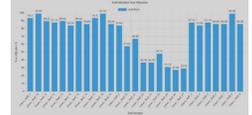


6. Avoid isolation traps - maximise efficient staff utilisation.

The labour cost per unit of product or service comprises a combination of \$/hr and units/hr output. Labour planning should focus on scheduling work at the lowest \$/hr as well as at the ensuring the highest productive utilisation of their time. People tend to work at a rate which allows them to complete their work in the time allocated. This can result in high costs and the inability to deliver savings if the process of planning and managing to best practice efficiencies is not understood or applied.



7. Find ways to simplify or manage complexity.

The difficulty in quantifying and costing all these constraints together means that organisations are often not confident that they have the lowest cost labour plan in place.

Focus on the significant constraints and start there. With some visibility of these key constraints, reduction opportunities will often become self-evident.



8. Create planning and real time status visibility.

Technology is changing the way people work. Providing staff with task planning and status visibility is delivering both cost savings as well as more engaged staff.

Efficient utilisation of resources can bring unit costs down and provide job security in high labour rate environments where outsourcing can be tempting.



9. Talk to the right people.

Obtain input from suppliers or service providers who have a track record in implementing demand driven, constraints-based labour planning solutions. Talk to companies who have experience in assisting companies with process re-design AND labour planning and rostering as these two combined will enable a work-able lowest cost roster solutions.



Benefits provided by applying end-to-end cost visibility labour planning.

- 🔗 **Immediate Savings:** Significant short-term savings achieved from improved planning and rostering in the order of 10% to 26%. This was after LEAN initiatives had been implemented in several cases.
- 🔗 **Targeted Improvement Strategies:** Visibility of costs and constraints enables businesses to selectively target improvement projects.
 - Target strategies which will deliver the largest labour cost reductions
 - Creates inputs for Cost-To-Serve reduction strategies
- 🔗 **Negotiation Strategies:** Support for Enterprise Bargaining Agreement negotiation
 - The outcome of the review forms a “fact-based” framework for communication with staff and unions.
 - Has received widespread support and has significantly reduced conflict during negotiations or competitive bid situations.
- 🔗 **Outsourcing Strategies:** Used for outsourcing, in-sourcing and external supplier negotiations
 - Fact-based quantification of costs that can actually be reduced internally sets the benchmark for what the maximum amount is that can be paid for external service providers.
 - Clarity in how utilisation may be improved by in-sourcing activities.
- 🔗 **What-If Modelling and Real Time Scheduling**
 - Allows scenario planning and on-the-day optimisation of tasks, shifts and rosters.

If you want to know more about Demand Driven – Constraints Based Labour Planning and Real Time Management approaches please visit our website at www.improformance.com or e-mail us at sales@improformance.com