



# Implementing Workforce Planning: The Criticality of Change Management

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# Workforce Planning at Raytheon and Change Management



Enterprise Strategic  
Workforce Planning  
Implementation

2009-2011

Workforce  
Intelligence Center of  
Excellence

2012-2015

Full life-cycle  
Workforce Planning  
and Analytics  
(Operational + Strategic)

2016-Present

## *Common Change Management Challenges*



Common Challenges Across 3 Different Roles



# Combating Obstacles & Strategies To Overcome Them



## Create an Aligned Understanding

- Burning Platform
- Clarity of Vision
- Alignment of Definitions
- Common Approach



## Prove The Impossible

- Proof of Concept
- Build a Toolkit
- Lead on Strengths (Analytics)
- Incremental Change (Pilot)



## Focus on The Business

- Executive Championship
- Benchmarking
- Business Case
- Scope for Success

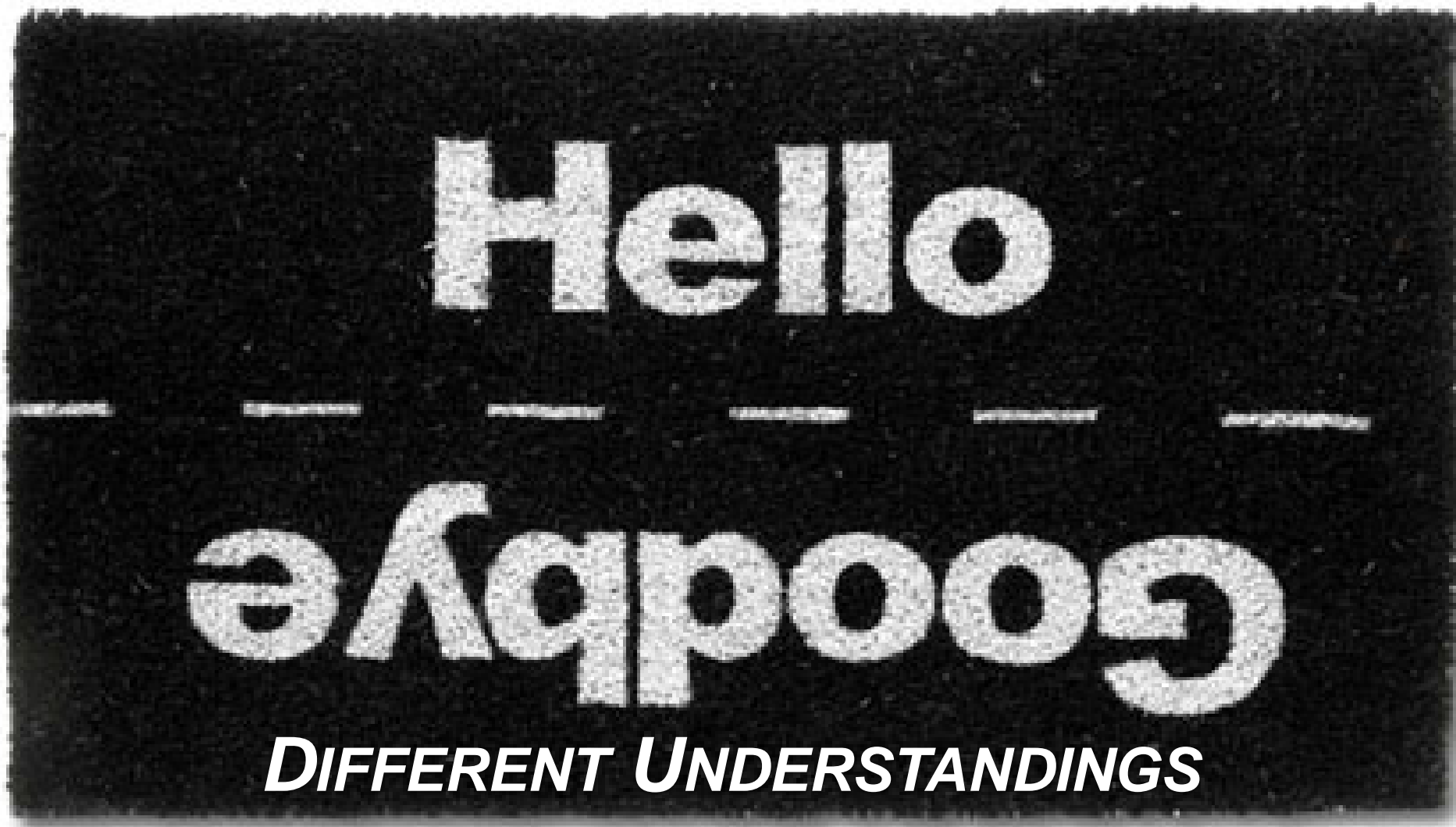


## Build An Army

- Understand Stakeholders
- Form the Right Team
- Build Capability



# Create an Aligned Understanding





# Create An Aligned Understanding: Why Workforce Planning...

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If you don't know where you are going, any  
road will get you there. - Lewis Carroll

