



An Introduction to Total Workforce Optimization

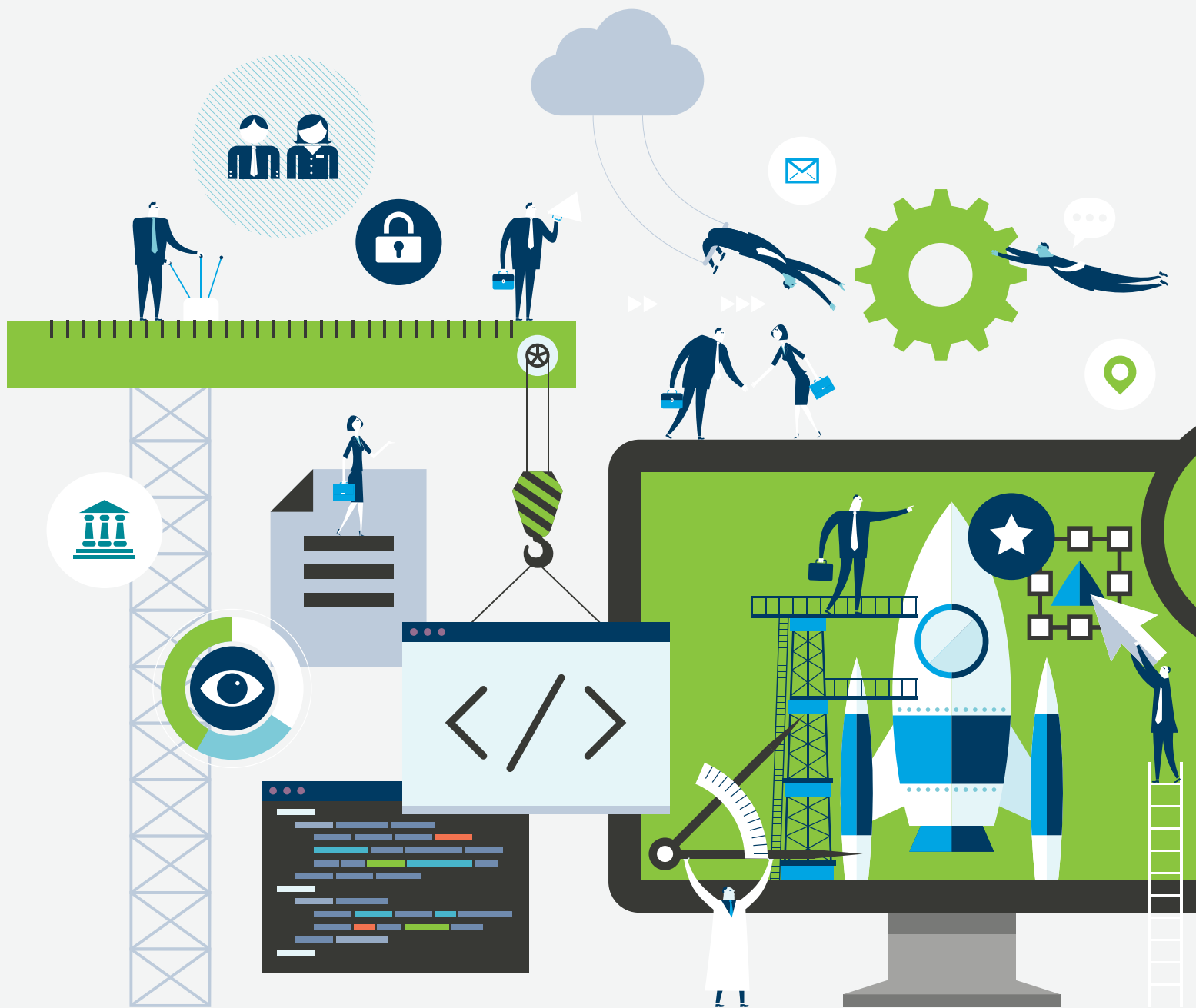


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AN INTRODUCTION TO TOTAL WORKFORCE OPTIMIZATION



EXECUTIVE SUMMARY

For most businesses, human capital is both the organization's most important asset and its largest single operating expense. It is also a constant concern for executives who fear they do not have, and cannot acquire, the right mix of top-tier talent to compete and succeed.

