



# Confidence in the Face of Uncertainty

The importance of strategic workforce planning  
for retailers



## Introduction

In today's perpetually evolving market, retailers are facing unprecedented challenges. From major disruptions such as supply chain issues and global economic shifts to advancements in technology, changes in consumer preferences, and e-commerce, the retail landscape is constantly being reshaped by outside forces. Responding to challenges like these is easier said than done — and without the right tools in place, the results of being underprepared can be devastating. Sales slumps, reduced customer loyalty, and an overall failure to exceed or even just meet goals can lead to significant losses of market share and revenue or inadequate employee engagement, making the outlook on future success in such an unpredictable market feel difficult to achieve.

The key to adapting to changes is no longer just innovation in strategy alone but more specifically being able to consider variables and plan ahead for any potential outcome. Without the ability to accurately predict trends or demands, retailers put themselves at risk of falling behind or losing their competitive edge in the fluctuating market. In times like these, it's evident that retailers must consider investing in solutions that allow them to make efficient and smart business decisions in an industry so prone to interruptions.

# The limits to your labor model

Most retail operations teams are familiar with working with engineered labor models — tools that are essential for understanding labor demand based on business drivers, labor standards, and site properties. Many models, once developed, are implemented using complex spreadsheets or housed in a workforce management or labor standards management system. Because of their use in building optimized schedules, having an accurate labor model is critical to operational efficiency, especially in times of peak trade during holidays or other seasonal events.

Despite their effectiveness in helping operations teams build optimized schedules, typical implementations of labor models can make them difficult to maintain, slow to adapt to operational changes, and limited in their ability to support long-term strategic planning. Making changes to a labor model while it is in use to generate schedules introduces the risk that any errors in the model may lead to over- or understaffing, impacting the service proposition.

The traditional tools used to model labor today aren't designed to support multiple versions of the labor model or provide the ability to easily run these versions at scale and evaluate their performance. This makes it difficult to test updates to the model prior to deployment as well as leverage the labor model for other tasks such as long-term strategic planning. This leads retail operations teams to build their own labor models outside of the production environment, incurring significant costs and slowing down the planning process.

One of the most powerful aspects of utilizing a strategic workforce planning tool is leveraging the accuracy of the labor model to perform “what-if scenarios,” something a traditional labor model isn't set up to do.

## What are “what-if scenarios”?

What-if scenario planning is almost like having a crystal ball for your business. With what-if scenarios, it's easy to ask “what if X happens?” by choosing your variables and modeling the potential outcome in seconds — allowing you to build a powerful defense for potential challenges that come your way. Through embedded analytics, your solution can understand the business impact and return on investment (ROI) of various scenarios and outcomes when testing different factors, helping you gain full control over your operations now and in the future.

What-if scenarios are critical for an organization's planning agility. Without them, decision makers cannot properly prepare for the long term — in turn creating a culture of reactivity as opposed to proactivity. There are countless challenges that a retail business might encounter that must be planned for in advance if they want to continue to flourish through any kind of change. Internal factors might include opening or shutting down sites or locations, remodeling or doing construction, staffing shortages, fluctuations in productivity, or change initiatives (such as implementing software). External circumstances, or changes outside of any individual's control, could include economic shifts, variation in traffic, or changes in consumer preferences and behaviors.



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***The benefits of having access to what-if scenarios are unparalleled. With the actionable insights gained from being able to calculate risk, planning teams can better align the supply of labor to demand, therefore increasing productivity, reducing over- or underspending, increasing margins, and improving the employee experience even during periods of adversity.***

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What-if scenarios also enable greater collaboration across operations, finance, and HR teams by allowing shared views of prediction results, comments, and access to making changes. Retailers can better understand the business impact or ROI of different decisions through embedded analytics instead of taking unpredictable risks. What-if scenarios aren't only useful for long-term planning — they're valuable for day-to-day operations and short-term forecasting as well.

