A Case of Success for Edison International: An Enterprise-Wide Workforce Planning Process

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Introduction

This case study is intended to provide the reader an overview on how enterprise-wide workforce planning was successfully launched at Edison International between October 2010 and July 2011. It will also introduce the Edison workforce planning model, provide examples of how six sigma tools were used in designing and launching the program, and give examples of the metrics used to measure program results. To ground the overall case study, the workforce planning tie to business strategy and industry challenges are briefly covered. Workforce planning vision, workforce planning goals, consolidated statement of work for RFP of workforce planning system, labor budget integration process flow & linkage to annual planning calendar, workforce planning model, program roles, and sample outputs are provided and discussed with the hope that it will help the reader in his/her workforce planning journey.

“Southern California Edison, in my mind has been one of the most successful organizations ever at launching an enterprise-wide workforce planning system.” - Quote from Peter Louch, CEO of Vemo

About Edison International

Edison International, through its subsidiaries, is a generator and distributor of electric power and an investor in infrastructure and energy assets, including renewable energy. Edison International is the parent company of Southern California Edison - one of the nation’s largest electric utilities.

Southern California Edison (SCE) serves more than 14 million people in a 50,000 square-mile area of central, coastal and Southern California, excluding the City of Los Angeles and certain other cities.

Based in Rosemead, California, it has been providing electric service in the region for more than 120 years. SCE's service territory includes more than 180 cities.

On December 31, 2012, Edison International and its consolidated subsidiaries had an aggregate of 16,593 full-time employees, 16,515 of which are full-time employees at SCE.

Workforce Planning in the Utility Industry

As a leader in the utility industry, Edison is one of the utilities who has taken proactive steps to ensure we will be able to meet our future workforce needs by launching a comprehensive and integrated enterprise wide workforce planning program. Figure 1, as seen below, provides more context for such a need. Additionally, the excerpt below is from a 2010 article in SHRM titled “Can They Keep Our Lights On?” and speaks to the urgency of the need for Workforce Planning programs in the utility industry:
“The electric power industry estimates 30 percent to 40 percent of its 400,000 workers will be eligible to retire by 2013. From executives to plant managers, and from engineers to skilled craft workers—who literally keep the lights on—the retirement deluge threatens to create a chasm between supply and demand for workers.

Human resource leaders in every utility have known about this exodus for at least five years. The recession gave them a reprieve. Yet, few have used the practice of workforce planning to determine strategic direction and ensure that the right people are in the right place at the right time and at the right price.”


<table>
<thead>
<tr>
<th>Job Category</th>
<th>Percent potential attrition and retirements</th>
<th>Estimated retirements</th>
<th>Estimated replacements needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technicians</td>
<td>40.0%</td>
<td>20,500</td>
<td>27,000</td>
</tr>
<tr>
<td>Non-nuclear plant operators</td>
<td>47.0%</td>
<td>9,000</td>
<td>12,000</td>
</tr>
<tr>
<td>Engineers</td>
<td>44.7%</td>
<td>10,000</td>
<td>14,500</td>
</tr>
<tr>
<td>Pipefitters and plumbers</td>
<td>45.0%</td>
<td>6,500</td>
<td>8,500</td>
</tr>
<tr>
<td>Line workers</td>
<td>40.2%</td>
<td>19,000</td>
<td>28,500</td>
</tr>
</tbody>
</table>

Source: Center for Energy Workforce Development’s, 2006 survey of 56 U.S. utilities.

Figure 1: Estimated Potential Replacements Needed by 2013

Operational Excellence: Tying to Edison Business Strategy

At Edison International, our core mission is safely providing reliable and affordable electric service. To improve reliability, Southern California Edison is investing billions of dollars to replace and upgrade our aging infrastructure, which includes more than 100,000 miles of circuits and 1.5 million poles. In order to fund these improvements and provide affordable service, we have had to challenge how we operate and how many people we need to operate our business. In response, SCE has launched an operational excellence initiative to meet our infrastructure needs while keeping our rates affordable.