**Having the right people in the right place at the right time and at the right cost.**

# MONEYBALL

**BOOK (2003) BY MICHAEL LEWIS, 2011 MOVIE**



- **Understanding what type of employees you need (*capabilities, location, timing, etc*)**
- **Foundation in analytics and data science**
- **Being strategic and deliberate – having a plan!**
- **Collaborative/cross-functional teaming to align on a forecast and take action**

# Create An Aligned Understanding: Burning Platform and Clarity of Vision

## Business Drivers



Evolving Portfolio



Disruptive  
Technologies



Aggressive  
Growth Targets



Cost Challenges

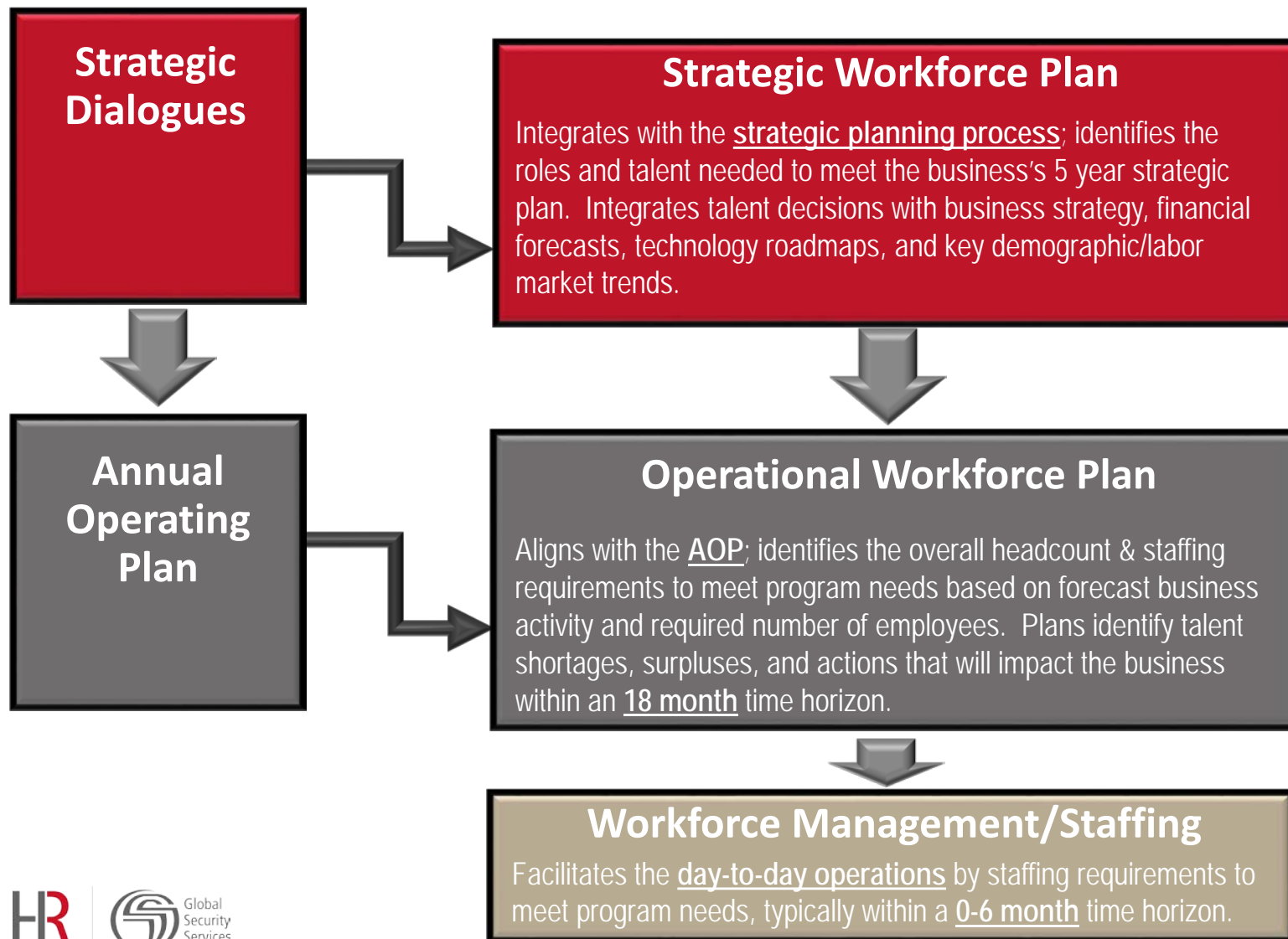


Hyper-Competitive  
Talent Market

- Identifies and plans for the critical talent needed to meet our business strategy
- Allows us to foresee our workforce needs ahead of demand
- Identifies strategic talent vulnerabilities and creates plans to mitigate risk
- Develops and exploits our understanding of where the talent lies, internally and externally
- Directs talent investment decisions in an integrated manner to maximize our ROI on people
- Proactively manages our talent resources efficiently across the enterprise
- Allows us to make smart make/buy talent decisions
- Evolve to a just-in-time talent management model



# Create An Aligned Understanding: Workforce Planning Involves...



## Inputs

- Company's Objectives
- Business Strategies/Challenges
- Leadership Implications
- Industry Trends
- Geography/Location Analysis
- External Labor Market Analysis (Current and Future)
- Internal Labor Market Analysis (Current and Future)

## Decision Points

- Who (Employment Relationship)?
- What (Capacity and Capability)?
- Where (Location)?
- How (Sourcing)?
- When (Timing)?

## Outcomes

- Estimated Headcount Requirements
- Critical Skills Needs
- Desired Development vs. Talent Acquisition Mix
- Deployment and Backfill Vulnerabilities & Plans
- Enterprise Talent Strategies
- Up-skill Requirements & Re-deployment Plans
- Contingent Workforce Needs



# Create an Aligned Understanding: Common Approach

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**Interview  
Leaders**



**Aggregate**



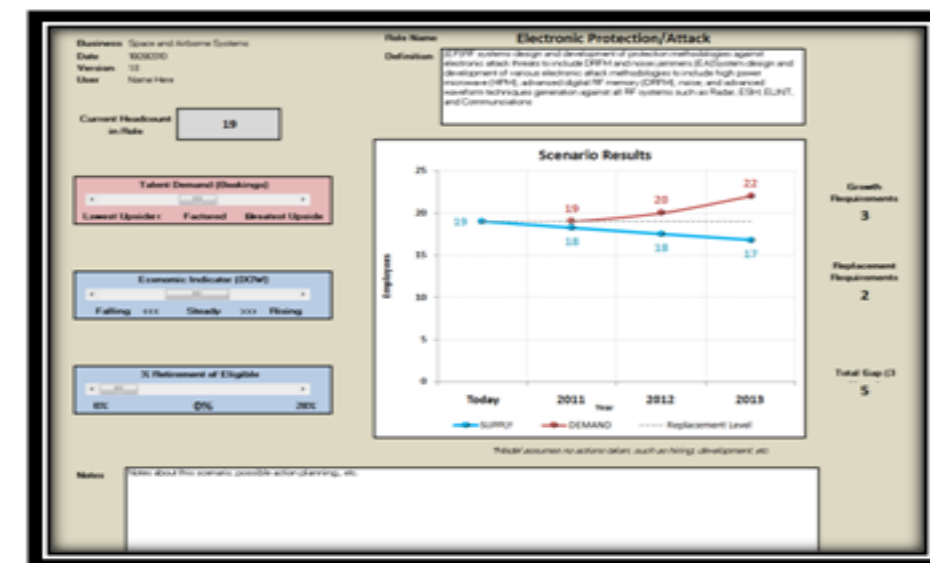
**Model**



**Validate**



**Align**



1/31/2019 9

**Creating and Communicating a Common Approach Creates Consistent Outcomes**

Approved for Public Release



# Focus on the Business





# Focus on the Business: 4 Key Considerations

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## Executive Championship



- Align on care-about
- Provides funding
- Drives commitment of leadership team
- Ensures follow-through

**Critical for success**

## Business Case



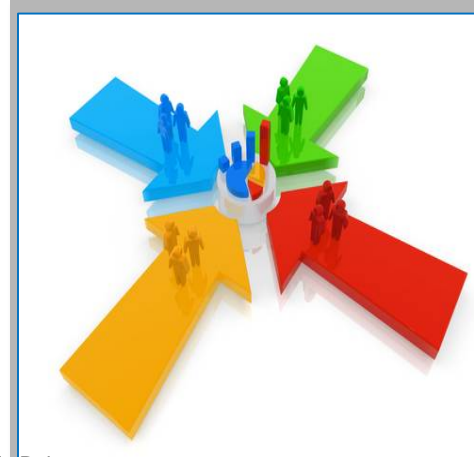
- Reinforces case for change
- Ties impact to revenue and cost

## Benchmarking



- Understand what others are doing
- Informs approach
- Competition creates a forcing function for adoption

