

A Buyers Guide to Staffing Models

We've recently had several conversations with insurance executives and managers about the value and usefulness of staffing models and how to comparison shop before they buy. I thought you might find this interesting.

First, the value and usefulness. Perhaps the best way to explain this would be to look at them from the viewpoints of the people in your organization and use their words to identify how they value these models.

- Executive – *“It’s great for planning. I can enter different projections and know the effect on staffing levels.”*
“I trust requests for staff additions because I know they are now based on facts, not guess-work.”
“I finally feel I have good control over staffing levels and that they are correct.”
- Manager, Team Leader – *“This a great tool for helping me manage the department.”*
“It helps me understand how to get the required work done with my current staff.”
“It helps me plan for future staffing needs. I can enter different scenarios and assumptions and see the result. As I change the assumptions, my staffing needs are recalculated.”
- Employee, Team member – *“It’s a good tool in helping us understand the staffing impact and how our jobs will change from process and systems changes.”*
“We use models to better manage training and project needs.”
“They help us better manage customer service by ensuring we will also be adequately staffed to do our work.”
- Information Technology – *“We finally have workflows and work processes documented in a place where they are maintained properly. We don’t have to guess about how work is actually done.”*
“We use the workflows in the staffing models to identify where the best opportunities are for creating new efficiencies.”
“We use the models to create accurate cost/benefit analyses for new systems changes.”
“Models help ensure that the introduction of new system changes goes smoothly and that we really get the benefits we expect.”
- Budgets and Planning – *“The annual budgeting process goes a lot faster and smoother in the departments that have staffing models. Once we have the plan for the year they plug in the work volumes that are expected and will create these results and we have the number and type of staff needed to do the work. Since our models also contain salary data, the budget is a lot easier to create.”*
- Human Resources – *“Staffing levels in operational areas must be based on how work is done. Having the right staffing models takes the subjectivity out of this and ensures that staffing levels will be maintained at the right level. This ensures that both service standards and expense goals will be met. This is what customers want – great service at an affordable cost.”*

Secondly, here is a comparison or buyers guide to the various types of staffing models you can purchase.

Comparison of Various Approaches to Staffing

Category	Characteristics
Poor	<p>Staffing Guidelines – This is the most common approach to determining staffing needs. They are not models at all but guidelines used by managers to identify when they need to add to staff. They are benchmarks like – Claims adjusters can handle up to 130 files, Underwriters can handle 30 new business apps, etc. When the numbers get higher than these I need to add to staff. Approvals for staff additions usually fall into the “trust me, I’ve been doing this for XX years and I know when I need more staff.”</p> <p>Generic or industry models – These are actual staffing models but their results are not based on how you do your work but on a series of assumptions based on generic industry numbers. The main weakness of these models and their conclusions is that they have little to do with how your company does its work or how it actually operates. Staff does not believe the conclusions are real or relevant and therefore do not support them. These models will sometimes come as a free add-on to another computer package you purchase.</p>
Basic	<p>This is the least expensive way to get a staffing model. You purchase a template from a consulting firm and you do the work of adding the work processes, identifying work volumes and other metrics that allow the model to work. In some cases you may receive some assistance from the firm that created the template but it is usually brief and from an analyst who has little practical experience in your business.</p> <p>The quality of the final tool you have is very dependent on your ability to understand and make the template work. This is usually not a good approach if you do not have up-to-date workflows and good work processing data and metrics.</p>
Better	<p>This is a staffing model that is tailored to fit your specific company and way of doing work. It is designed specifically for you so your managers and employees will accept it as accurate and will use it in their day-to-day management and planning. The consultant who works with you on it must be familiar with insurance and your market and product lines. The design process starts with mapping your workflows. This usually means that improvements and new efficiencies are frequently identified that can pay for the cost of this effort.</p>
Best	<p>This the staffing model just described but with additional tools added (we call them analyzers) that provide new and important insights that help everyone plan and manage better. For example, an expense analyzer that translates staff and work process information into dollars and cents so you can see the financial impact of decisions and alternatives. This analyzer also can provide unit cost information. Other analyzers help manage workflow volatility, employee turnover, monthly work and staff fluctuations and more.</p>

Our consulting firm has been creating staffing models since we were first incorporated. We create models in the Better and Best categories.

In our management consulting practice we help companies identify and achieve their full potential. Sometimes this means doing things as specific as creating staffing models. Other times it means creating innovative business strategies or redesigning a company to best fulfill your strategy. This is our vision. It is what we do. Please visit our website (McDonaldConsultingGroup.com) if you want to learn more about our firm.