

# DELIVERING STRATEGIC WORKFORCE PLANNING AT EXPERIAN



# Today's Presenters



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## Questions?

Please type your questions in the Q&A section of the toolbar and we will do our best to answer it.

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# Agenda

## What we'll cover today

- Delivering Strategic Workforce Planning at Experian
  - Identify Mission Critical Jobs and Drivers of Labor Demand
  - Determine Internal Supply and Demand
  - Understand External Talent Supply
  - Build the Plans
- Lessons Learned and Key Takeaways
- Q&A

# DELIVERING STRATEGIC WORKFORCE PLANNING AT EXPERIAN



## We Help Clients of All Sizes, from Individual Consumers to Large Multi-National Companies



- Revenue: US\$4.7 bn
- EBIT: US\$1.3 bn
- Market cap\*: c.£12 bn
- In top 50 of FTSE-100
- Employees: c.17,000 in 40 countries
- Largest markets: US, Brazil, UK
- Corporate headquarters: Dublin

**We're a leading  
global information  
services company  
helping  
organizations and  
consumers derive  
insights and make  
informed decisions**

For the year ending 31 March 2013

\* At 5 June 2013

# Our Four Business Lines



## 1. Credit Services

Holds and manages extensive databases of credit application and repayment histories of millions of consumers and businesses around the world. This information is used by our clients to manage the risks associated with extending credit and to prevent fraud.

## 2. Decision Analytics

Unlocks the value of our vast databases of credit and marketing information, applying expert consulting, analytical tools, software and systems to help clients solve complex problems.

## 3. Marketing Services

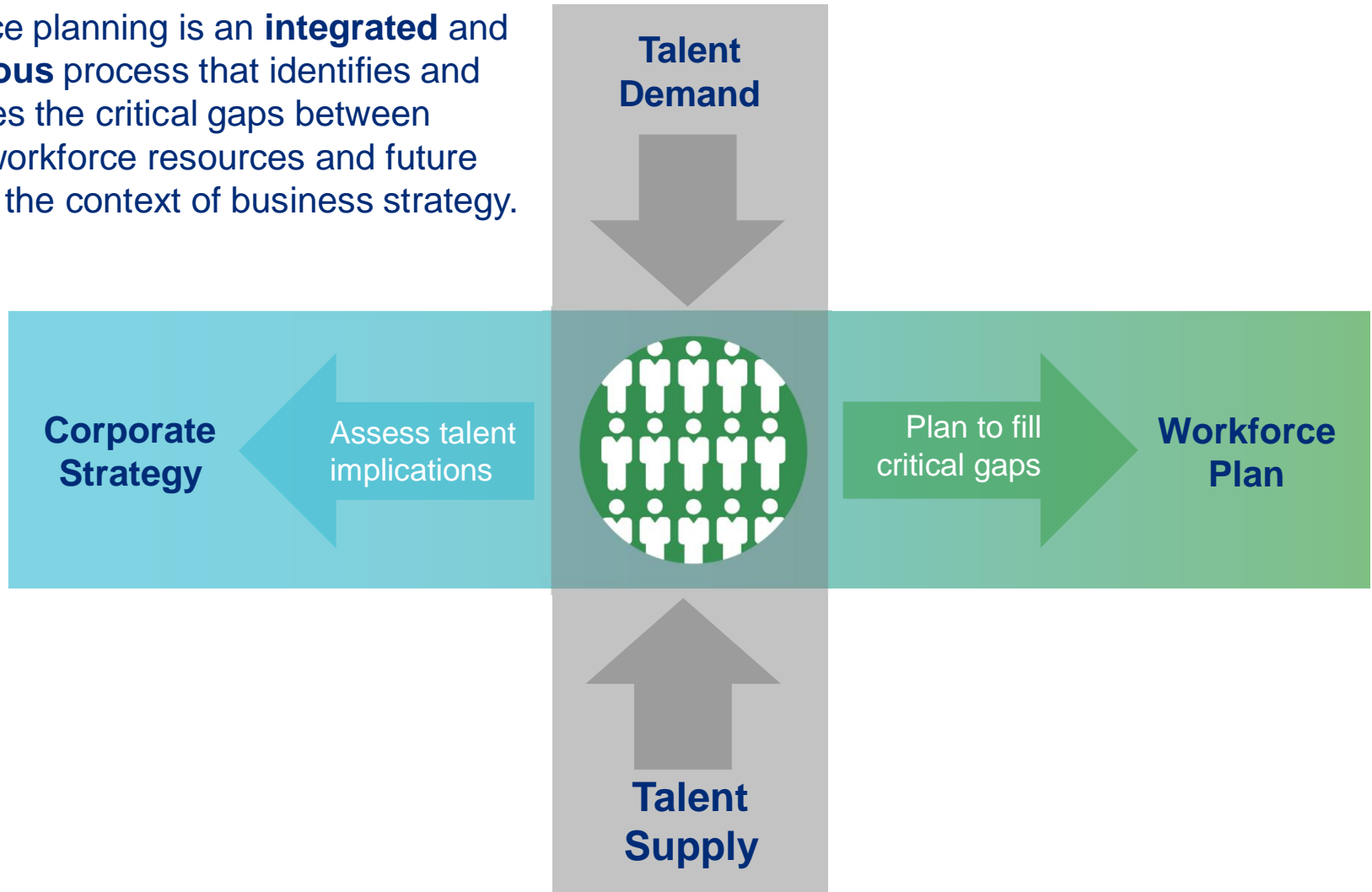
Provides data, data quality, analytics and cross-channel campaign management to help our clients better interact with their customers, and increase customer revenue and loyalty.

## 4. Consumer Services

Provides credit monitoring, fraud protection and identity management to some 13 million consumers in the US and UK. We enable consumers to monitor the accuracy of their credit report, to check their credit score and to protect against fraud and identity theft.

# What is Strategic Workforce Planning?

Workforce planning is an **integrated** and **continuous** process that identifies and addresses the critical gaps between current workforce resources and future needs in the context of business strategy.

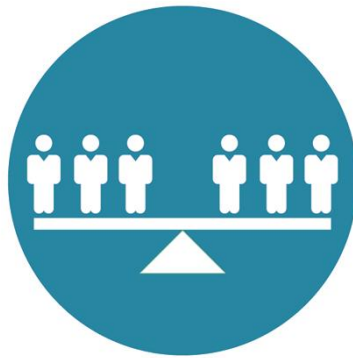


# Experian's Process to Understanding and Modeling Talent



Identify Mission  
Critical Jobs and  
Drivers of Labor  
Demand

Interviews  
Workshops  
Data from HRIS  
SME survey



Determine  
Internal Supply  
and Demand

Workshops  
Data from HRIS  
Excel based  
forecasting model  
Workforce  
intelligence tools



Understand  
External Talent  
Supply

Public data  
(e.g., from BLS)  
Web crawlers / Job  
boards  
Networks such as  
LinkedIn or Xing

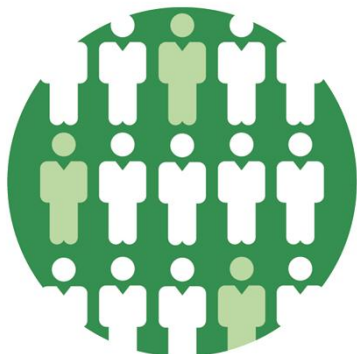


Build the Plans

Workshops  
Checklists  
Templates



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Identify Mission  
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Determine  
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Understand  
External Talent  
Supply



Build the Plans

# Mission-Critical Job Families Defined



Which job families are most critical for achieving business objectives, and require skills that are scarce in the marketplace?

Mission-critical job families

Scarce labor supply

Other considerations

# Mission-Critical Jobs Survey Results



Job Family	Responses	Criticality	Scarcity	Headcount		Level	Mission-Critical
				Non-Mgmt.	Mgmt.		
Job Family #1	15	3.70	3.70	1	1	Non-Mgmt.	
Job Family #2	14	3.69	4.21	49	10	Both	
Job Family #3	14	3.85	4.42	12	3	Both	
Job Family #4	12	3.29	3.48	12	1	Non-Mgmt.	
Job Family #5	8	3.44	3.69	7	2	Both	
Job Family #6	7	3.71	3.71	3	2	Both	
Job Family #7	3	4.33	3.58	6	3	Mgmt.	

## Key

Responses = The number of times a job family was selected by participants

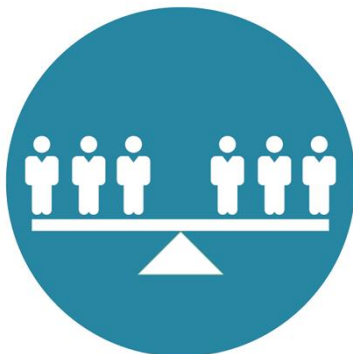
Criticality/Scarcity = Average, weighted score (1-5; 5 is highest possible)

Level = Level at which job was identified as critical and scarce (Management or Non-Management)

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# Workforce Demand Assumptions



## Excel-based tool developed to convert factors into adjustments to workforce demand

- Revenue growth rate
- Productivity increase rate
- Salary cost increase estimate

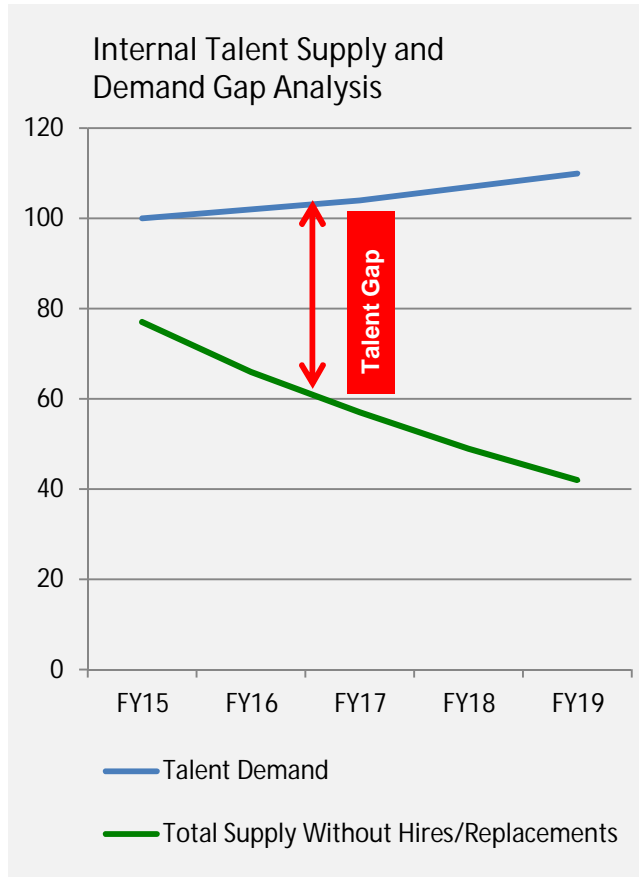
## Organized by critical job group, each with its own adjustments for

- Revenue exposure
- Scalability, e.g., project vs. recurring revenue
- Turnover
- Adjacent market expansion
- Other event

## Geography tracking allows for

- Geographic differential
- Productivity differentials applied through raw adjustments

# How the Gap is Measured



The gap is the difference between talent supply with attrition over time, subtracted from talent demand (revenue demand), plus other factors like productivity, new hire ramp-up time, etc. Demand is calculated by year-over-year revenue targets (% increase).

	2010	2011	2012	2013	2014
Gap – ICs	-4	-7	-11	-14	-17
Gap – Mgrs	0	-1	-2	-3	-3
<b>Gap – Total (Cumulative)</b>	<b>-4</b>	<b>-8</b>	<b>-13</b>	<b>-17</b>	<b>-20</b>

Based on the gap, how many people do we need each year? How many do we need to hire to meet demand and replace for turnover?

	Total	ICs	Mars		
<b>Current Headcount</b>	<b>37</b>	<b>33</b>	<b>4</b>		
<b>Projected Headcount Demand</b>	<b>38</b>	<b>39</b>	<b>41</b>	<b>43</b>	<b>44</b>
– ICs	34	34	35	36	37
– Mars	4	5	6	7	7
<b>Hires Needed to Close Cap + Turnover</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>3</b>
– ICs	4	3	4	3	3
– Mars	0	1	1	1	0

# How Each Assumption Affects the Gap



Model Inputs	As input rises	As input drops
<b>Revenue</b> As revenue rises, talent demand increases	↑	↓
<b>Productivity</b> Productivity reduces talent demand	↓	↑
<b>Turnover</b> Turnover adds to the gap because it reduces supply	↑	↓
<b>New Hire Productivity Loss</b> The length of time it takes to become productive on the job increases demand	↑	↓
<b>Planned (Headcount) Events</b> The model factors in future headcount changes that are already planned	↑ ↓	↑ ↓

# Internal Talent Supply



## Job Family #1 - Supply & Demand Gap Analysis

		2010	2011	2012	2013	2014
Gap:	Gap – ICs	-4	-7	-11	-14	-17
	Gap – Mgrs.	0	-1	-2	-3	-3
	<b>Gap – Total (Cumulative)</b>	-4	-8	-13	-17	-20
		Total	ICs	Mgrs.		
Headcount Projections:	<b>Current Headcount</b>	37	33	4		
	<b>Projected Headcount Demand</b>	38	39	41	43	44
	– ICs	34	34	35	36	37
	– Mgrs.	4	5	6	7	7
Hires:	<b>Hires Needed to Close Cap + Turnover</b>	4	4	5	4	3
	– ICs	4	3	4	3	3
	– Mgrs.	0	1	1	1	0

**Gap Scenario:** What is the gap that would result if all hiring ceased?

**Headcount Projections:** If we applied the gap calculations to current headcount, how would that affect headcount totals over time?

**Hires:** In comparison to the stop-hiring scenario, when you hire more, you also have turnover to account for in total hires calculation, which may be larger than the actual gap calculations.



# Internal Supply

## Other considerations



## Age Demographics

What will the distribution of age look like for this critical job family in the next five years?

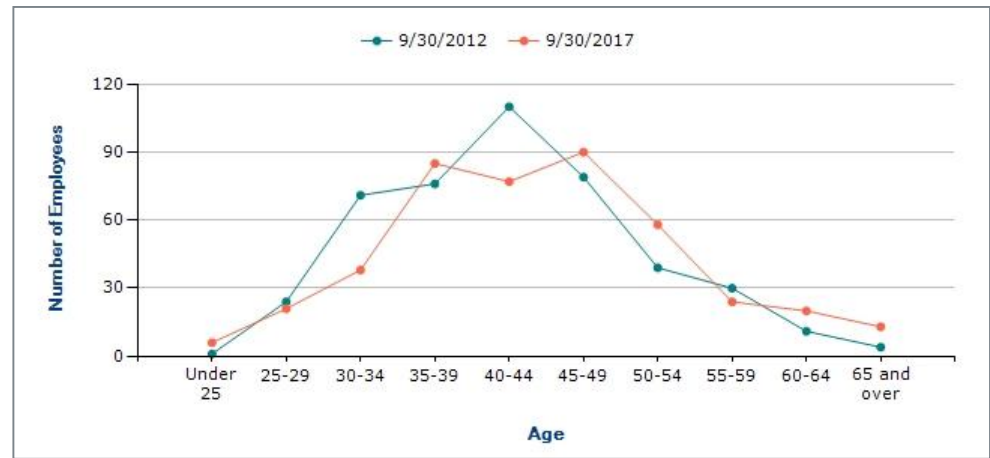
## Turnover Risk

How many employees in this critical job family do you know plan to leave in the next year or two (e.g., interns and fixed-term)? How many fit the profile of a leaver?

## Future Capabilities

What future capabilities are needed to execute the business strategy of tomorrow that we don't currently have today? Even if that headcount is zero, you can still project the supply/demand.

Age Demographics: Job Family #1



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Build the Plans

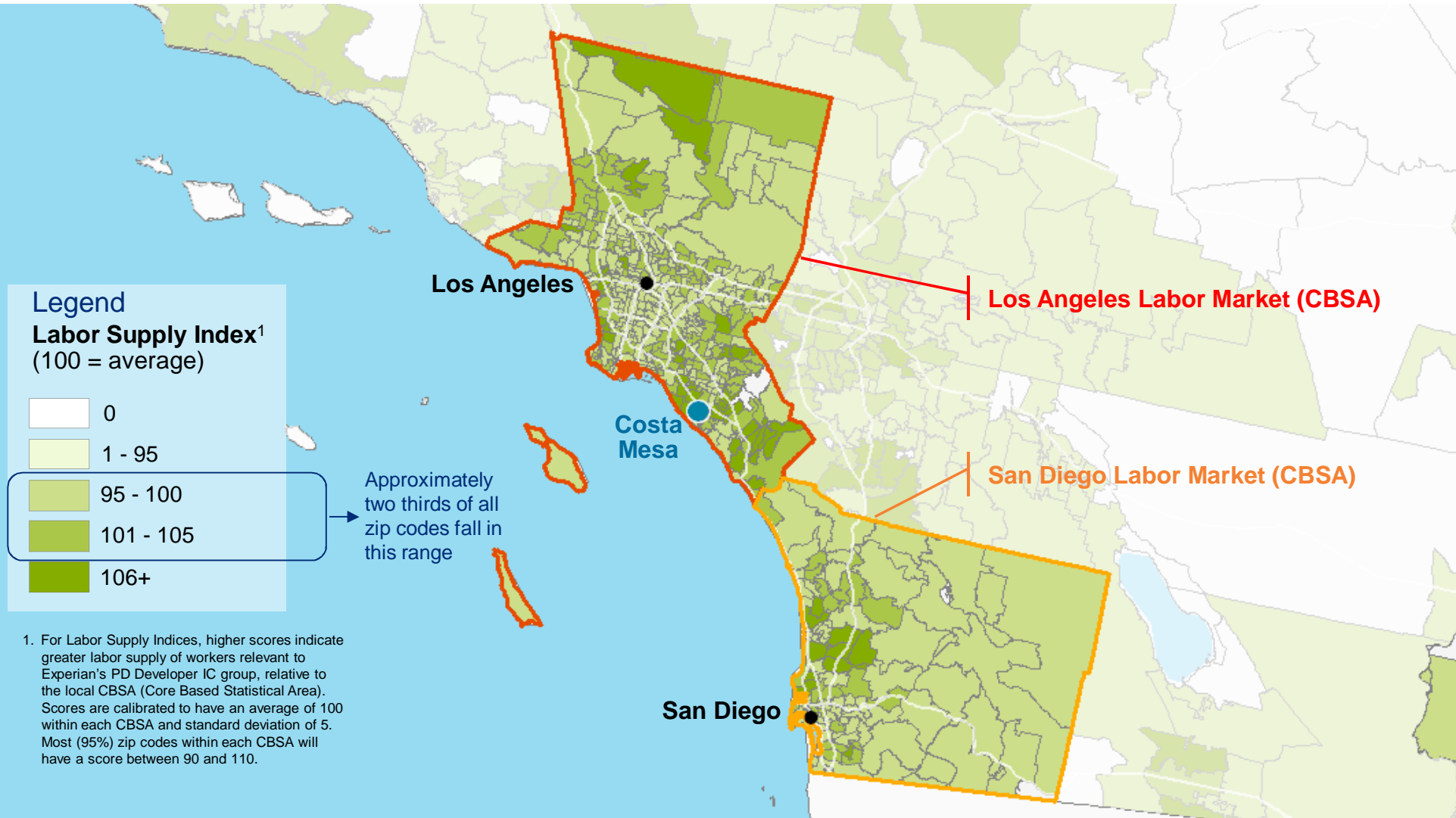
# Approach

Eight labor markets were included in this analysis



# Potential Target Areas for Recruiting in Southern California

## PD Developer IC Labor Supply Index



# Labor Market Supply

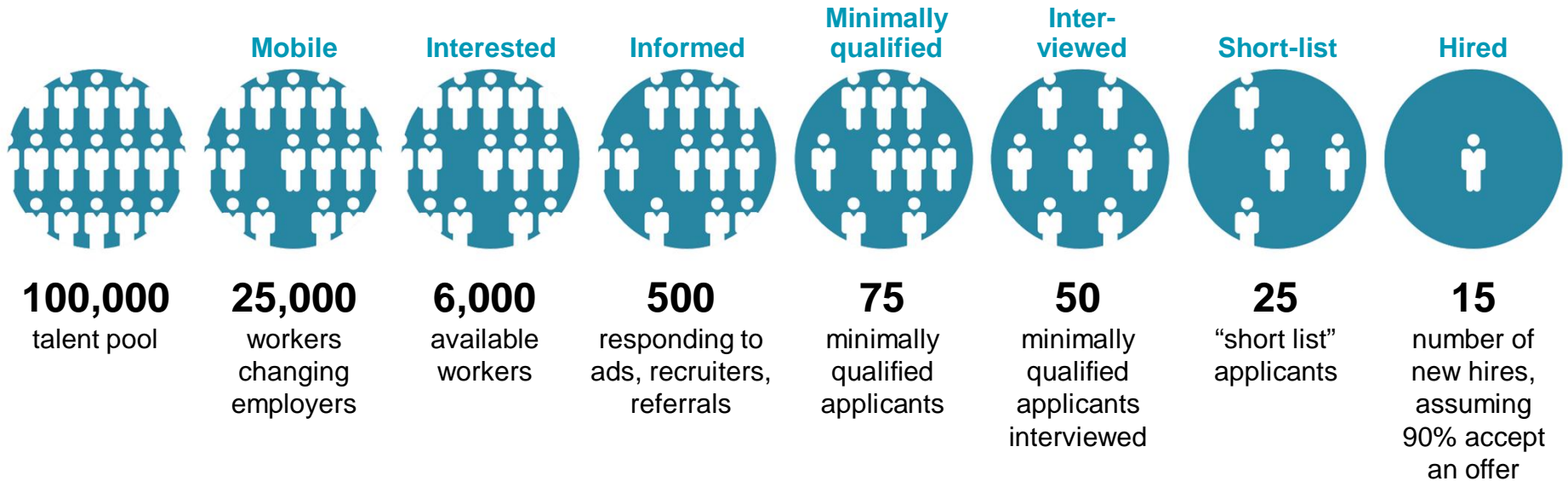


	Atlanta	Dallas	Chicago	Los Angeles	San Diego	Southern California	Santiago Chile	San Jose C.R.
<b>Job Family #1</b>								
<b>2013 Labor Supply</b>	328	186	383	773	265	1,038	349	169
<b>2018 Projected Labor Supply</b>	349	203	390	806	278	1,084	383	219
<b>5-yr. Change</b>	6.3%	9.1%	1.8%	4.3%	5.0%	4.4%	9.8%	39.7%
<b>Job Family #2</b>								
<b>2013 Labor Supply</b>	9,408	15,840	15,552	22,760	8,657	31,417	11,200	4,656
<b>2018 Projected Labor Supply</b>	10,002	17,273	15,837	23,738	9,090	32,828	12,130	5,209
