



## Workforce Planning Globalization

Dan Franceschina

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## Dan Franceschina

- **Director – Enterprise Performance Management**
- 12 years of Hyperion Implementation Experience
- 20 years of Financial Process Experience
- Architected and assisted with the implementation of multiple Hyperion Workforce planning implementations
- Developed some of the workforce accelerators for Emtec

# Globalization of Workforce Planning Functionality

## Unique Considerations When Extending Workforce Planning to International Locations

- Accuracy and Completeness of Data Sources
- Unique compensation and bonus functionality
- How to Work with Different Taxation Policies from Country to Country
- Currency Translation
- Headcount and FTE Calculations
- Employee Allocations (not necessarily limit to international solutions)
- Change Management and Training
- Most Globalization Functionality Not Part of Out of Box Processing in Hyperion Workforce

# Should I Have One or Multiple Workforce Planning Solutions?

## Pros

- Improved Performance From Smaller Data Sets
- Bigger Maintenance Window as Fewer Time Zones are Serviced By a Single Application
- Greater Flexibility for Local Geographic Needs
- Easier Architecture for Decentralized Maintenance and Administration
- Enabled if There is a Clean Process of Splitting Staffing by Country Based on Organizational Structure

## Cons

- Additional Maintenance to Support Multiple Applications
- Users May Need to Log Into More than One Application
- May Complicate the Ability to Report a “Total Picture” of Staffing Costs and Headcount
- Applications May Deviate from Corporate Standards

# Accuracy and Completeness of Data Sources

## Foreign Data Sources May Pose a Challenge when Integrating Into a Hyperion Planning Solution

### Do Not Underestimate the Difficulties of Integrating Multiple Foreign Data Sources!

- May Need to Integrate Multiple Technologies
- Data for Employees May be Incomplete
- Data for Employees May be Not Be Consistently Applied Across Countries
- Source Systems May Not Contain All Needed Information (currency by employee)
- Source Systems May be Using Multiple Methodologies (benefits, taxes, comp)
- Metadata Assignments (Department, Entity) may not be applied appropriately



# Unique Compensation and Bonus Compensation

## Different Regions Have Unique Compensation Requirements – Need to Analyze the Salary Calculation Process for Each Region

- 13 or 14 months pay cycles (Asia)
- Inflation Rates for Pay Increases (Brazil)
- Ability for an Employee to Apply Total Compensation to Salary and Benefits (Australia)
- Definition of Taxable and Non-Taxable Benefits
  - Individual Benefits May be Very Material (Car Allowance, Professional Fees)
  - May Need to Be Loaded from a Source
  - Affects Tax Calculations
  - Construct Account Hierarchy that Defines Taxable versus Non-Taxable
- Government Policies for Compensation of Certain Classes or Statuses of Employee
  - Interns are paid by the government in Spain
  - Country Specific Policies Regarding Maternity Leave (More Material than the US)
- Utilization of Fixed Contractors (used frequently in England)
- Affects Headcount Reporting as Well as Compensation

# How to Work With Different Taxation Policies from Country to Country

Very complex employee taxation rules for countries such as France, Germany, China, etc.

- Our recommendation is to **NOT** try to recalculate taxes based on each individual country rules
- Use a tiered tax layer approach (floors, ceilings and tax rates) provides the flexibility to multiple tax scenarios. This is an extended FICA calculation method.

Tax Calculation Example							
	Tax Floor	Tax Rate					
Tax Tier 1	0	5%					
Tax Tier 2	10,000.00	8%					
Tax Tier 3	35,000.00	10%					
Tax Tier 4	50,000.00	15%					
Tax Tier 5	100,000.00	18%					
Employee with Compensation of 80,000 annually							
8,500.00	= (10,000 * 5%) + (25,000 * 8%) + (15,000 * 10%) + (30,000 * 15%)						

# Currency Translation for Workforce

## Currency Translation May be Viewed from Several Different Requirements

- Individual Employee May Get Paid in a currency that is not local to business unit
- Benefits May be in different Currency than Salaries
- Currency Translation of Local to Reporting Currencies (standard currency process)
- May Need translation of currency scenarios (budget at forecast rate)
- Transfers need to convert currency of source



### Do not Use “Standard Hyperion Currency Translation”

- Calculate Reporting Currencies Dynamically as opposed to storing data
- Only calculate local and main reporting currency (USD)
- Load step to translate an employees currency to business unit currency

### Advantages of “Emtec” Process

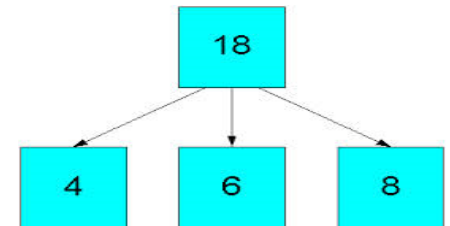
- As the number of currencies increase very little additional overhead to solution
- Easy to maintain as additional currencies are added
- Very efficient method for reducing database sizes, improving performance
- Conversion step at start of process puts all values in “correct local” currency for ease of reporting and analysis



# Employee Allocations in A Workforce Planning Solution

## Not A Global Requirement Per Se but Have Seen this Functionality requested More for Global Solutions

- Requires an additional step after calculating employee costs to allocate those costs to the appropriate data points
- Worked with a Customer to Develop a 5 Dimensional Allocation Model for Employee Costs
  - Can Provide a P&L View by Customer, Market Segment, Product Line
  - Want a load source for the initial allocation spread percentages
  - In the Model users have the ability to maintain percentages (add, delete, or modify)
  - Need to be Mindful of Performance and this Process can Significantly Increase Database Size
  - May Eliminate the Need for Employee Transfers (or minimize them)
- Security Considerations
  - Allocation for an individual may spread beyond a person's security access
  - Making sure that the employee is fully allocated (Need exception report)
  - Very Important to Have a Designated "Home" business unit or organizational structure



# Change Management and Training

## Change Management and Training are Always Important but are Even More Critical to Global Implementations

### Change Management

- Communicate to Users the Company Policies and Standards for the Workforce Process separate from the technology.
- Provide a Clear Understanding of Technology Expectations versus Process Change from Company Policies and Standards.
- Seek out Requirements at the Start of the Process from Key Thought “Local” Leaders in the Organization to Identify Requirements and Potential Obstacles.
- Define Scope of Technology to Users so they are aware of the Capabilities of the Technology.

### Training

- Application Administrator Should Be Involved in Application Development if Possible
- Use Data Validation Processes as a Way to Train Users on How to Report and Extract Data
- Utilize User Acceptance Testing and any other Testing as Opportunities for Informal Training.
- Develop Training Materials that include Exercises and Time for Practice to Ensure User Understanding of the Technology.
- Leverage Test Scripts but Give Users Time for Exploration
- Administrator Guide is Needed for Application Maintenance and Support
- Align Calendars because International Vacation schedules are Different from the US



## Q & A



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