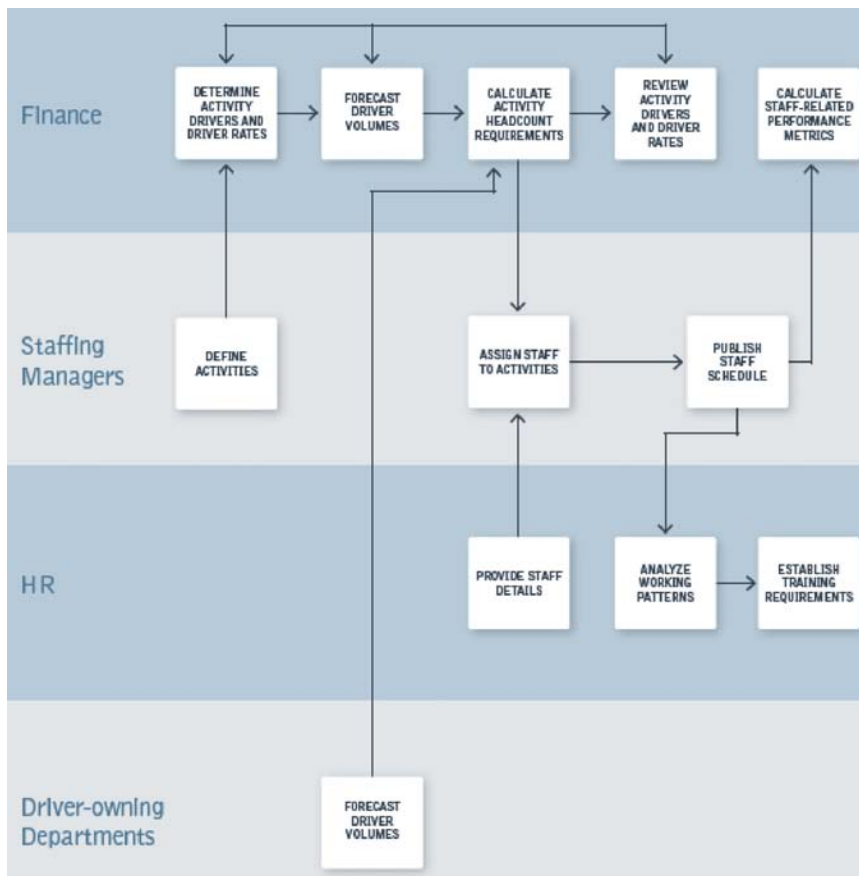
Most companies manage workforce resources in a manual, ad hoc, disconnected manner, leading to inefficient and ineffective use of their most valuable assets.

It is very difficult to make staffing decisions effectively without a Workforce Resource Management process and solution.

For example, consider a bar, where there are numerous activities that require staffing: serving drinks at the bar, serving drinks at tables, preparing food, serving food, cleaning glasses and dishes, changing barrels, receiving deliveries in the cellar, taking deliveries from suppliers, stocking work stations, and so on.

There could be a dozen or more activities to support at varying resource levels when the bar is operating. If it is operating 100 hours per week, and we want to schedule staff to the nearest 30 minutes, there are some 2500 separate "activity slots" to fill every week.

A manual approach to workforce management is both inefficient and ineffective, typically leading to:

- Poor customer service – lines for drinks six deep at the bar.

- Health and safety issues – no time to properly clean glasses and serving areas.

- Decreased revenue – customers leave because they can't get served.