## Work smarter, not harder

Creating alignment within the organization is easily achieved with a strategic workforce planning tool. Unlike traditional models, the right solution enables different departments and groups to effortlessly allocate resources, communicate transparently, and collaborate with stakeholders in one cohesive space.

Working on complex labor models doesn't have to feel overwhelming when an intelligent workforce planning solution can do the heavy lifting for you.

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***By utilizing a solution that combines advanced algorithms and powerful data visualization tools all in one place, predicting outcomes, analyzing figures, and gaining actionable insights can be as simple as the tap of a few keys and the click of a few buttons.***

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When automating the simulation processes, retailers save valuable time and resources while simultaneously improving the accuracy of their labor models. In a retail landscape as unpredictable as the one we're in, a robust workforce planning solution can be the key differentiator for decision makers needing to make quick, efficient adjustments and respond to changing conditions with confidence.



# Strategic workforce planning is an operational game changer

While typical labor forecasting tools may provide a solid estimate of future staffing needs, a smart solution with strategic workforce planning capabilities goes a step further. Labor models created with spreadsheets are helpful in many situations, but when it comes to future planning, they can only provide a static view of data. They can be difficult to maintain, with complex formulas that are written in code and typically poorly documented and difficult to share in a meaningful, digestible way outside of an operations team. Poor change control mechanisms usually mean that models can be easily corrupted, potentially ruining many hours of valuable work. Spreadsheets can also struggle with complex calculations running over large data sets, and enterprise retailers in particular need more computing power to be able to run simulations at scale. Spreadsheet models don't typically integrate with any of the standard tools that retailers use, are not designed to facilitate two-way communication, and do not provide built-in support for artificial intelligence or decision support algorithms, which are incredibly important to forecasting.

It's never been more important for businesses to be adaptable and to take care of their people. By incorporating and investing in strategic workforce planning tools, retailers can be confident in knowing that their decisions both large and small will result in better outcomes for their organization and employees and help them maintain their competitive edge in such a difficult market.

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***In 2021, 48% of organizations participated in some form of workforce planning efforts — and achieved better HR, talent, and business outcomes through this work.<sup>1</sup>***

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# UKG Strategic Workforce Planning can help

During times of change and uncertainty, it's paramount that businesses adapt and take care of their people. To not only survive but also thrive, you need a way to predict, analyze, and address the gaps between your frontline workforce today and your human capital needs of tomorrow. UKG® Strategic Workforce Planning gives you a longer-term view into your future staffing and business needs so you can prepare for any scenario and take a more strategic approach to your workforce management



## Improve planning agility

Build a powerful defense for any operational reality that comes your way. Uncover robust insights and accelerate decision-making with flexible, easy-to-use workload budgeting and capacity planning tools for short-term and long-term time frames.



## Gain alignment across your organization

Break down silos across operations, finance, and HR — all in one system. Compare a top-down labor budget with a bottom-up, activity-based model that identifies gaps and proactively aligns teams and solves challenges across departments.



## Empower and grow your people

Elevate your long-term people strategy by discovering business labor requirements that accommodate your employees' growth aspirations. Develop your people to align with organizational needs and proactively attract the right talent to close gaps. Optimize your staffing with these talent pools well ahead of time with accurate long-term labor planning.

## Key benefits

### Workload budgeting

- Create a bottom-up, activity-based labor model by adding your unique labor standards and demand drivers
- Run quick and easy calculations based on your unique inputs and a set of logical rules
- Unlock the power of your labor model by comparing it with corporate budgets to spot gaps and respond with confidence

### Labor analytics

- Accessibly customizable and configurable dashboards and reporting based on your unique needs and interests
- Easily toggle, roll up, or drill down based on organizational hierarchy and time frame
- Track progress toward your key performance indicators and other metrics with the ability to input additional data sets

