Creating a Holistic and Sustainable Approach to Workforce Planning Globally at John Deere
Today’s Presenters

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QUESTIONS

To submit a question use the floating panel, on the top of your screen, and click the Q&A button.

CLICK HERE TO ASK A QUESTION TO “ALL PANELISTS”
Agenda
What we’ll cover today

• Creating a Holistic and Sustainable Approach to Workforce Planning Globally
  – Mercer’s Workforce Planning Methodology
  – John Deere: An Overview

• John Deere’s Workforce Planning Approach

• Five Keys to Successful Workforce Planning

• Recommendations

• Q&A
Creating a Holistic and Sustainable Approach to Workforce Planning Globally
What “Everyone” is Talking About

- War for Talent
- Offshoring
- Big Data
- Predictive Analytics
- Supply
- Outsourcing
- Labor Shortages
- Demand
- Productivity
Research Findings: Organizations Are Making Significant Investments in Talent Without a Plan to Understand and Manage It Effectively*

<table>
<thead>
<tr>
<th>Spend</th>
<th>Have a Workforce Plan</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60% Increase</td>
<td>Yes 77%</td>
<td>High 62%</td>
</tr>
<tr>
<td>spend</td>
<td>No 23%</td>
<td>Somewhat 14%</td>
</tr>
</tbody>
</table>

*Source: Mercer Talent Barometer Survey
What is Strategic Workforce Planning?

It is about defining the plans that will balance the supply and business demand of key talent over time.

It directs talent actions that ensure the right talent is in the right place to drive the right results.

<table>
<thead>
<tr>
<th>Demand</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Future workforce needs</strong> Based on multi-year strategic business scenarios</td>
<td><strong>Current and projected internal and external supply of critical talent (leadership, skills, diversity, etc.)</strong></td>
</tr>
</tbody>
</table>

**Outcomes**
- Define critical roles or jobs
- Translate my business forecast in labor demand
- Develop approach to analyze my labor supply
- Build a sustainable process

**Value**

**Risks**

**Cost**

**Timing**
Mercer’s Comprehensive Workforce Planning Model
A sequential, recurring process

1. Gain Strategic Insights
   - Business Imperatives
   - Talent Implications

2. Measure the Gap Risks
   - Talent Supply
   - Workforce Gaps & Risks
   - Talent Demand

3. Model Talent Management Options
   - Quantity
   - Quality
   - Location
   - Develop Internally
   - Recruit Externally
   - Contract or Use Temporary Labor

4. Take Action
   - Attraction
   - Recruitment
   - Career Development
   - Performance
   - Rewards
   - Leadership
   - Culture

Workforce Planning Insights Report
Risk Assessment
Workforce Plan
Talent Solutions & Ownership Model
John Deere’s Workforce Planning Approach
Who We Are

John Deere is a world leader in providing advanced products and services and is committed to the success of those linked to the land.
In 2010, John Deere launched a global growth strategy that we believe will also help customers play a role in meeting the world’s increasing need for food, shelter, and infrastructure.
Aspirations, Mission and Vision

**Vision:**
The Workforce Planning and HR Analytics aspiration will create a competitive advantage for John Deere by developing and delivering workforce intelligence that enables better decision making.

**Mission:**
Provide the business with the process framework, tools, data and analytics for creation of a people strategy that supports and strengthens our business strategy.
# The Journey

<table>
<thead>
<tr>
<th>Year</th>
<th>Value/Impact to Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>
| 2013 | • Develop WFP model based on business assumptions and financial objectives  
      | • Engage HR Business Partners  
      | • Implemented technology  
      | • Established data COE |
| 2014 | • 2018 workforce plans by business leader hierarchy  
      | • Initial alignment with external workforce data  
      | • Function and region alignment  
      | • Alignment with tactical workforce plans  
      | • Integration with other processes |
| 2015 & Beyond | • Total workforce data infrastructure and technology platform  
                 | • Workforce planning integrated into business planning  
                 | • Service delivery model utilizing HR Business Partners  
                 | • Workforce planning integrated with other HR and non-HR processes |

