

MEMORANDUM

To: Department Heads

From: VP HR

Subject: Workforce Budgeting

As promised, we have completed a workforce calculator. It can be found on the HR site.

The tool is intended to help department heads calculate and input headcount needs. It consists of:

- An HR Recommendation: Using the Forecast tool 'guess' the expected sales number.
- The tool will now automatically calculate a recommended workforce split by core and contract labor for each Function. The recommendation is based on ratios collected over many years and adjusted for current labour productivity. You can use this recommendation as a baseline. You are not required to take the recommendation. But, it does have an analytical base and our research indicates that departing too far from it has led to losses of competence.
- Under your function, you are provided with the current headcount. You can adjust the headcount number using the slider or type it in. This will add or subtract headcount from the current number and provide an adjusted workforce number.
- The tool will now automatically calculate the additional costs of your proposed adjustments for any hiring or firing required. The tool will also provide you with a projected full headcount cost for the period including the costs of adjustment.
- This tool is tied into the company accounting so please do not SUBMIT unless you are totally certain. There are no chances with the current version to change your mind once you have submitted.

We are looking for feedback on this tool.

Regards

John