## What-if scenarios

- Gain full control over your operations by defining, calculating, and testing any business scenario in minutes
- Understand the business impact or ROI through embedded analytics
- Collaborate across operations, finance, and HR via the ability to review results, comment, and publish changes

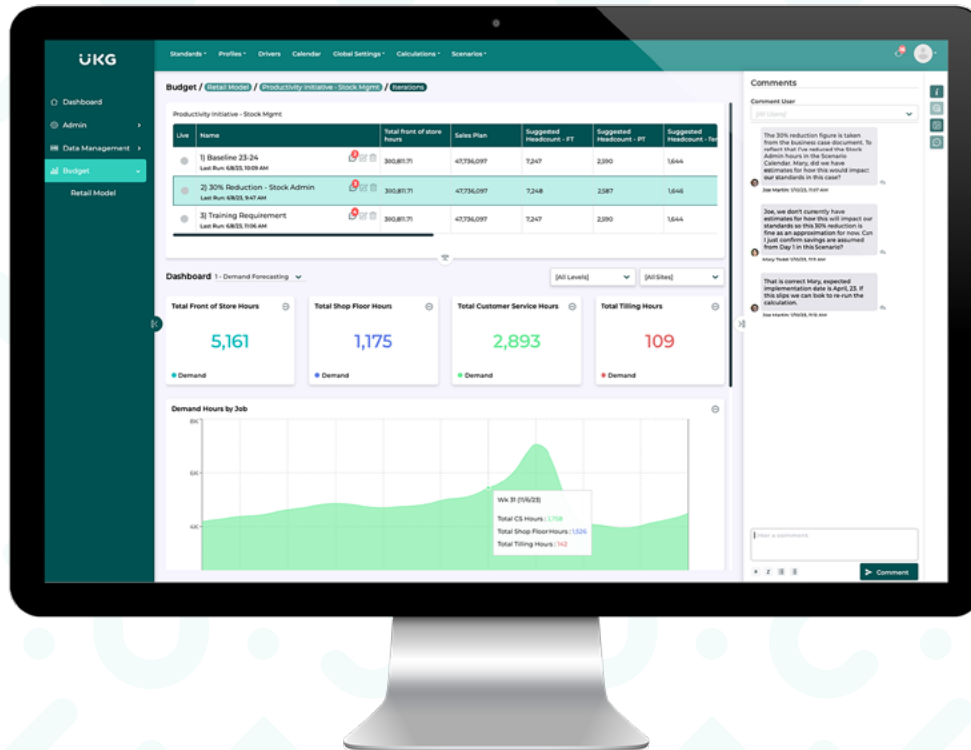
## Capacity planning

- Enhance visibility by understanding your long-term demand and staffing trends
- Maintain stability by identifying optimal staffing levels and an ideal mix of full-time, part-time, and seasonal staff
- Enable growth by predicting skill gaps and uncovering new hiring opportunities
- Empower managers to make better decisions with actionable recommendations

## A complete modern workforce management ecosystem

UKG delivers both intelligent short-term forecasting and long-term workforce planning tools — all in one powerful workforce management suite.

To learn more, visit [ukg.com/workforce-planning](https://ukg.com/workforce-planning).



## About UKG

At UKG, our purpose is people®. As strong believers in the power of culture and belonging as the secret to success, we champion great workplaces and build lifelong partnerships with our customers to show what's possible when businesses invest in their people. Born from a historic merger that created one of the world's leading HCM cloud companies, our Life-work Technology™ approach to HR, payroll, and workforce management solutions for all people helps more than 75,000 organizations around the globe and across every industry anticipate and adapt to their employees' needs beyond just work. To learn more, visit [ukg.com](https://ukg.com).

### References:

- <sup>1</sup> Stacey Harris, *A how-to guide for workforce planning beyond the Great Resignation*, HR Executive (March 1, 2022), found at <https://hrexecutive.com/a-how-to-guide-for-workforce-planning-beyond-the-great-resignation/>.



**Our purpose is people**

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