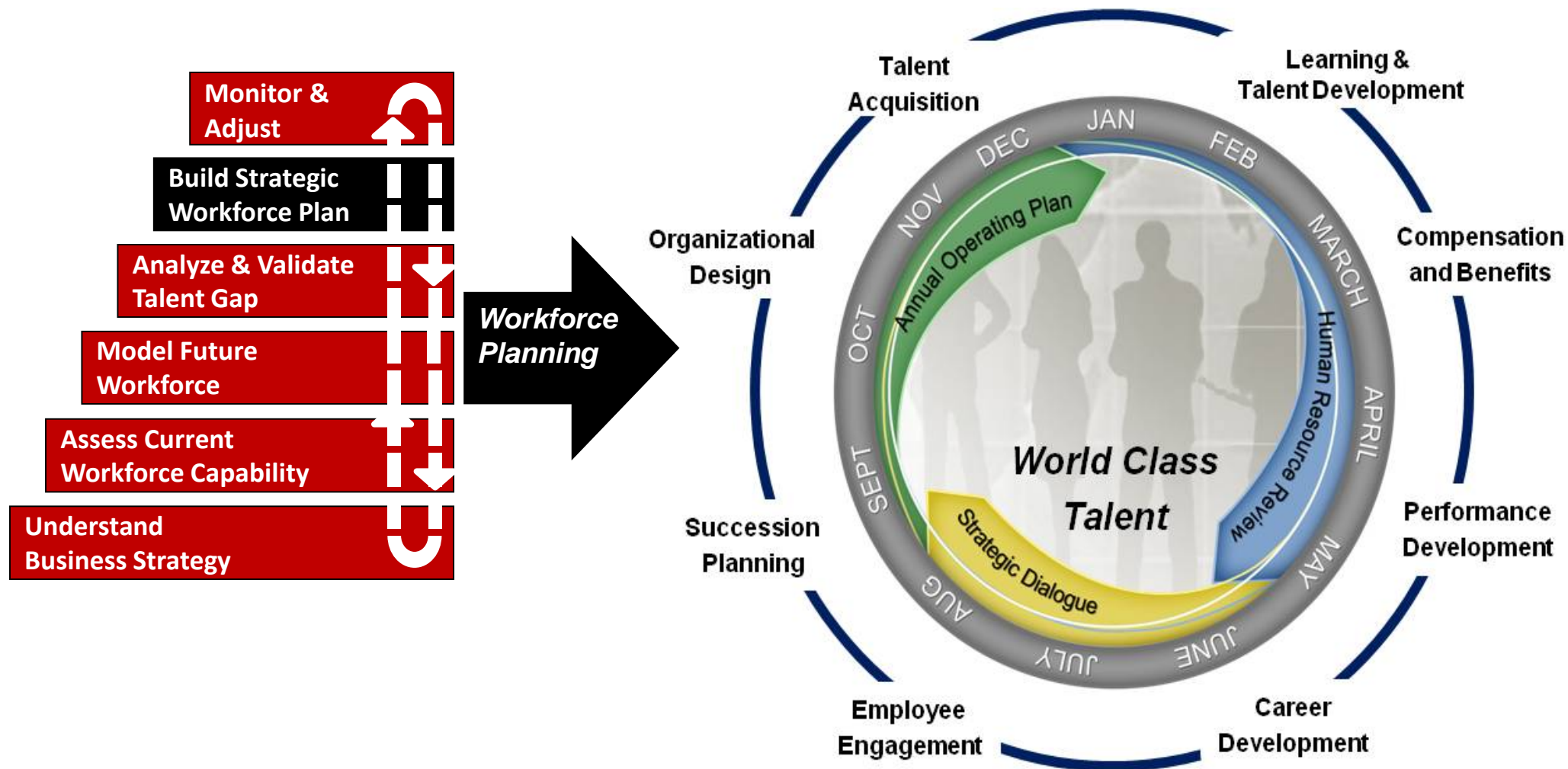
## Scope for Success



- Align on what project will and won't do
- Incremental build – builds support and allows flexibility
- Generate quick wins to establish credibility



# Focus on the Business: Workforce Planning and Human Resources





# Prove the Impossible

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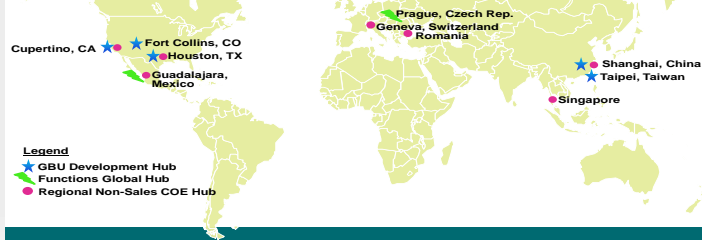
# Prove the Impossible: Create a Proof of Concept

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## Business Strategies / Talent Implications

### Location Strategy

- Sales force with global reach, optimized for each segment
- Global product development centers, in proximity to ODM & suppliers
- Global supply chain and customer support network
- Designated centers of expertise in each region for non-sales jobs



## Strategic Roles—Role Competencies

### Global HC Shifts and Hiring

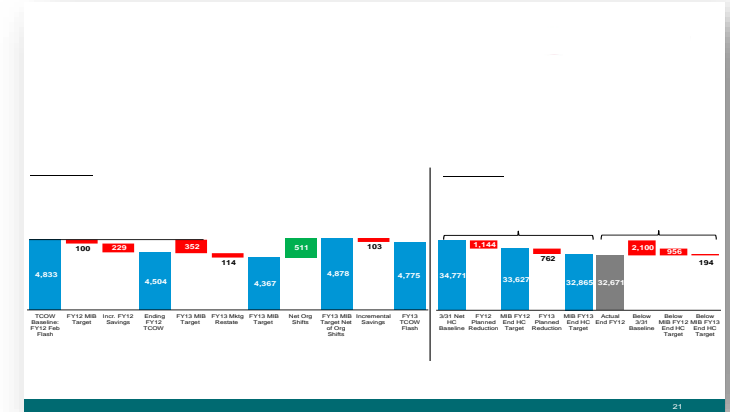
- End state plan reduces headcount in higher cost locations by 23% (see right):
  - Majority in fast ROI countries
  - 190 WFRs in France not currently funded or included – pursuing alternatives
  - \$6M savings from category 3 countries included in plan
- Hiring plans for Taiwan, Mexico, China, Czech Republic, India, Malaysia, and Romania account for 93% of replacement hiring (see below)

