

Take Your Staffing Models to the Next Level

Almost every insurance company has staffing models for their operational areas. This is good because they are a necessary tool for your managers and have a wide variety of uses. However, they can vary considerably in sophistication and the actual help they provide. The most basic models predict current and future staffing needs under various workload scenarios. The more sophisticated do much more.

Here are some questions to ask yourself about your models to see if they are working as hard as they should.

Will your models translate staffing needs into expense dollars? If so, is the information readily useable for your annual budget preparation process? Will your models produce the backup justification for these budget dollars? Will they do it by position as well as for the whole unit and department?

Do your models show the costs of performing your work processes? Do they show this information for each of the steps in these processes? Do they help you understand and highlight where you might have the best opportunity for capturing expense savings from systems improvements? Do your models help you identify the potential benefit and savings you might expect from changes? If so, is this data presented in a way that makes it easy to use in cost justifying these changes and determining the comparative benefits from different approaches?

Will your models track other non-staff but related expenses? These include expenses that are related to doing your work and supporting your employees; like office equipment, work space, telephone and computer expenses, retail credit reports, MIB's. etc.? Will your models also track expenses for people not normally covered by your model – management and project people, for example? Models that track all of these expenses do a much better job of providing a complete picture of how well the department is operating. They also make budget preparation and management much easier and more accurate.

Do your models calculate the amount of money needed for necessary overtime and for hiring part-time staff when necessary? Do they provide this information in a way that makes it easy for you to determine the best and least expensive way to provide the excellent service you must produce? Do they show this information in a way that is easy to use for budget preparation and management?

Do your models help you manage situations with high and difficult to predict workload volatility? These might include sales contests, telemarketing programs, and other situations that produce high but temporary workloads. When calculating this volatility will your models allow you to do it on whatever timeframe you need -- daily, weekly, monthly or some special timeframe? When calculating these various scenarios, do they also help you determine the optimum use of permanent and temporary or part-time staff? Do they calculate the costs of each approach so you can keep your costs to a minimum? Do they also show this information in a way that helps you select or suggest the most efficient time to introduce these programs?

All models show annual results. Do your models also show results on a monthly and seasonal basis? This is important because workloads always vary throughout the year. Vacations, special projects and training also vary from month-to-month. Do your models show which months your unit will be over-staffed and which months you will not have enough people to do your work? Do your models quantify this so you can plan vacations, training and special projects better and more efficiently? Do they show this information in a manner that helps you utilize your staff most efficiently by cross-training and redesigning positions?

Will your models track staff turnover and the costs of replacing and adding new staff members? Do they show how much time you will need to train new people and how long it will take before they are functionally competent – so you know when to hire them? Do your models also track the time your experienced people will need to take away from their regular duties to invest in this training of new people? Will your models translate this time into dollars and cents for budget purposes?

Do they predict the result of new systems introductions and other work process changes on your staff? Will your models show how these changes will effect each position in your unit? Will they translate these staffing changes into budget and expense dollars? If your models do show dollar savings, will they also include savings or costs not related to staff changes? Do your models present this data in a way that is easy to use in deciding which changes are most cost justified?

Do they show the time needed for training your current staff when new systems or workflow changes are introduced? Will they help you determine when it would be best to introduce these changes and when they would have the least negative impact on customer service? Will they calculate the cost of this training into dollars and cents?

Do you get unit cost data from your models? If so, does this data include all of the cost your unit controls or just staff costs?

And . . . I am sure our consultants would add even more to this long list. Our consulting firm has been marketing staffing models as a way for our clients to manage and control expenses for several years. Over this time, we have learned that almost every insurance company has some sort of staffing model that they use to predict and manage their staffing needs. We also know that every one of these models or approaches can be improved or at least expanded.

About five years ago, we invented the concept of adding “analyzers” to our staffing models to increase their usefulness. These analyzers have proven to be an effective way of adding significant new functionality to a staffing model in a way that keeps everything clear and easy to use. A little over three years ago, we published a “Buyers Guide to Staffing Models.” It outlined the various levels of models, from the very basic to the very best. I suggest you read this guide. You can find it in the *Concepts and Ideas* section of our website.

Upgrading your staffing models takes a little creativity and experience, but I think you will find this effort worthwhile. If you are like most of our clients, however, you are probably already performing at full capacity and may need professional help. This is frequently the best decision because these better models usually pay for themselves in a few months. Whichever approach you decide, feel free to call me. I would be happy to answer your questions. If I cannot, I will have one of our experts call you. It is free and I am sure they can help.

Please also visit our website at McDonaldConsultingGroup.com, where you will find further explanations of these ideas (and other exciting ideas) in our Concepts and Ideas section.