While all electric utilities have an interest in workforce planning, few have achieved operational excellence in their workforce planning discipline. There is the usual focus on obvious levers, such as high retirement risk, but less focus on the opportunity to manage the business more effectively through planning, which is a focus of the program at Edison.
Table 1: Edison 2013 Annual Report Financial Highlights

As seen in Table 1 above, the Edison 2012 annual report shows the impact that operational excellence is having on overall headcount levels. Our industry is going through a challenging period of transformational change. As such, planning for our future workforce and doing it in a way that aligns HR strategy to business strategy, while identifying efficiencies, has become increasingly important.

Introducing the Edison Workforce Planning Model

The workforce planning model (see Figure 2 below) created at Edison focused on finding immediate operational value by aligning headcount driven functions while looking at the longer term critical talent needs of the business.

We developed a two pronged approach where we plan operationally for the many (all positions) for the labor budget, real estate space, IT hardware/software and support; and staffing costs to ensure we have the proper funding to acquire, proper budget to pay, proper space to house and proper technology to enable our whole workforce.

Edison continues to build the critical talent planning portion outlined in the workforce planning model below. We plan to take a focused approach on the segmented positions which are key to value delivery. For these key segmented positions, we will filter down to those lacking formal succession plans and work to design workforce plans. The workforce plans take into account internal availability as well as external labor market availability.
Developing and Launching the Workforce Planning Program

Our Vision
Provide process and technological capabilities that allow for broad planning around SCE’s future workforce.
- Provide tools for operational and financial planning
- Respond to workforce trends across the company
- Provide a single source for company headcount forecast

Our Goals
Implement workforce planning solution and redesign the workforce planning process to enable forecasting, modeling and decision support leading to workforce strategies that support our business strategies.

Involving Stakeholder Input & Identifying Program Requirements
We identified a list of requirements after extensive workforce planning research, which included inviting seven of the top WFP vendors to demonstrate their solutions, and meeting with over 60 SCE stakeholders both upstream and downstream from the workforce planning process. We then crafted a Supplier, Input, Process, Output and Customer (SIPOC) chart, a six sigma tool used to identify all relevant elements of the process before work begins. The SIPOC chart
(as seen below in Figure 3) helped us define how the workforce planning solution would work, including the expected outputs. This was useful to communicate to our stakeholders and vendors.

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**Figure 3: SIPOC Chart**

In addition to the SIPOC chart, a list of solution requirements were developed based on our workforce planning vision and goals and the stakeholder interviews. This list became the Statement Of Work (SOW) which was used in the Request for Proposal (RFP).

**Statement of Work (SOW)**

Workforce planning solution will:

- Enable strategic workforce planning
- Have the ability to receive headcount forecast data for a five year period (by quarter for the first two years, then annually by the remaining three years)
  - Headcount demand forecasts can include:
    - Quantity needed
    - Demand driver (will come from a list of initiatives provided by the business units and will like the headcount demand)
Fast Tracking the Purchase & Configuration

In Q3 2010, we were given the green light to launch an RFP for a workforce planning solution (as seen in Figure 4). We had done the pre-work with stakeholders and the business, so we understood the “nice to have’s” and “need to have’s” from the program. We narrowed our vendor list down to three firms and sent them each the RFP. After completing our evaluations, Edison selected VEMO. As part of the negotiation we required the CEO of VEMO to be our point of contact and implementation manager from the vendor side. We were able to complete the purchase and reach signed agreement prior to year end 2010.
How we operationalized the workforce planning vision across SCE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Determine the business need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Understand the capabilities the business wanted from a workforce planning process and tool (collected requirements from over 50 SCE representatives)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Define potential:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Suppliers of SCE data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Inputs needed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Outputs needed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Customer wants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Research companies providing workforce planning solutions</td>
<td></td>
<td></td>
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<tr>
<td>• RFP</td>
<td></td>
<td></td>
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<tr>
<td>• Security review</td>
<td></td>
<td></td>
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<tr>
<td>• IT review</td>
<td></td>
<td></td>
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<tr>
<td>• Selection and PMO approval</td>
<td></td>
<td></td>
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<tr>
<td>• Legal review of contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Purchase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Blue print the system configuration to the business needs (collected input from over 100 SCE representatives in Q1 2011)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Build a common vocabulary and set of definitions (data dictionary)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Identify data feeds from SAP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Determine what data does not exist in SAP that we need and figure out how to get it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Build a data transfer capability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Integrate new capabilities into other processes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sandbox</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 4: SCE Operationalized Workforce Planning Vision Timeline

Aligning Workforce Planning to Annual Planning Cycles

The high level process flow below (Figure 5) shows how we integrated workforce planning into the land, labor and budget needs of Edison. Our take away: aligning headcount driven budgets to the business strategy.

