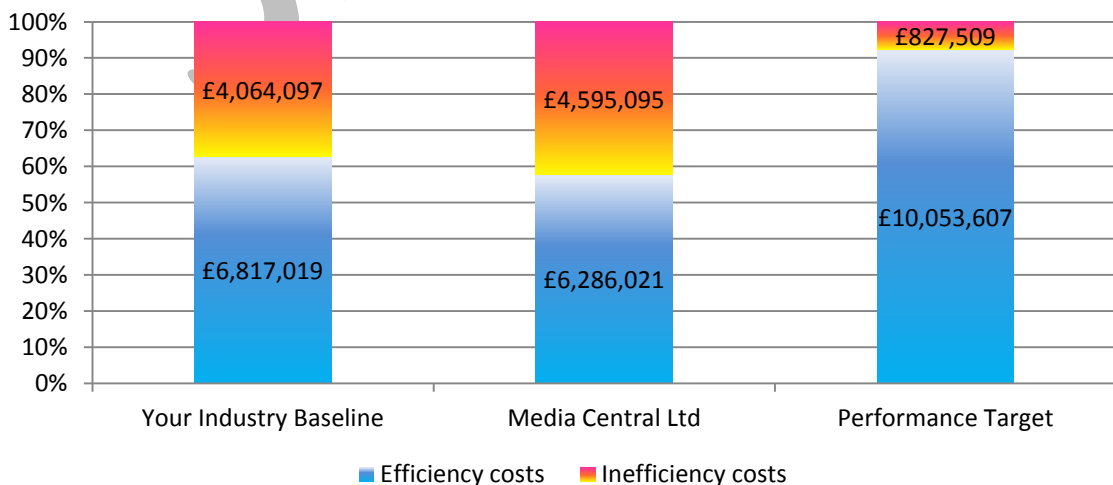
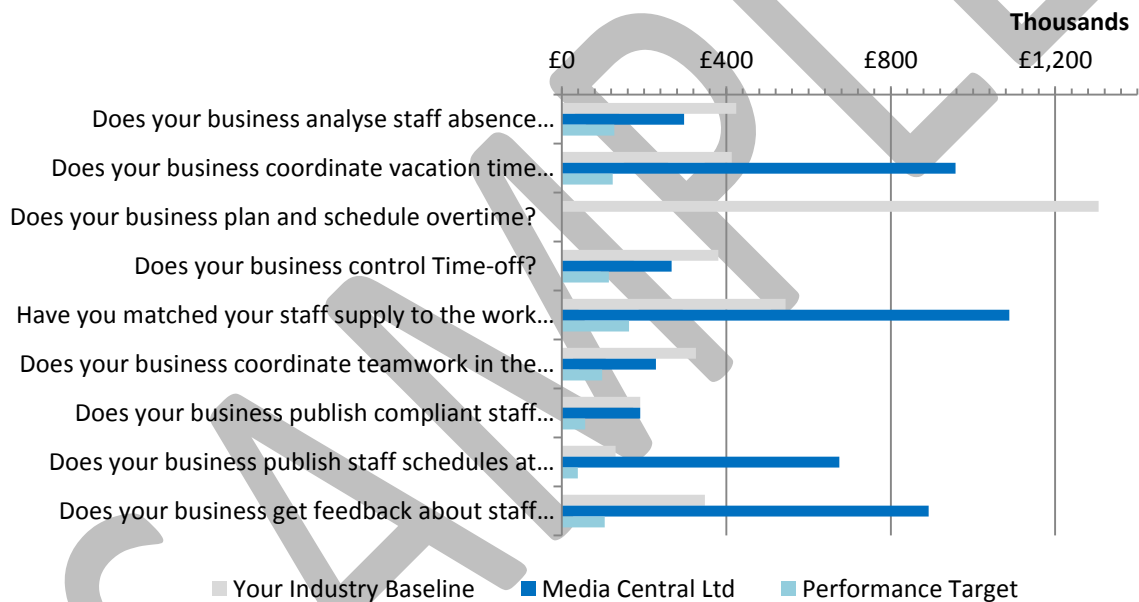