<b>5-yr. Change</b>	6.3%	9.1%	1.8%	4.3%	5.0%	4.5%	8.3%	11.9%
<b>Job Family #3</b>								
<b>2013 Labor Supply</b>	34,003	48,741	41,640	62,392	19,048	81,440	28,958	12,033
<b>2018 Projected Labor Supply</b>	36,151	53,152	42,402	65,073	19,999	85,072	31,247	13,473
<b>5-yr. Change</b>	6.3%	9.0%	1.8%	4.3%	5.0%	4.5%	7.9%	12.0%

# Not All Workers are Looking for Jobs; Not All in the Market are Aware of Experian's Opportunities; and Not All of Those will Meet Your Standards



## Example: Job Family #1 Funnel



Mercer applied an identical arithmetic process, as shown here, when calculating the potential hiring targets for all occupations and locations. All numbers are estimated and have been modified for illustration.

Source: Nielson Claritas 2013 Trendlines, US Bureau of Labor Statistics Occupational and Employment Statistics and Mercer Analysis

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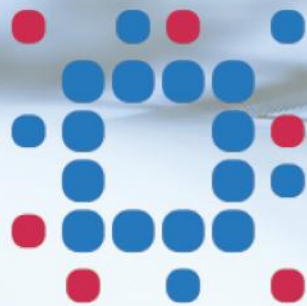