- **2012**
  - Tactical workforce planning
  - Talent segmentation
  - Selected a technology solution

- **2013**
  - Develop WFP model based on business assumptions and financial objectives
  - Engage HR Business Partners
  - Implemented technology
  - Established data COE

- **2014**
  - 2018 workforce plans by business leader hierarchy
  - Initial alignment with external workforce data
  - Function and region alignment
  - Alignment with tactical workforce plans
  - Integration with other processes

- **2015 & Beyond**
  - Total workforce data infrastructure and technology platform
  - Workforce planning integrated into business planning
  - Service delivery model utilizing HR Business Partners
  - Workforce planning integrated with other HR and non-HR processes
Workforce Planning Process

**Step 1**
Business Assumptions & Senior Leader Reviews
- Gather top-down business assumptions
- Collect financial targets
- Populate financial model to drive demand planning

**Step 2**
Demand Planning & Supply Analysis
- Project quantity targets by hierarchy
- Analyze current workforce
- Identify capability shifts
- Utilize scenario planning

**Step 3**
Risk Assessment, Action Planning & WFP Alignment
- Review workforce risks and gaps
- Determine action plans
- Align short-term workforce plan to long-term strategy

**Step 4**
Roll-Up & Alignment Opportunities
- Alignment discussion
- Alignment of capabilities and quantities by division, country and function
- Identify integrated enterprise opportunities
Our Approach

- Top-down based on business assumptions and financial objectives
  - Alignment of people strategies with business strategies
  - Bottom-up integration of tactical workforce plans
- Balance short-term needs with future vision
Service Delivery Model
Owned by the business; driven and facilitated by HR

Strategic Guidance

Business Leaders

WFP and Data COE

Process Facilitation

Process Framework, Tools, Data and Analytics
COE Critical Competencies

**Leadership Competencies**
- Business acumen
- Coaches and develops others
- Creates strategy
- Drives performance

**Partnering Competencies**
- Collaborates with others
- Counsel and advice
- Customer focus

**Work-Enabling Competencies**
- Adaptability
- Communication
- Cultural sensitivity
- Mental agility

**Functional Technical Competencies**
- HR measurement and evaluation
- **HR insight based on data**
- HR technology comprehension
- HR technology utilization and data integration
Organizational Structure

Director Workforce Planning, Acquisition and Development

- Strategic and Tactical Workforce Planning
  - 7 Team Members

- Workforce Analysis, Data Governance, Metrics, Reporting, Survey
  - 8 Team Members
A Strategic Workforce Plan Includes…

- Business strategy
- People implications
- Scenario plans
- 2018 Demand
- Future Capabilities
- Demand/Supply Analysis
- Critical Role Shifts
- Affordability
- Risks and Actions
Five Keys to Successful Workforce Planning
1. Build a Demand Model Based on Financial Targets

- Model includes historical data, calculations and model variables
- Model is flexible – by product line or region
- Supporting data based on trends over time
- Inputs supports headcount projections and the impact of total employment costs on Operating Return on Sales (OROS)

<table>
<thead>
<tr>
<th>Model Forecast</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$5,000.0</td>
<td>$7,000.0</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$1,000.0</td>
<td>$2,000.0</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>$4,000.0</td>
<td>$5,000.0</td>
</tr>
<tr>
<td>OROS</td>
<td>20.0%</td>
<td>28.6%</td>
</tr>
<tr>
<td>Headcount</td>
<td>2,000</td>
<td>2,800</td>
</tr>
<tr>
<td>Product Eng</td>
<td>700</td>
<td>1,000</td>
</tr>
<tr>
<td>Manufacturing Eng</td>
<td>450</td>
<td>650</td>
</tr>
<tr>
<td>Operations</td>
<td>350</td>
<td>500</td>
</tr>
<tr>
<td>Quality Eng</td>
<td>225</td>
<td>325</td>
</tr>
<tr>
<td>Supply Management</td>
<td>50</td>
<td>75</td>
</tr>
<tr>
<td>Marketing/Sales</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Back Office</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Total Employment Cost</td>
<td>$200.0</td>
<td>$300.0</td>
</tr>
<tr>
<td>TEC as a % of Cost of Sales</td>
<td>5.0%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>
2. Use Scenario Planning to Prepare for Different Potential Outcomes

