## AC2.1 Analyze the impact of effective workforce planning.

Workforce planning is a process to forecast and analyze the supply and demand of workforce in an organization to ensure the organization has the right talent at the right time (HR-NHS, n.d.). Absence of proper workforce planning, however, makes the organization reactive and hire and fire based on short-term organizational needs (CIPD, 2018). SunEnergy should effectively forecast the demand for talent to predict the type of people that could be able to provide the skills for clean energy. To close the gap between what the organization has and what it needs, there are two alternatives: internal and/or external source of supply.

* Internal sources of supply: when the candidates are from within the organization. Internal source of supply is a cost-effective option as it eliminates the cost recruitment, onboarding, and training. Also, internal candidates have lower learning curve as they are aware of the company and its culture (Odonnell, 2018). However, the number of candidates is limited, and it creates a gap in the team in which an external candidate should be hired.
* External sources of supply: The supply of external candidates is much larger than internal pool, and it brings new blood to the organization that create room for creativity (Odonnell, 2018). Nevertheless, it burdens the organization’s budget with recruitment and training costs. The learning curve for new hires is steep for new hires as well.