- Increased staffing costs – a customer walks into the bar and finds three bar staff waiting to serve them.
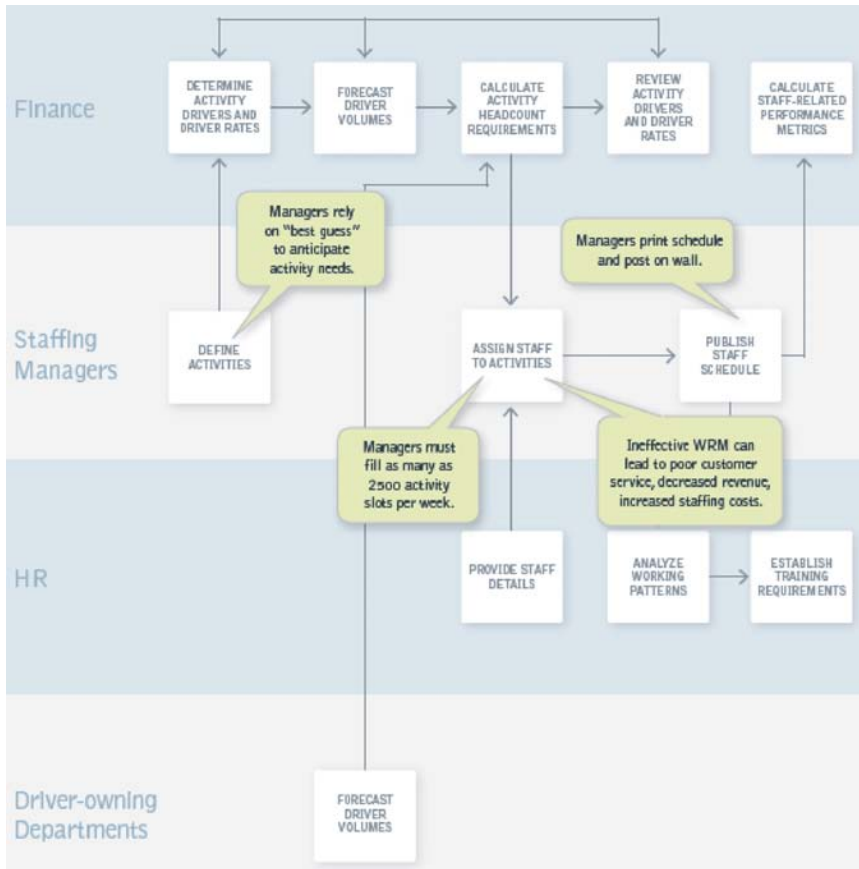
High-performance companies replace manual processes with an integrated, driver-based Workforce Resource Management solution.

An effective WRM solution offers a best-practice, driver-based approach for staff scheduling. Managers can quantitatively justify proposed staffing levels: "Based on driver-volume projections for Friday evening and established driver rates, these are the six people I need working."

Staffing is optimized against headcount requirements by activity and driver, so managers can better control and be accountable for corporate objectives. Forecast revenue opportunities are supported by appropriate headcount allocation, customer service improvement, health and safety compliance, and overtime cost control.

- Schedules and supporting data are captured in a single system across the organization.

- Finance sees cost implications of the schedule in advance.

- Executives can anticipate performance against key metrics such as overtime as percentage of contracted hours, revenue per headcount hour, staff costs as percentage of revenue, and so on.

- HR sees that working time directives are followed, schedules provide task variety, and practical experience supplements training.

- Staffing managers enjoy a streamlined process that creates a more effective, more efficient schedule that directly supports corporate objectives.

- The enterprise at large benefits from uniform scheduling practices, data capture, and information access that directly supports corporate objectives.
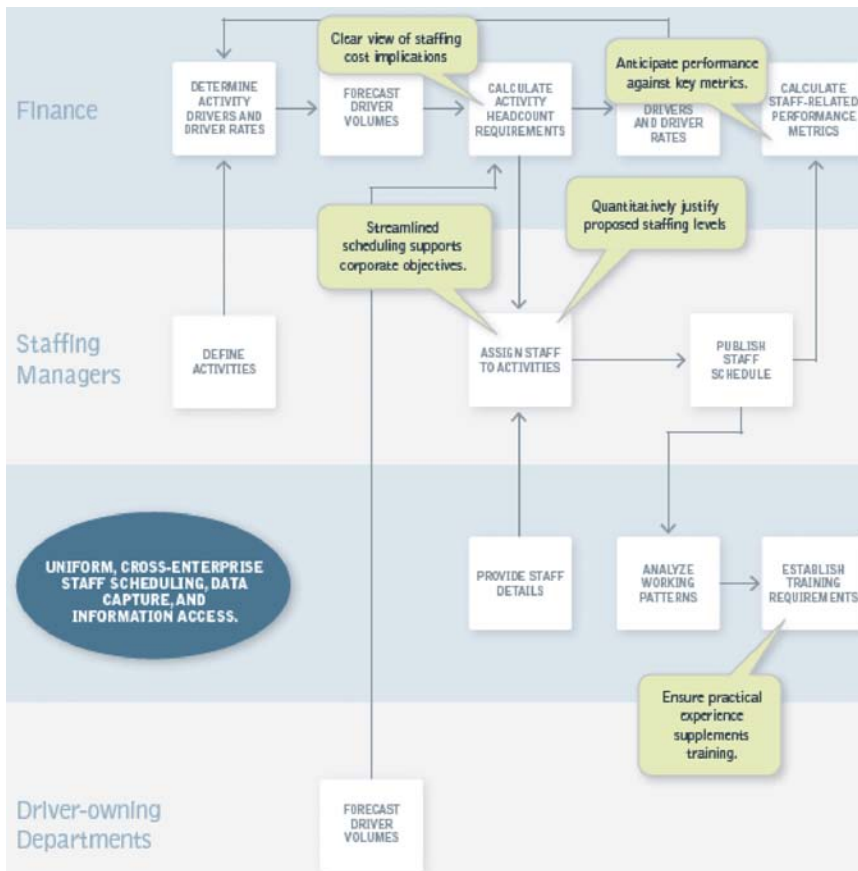
The IBM Cognos Workforce Resource Management Performance Blueprint enables a best-practice, driver-based process for aligning staffing resources with activity requirements.

IBM Cognos® Performance *Blueprints* are pre-defined data and policy models that encapsulate collective best-practice knowledge from the IBM Cognos Innovation Center for Performance Management and leading IBM Cognos customers in specific business process areas. In the hands of IBM Cognos Implementation Services consultants, IBM Cognos certified implementation partners, or experienced customers, IBM Cognos Performance Blueprints serve to streamline planning project implementation schedules and improve project success rates.

The *IBM Cognos Workforce Resource Management Performance Blueprint* enables companies to ensure that staffing managers align their staff with activity requirements using an effective, efficient, best-practice, driver-based process. Linkages to business plans in other areas such as Finance, Sales, Marketing, and Production can be established to ensure the accuracy of required driver volumes. Additionally, Blueprint outputs can be used in applications as diverse as executive scorecards and HR working directive reports.
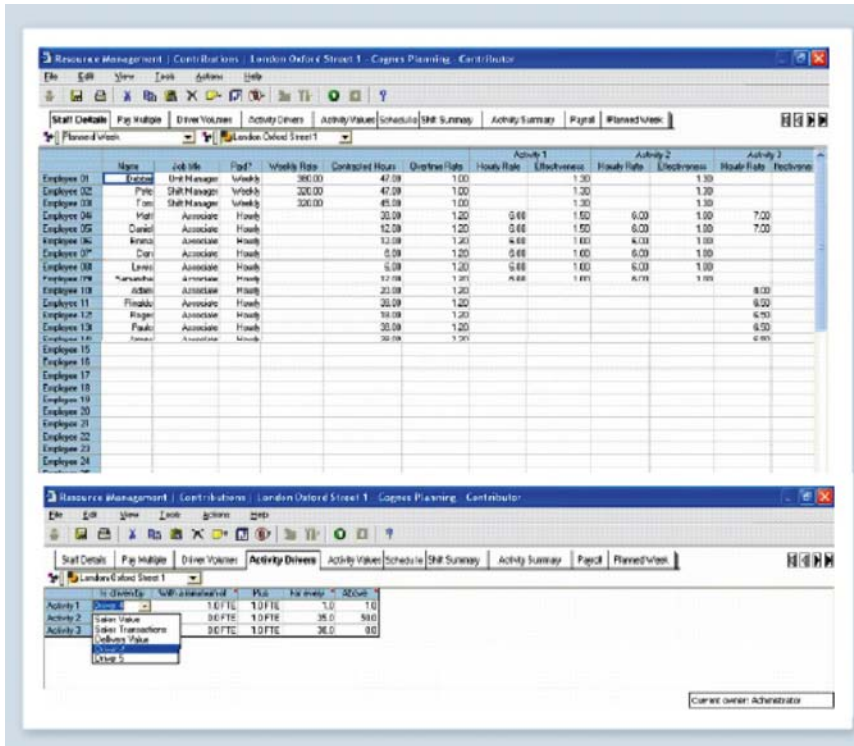
Workforce Resource Management Blueprint Benefits

- Flexible model development and customization.

- Web-based model deployment for data collection and consolidation.

- Real-time workflow.

- Real-time consolidation.

- Real-time browser-based calculation for immediate results.

- Scalable architecture with proven deployments to thousands of line mangers.

- Linking functionality to provide collaboration between all areas of the corporation.

- Form-based planning using selection boxes to drive application logic and calculations.

- Headcount requirements determined by activity, based on highly flexible, best-practice, driver-based methods.

- Enables managers to set employee effectiveness by activity.

- Offers managers real-time visibility into cumulative schedule variance from ideal driver-based requirements by activity when entering employee shift patterns.

- Generates clear warnings should managers assign an inappropriate activity.

- Streamlines entry of employee shift details to reduce schedule creation time.

- Includes a clear shift-summary output of staffing schedule.

- Can vary employee pay rates by required.

- Can set additional pay multiples (such as for national holidays) by employee by day.

- Automatically generates detailed financial implications of the schedule.

About the IBM Cognos Innovation Center for Performance Management

The IBM Cognos Innovation Center for Performance Management is dedicated to the understanding, adoption, and implementation of next-generation planning and performance management practices. It is a consortium of industry leaders, practitioners, thought leaders, forward-looking executives, and technology experts experienced in, and committed to, the advancement and successful application of technology-enabled performance management best practices. The Innovation Center seeks to assist organizations in optimizing the alignment of their plans, processes, and resources with corporate goals and strategies.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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