Staff Cost Benefit Analysis

Name	Bryan Wingard
Email	Bryan@media.com
Company	Media Central Ltd
Job Title/Role	Financial Controller
Industry	Education
Country	UK
Staff Count	247
Weekly Hours	37.5
Compensation Plan	Salaried
Working Patterns	Shiftwork

Staff Cost	Employer Benefits	Total Staff Costs
£8,370,089	£2,511,027	£10,881,116



Input	Workforce Factors	Your Industry Baseline	Media Central Ltd	Performance Target	Potential Benefit Savings	
1	Yes Does your business analyse staff absence patterns?	£424,364	£297,054	£127,309	£169,745	57.1%
2	No Does your business coordinate vacation time with team objectives?	£413,482	£957,538	£124,045	£833,493	87.0%
3	N/A Does your business plan and schedule overtime?	£1,305,734	Insufficient Information	Insufficient Information	Insufficient Information	Insufficient Information
4	Yes Does your business control Time-off?	£380,839	£266,587	£114,252	£152,336	57.1%
5	No Have you matched your staff supply to the work demand?	£544,056	£1,088,112	£163,217	£924,895	85.0%
6	Yes Does your business coordinate teamwork in the context of business goals?	£326,433	£228,503	£97,930	£130,573	57.1%
7	Don't know Does your business publish compliant staff working hours?	£190,420	£190,420	£57,126	£133,294	70.0%
8	No Does your business publish staff schedules at least 12 months ahead?	£130,573	£674,629	£39,172	£635,457	94.2%
9	No Does your business get feedback about staff costs before making a decision?	£348,196	£892,251	£104,459	£787,793	88.3%
Inefficiency costs		£4,064,097	£4,595,095	£827,509	£3,767,586	82.0%
Efficiency costs		£6,817,019	£6,286,021	£10,053,607		
Efficiency %		62.7%	57.8%	92.4%		
Inefficiency %		37.4%	42.2%	7.6%		

Efficiency Indicator:

- =>80% Good shape
- =>70% <80% Satisfactory
- =>60% <70 Average
- =>50% <60% Poor shape
- =>40% <50% At risk

Report Notes:

Industry: is a classification of companies in the context of their primary business activities.

Staff Count: is primarily the number of full time staff employed in the business. Part time staff can be included provided a reasonable approximation of their full-time equivalents. For example, 11 part time staff equals 5 full time staff.

Weekly Hours: is the number of hour's full time (or their part time equivalent) work each week; or rolling seven day period.

Compensation Plan: is the main method of paying staff for their contribution of work. It does not include ex-gratia payments or bonuses.

Working Pattern: means the dominate pattern of work.

Public Sector: means an organization that remunerates its workforce primarily through taxation.

Staff Costs: are the costs paid out in salary and wages expected of the target industry. It does not include 'special' negotiated arrangements outside of industry standards. It does not include training costs, performance bonuses or other ex-gratia payments. These are the costs the employees 'see'.

Employer Benefits: are the costs the employer has to pay and include social benefits, employee taxes, absence from work such as vacation, sickness, and maternity and paternity arrangements. These are the costs the employees do not 'see' but the employer certainly does.

Total Staff Costs: are the total costs of staff costs and employee benefits.

Your Industry Baseline: this is the performance that can normally be anticipated in a particular target industry. Calculation includes the latest known figures published by associations, research institutes and auditing agencies. It includes reference to performance indicators such as sickness, vacation trends, overtime costs, workforce trends and changes in working patterns. The baseline is calculated using the best information available about frequency counts and percentages from a range of population samples within the same industry.

Your Performance: is calculated using your online responses or inputs of nine workforce factors identified as having significant impact on staff costs. This is compared to the known outcomes of both 'paper' and actual cases with similar responses to each of these workforce factors. Each factor is measured independently and then combined to give an overall indicator of performance i.e. different weightings are assigned to what may appear to be similar behaviour e.g. time-off and sickness, because they each generate significantly different outcomes.

