

CASE STUDY: WORKFORCE PLANNING FOR BUSINESS SUCCESS



Introduction: A mid-sized manufacturer, Ironwood Industries (pseudonym) had trouble navigating growth and cost control. They required a data-driven workforce strategy to achieve sustainable operational success.

AT A GLANCE

Challenges

- **Create a 3-year workforce plan** to meet production and financial goals.
- **Increase manufacturing capacity** while controlling labor costs.
- **Navigate the complexities** of the post-COVID business environment.

Outcomes

- **Developed an optimized workforce plan** balancing temporary labor and overtime.
- Achieved a more efficient workforce cost structure with a **10% larger team at nearly the same cost**.
- **Reduced required manufacturing productivity** increases from 13.8% to 4% per FTE.

OBJECTIVES

- Determine optimal workforce size, cost, and structure for efficient production.
- Forecast labor costs and manufacturing needs for three years.
- Evaluate scenarios for workforce strategies.
- Automate and standardize workforce reporting.

APPROACH

- Integrated HR, financial, and operational data using LYTIQS.
- Conducted comprehensive workforce size, mix, and cost analysis.
- Enabled scenario modeling to align workforce strategies with business objectives.

SOLUTION DEPLOYMENT

Ironwood Industries rapidly deployed LYTIQS to align workforce strategies with operational goals, delivering results in record time.

- Implemented LYTIQS in under 6 weeks, with the first module live within 4 weeks.
- Connected operational and financial data with HR metrics to forecast costs and evaluate workforce plans.
- Automated reporting processes to improve responsiveness to market changes.

ANALYSIS & INSIGHTS

- Ironwood Industries faced the challenge of aligning staffing levels with projections from the operations and finance teams to meet manufacturing goals while keeping cost growth within manageable limits. Their initial plan included significant reductions in temporary labor costs alongside an increased overtime budget for existing employees. On the surface, the forecasted workforce costs made this approach appear viable.
- To refine their strategy, Ironwood Industries utilized LYTIQS to integrate operational and financial data with HR metrics, enabling a comprehensive evaluation of their workforce plan. This analysis revealed critical insights:
- Temporary labor proved more cost-efficient than overtime when analyzed on a cost-per-hour basis.
- The proposed budget cuts would require a drastic 49% reduction in temporary labor, impacting operations.
- Overtime costs had already surged by 146.3% in the previous fiscal year, raising sustainability concerns.
- These findings underscored the need for a more balanced and data-driven approach to workforce planning.

RESULTS

- Optimized workforce planning reduced decision-making time from days to under 5 minutes per scenario.
- Achieved a scalable workforce strategy aligned with financial and production goals.
- Positioned HR as a strategic partner in achieving operational efficiency.