Total Workforce Optimization is the process of determining the right mix of employee and non-employee talent to meet operational requirements, ensuring that the organization has the skills it needs as well as the flexibility to anticipate and respond to market changes.

This paper outlines the steps required to establish a Total Workforce Optimization program as well as some of the resources and technology available today to support that process.

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TOTAL WORKFORCE OPTIMIZATION

TOTAL WORKFORCE OPTIMIZATION: A DEFINITION

Total Workforce Optimization is sometimes confused with Total Workforce Management (TWM), also called Total Talent Management (TTM), which is a much larger and more comprehensive process. TWM/TTM not only incorporates the engagement and management of employee and non-employee labor, but also issues such as training and succession planning, which are outside the scope of Total Workforce Optimization.

Total Workforce Optimization is also different from Total Talent Acquisition (TTA), which is a subset of TWM/TTM. However, Total Talent Acquisition is compatible with, and can be incorporated into a Total Workforce Optimization program.

Total Workforce Optimization is actually very simple. It is nothing more than looking at your organization's entire employee base and your non-employee base, putting them together, and determining the right mix to achieve your desired business outcome.

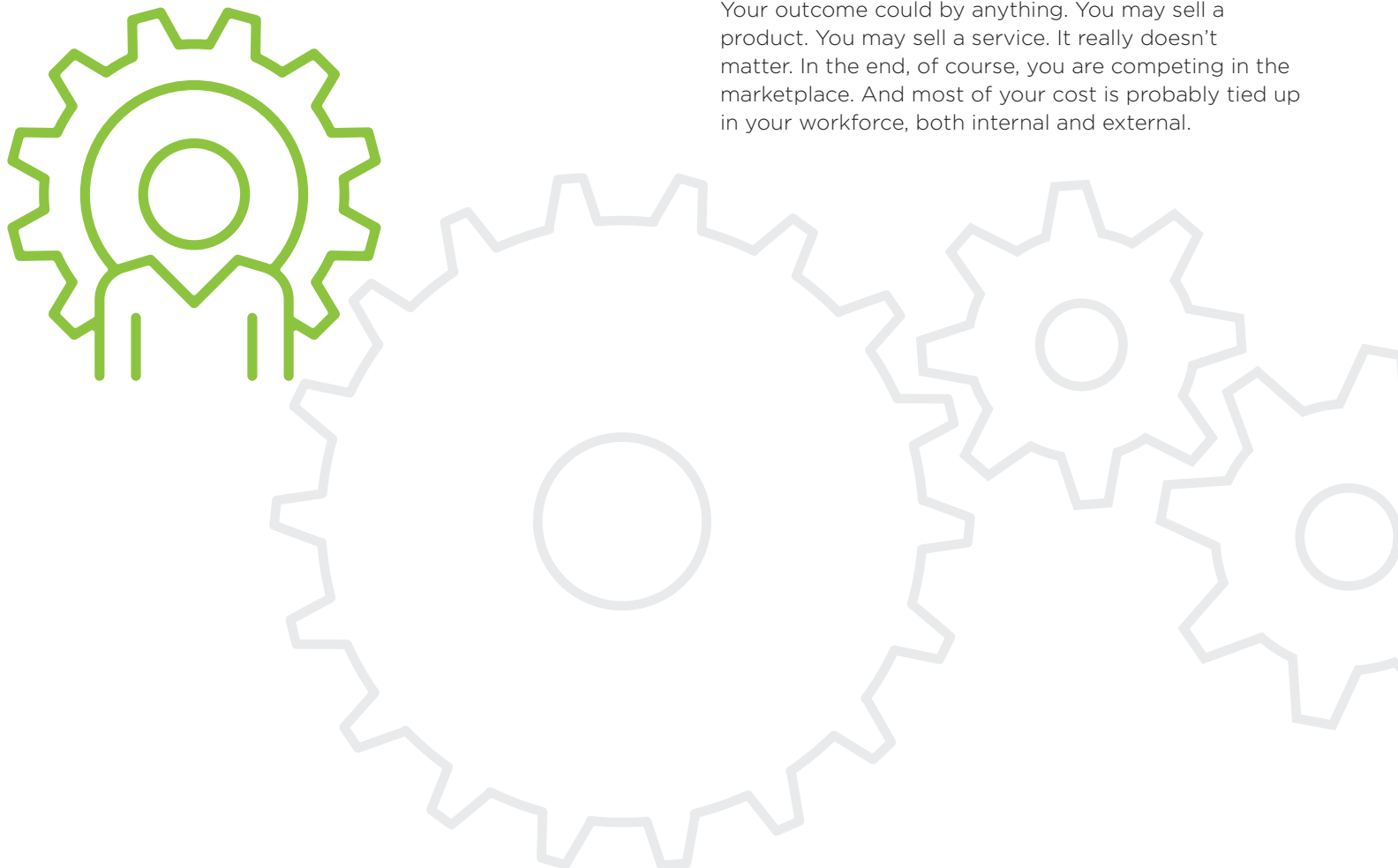
FOCUS ON BUSINESS OUTCOMES

The focus on business outcomes is one reason Total Workforce Optimization is more specific and easier to achieve than Total Talent Management, which includes a whole range of issues: attracting talent, sourcing talent, vetting, onboarding, training, compensation offboarding—all those components whether it be employees or non-employees.

We can look at Total Workforce Optimization as a component of Total Talent Management, but in considering either, it is important to ask: What is the end game? What are we going to achieve? While Total Talent Management has the potential to offer great benefits, it is also a bit esoteric. So, it is important to think specifically about the goals you want to achieve.

Beeline is focusing on Total Workforce Optimization because it delivers something very concrete and very valuable. It is a more efficient and, hopefully, a more cost-effective, better-quality approach to achieving your desired outcome.

Your outcome could be anything. You may sell a product. You may sell a service. It really doesn't matter. In the end, of course, you are competing in the marketplace. And most of your cost is probably tied up in your workforce, both internal and external.



FIND THE RIGHT TALENT MIX

