

## *Executive Briefing #74 – WFM Is The Winner In Cyclical Energy*

### Do You Put the Employees First?

There is no question a strong case can be made to invest in a wide range of Human Capital Management (HCM) tools including Workforce Management Technology (WFM). Yet, finding the budget for even one of these projects can be a challenge. The competing projects are all fighting for the same dollars in a sector where prices are highly cyclical as are profits. Long term strategies are required and disciplined, focused investments reap the highest value over time.

When looking at the risk/reward equation, the choice becomes clear. WFM strategies can capture 11 – 17% of direct hourly labor costs on a year over year basis. As interesting as that may sound, the higher value is not a cost savings, but a value creation story. Although the demand for skilled labor can ebb and flow, top organizations want top talent already in place before the market tightens. Invest in strategic WFM technologies to protect and drive long-term growth by helping to attract, retain, engage, manage and nurture the best possible employees for your organization. Without great employees, companies fail.

#### 1. Reduce Turnover – Retain Great Employees

Glassdoor.com did the research and found that over a seven-year period, companies considered “The Best Places to Work” outperformed the S&P 500 by 44%. Engaged employees are happy employees and the research shows there is a positive financial impact to the company. Although most people associate WFM solutions with cost savings and controls, these solutions are pivoting to focus on engaging the workforce in a real and meaningful way. Yes, employees can view their schedules and request time off, but the impact on engagement has expanded. Now employees can interact with their direct supervisor via chat functions, provide real feedback to help management understand missed opportunities, and even work on continuous improvement initiatives – all from their smartphone. Millennials require this to stay engaged, and older employees are also responding positively to a new level of participation. If you are losing your best employees, WFM becomes a top priority if it is not already.

#### 2. The Right People in the Right Place at the Right Time

Employees are expensive. When they are being paid you hope they are doing something productive, but how do you know? Visibility into both workforce productivity and performance is difficult because the required data comes from multiple sources and must be combined properly. The comparison of what should happen and what actually happens requires massive calculations and access to both production and employee information. Most non-HR

Core Practice is a leading provider of operational and labor strategy consulting services with over 20 years of experience designing, developing, and implementing innovative labor solutions. Core Practice’s labor strategies combine the best people with the right equipment at the right time and provide clients with a competitive advantage. Core Practice has worked extensively with clients in manufacturing, distribution, contact center, and mining industries. To learn more about Core Practice and what we do, please contact:

**John Frehse**  
Managing Partner  
212.534.0539  
jfhese@corepractice.com

**Ethan Franklin**  
Managing Partner  
312.255.1646  
efranklin@corepractice.com

centric systems choke under the weight of this level of data. WFM tools are built for this exact reason. Looking into real time productivity, safety, and compliance allow management teams to automatically identify opportunities before they become massive liabilities. When calculating the fully burdened cost of payroll, the math becomes frightening. We may know if our employees clocked in on time and out on time, but what did they do while they were here? If you can't answer this question in detail, WFM solutions are required as a foundational first step before you undertake any other project.

### 3. Let Your Managers Be Managers

Without WFM solutions, managers spend the vast majority of their time as administrators. They look for replacements for absent employees, try to schedule based on ever-changing demand forecasts, and spend hours researching data in spreadsheets trying to understand trends. All of these things can be automated with WFM technology. This frees managers to work with their teams and drive value for the organization. This is what they were hired for, so it is important to let them utilize the skills they have. Managers can become demoralized quickly and leave if they feel that they are not appreciated and the skills they have are not being utilized. These skills are also of great value to the organization – it is why you hired them. So, let's let them do their jobs.

Today, WFM has never been a more important strategy for organizations. When determining whether to prioritize a wide variety of HCM efforts or more specifically WFM, consider that WFM needs to be the priority in a world of shrinking talent pools (even in a downturn) and more highly educated employees. If we engage them, they stay. If we don't, they leave. If we understand where the opportunities are, we can address them to help your organization leverage its workforce to become a competitive advantage.

If any of this topic interests you, we can help. To find out how we can actively help your organization navigate the Big Data story and develop efficient, actionable, and insightful solutions, contact Core Practice at 212-534-0539.

Notes: