Human Resources

Total Workforce Management in the Intelligent Enterprise
Holistically Manage Your Entire Workforce to Drive Game-Changing Business Success
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People Are the Foundation of Success

The modern workforce – your employees and the skills and experience they bring to your organization – is quickly evolving into an influential key to enterprise success. People are at the heart of what drives competitive differentiation, stimulates business growth, and builds purpose and vision.

Intelligent enterprises excel with modern workforces that are structured and sourced differently than those of the past. Companies like yours are discovering that people must be managed differently – with a holistic approach to manage the total workforce – to successfully drive performance and facilitate game-changing business outcomes.

Today’s workforce looks and works differently than the ones of even a couple of years ago. How talent is structured, sourced, and integrated into an organization has shifted in response to the rapid rate of change in the global business environment.

There are more generations in the workplace than ever before, specialists are in higher demand, and the work environment itself is different, with workers wanting more flexibility and seeking new employment options. People want meaningful work that is driven by purpose, and they want a work experience that is as digital as their personal ones, making life and work easier, more productive, and supportive of well being.
Not only has the workforce changed, but the way work gets done is different. People work anytime, from anywhere, with fluid collaboration and agility like never before. The relationships between employers and workers are continually being redefined as well.

Perhaps one of the most significant changes is the increasingly critical contribution of external workers. Enterprises now look to contingent, intermittent, or consultant workers to fill roles that require industry-specific experience or specialized technology skills.

If you want to power up your organization and become a best-run enterprise, you must integrate these external workers into a holistic total workforce management strategy, where you rethink how you manage, engage, and optimize all of your contributors.

Figure 1: People Are the Foundation of Business Success
Digital transformation is changing how work is done – and it’s changing the face of the workforce as well.

In 2014, 83% of executives in an Oxford Economics study predicted they would increasingly use external labor. This has now become a reality, as in a similar Oxford Economics study conducted in 2018, executives reported that 44% of all workforce spend was on external labor.

While this is a fundamental shift, most organizations have yet to fully comprehend the substantial benefits of an agile workforce that includes a significant amount of external labor. Therefore, they are slow to evolve from a traditional workforce model that is focused on internal employees to one that includes all workers.

For instance, while the above 2014 Oxford Economics report indicated that 42% of executives felt that contingent workers were changing their workforce strategy, it appears that relatively few organizations have actually executed such an initiative. In fact, only 19% of the executives in the 2018 study said their organization had a holistic talent strategy that encompasses both internal employees and external workers.

The reality is that external workers no longer fill only non-essential roles. They are vital to strategic initiatives such as bringing innovative new products and services to market, and increasing the speed and agility of a company. Whether they are agency workers, consultants, or independent contractors, these people are a rich and highly valued source of talent that is changing every aspect of how work gets done.

If you rely on external workers and want to achieve long-term success, transforming your approach to how you manage your total talent is a business imperative. With total workforce management, you can build a holistic talent strategy that integrates core business functions and aligns to key business priorities to achieve workforce agility, financial transparency, and a greater impact on your bottom line. And you can provide external contributors with the HR and talent management practices they need to succeed while creating a best-run workforce that thrives.

**The Exponential and Rising Impact of External Labor**

- Of all workforce spend is on external labor: 44%
- Of firms have a holistic (internal and external) talent strategy: 19%
What Can You Achieve with a Best-Run Workforce?

As companies take advantage of external talent for their strategic business initiatives, they are looking for innovative ways to manage this evolving modern workforce. From HR and finance to procurement and sales, the business processes in most enterprises no longer work because they are set up for only traditional employees. And even though external workers cross many departments, there is typically no integrated view of who they are, how they contribute, their cost, and if they are available for future work. Therefore, it is almost impossible to effectively find, manage, and engage the external workers that now may represent close to half of your entire workforce.

However, with a total workforce management strategy, you can develop your talent plan, find the right people for the right jobs, develop future leaders, retain talent, and align and engage a diverse workforce. A total workforce management strategy that includes a single technology platform of streamlined processes, relevant capabilities, and integrated solutions allows you to:

OPTIMIZE THE TOTAL WORKFORCE THROUGH INCLUSION AND VISIBILITY
To fully take advantage of the value external workers can bring to your organization, these contributors must be visible to create value for your organization. By including them in critical business systems, people in your company – whether managers or peers – can find and access these workers in an enterprise-wide talent pool, as well as in organizational charts and directories.
MAKE THE RIGHT TALENT DECISIONS BASED ON INTELLIGENT INSIGHTS
With integrated data from HR, procurement, finance, and other departments, you can take advantage of technologies like artificial intelligence (AI) to drive intelligent, actionable insights. In-depth reporting, insightful metrics, and embedded analytics on both internal and external workers can help you find the best talent, at the right cost, for the task at hand while increasing diversity and removing human bias.