Talent is very expensive. Total Workforce Optimization is the process of determining the right mix of employees, contractors, freelancers, and consultants—all viable labor options—and determining how best to piece the puzzle together to achieve the best outcome.

Most organizations muddle along. Maybe 70 or 80 percent of your workforce is full-time and the other 20 or 30 percent is the extended workforce—comprising other categories like freelancers and contractors. But most organizations are not very strategic or very deliberate about how they determine that mix. That is the problem Total Workforce Optimization addresses. It addresses with great deliberation how to fix your mix of your talent, so you can get the specific outcomes that are important to your business.

Total Workforce Optimization involves modeling and predicting and then sourcing that talent mix. You have to get it and we've got to manage and refine it. But you also have to keep the scale of that process manageable. So, rather than expanding the scope into Total Talent Management, we want to show you how to achieve Total Workforce Optimization. Success in this effort will then lead to other benefits that Total Talent Management promises.



STEP 1: GET THE DATA IN ONE PLACE

To implement Total Workforce Optimization successfully, you must start by getting all of your workforce data in one place. It is all about visibility.

When we think about employee visibility, most organizations are doing a great job already. We have human resource platforms and all relevant employee data. For the most part, that challenge was met years ago.

With the advent of vendor management systems (VMS) about 15 years ago, we started addressing the contractor population. And, about 7 years ago, we started managing statement of work (SOW) and milestone-based activity and putting that data into our systems as well.

Now we are hearing a lot about freelancer management systems (FMS) and the gig economy. So, there is another large labor pool that organizations have not done a very good job of addressing in terms of gathering data and getting in one place where it can provide visibility.

So that is the first thing that must be done. It can be accomplished with a VMS or, possibly, with another system, but the important thing is to gather this data and make it visible.

You may have done this to some extent, but if you are like most organizations, a very high percentage of your spend – and the individuals that this spend represents – is still outside these systems, so the first thing you must do is get this data into the system.

1
GET THE DATA
IN ONE PLACE



2
RISK-PROOF THE
WORKFORCE



STEP 2: RISK-PROOF THE WORKFORCE

The second step you need to consider is how to risk-proof this workforce, both employees and non-employees. How do we risk-proof it? What does that even mean?