	FY09	FY13	Delta
United States	4,195	2,951	(1,244) -30%
France	543	501	(42) -8%
Singapore	346	266	(80) -23%
Japan	249	240	(9) -4%
Germany	223	196	(27) -12%
United Kingdom	162	153	(9) -6%
Australia	136	121	(15) -11%
Switzerland	123	145	22 18%
Netherlands	82	73	(9) -11%
Italy	73	69	(4) -6%
Sweden	49	49	- 0%
Belgium	35	35	- 0%
Total	6,216	4,799	(1,417) -23%

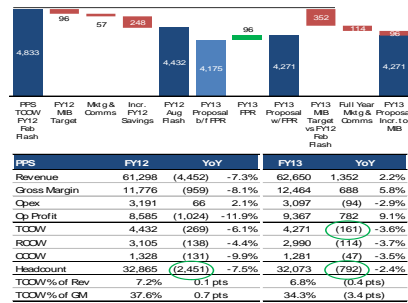
Country	Growth	Taiwan	Mexico	China	India	Malaysia	Czech Rep.	USA	Romania	Switz.	Other	Total
Engineering	392	42	185	9	-	-	-	24	-	-	2	654
Supply Chain	172	188	25	20	1	38	3	8	-	-	5	460
Marketing	13	58	27	38	9	10	22	-	23	-	8	208
Sales Ops	-	43	1	6	5	2	2	21	-	-	1	81
Services	9	56	2	-	10	-	1	-	-	-	-	78
Other	5	11	10	1	39	-	6	-	-	-	8	80
Total	591	398	250	74	64	50	58	29	23	24	1,561	100%
	38%	25%	16%	5%	4%	3%	4%	2%	1%	2%	100%	

\* product category & bus management  
\*\* low cost

## Current State



## Future State



## Workforce Actions

### Headcount Walk - Details

Headcount	3/31 Net Baseline	WFR <sup>1</sup>	EE <sup>2</sup>	Attrition <sup>3</sup>	Hiring <sup>4</sup>	Other <sup>5</sup>	FY12 End HC(10/31)	Delta to 3/31 Baseline	FY12 Net End HC Target	Delta to FY12 End HC Target	% Attainment
Americas	5,047	(269)	(142)	(239)	184	(11)	4,570	(477)	4,707	(137)	103%
EMEA	3,811	(82)	-	(115)	46	(90)	3,570	(241)	3,811	(241)	107%
APJ	3,732	(110)	-	(285)	66	(5)	3,398	(334)	3,564	(166)	105%
IPS	7,011	(96)	(218)	(234)	50	(88)	6,425	(586)	6,680	(255)	104%
GBB	3,389	(25)	(53)	(68)	90	70	3,403	14	3,390	13	100%
LES	1,854	(15)	(76)	(69)	34	(7)	1,721	(133)	1,798	(77)	104%
MES	284	(4)	(20)	(3)	2	1	260	(24)	284	(24)	109%
PC	2,051	(3)	(37)	(77)	132	(5)	2,061	10	2,126	(65)	103%
Operations	4,830	(24)	(107)	(104)	86	(31)	4,650	(180)	4,708	(58)	101%
CS&S	2,653	(57)	(43)	(207)	220	(37)	2,529	(124)	2,450	79	97%
Total	34,771	(687)	(704)	(1,407)	914	(216)	32,671	(2,100)	33,627	(931)	103%

### Consistent performance across key org metrics

Business Objective	Metric	FY09	FY10	FY11	FY12	FY13
Productivity	TCOW	\$1.318B	\$1.323B	\$1.434B	\$1.337B	\$1.270B
	TCOW % of Revenue	3.7%	3.2%	3.6%	3.7%	3.4%
	Span of Control	8.7	8.9	8.6	8.6	8.6
	Layers	8	8	8	7	7
Execute transformation goals	Transformation WFRs	969	420	75	216	189
	Transformation Savings	\$58M	\$30M	\$35M*	\$15M**	\$71M**
	HML Country Cost Mix	57/12/30	53/12/35	50/12/38	50/12/38	TBD

- FY12 headcount down 1,018 while making critical investments
- FY13 investments in PCGBU and Customer Services & Support
- Multi year transformation with focus on cost and productivity
- Focused management of spans and layers
- Span of Control (~9) driven mainly by ODM & GTM models leveraged by PSG
- Limited improvement opportunities from reducing layers to 7 (best in class)