Figure 5: High Level Process Flow
One of the most important relationships developed during the design of the program was with Finance. We met with the person who oversees company labor budgets and showed him a demo of how we thought there was an opportunity to integrate workforce planning and labor budget planning. He liked the idea and brought a few other finance people into the discussion. The consensus was yes, there should be integration. The manager overseeing the budgeting process invited all finance workers across SCE who play a part in the labor budgeting process to attend two half-day working sessions led by the HR Workforce Planning team, our vendor (Vemo) and the finance manager where we collectively defined and documented our new planning process and timeline (see Figure 6 below).

**Common process and timeline for leveraging the workforce forecast to build the labor budget**

**Final Agreed Process Flow**

- Begin
- Directions and budget targets from Corp Finance
- Headcount forecast
- Cost of forecasted headcount (using actual $ and MRP)
- Report for Vemo on forecasted labor costs
- Initial BU budget request
- Corp Finance notifies BU's of actual funding
- Modifications to headcount forecast if needed
- Headcount forecast closed
- Cost of forecasted headcount (using actual $)
- Assignment of funding sources (Capital, O&M)
- Incorporate into overall BU budget
- Budget keyed into SAP
- End

**Final Agreed Timeline**

- 6/1/2011 - 6/27/2011 BUs clean SAP data
- 7/1/2011 - 7/5/2011 BU management determines headcount forecast
- 8/1/2011 Labor planners enter headcount forecast into Vemo
- 9/15/2011 Headcount forecasts need to be in approved or released status
- 10/15/2011 Corp Finance notifies BUs of actual funds
- 10/15/2011 - 10/20/2011 Managers make headcount forecast adjustments if needed
- 11/1/2011 - 11/9/2011 Funding sources assigned to headcount forecast extract (occurs outside of Vemo)
- 11/20/2011 - 12/1/2011 Calculation of forecasted labor costs integrated into overall BU budget and keyed into SAP
- 12/1/2011 BU budgets due into SAP
- 6/1/2011 12/31/2011
- 11/2021 BU budget and keyed into SAP

**Figure 6: Common Process and Timeline**

In conjunction with BU and Corp. Finance, we developed and documented an agreed SCE labor budget process flow and timeline. Our take away: labor budget based on headcount forecast.

There are numerous benefits to aligning your workforce planning calendar and process to your budgeting calendar and process. We were able to gain the confidence of the downstream users that the forecasts were going to be reasonably real since they would be associated with labor dollars. One of the other unanticipated benefits was aligning other planning function processes to the budget planning cycle.
One unexpected benefit was the linking of other process timelines to the annual budgeting cycle through linkage to the workforce planning process. See process flow below (Figure 7):

**Integrates Workforce Forecast and Labor Budgeting process into Corp Resources Facility Master Planning process**

In conjunction with Corporate Resources, we mapped standard Corp real estate allocations to SCE position titles. Our take away: real estate planning based on workforce forecast.

**Data from Multiple Sources**

Each month we import 23 full tables of workforce data from SAP. We opted to do a full load of historic data versus a delta load where we just pull the last month. By sending a full load we are able to capture changes that are applied to our dynamic data warehouse. From the 23 tables we link 109 workforce data elements. Even with this large amount of data there were still pieces of data that we needed but did not exist in a row and column format. Going back to the SIPOC chart we identified the additional data required to meet the needs of our stakeholders.

We created 12 more data feeds which capture data stored outside of our HRIS. Often times this required creating an Excel sheet with job titles and going to the areas, asking questions such as “what square footage is allocated to which job title” or, “on 1 to 5 scale is this job title easy or hard to fill”. Building additional knowledge that was not in row and column format allowed us to give our stakeholders the information they needed and helped with the change.
management, as they were now building the program rather than the program being pushed on them. Sample Non-SAP data feeds are shown below (Table 2).

Table 2: Sample Non-SAP Data Feeds

<table>
<thead>
<tr>
<th>File name</th>
<th>Purpose</th>
<th>Source - Also responsible to notify WFP if changes are needed</th>
<th>Responsible to produce</th>
<th>Responsible to import</th>
<th>Import frequency</th>
<th>Import schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Forecast SCE</td>
<td>Used to calculate supply. Forecast of retirements and attrition</td>
<td>HR Analytics</td>
<td>HR Analytics</td>
<td>WFP</td>
<td>4 times per year</td>
<td>First week in Apr, Jul, Oct, Jan</td>
</tr>
<tr>
<td>AAP</td>
<td>Use to link underrepresented jobs to hiring plan</td>
<td>Diversity and Inclusion</td>
<td>Diversity and Inclusion</td>
<td>WFP</td>
<td>1 time per year</td>
<td>April</td>
</tr>
<tr>
<td>Trainee Job Codes.xls</td>
<td>Used to identify how interns have moved through the organization</td>
<td>HR Analytics</td>
<td>HR Analytics</td>
<td>WFP</td>
<td>Only if changes occur</td>
<td>upon change</td>
</tr>
<tr>
<td>Recruiting Difficulty and Time to Proficiency</td>
<td>Used to slice the organization by recruiting risk and time to proficiency risk</td>
<td>Talent Acquisition</td>
<td>Talent Acquisition</td>
<td>WFP</td>
<td>Only if changes occur</td>
<td>upon change</td>
</tr>
<tr>
<td>Real Estate Needs by Job Title</td>
<td>Used to link headcount forecast with real estate needs</td>
<td>Corp Resources</td>
<td>Corp Resources</td>
<td>WFP</td>
<td>Only if changes occur</td>
<td>upon change</td>
</tr>
</tbody>
</table>

Data Dictionary: Creating a Common Language

Now that we had our processes designed and data inputs identified, we needed to work from a common set of definitions. This required the creation and documentation of a data dictionary to standardize how we define and calculate information around workforce planning metrics. In conjunction with HR analytics and IT we created a data dictionary to govern our use of workforce data. This document later grew to cover all HR analytics related data points and measures.

The data dictionary (as sampled in Table 3 below) contains both a technical definition, often describing how the element is stored in SAP, and a business definition which describes the element in a more understandable form.
Table 3: Sample within Data Dictionary

<table>
<thead>
<tr>
<th>Measures</th>
<th>SCE Technical Definition</th>
<th>SCE Business Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td># M5 Rate</td>
<td>All Rates - unless noted as exception - use the standard Vemo definitions for annualization that are used across all instance: <strong>Period Rate for Event</strong> = (12/Periods) * Sum(Actions or Event for Period) / Active Employee Headcount (Average of Period Aggregate)</td>
<td>Rates are standardized in two ways. First, all rates are created by dividing by the relevant average active headcount for the period and not just the final or starting headcount. Second the numerator of each rate is annualized to show it as a full year. This allows a user to compare monthly, quarterly, YTD, annual and rolling 12 month rates on an apples to apples basis.</td>
</tr>
<tr>
<td># M6 Active Employee Headcount</td>
<td>Employee_Status = 3 (Active) AND EMP_GROUP &lt;&gt; N AND (Customer_Specific = 0 OR (Customer_Specific = 1 AND (Long_Term_Disability = 0 OR Leave_Tenure &lt; 1 year) ))</td>
<td>Active Employee Headcount (or AEH) includes Active Employees and Short-Term Leaves (Leave Tenure &lt; 1 year), and excludes Retirees, Long-Term Leaves and Contractors. We exclude Long-Term Leaves (or LTDs) because if they leave SCE, it doesn’t pose additional risk to the business, whereas there is an expectation that many Short-Term Leaves will return to their positions, which must be held for them. Active Employee FTE is just AEH averaged over time, which will happen automatically where a span of time is viewed. Of note, AEH does include SCE temps and interns, however there will be filters made available to filter out interns.</td>
</tr>
<tr>
<td># M7 Employees on Short-Term Leave</td>
<td>Employee_Status = 3 (Active) AND Customer_Specific = 1 AND EMP_GROUP &lt;&gt; N AND (Long_Term_Disability = 0 OR Leave_Tenure &lt; 1 year)</td>
<td>Employees on Leave is all Employees who are Active in SAP but on Long Term Disability other type of Leave. They are not included in Headcount for Planning or Reporting, however, the population is defined for sake of clarity. Also there be measures showing Active to Leave and Leave to Active to explain some of the periodic adjustments to Active Employee Headcount that is not related to hiring, attrition or workforce movement.</td>
</tr>
</tbody>
</table>