ALIGN TALENT STRATEGIES TO KEY BUSINESS PRIORITIES
With integrated processes for planning, sourcing, and managing talent, you can holistically match people strategies to the demands of your business and your market. You can align people to key business priorities while maximizing workforce engagement and improving operational and financial efficiencies.

ENGAGE INTERNAL AND EXTERNAL WORKERS EQUALLY
Companies have increasingly motivated, enabled, and engaged their internal employees through purpose-driven work, targeted development, and easier business processes. These same capabilities – with access to tools such as onboarding, training, collaboration, and learning – must also empower your external workers. This enables them to contribute and generate value more effectively while you foster their loyalty and increase retention.

Figure 2: Defining Total Workforce Management in the Intelligent Enterprise
Envisioning Total Workforce Management in Action

How does the concept of total workforce management work? Here is an example of what a holistic strategy might look like in an intelligent enterprise, starting with planning and going all the way through project closure and offboarding.

STRATEGIC WORKFORCE AND BUSINESS PLANNING
Intelligence and insights from finance, HR, and procurement form an integrated foundation from which you can create a talent strategy that supports your company’s corporate objectives, as well as your vision and purpose. A holistic talent strategy also addresses market demands, as well as any individual projects and ad-hoc needs for talent. With consolidated enterprise-wide data, you can also get a detailed view of the financial impact of your talent strategy by generating different planning scenarios and making intelligent adjustments to meet your budgets.

COMPREHENSIVE STAFFING AND SUPPORT
With an understanding of the demand for skills and people, you can do a talent inventory, mapping people with opportunities and projects. Internal skills can be evaluated and initiatives for upskilling can be implemented. To meet additional demand for talent and find the right people, you can initiate the hiring process of permanent employees through recruiting with the easy creation of a bias-free requisition. And you can find the right external workers by sending the requirements to a vendor management system that supports all aspects of sourcing and management of external labor.

PROACTIVE ONBOARDING
Whether it’s for a new employee or an external worker, effective onboarding processes start before the first day on the job. Total workforce management can make onboarding easier, all the way from provisioning equipment and system access to providing training and learning opportunities and facilitating socialization with new team members. And you can engage and involve every pertinent party, including the new talent and the responsible manager, through mobile experiences and intuitive process guidance to ensure a quick and easy start.

ENGAGED WORKFORCE EXPERIENCES
Total workforce management helps you create an engaging work experience that increases productivity and purpose. You can facilitate the collaboration and alignment of all your workers while enabling them with personalized development and learning recommendations based on AI and machine learning capabilities.
MEASURED FINANCIAL IMPACTS
With total workforce management, the impact of the investments you make in nurturing your total workforce can be easily measured. For instance, you can determine the financial impact and ROI of any learning and development activities. You can also track the contributions for employees and external workers and allocate any associated costs, such as travel, to develop a real-time accurate view of the bottom-line financial impact of your workers.

EASIER PAYMENT AND PROJECT CLOSE
Total workforce management allows you to pay employees through the automated processing of payroll for internal employees and invoices for external workers. You can also allocate these expenditures to specific cost centers and projects for real-time visibility into profitability. And you can take advantage of intelligent offboarding and re-allocation of workers for the continued best use of your internal and external resources.

Figure 3: The Intelligent Total Workforce Management Process

Planning

- Workforce planning
  Organization generates a plan by modeling the demand for talent
- Project planning
  Individual project planners identify needs

Staffing

- Identify internal talent
  Search for existing resources with the required skills
- Recruit new hires
  Open requisitions, find candidates, make offers
- Source contingent workers
  Open requisitions, create PO, work with suppliers

Onboarding

- Complete paperwork, receive equipment, take training, meet team members

Working

- Submit and approve time sheets
- Provide feedback and complete ongoing skills assessments
- Deliver ongoing training and development
- Monitor deliverables, costs, and margins for quarter-end close

Paying

- Pay internal employees through payroll
- Process invoices from suppliers for contingent workers

Closing

- Submit final time and expenses and close project
- Offboard internal and external resources
How SAP® Is Helping Organizations Address Total Workforce Management

Total workforce management is quickly becoming an essential imperative for successful business transformation. To help businesses become intelligent enterprises and achieve breakthrough outcomes SAP provides three essential components:

- An intelligent suite of integrated solutions
- A powerful digital platform
- Intelligent technologies

Here’s how they form the foundation of total workforce management at SAP.

The intelligent suite

- At the digital core of the intelligent suite is SAP S/4HANA® Cloud, the next generation ERP business suite which supports core business functions such as finance, procurement, and sales, as well as enterprise portfolio and project management.
- The suite also delivers people engagement, which is achieved through SAP SuccessFactors® solutions for core HR and talent management for the total workforce, including payroll functions.
- The third critical component is network and spend management together with people engagement through SAP Fieldglass® solutions for the procurement and management of external labor and services.