It means ensuring proper classification of every individual worker. Every organization has a governance model in place to protect you against co-employment and statutory compliance risks. To risk-proof your workforce and your company, you must ensure that every worker is in the proper employment bucket.

The first step is to put them in the right bucket and the second is to ensure that they're in the right sub-buckets—temporary staff or contractors, W-2 or 1099, outsourced labor, freelancers, interns, or retirees. Then you will have the confidence to put them to work and not worry about what the legal and compliance or security departments are going to ask of you.

STEP 3: ASCRIBE QUALITY TO ALL WORKERS

The third step is a very important one, and for some reason, it appears to be very elusive for many in the enterprise. It is simply the process of ascribing quality to all workers and all work efforts. Now, organizations do that already when it comes to full-time employees. Virtually all organizations require periodic performance appraisals, as well as quarterly KPIs and other things of that nature.

So, the concept is not foreign, and implementing it is not a challenge. What is a challenge is extending this process and ascribing quality to contractors, to consultants, and even to freelancers.

Sometimes clients tell us that they don't want to do it because they're afraid of co-employment risk. We

believe that is only an excuse because there are ways we can assign quality to the work effort and even to individuals without getting into co-employment trouble.

So, organizations must correct this misconception internally. Once you become comfortable with ascribing quality to all workers and all work assignments, you can make use of the available technology. When you take the opportunity to rate the work, you will find that you can now tie the cost equation to the quality equation.

For years, organizations have been so focused on costs and obtaining the lowest bill rate. While this was valuable, it was also short-sighted. In order to optimize the workforce, it is absolutely essential to factor quality into the mix.

3
ASCRIBE QUALITY
TO ALL WORKERS



4
MERGE THE
DATA



STEP 4: MERGE THE DATA

So, if the organization has good employee data, and makes a serious effort to bolster its non-employee data, what is next? The next step is to merge those two together.

It does not necessarily have to be one database. Organizations have separate Applicant Tracking Systems and Vendor Management Systems. The analytics programs available today can consume

data from both sides with great ease. By analyzing and comparing this data, organization can get to what is really interesting and fun, and that is the modeling. This modeling leads to predictions, forecasting, and what-if scenarios. That is the next step.

STEP 5: ANALYZE THE DATA FOR DECISION-MAKING

Once the employee and non-employee data is merged, the next step is to analyze and apply the data. The artificial intelligence and the wide spectrum of the analytics available today allow organizations to use visualizations to discern where changes in the workforce mix will produce the most benefit.

For example, you may traditionally be working with 80 percent employees and 20 percent contractors. On a specific task that will deliver a specific outcome, what would happen if you changed the mix to 50 percent

full-time staff and 30 percent consultants, 10 percent freelancers, and 10 percent contractors, based on skills? And how would that compare to other possible blends of resources.

Modeling also will allow you to factor in scarcity of talent and core and non-core positions and other considerations. Once you start to bring these factors into play, you can engage in a variety of what-if scenarios to determine what would best fit your business strategy.



STEP 6: DO SOMETHING

Of course, the last step is to do it—simply execute a workforce optimization program. Create a model and try it.

Then, take that model and refine it to do something else. If it needs refinement. If your model works, use it to achieve your desired business outcomes.

You are probably closer to Total Workforce Optimization than you imagined. You already have a tremendous amount of data. What you lack—probably the

performance quality data from certain elements of your extended workforce—can be obtained with a little effort and the right technology.

So, once you give us that missing data, we will have the technology to start providing you with far more value.

REMEMBER THE SIX STEPS TO TOTAL WORKFORCE OPTIMIZATION:

ONE: Get the data in one place. Get all those people in your extended workforce. Get them in one place.

TWO: Make sure that you risk-proof them. Run them through the proper classification for compliance.