Proof of Concept Enables Stakeholders to See What Success Could Look Like

Approved for Public Release

1/31/2019

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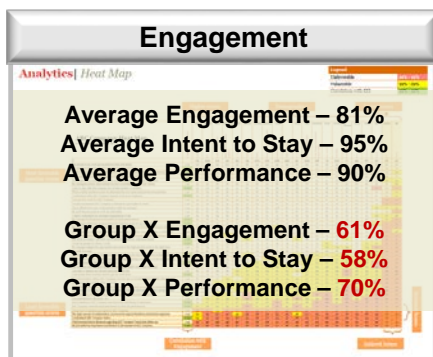


# Prove the Impossible: Build a Toolkit

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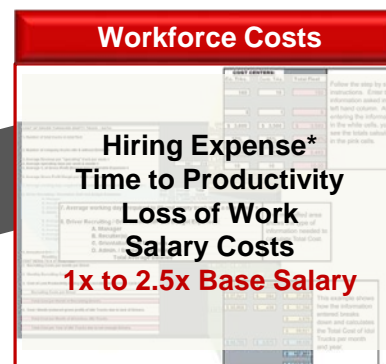
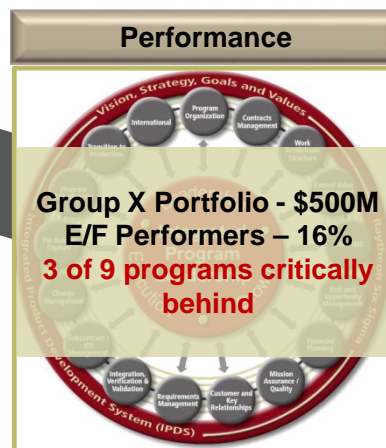
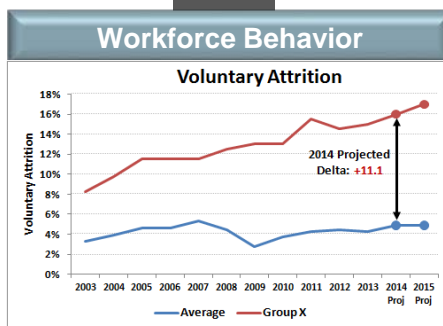


# Prove the Impossible: Lead on Strengths (Analytics)



### Behavioral Linkage

Variable	Linkage	R <sup>2</sup>
Engagement	→ VOL Attrition	0.20
Intent to Stay	→ VOL Attrition	0.44
Total R <sup>2</sup>		<b>64%</b>



\*Scarce Talent  
\*Competitive Geography  
\*Extremely Low Diversity

### Surgical Intervention

- OE Intervention
- Leadership Assessment
- Incentive Compensation
- Morale Event
- Pipeline Evaluation

Result – Group X	Change
Engagement Score	<b>+18%</b>
Intent to Stay Score	<b>+21%</b>
Attrition Reduction	<b>-15%</b>
Headcount Retention	<b>+39 FTE</b>
High Performers	<b>+15%</b>
Productivity	<b>+8%</b>
Cost Savings	<b>\$9 - \$15M</b>



# Build an Army





# Build an Army: Understanding Stakeholders

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NEW YORK TIMES, WALL STREET JOURNAL,  
USA TODAY, AND BUSINESSWEEK BESTSELLER