The digital platform

With SAP Cloud Platform and SAP HANA® Data Management Suite, SAP helps facilitate the collection, connection, and orchestration of data, as well as the integration and extension of processes within the intelligent suite.

Intelligent technologies

SAP also helps you transform into an intelligent enterprise with technologies that power innovative, smart end-to-end processes through SAP Leonardo. As a methodology that enables innovation and digital transformation, SAP Leonardo encompasses a core set of technologies focused on machine learning, Internet of Things, analytics, and Big Data.

Collectively, these technologies combine data and intelligence from all areas of the business to inform the best and most impactful plans and decisions for your entire workforce. They form an underlying, common foundation that supports both permanent employees as well as external workers, creating a comprehensive orchestration of all components of total workforce management. And the use of technologies like AI and machine learning can enhance the search for the best talent by increasing diversity and removing human bias.
addition, you can access advanced, cross-suite analytics and integrated planning capabilities for your entire workforce in the SAP Analytics Cloud solution.

To create a consumer-like digital experience, you can rely on the SAP Fiori® user experience for both internal and external workers across the enterprise. You can also utilize technologies like the SAP CoPilot digital assistant that provides guidance in conversational interactions to create a consistent, delightful digital experience for all people, regardless of their role and the process they are participating in.

**Figure 4: The Intelligent Enterprise**
Total workforce management would not be successful without the core HR and talent management practices found in SAP SuccessFactors solutions. Here are a few of the capabilities that integrate the external workforce into a modern talent base.

- **Enablement.** To get new hires, whether they are permanent or external workers, up to speed quickly, you can use the SAP SuccessFactors Learning solution. This application allows you to tailor training segments specifically to the needs of external workers, and provide access to mandatory safety trainings, corporate overviews, or product trainings. SAP SuccessFactors Learning can also be used for compliance training of external workers to meet your regulatory requirements and mitigate risk.

- **Integration.** Traditionally the sourcing and management of external workers has been the responsibility of procurement. However, with the rise in the external part of your workforce, SAP solutions allow HR and procurement to collaborate for greater enterprise-wide efficiency. For instance, the integration of SAP SuccessFactors and SAP Fieldglass solutions allows for a comprehensive sourcing process. From a vacant position, you can initiate requisitions for employees or external workers. With a cohesive end-to-end process and the integration of data, you can see, source, plan, and manage your workforce holistically and in totality.

- **Inclusion and visibility.** Visibility and inclusion of your external workers in your core HR system is the first step for effectively managing the total workforce. With the SAP SuccessFactors Employee Central solution, you can create contingent worker profiles, give managers access also to external workers, and integrate them into organizational charts, directories, and search functions. You can also build workflow reminders to keep track of expiring work orders and take actions. And, for better sourcing and management of all talent, you can utilize the integration between the contingent worker profiles and SAP Fieldglass solutions for procurement of external labor.

- **Collaboration.** Including your contingent workers in collaboration and connecting them to people, content, and processes reduces the time to productivity and helps align all contributors to your company’s goals and objectives. The SAP Jam collaboration platform facilitates teamwork across the total workforce, increasing enablement, engagement, and the ability to work efficiently and effectively with others across the globe. At the same time, it allows to you securely limit external worker access to only content that is relevant to their work.

Enhancing Total Workforce Management with Core HR and Talent Management
Why SAP?

With the combined power of SAP capabilities and technologies, you can take advantage of a fully integrated total workforce management process that can help drive performance and game-changing results. SAP solutions cover the whole spectrum of integrated business and workforce planning as well as the sourcing of internal and external talent. With the holistic management of all people and projects and a clear line of sight into financial impact, SAP solutions provide you with the intelligence and insights to competitively source and manage talent like never before.

With SAP solutions, you can build an agile workforce through:
• The enablement of the end-to-end process of planning, sourcing, and managing your total workforce, both direct and external labor.
• The rapid alignment of your talent strategy to your key business priorities.
• The improvement of operational and financial efficiency while maximizing workforce engagement.

And with real-time, enterprise-wide insights and intelligence, you can:
• Blend and analyze live data from across the enterprise to make impactful organizational plans and workforce decisions.
• Access embedded insights and prescriptive guidance in areas such as compensation and budget alignment, salary recommendations, and more.
• Make proactive recommendations such as job and skills matching, gender bias scans, and personalized learning recommendations based on machine learning and AI.

LEARN MORE
The modern workforce is here – and most likely having a big impact on your company. To find out how total workforce management can drive performance and game-changing outcomes, learn more here.