Understand  
External Talent  
Supply



Build the Plans

# Experian Strategic Workforce Planning Strategies Defined



Experian™

**Build**

**Buy**

**Boost**

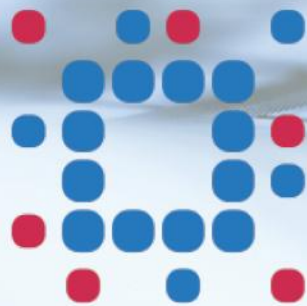
**Borrow**

**Retain**

**Restructure**



# Experian Strategic Workforce Planning Strategies Elements



Experian™

**Enablers**

**Resources**

**Investments**

**Barriers**

**Timeframe**

**Metrics**

# Next Steps

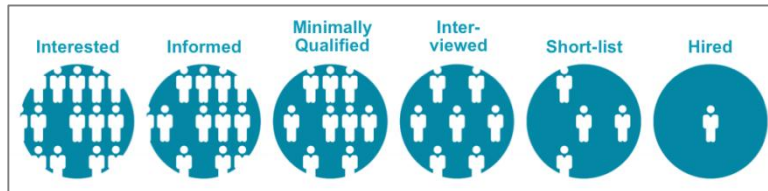
## How it all comes together



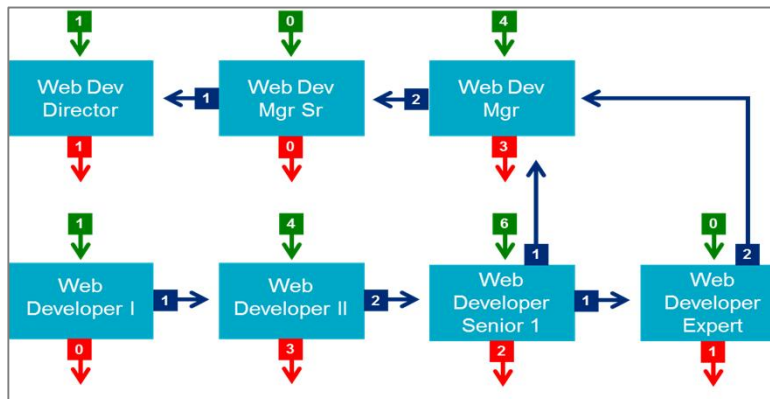
**Talent demand and supply model** provides view of internal gaps / surplus.