## Our Iceberg Is Melting

Changing and Succeeding  
Under Any Conditions

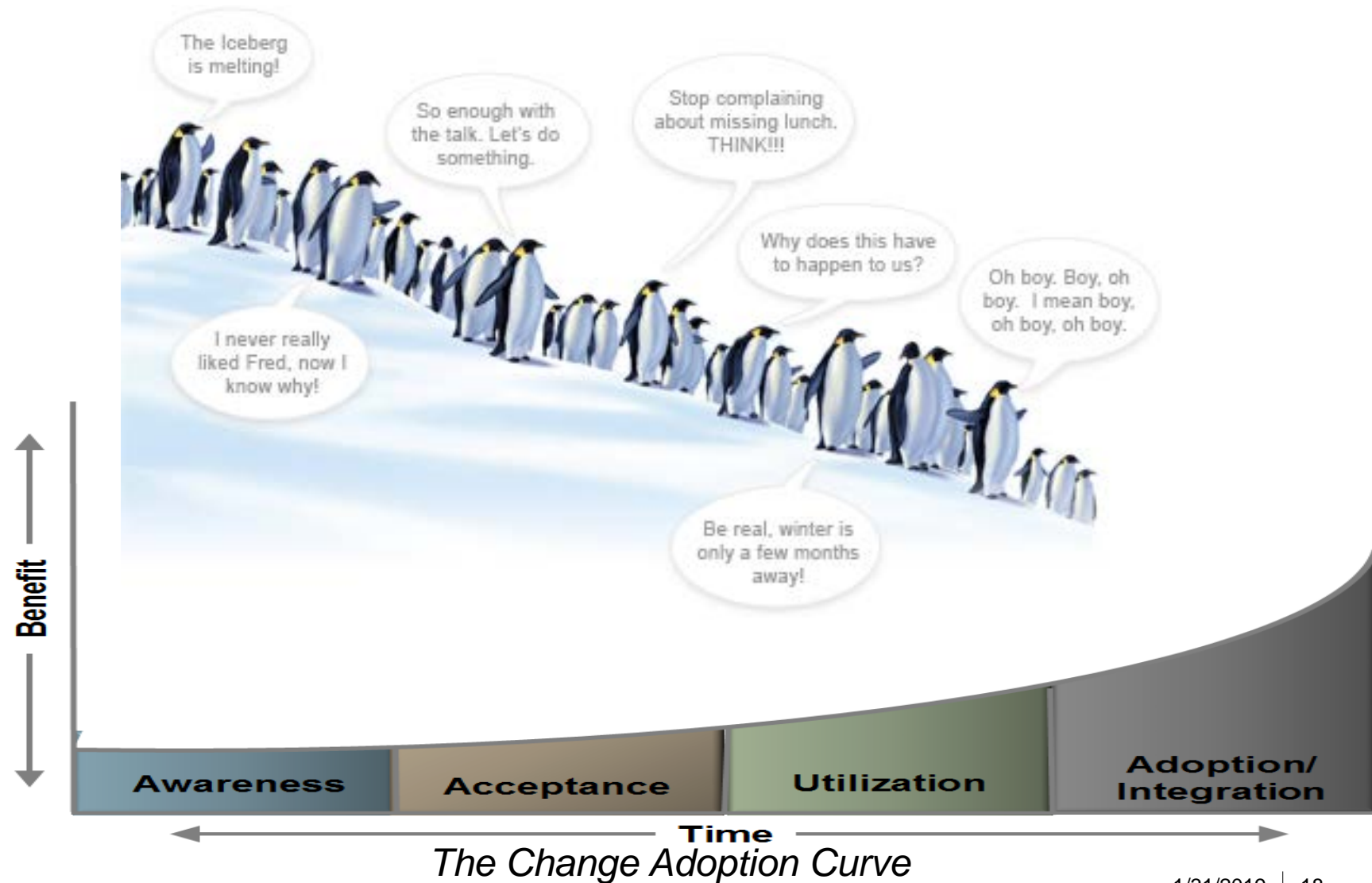
John Kotter

THE AWARD-WINNING AUTHOR  
FROM HARVARD BUSINESS SCHOOL

Holger Rathgeber

He is making a  
difference for us.  
—Ben/Cathy, CEO,  
Speakeasy.com

Foreword by Spencer Johnson, M.D.,  
author of *Who Moved My Cheese?*

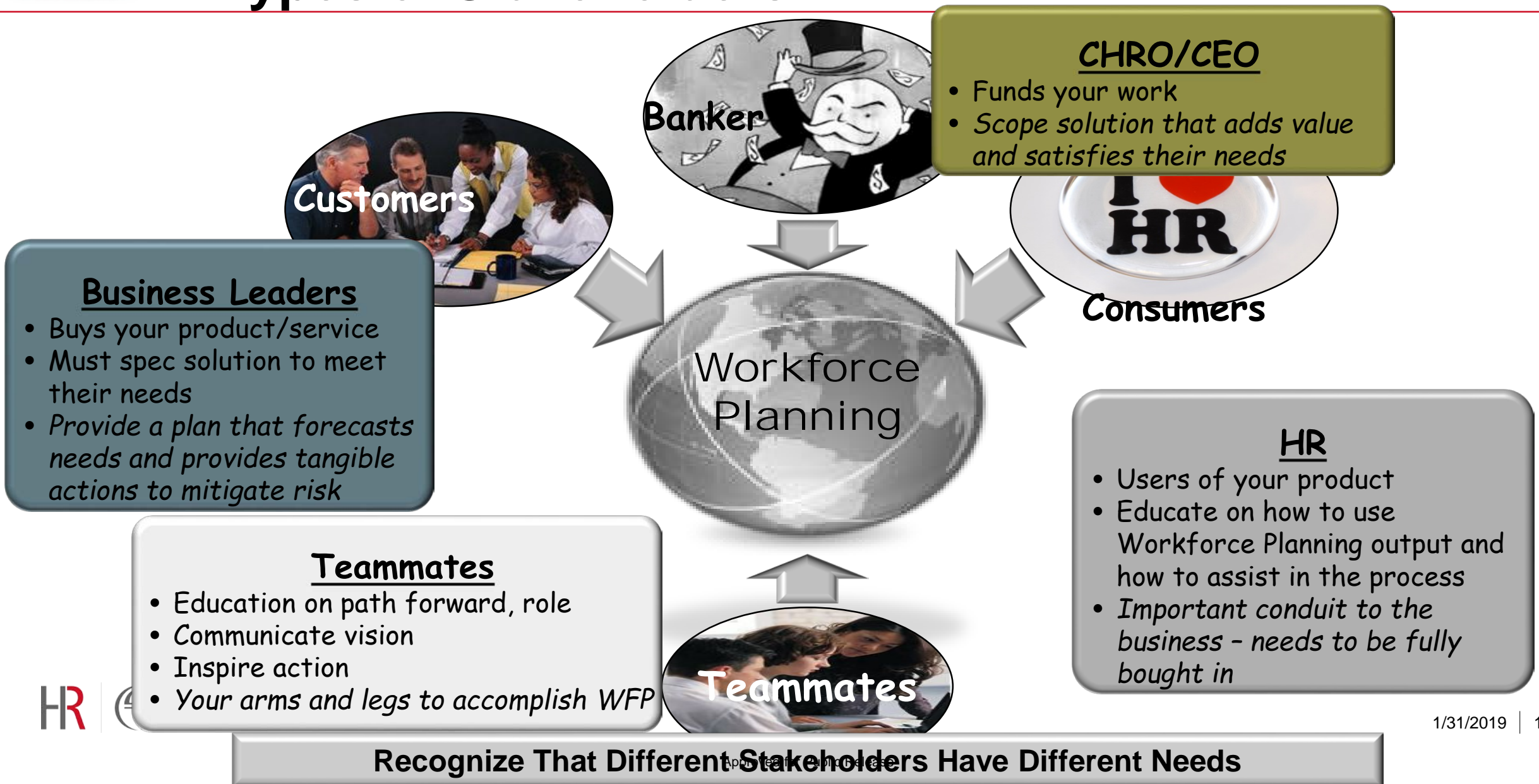


*The Change Adoption Curve*

Not Everyone Gets On Board At the Same Time



# Types of Stakeholders





# Build an Army: Form the Right Team

- Cross-functional project team
- SMEs in their respective fields
- Director-level responsibility & influence

## Finance (FP&A)

*Ensure that headcount forecasts and workforce costs align with revenue and budget targets.*

## Business Development

*Provides line of sight into potential new programs/workforce requirements.*

## Human Resources

*Develops and implements fulfillment actions and strategies (Hiring, Development, Retention, etc) in partnership with functions.*

## Program Management

*Responsible for executing programs; must align on fulfillment timing and strategy.*

## Supply Chain

*Responsible for vendor labor strategy*

## Engineering (& Pgm IT)

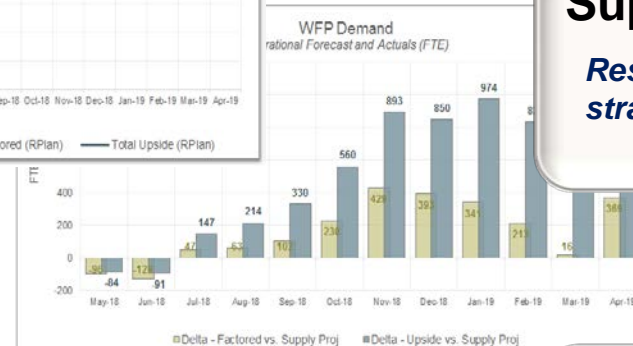
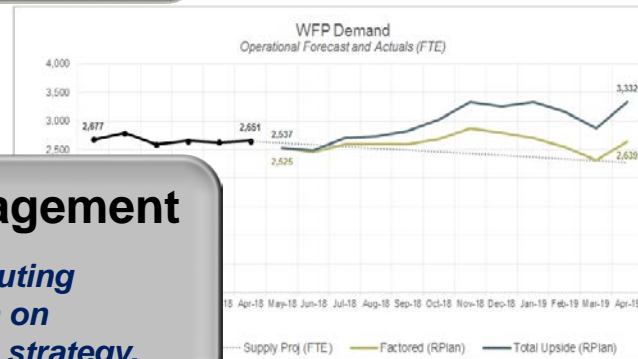
*Responsible for providing talent to programs. Must align on requirements and execute fulfillment strategy.*

## Strategy

*Workforce strategy must enable business strategy – locations, skills mix, etc.*

## Real Estate

*Responsible for facilities strategy/footprint.*



WFP Integrates Various Perspectives and Information to Create an Aligned Plan



# Build an Army: *Build Capability*

## HR WFP Capability Baseline

### **Business**

#### **Analysis:**

Understands how to use & interpret qualitative & quantitative information

### **Partnering**

#### **Skills:**

Understands how to advise management

### **Business**

#### **Acumen:**

Understands the business context and strategy

### **Change Management:**

Enables the organization to implement change effectively

## Solution: Immersion Learning

### **3 days...**

- WFP Fundamentals
- Data Analytics
- Change Management Tools



Less Capability → Full Capability

# Lessons Learned

- Workforce planning is a journey, and it's about challenging the status quo
- Gain alignment on why, what, and how to ensure success
- Start small to generate initial wins, and then expand
- Don't get consumed by the process – focus on business value
- Leverage your strengths in scoping your approach
- Build an army of advocates and champions to drive change with you



# Questions?

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