

## FORECAST FOCUS



# 7 tips to Improve Your Long-Term Staffing Model

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**Accuracy is often diminished in forecasts that span months, quarters or years. Here's how to ensure that your long-term plan stays updated and on target.**

Most centers typically look at their staffing requirements on a monthly level. While that may be necessary for annual planning, the results can become too watered-down and overly smoothed with the initial top-level pass of simple volume, handle times and workloads.

A long-term staffing model includes a forecast with a range longer than 90 days out, while short-term forecasts are typically presented in intervals, days and weeks. It's often trickier to get the same level of accuracy in a long-term model as with a short-term forecast, because a lot can happen in three months.

A nice compromise is to continue generating the necessary long-term plan, but reforecast it every few months using updated information. The following are seven tactics to squeeze more improvement out of your long-term models.

### 1. ALLOCATE SHRINKAGE ACROSS THE YEAR USING PRECISE APPLICATIONS IN EACH MONTH

Holidays are easy to identify: January has New Year's Day and MLK Day, but August is a long, holiday-free month, so give January a higher shrinkage percentage than August. The same meticulous application can be used for vacations. It's better to add up the true total vacation days, rather than just assuming two weeks for everyone (higher seniority yields longer vacations). Another way to get instant improvement is to line up the approved vacation days into the monthly shrinkage buckets. Take away time if people will be banking their unused vacation.

### 2. APPLY SCHEDULE INFLEXIBILITY BASED ON OPERATING HOURS AND SCHEDULING RULES

Monthly headcount requirements can hide the fact that agents scheduled early in the morning may have very low occupancy rates. But if your call center rule demands that you have a minimum of two people staffed at all times, that may be something that is out of the scheduler's control. Shifts that must start at the same time every day, or go to lunch in teams may also naturally yield to lower occupancy rates. Each of these trade-offs should be represented in the high-level reports to keep everything in balance.

### 3. USE THE SAME SERVICE GOAL THAT THE AGENTS ARE HELD ACCOUNTABLE FOR

If the service goal is acceptable as a monthly average (meaning some weeks were missed, but others were made, netting an OK result) then your model is safe stopping at the workload plus Erlang calculation. On the other hand, if the goal is to meet a desired rate for every single hour of every single day of the month, there will definitely be periods of low occupancies, and higher staff required to achieve this. Simple workload/Erlang calculation combos at the monthly level will not immediately reveal the true required headcount. For the best simulation, a more robust method is needed, preferably one that looks at historical occupancies.

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### 4. INCLUDE ATTRITION TO THE PLAN

It's difficult to know exactly when people are going to quit. Even if you receive two weeks' notice, it leaves little time to hire a replacement, train them and bring them up to speed. However, you can look at past attrition rates, month-over-month, and apply that as a percentage to the model. Figure 1 illustrates a hiring plan that includes an assumption that 10% of the workforce will leave over the course of this year. Based on the required staff, the first new-hire is recommended for May, then a second hire in June, three more in September, and the last two in November. This recommendation leaves October and November the slightest bit understaffed, but since the plan also includes a simulated estimate for schedule inflexibility, I may be able to find the capacity through the schedules that are produced at that time. Since the small level of understaffing will only be uncomfortable for a few days in the 60-day period, and it's based on the very generic assumption that an exactly even 10% of the staff will leave due to attrition, I feel confident it's the conservative and safest recommendation for now.

### 5. ONCE ATTRITION IS IN PLACE, INSERT A SUGGESTED HIRING PLAN

Take advantage of any months with extra overstaffing simply by not immediately rehiring,

even though attrition may be occurring. When you do suggest a new-hire, include a little curve to the handle time so that their impact is not exaggerated while they're still getting up to speed. Hold the discretionary training, meetings and company events during the months with the extra headroom.

### 6. ADD BUDGETED OVERTIME TO THE TOTAL SCHEDULED HOURS

If the workload only gets done because employees are gracious enough to work overtime, that needs to be shown properly in the staffing model. The same thing applies to situations where supervisors, managers or people from other departments pitch in to help out. Having a cross-skilled team as a backup plan is a best practice. Hiding those efforts from the staff plan is not. It is important to capture this time, ideally as its own category, line item, colored bar or however you choose to represent it.

### 7. USE A BASELINE, TRACK THE DEVIATIONS, AND REFORECAST ON A REGULAR BASIS

A baseline can be captured with your very first forecast. This is your starting point and will serve as a terrific guideline for you as you're reforecasting, because it will show you exactly when your current methodology begins to fail, prompting you to replace it with a better one. It can also help you to decide between normal

Figure 1: Sample Hiring Plan: Assumes that 10% of the workforce will leave over the course of the year

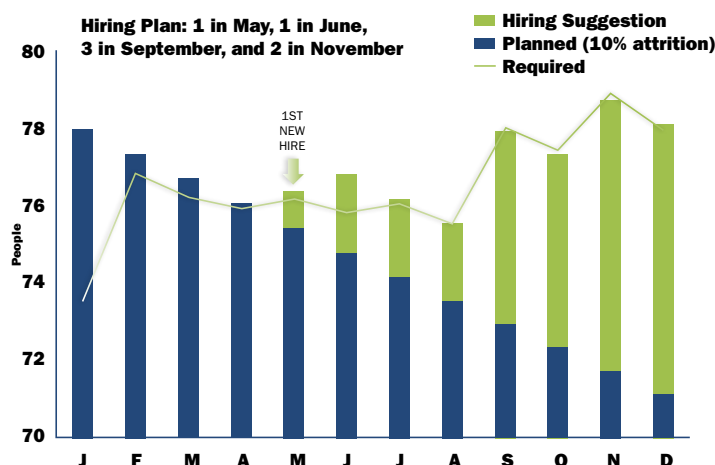


Figure 2: Bring attrition deviation up to date so that the hiring suggestion changes to reflect actual needs




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and abnormal trends if you have multiple periods of history. Since the forecast accuracy is a reflection of the growth and call performance, and not a judgement on the forecaster, the baseline is nothing to fear.

As you review the previous month's actual volumes, also take a look at the current handle time trends. It's possible that the handle times need reforecasting, also, especially if your call drivers are seasonal. This is also a good time to go back and capture the historical shrinkage, overtime and schedule inflexibility for the month. (If your schedules don't change frequently, your inflexibility percentage will be pretty consistent; otherwise, this number may rise and fall based on how optimized your

schedules are.)

Attrition deviation is another element you should bring up to date. In the example illustrated in Figure 2, we started the year with 78 headcount, reduced at an attrition rate of 10% per month. If it's the end of April, and no one has actually left yet, the correct thing to do is to reset the planned staff beginning in May to the original 78, and start the attrition countdown in June. The required staff stays the same, but the hiring suggestion changes to reflect the actual needs. And also remember that any new-hires need to have their own attrition rates applied to them as well, especially if your organization ever loses people during the onboarding process. 

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