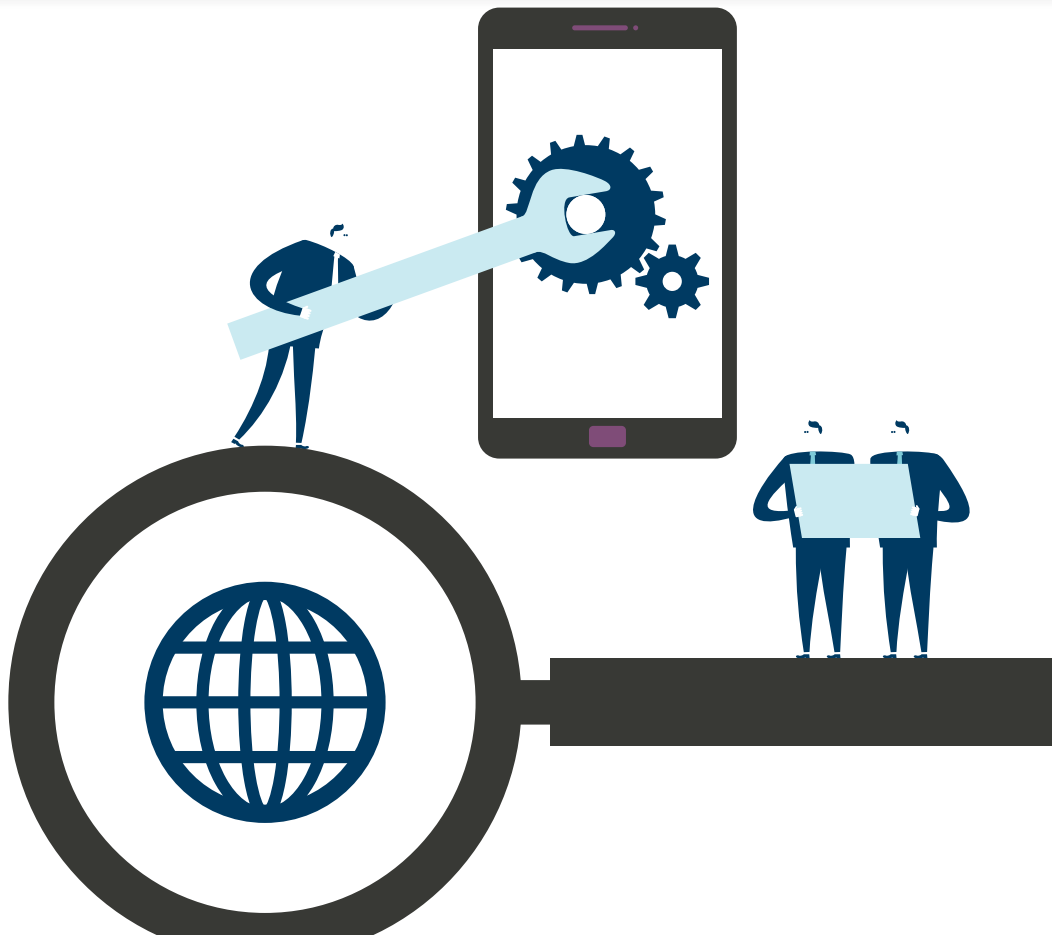
THREE: Ascribe quality to each and every one of them.

FOUR: Take that extended workforce data and merge it with your employee data.

FIVE: Analyze it. Utilize the technological advances that are available to engage in predictive modeling and forecasting.

SIX: Do it.

Of course, implementing Total Workforce Optimization cannot be accomplished by snapping your fingers. It will take resources and commitment. But your workforce mix is critical to your organization's agility and competitiveness. So, now is the time to begin to make progress toward the goal. And, frankly, the technology is there to enable you to reach it.



About Beeline

Enabling companies to increase profitability, mitigate risk, and attain qualified talent by utilizing the extended workforce, Beeline is the world's largest independent provider of solutions for sourcing and managing the complex world of contingent labour. Our software helps procurement, sourcing, and human resources professionals optimise costs, reduce risks, and add value to their services procurement and contingent workforce programs.

We have the deepest, most seasoned team of contingent workforce solution professionals. From our locations around the world, we deliver innovative technology, end-to-end global and localized customer engagement services, and value-added capabilities which help many of the world's largest enterprises meet their most critical talent needs.

Our advanced cloud-based technologies, including fully integrated solutions for contingent staffing, services procurement, resource tracking, and talent acquisition, support more than 300 Global 2000 clients worldwide. To learn more, visit beeline.com.



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