**Clarifying User Roles**

A variety of roles are used in our workforce planning process. We have over 50 planners who reside in the business, providing the headcount forecasts into the Vemo tool. We then have an approver, who reviews the forecasts of the planners in the area of the business to approve or will send the forecasts back to the planners for rework. Once the forecasts have been approved, the data can be extracted and sent to downstream users (finance, real estate, talent acquisition, general rate case) to serve as an input into their planning processes.

In order to gain early adoption, immediate benefits and generally help make the program “sticky”, we planned at the overall level including all employment positions (including vacancies). We are now building out advanced consulting and risk mitigation for the critical positions.
Workforce planning program outputs

Figure 8: Workforce Planning Program Outputs

Operational Planning (for the many)
Before building the outputs for our downstream operational planning users (finance, real estate, talent acquisition, other users) we met with them to get a better understanding of their needs and how they could get the most out of the forecast information. While each group was interested in receiving the forecast, they were most interested in applying the information to their specific function. For example, finance’s crucial need for the cost of the workforce versus real estate’s need to acquire employee’s square footage needs and other facility requirements.

The sample output for Finance (see Figure 9 below) shows:

- Summary-level budgets by resource type
- Detailed headcount, MRP and Projected Salary by Operating Unit, Department, Division and Job
- Budgeting can build non-labor budget on top of WFP
Figure 9: Sample Finance Output

The sample output for Talent Acquisition (see Figure 10 below) shows:

- Actuals vs. plan start and variance (helps answer the question are we already ‘on plan’ or ‘off plan’.)
- Planned adds, reductions, backfills and ending headcount
- Hiring need and redeployment opportunity
- By job and segment
- By operating unit with drill down detail

Figure 10: Sample Talent Acquisition Output

Addressing the Talent Supply Demand Gap (for the few)

The table below (Table 4) is illustrative of the outcome from the “plan for the gap” step of the workforce planning model. Our vision for this step is to have the HR business partner consult with the business leadership to determine how they want to address identified upcoming key workforce needs.
Our workforce planning technology can produce and populate internal/external availability in the template above. Next, HR and the business will determine the suggested mitigation actions. These actions can be used by HR Senior Leadership as an input to the HR strategy. In this way we are aligning our HR strategy to our business needs.

**Marketing the Workforce Planning Program**

Once the workforce planning program was designed we needed to communicate how it would work and create a communication and marketing strategy. This step is critical and must not be overlooked or done halfway. In order to ensure this was done well, we enlisted help from our communications group. We identified our pre-launch and post-launch messaging and communication strategy.

**Key Messages - For Build and Launch**

1. **Workforce planning is changing at SCE**
   - Single source for company headcount forecast
     - General Rate Case
     - Provide information on when and where staff is forecasted to grow and shrink
   - Responding to workforce trends across the company
     - Channel information to staffing on what type of positions we are planning to fill and when
     - Identifying forecasted underrepresented positions to staffing prior to requisition creation
1. Decision support around employee movement patterns across SCE
   • Identifying and modeling career progression
   • Tools for operational and financial planning
     o Link headcount planning to budgeting (through workforce modeling and scenarios)
     o Calculate the cost of forecasted labor
     o Calculate real-estate space needs for forecasted labor

2. How the changes will enhance the way we plan
   • How the Vemo tool works (for background)
   • Replacing SAP template for headcount forecast (GRC headcount forecast)
   • Integration with:
     o Talent Acquisition
     o Finance (Labor budgeting)
     o Corp resources (Real estate needs planning)

3. Logistics of the workforce planning changes
   • Launch date
   • Who will have access
   • Training
   • Expert users group will be first line contact for BUs
   • Where to go for further details

Key Messages – Post Launch

4. Planning logistics
   • Timeline and process
     o When to enter the headcount forecast
     o What needs to be entered
     o Who will enter the forecast
     o How to access the Vemo tool
     o When the forecast will close

5. Who to contact with questions and or issues
   • Expert user/s for your BU
   • Workforce planning contact
   • Web page
     o Timelines and process
     o Training material
     o Quick reference guides

6. How and when to access the forecast data
   • Date headcount forecast is locked
   • What data is available
• How to extract headcount forecast data
  o Online pivot tables
  o Exports to Excel and PDF or Export of raw data

7. Reporting
• Who can access
• What is available and how to access

### Stakeholders/Target Audience

<table>
<thead>
<tr>
<th>Stakeholder/Target Audience</th>
<th>What are their needs?</th>
<th>What is expected of them?</th>
<th>Pre-Launch Key messages</th>
<th>Pre-Launch Priority</th>
<th>Post Launch Key message</th>
<th>Post Launch Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent Acquisition (Staffing)</td>
<td>Understanding of what positions we are expecting openings and when the openings are expected</td>
<td>Utilize the output from the workforce planning process in the talent acquisition process Provide and maintain table rating difficulty to fill of positions and time to proficiency by job title</td>
<td>1,2,3</td>
<td>A</td>
<td>6</td>
<td>A</td>
</tr>
<tr>
<td>BU budgeting and Corp Finance</td>
<td>Understanding of labor costs of forecasted workforce</td>
<td>Utilize the output from the workforce planning process in the budgeting process (incorporate calculated labor costs associated with headcount forecast into overall BU budget) Help design a labor planning process and timeline that links headcount forecast in Verno tool and labor budgeting</td>
<td>1,2,3</td>
<td>A</td>
<td>4,5,6</td>
<td>A</td>
</tr>
<tr>
<td>Corp Resources (Real estate)</td>
<td>Understand when and where the business anticipates growing and shrinking Understanding of the square footage and parking needed to support future business plans</td>
<td>Utilize the output from the workforce planning process to help in real estate needs planning Provide table of standard space requirements by position</td>
<td>1,2,3</td>
<td>A</td>
<td>4,6</td>
<td>A</td>
</tr>
</tbody>
</table>

Table 5: Stakeholders/Target Audience

### Communication Strategy

We developed a grass roots approach to educate and inform internal suppliers and customers about the new tool/process and the impact and benefits they will receive. This ensured the people who either provide data to the tool or receive information from the tool have the understanding of the process and tool that they need to support their business requirements and SCEs workforce planning requirements. The tool’s modules will have a staggered release and additional users will be brought on as we move forward. Such communications are not included in this plan and will be created when further information becomes available.

The “Planning for Our Future Workforce at Edison” document (as seen in Figure 11 below) was created to show in one-page a basic overview of the workforce planning program and was used to explain how the program worked, selling the program benefits.
Planning for our future workforce at Edison

**Forecast**

- 5 year headcount forecast
  - OU management determines needed headcount
  - Labor planners enter the forecast into Vemo

**Workforce Data**

- **Internal workforce data**
  - Information on current population, job movement history, standard position costs, turnover, retirements, contract workers...
  - SCE retirement and attrition forecasts
  - Standard work space needed by job title
  - Mapping to Affirmative Action Plans
  - Ability to add other data feeds

- **External workforce data**
  - PwC Saratoga benchmarks, Electric utilities benchmarks, External labor market data

**Decision support**

- Forecast of needed workforce
- Labor costs based on forecast
- Space needed based on forecast
- Workforce planning reporting

**Customers**

**GRC**

- **Initial opportunity:**
  - Provide forecasted SCE headcount for GRC
- **Future opportunity:**
  - Leverage reporting to respond to some GRC data requests

**Staffing Excellence**

- **Initial opportunity:**
  - What type of positions are we planning to fill
  - When are we planning to fill them
  - Are the positions underrepresented
  - How many recruiters will we need
- **Future opportunity:**
  - Requisition approval based on approved headcount forecast

**Corporate Resources**

- **Forecasted real-estate needs report**

**Finance**

- **Initial opportunity:**
  - Linking headcount planning to budgeting (through workforce modeling and scenarios)
  - Calculate the cost of forecasted labor
- **Future opportunity:**
  - Link forecast to headcount budget items beyond salaries
  - Port forecasts into SAP

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Figure 11: “Planning for Our Future Workforce at Edison” document
Measuring the Workforce Planning Program