- Modeling of scenarios is the key to determining paths to plan for.
- This has the potential to be challenging because of the myriad of variables and options.
3. Focus on Workforce Capability

Ensure that you have identified key capabilities that will help us to support business success in the future.
4. Focus on Alignment

WFP is not just about actions – it is about creating alignment, particularly in a matrixed organization.

Workforce Planning must provide data and the venue to drive alignment across all areas.
5. HR needs to work differently in the future to deliver holistic talent solutions that align to strategic plans
Recommendations
Recommendations

- Start small
- Get early wins
- Don’t let lack of data hinder you
- Communicate a clear vision and a three to five year journey
- Clearly identify the skill-set needed
- Don’t worry if everyone can’t see the vision
If we think the end game is focusing on the action items, then we’ve missed it...

This is about changing mind-sets
What’s Coming Up Next
Workforce Analytics Webcasts, Workshops and Data

Webcast Series
www.mercer.com/webcastseries
- Cameco
- Experian
- John Deere
- UMass Memorial Health Care
- Johnson Controls
- Diversity & Analytics
- Mobility & Analytics

Mercer’s Workforce Metrics Benchmark Reports
www.imercer.com/wmrs
- Workforce composition and retention metrics
- 66 countries
- 6,000+ participants
- Regional and custom editions available

www.mercer.com/mercer-workshops
New York – March 6 & 7
Singapore – March 12
Jakarta – March 13, April 22
Manila – April 27
Zurich – March 13 & 14
Questions and Answers

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FEEDBACK
Please take a minute to fill out the feedback form so we can continue to improve. It will pop-up in a new window when the session ends. Thank you!
Biography – Brian J Kelly

- Brian is a Partner at Mercer and is the global leader for the Workforce Analytics & Planning Practice. Brian recently served as the Co-Chair the Institute of Human Resources Workforce Planning & Analytics Working Group and Vice Chair of the Society of Human Resource Professional's (SHRM) workforce metrics taskforce.

- Prior to Mercer, Brian was the President, North America of Infohrm, the recognized industry leader in workforce reporting, analytics and planning solutions across the globe. Brian led Infohrm's North American operations and was responsible for the firm's global sales, marketing and partner strategy leading to the firm's acquisition by SuccessFactors in July 2010. Prior to leading Infohrm, Brian served in a variety of management and leadership positions in the software, services and investment management industries with such firms as DoubleStar, Inc. and SEI Investments.

- Brian is a graduate of Boston College.
Biography – Jacqueline Hanson

- Jacqueline K. Hanson is Manager, Strategic Workforce Planning for John Deere. She has held this position as part of the HR Strategy team since September 2010.

- Jacqueline is responsible for leading the enterprise strategic workforce planning process, as well as driving the implementation of a technology solution, and integrating strategic workforce planning with other HR and business processes. Jacqueline began her career with John Deere in 1998, and has held positions of increasing responsibility both in the supply management and human resources functions. Her most recent human resources experience includes leading the college recruiting team, serving as the HR manager for several key functions, and managing the global deployment of performance management, mentoring and coaching processes. In each of these roles, Jacqueline also had responsibility for strategic workforce planning before being appointed full-time to the enterprise initiative. Through a successful tenure, Jacqueline has developed and implemented global processes that align to and support the John Deere Enterprise Strategy. She drives for sustainable results and is a proven leader in the organization.

- Jacqueline graduated from the University of Iowa with BBA in Business Administration.