Performance Target: is a realistic goal in the light of a coordinated programme to reduce costs across the nine workforce factors, particularly the ones that are exhibiting higher cost levels than your industry baseline. To maximize success the 'Performance Target' should not be confused with the 'Industry Baseline' performance.

Cost Benefit Savings: are not cash savings, but costs which are adding benefit to the business which will transform into cash savings at some point, or enable cash to be used more productively elsewhere in the business. Often to bring 'costs' under control is to reduce headcount, however this will reduce capacity to deliver goods and services and reduces the capability to generate revenue.

Efficiency: is when staff costs are effective toward achieving management goals in the shortest possible time.

Inefficiency: is when staff costs are ineffective or take too long toward achieving management goals.

Workforce Factors

1. **Does your business analyse staff absence patterns?** is more than just recording when someone goes sick, though it includes that as well. A pattern of sickness is probably a more important indicator of some systematic problem than a total number of sick days. Policies that offer staff an annual sick day allowance per year in the belief it reduces the incidence of sick leave days taken is misplaced.
2. **Does your business coordinate vacation time with team objectives?** is more than just recording annual leave. If a group of key staff are away on vacation at the same time it can 'paralyse' productivity of those left behind, even though the number of key staff on leave is within some policy % of the overall workplace. Leave should be coordinated not just recorded.
3. **Does your business plan and schedule overtime?** properly controlled it can be an excellent means to compensate staff shortfalls or meet extra demand without recruiting additional staff. However it is probably the least understood of workplace management; and is the most expensive when it spirals out of control.
4. **Does your business control Time-off?** is the 'mirror' image of overtime and occurs when staff have time off in lieu of payment. This does not mean it is free and can quickly undermine daily routine especially when short notice 'absences' occur without warning and impacting planned work schedules which can mean 'lost opportunity costs'.
5. **Have you matched your staff supply to the work demand?** also known as Staff Supply Demand Match (SSDM) analysis. For experienced managers this may be carried out informally i.e. we need more staff when we have busy times. More in depth research can involve field observation, field interviews and statistical analysis of comprehensive data sets. Caution is required when analysing too many factors with unknown relationships. For many businesses staff deployment is a result of historical 'accident', "we've always done it this way" approach, and 'knee-jerk reaction to whatever arises in the day. It will not be the first time a structured analysis of work trends can point to savings of around 70% in eliminating under and over staffing.
6. **Does your business coordinate teamwork in the context of business goals?** is about maximising the team effort to achieve business goals quicker. Getting there *eventually* is no longer sustainable.
7. **Does your business publish compliant staff working hours?** Working hour's compliance is the fastest growing area of industrial litigation due to the 'no win no fee' culture; and because it is one of the easiest to prove evidentially. Where records are not maintained 'judgement' will favour the employee.
8. **Does your business publish staff schedules at least 12 months ahead?** "Failing to plan is planning to fail" the saying goes – and it's true. Short notice changes and recourse to contract staff to compensate shortfalls is one of the most expensive responses a business can make. The further ahead the scheduling horizon the more resilient the business, the fewer surprises and the less expensive it gets.
9. **Does your business get feedback about staff costs before making a decision?** Snap decisions about staff changes without knowing the impact of costs invariably means 'jumping out of the pan into the fire'. This is often the case when dealing with complex shift patterns where the 'knock on' effects can 'resonate' for weeks downstream as staff get catch up extra hours and shift swaps that disrupt working teams.

Disclaimer:

This document is provided as an indicative performance indicator and does not imply any contractual obligations of any future performance. All reasonable precautions have been taken in the preparation of this document, including both technical and non-technical proofing. Intellicate and all staff assume no responsibility for any errors or omissions. No warranties are made, expressed or implied with regard to this document. Intellicate shall not be responsible for any direct, incidental or consequential damages arising from the use of any material contained in this document. If you find any errors, please inform Intellicate. Whilst every effort is made to eradicate typing or technical mistakes, we apologize for any errors you may detect. All content is updated on a regular basis, so your feedback is both valued by us and will help us maintain the highest possible standards.