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– Mgrs	0	1	1	1	0

**External labor market** shows effective labor supply available if talent is to be hired externally.



**Career path analysis** shows what current internal pathways are for certain roles.

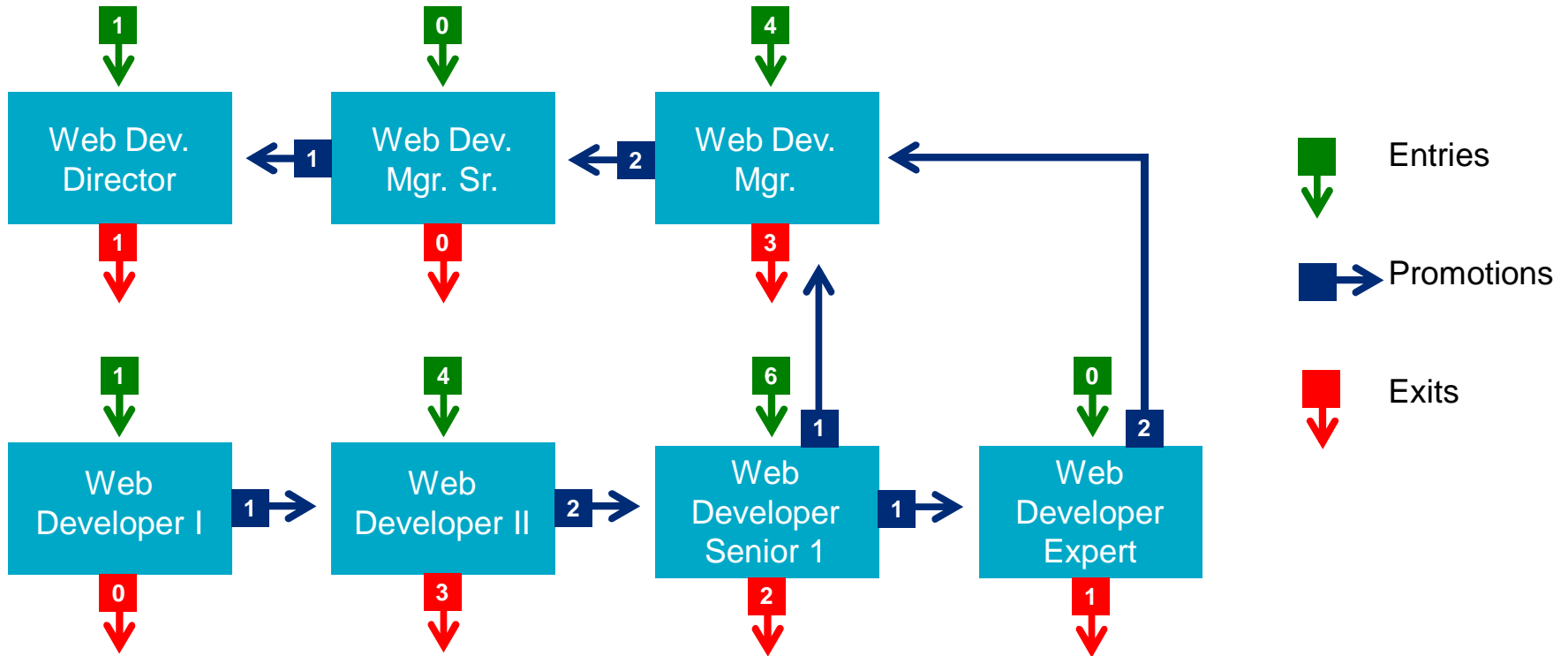


**A workforce plan** tailored to address gaps that are identified through measures such as changing hiring practices, career path development, etc.

# Career Path Analysis



**Build Strategy:** How many people have we developed internally?



Total Entries:	16	Total Promotions:	9	Total Exits:	10
Hires	14	Terminations	9	Transfers	1
Transfers	2				

# LESSONS LEARNED AND KEY TAKEAWAYS



## Lessons Learned and Key Takeaways

- **There is a clear need to shift** from a regional implementation process to a global process and focus.
- **Strategic workforce planning is as much a culture change as it is an action plan**; the details of the plans aren't as important as changing how we think about long-term talent planning.
- It is important to **find the right balance** of conceptual/ methodological guidance and data-driven decision support.
- **One size does not fit all**: We are developing a macro/micro methodology that adjusts the process depending on the business context/strategy.
- It is beneficial to **plan the initiative** in coordination with the budget planning cycle.

# What's Coming Up Next

## Workforce Analytics Webcasts, Workshops and Data



### WORKFORCE ANALYTICS AND PLANNING WORKSHOPS

Bringing Inspiration Through Insight

[www.mercer.com/mercer-workshops](http://www.mercer.com/mercer-workshops)

Singapore – March 12

Zurich – March 13 & 14

New York – April 22 & 23

Chicago – May 12 & 13

### Webcast Series

[www.mercer.com/webcastseries](http://www.mercer.com/webcastseries)

- John Deere
- UMass Memorial Health Care
- Johnson Controls
- Diversity & Analytics
- Mobility & Analytics



### Mercer's Workforce Metrics Benchmark Reports

[www.imercer.com/wmrs](http://www.imercer.com/wmrs)

- Workforce composition and retention metrics
- 66 countries
- 6,000+ participants
- Regional and custom editions available



[www.mercer.com/talent-impact-technology-conference](http://www.mercer.com/talent-impact-technology-conference)

# Questions and Answers



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## Biography – Stefan Gaertner, PhD

- Dr. Stefan Gaertner is a leading Human Capital Strategy and Business Analytics expert who helped organizations tell their story through hard facts and high end analytics for more than 15 years. He experienced the application of quantitative methods for solving business problems from within the HR function, as a business forecasting lead in the marketing function of a Fortune 500 company, as an external consultant and as a scientific researcher. He is currently a Principal in the Los Angeles office of Mercer leading the U.S. West activities of the Human Capital Strategy and Employee Survey segments.
- Stefan has worked on countless quantitative and qualitative business analytics and human capital strategy projects. On the tactical side, Stefan also helped organizations build their own data infrastructure through the implementation of business intelligence software and by establishing corporate HR metrics/analytics groups.
- Stefan holds a PhD in Human Resource Management from Georgia State University and an MBA equivalent degree from the University of Paderborn/Germany. His research was published in several journals including the Journal of Management and the Human Research Management Review. He also presented on the topic of Human Capital Analytics at numerous academic and practitioner conferences throughout the U.S. and Europe.



## Biography – Donald Currier

- Donald currently works for Experian's HR Analytics team, which is tasked with using data to inform Experian's people strategies through strategic workforce planning (regional and global), predictive analytics, reporting, and other initiatives.
- He has over 13 years of experience in HR and analytics roles, including online assessments, analytics consulting, selection/testing, HRIS, and compensation.
- He earned his MS in Industrial/Organizational Psychology from San Francisco State University, and his BS in Psychology from The Ohio State University. In addition, he earned his Senior Professional In Human Resources certification in 2006.