Below, you have been provided the metrics that we used to evaluate the workforce planning program (see Table 6). Specifically, we define the measure, the purpose of the measure, results and improvement steps if improvements were needed.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Purpose</th>
<th>Result</th>
<th>Improvement Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Assigned Plans Complete</td>
<td>Measure Participation</td>
<td>High</td>
<td>N/A</td>
</tr>
<tr>
<td>% Planner who submitted plan on time</td>
<td>Measure Participation</td>
<td>Medium</td>
<td>More effective training; plan at more consistent levels; use Talent Acquisition data for reconciliation instead of SAP vacancies</td>
</tr>
<tr>
<td>% Accuracy of Proforma Supply Forecast</td>
<td>Measure Usefulness of Attrition and Retirement Forecast to determine Backfills</td>
<td>High</td>
<td>N/A</td>
</tr>
<tr>
<td>% Forecasts Usable by Talent Acquisition and Management at time of plan submission</td>
<td>Measure Accuracy in Terms of Usefulness of Plan to Downstream Users</td>
<td>Medium</td>
<td>Planners need to delve more into specific job roles: all headcount is not the same</td>
</tr>
<tr>
<td>% Forecasts Usable by Talent Acquisition and Management 6 month after plan submission</td>
<td>Measure Accuracy in Terms of Usefulness of Plan to Downstream Users</td>
<td>Low</td>
<td>N/A: Rate Challenge has materially changed staffing strategies; Going forward, integrate Staffing Cap into workforce forecast</td>
</tr>
<tr>
<td>Directional Accuracy of Plan to Real Estate</td>
<td>Measure Accuracy in Terms of Usefulness of Plan to Downstream Users</td>
<td>High</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Table 6: Metrics Used to Evaluate the Workforce Planning Program

Next Steps for Edison– Linking to External Data

Currently, we are brokering an industry first partnership with Vemo, our workforce planning solution provider and Wanted Analytics, a well-known provider of labor market data, to link external labor market data directly into our planning solution. This should allow planners at Edison to be notified in real time that a specific position they are planning might be very difficult to fill from the external labor market. The planner can then make the informed decision on if the planned position is “a nice to have”, “a need to have”, or if the work could be done by some other means.
Edison has been developing a pilot program with the Vemo and PwC Saratoga to import benchmarks from Saratoga directly into Vemo. PwC Saratoga’s Global metrics and measurement database spans more than 450 metrics across workforce productivity, span of control, succession planning, recruiting costs and efficiency, quality of hire, labor costs, turnover, diversity and human resource department cost and organizational structures. This should allow Edison to make more informed data driven decisions and better understand how our specific workforce measures compare to external benchmarks.

By bringing together the right information and the right people, we can come up with the plans needed to deliver on tomorrow’s business strategy. As workforce requirements evolve and the workforce demands change, workforce planning allows for realignment of the HR strategy to support the business strategy by recruiting, developing, engaging the best possible talent, at the needed time and at a reasonable cost.
About the Author

Michael Manning is the Sr. Manager of Strategic Workforce Planning, Human Capital Analytics & Employee Engagement at Edison International and has accountability for setting the strategic direction for the use of Edison’s employee data. Michael leads a team of 7 professionals with responsibility for strategic workforce planning, company HR goals, metrics, analytics and reporting, and the company-wide employee engagement program.

Michael joined Edison in March of 2010 as Sr. Project Manager. In this role Michael led the requirements collection, RFP, and selection of a strategic workforce planning solution. In 2011 Michael led the configuration, customization and implementation of the SWP solution. The SWP solution successfully launched in July of 2011, at which point Michael was moved to his current position.

Prior to joining Edison, Michael worked for Merck pharmaceuticals where he managed human resources for quality operations across 3 sites in New Jersey and Pennsylvania. In addition to his generalist role he was responsible for HR measurement and planning/modeling of the workforce for those sites. Prior to Merck, Michael worked for Siemens in various HR strategy and engineering roles in California, Kentucky, Massachusetts and New Jersey/New York. Michael was a member of a 3 person team who launched Siemens first HR data warehouse and a graduate of Siemens fast track rotational development program.

Michael holds an MBA with Beta Gamma Sigma honors in operations management, is an experienced Six Sigma Black Belt with a focus on HR and business processes, and is certified as a Senior Professional in Human Resources. He resides in the greater Los Angeles area.