

BUSINESS PERFORMANCE GUIDE

**ORGANIZATIONAL
PLANNING:
WHY
YOUR
BUSINESS
NEEDS IT**





The shortest distance between two points is a straight line. In the business world, however, the only absolute is the starting point and the line is never straight.

Navigating your way to success requires a solid team of employees and a solid strategy. Organizational planning means knowing who you have, how they're helping or hurting your business's growth, and the best way to align those employees in order to realize your company objectives.

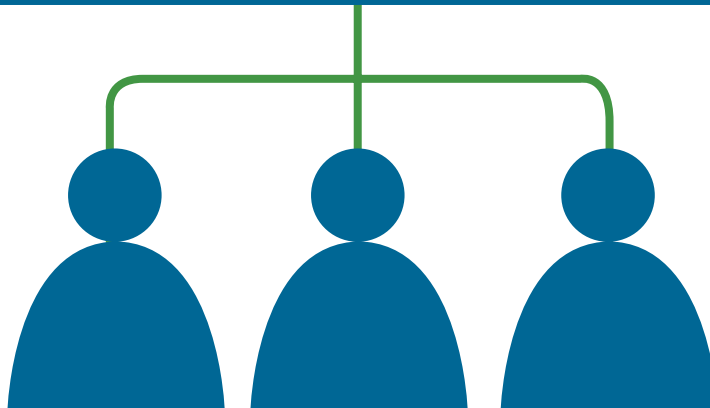
Simply put, organizational planning keeps your business moving forward while also preparing it for the road ahead.



Having a Hierarchy

Organizational planning begins and ends with your business's organizational structure, which usually is represented by an organizational chart. This corporate snapshot establishes a companywide pecking order that helps determine responsibilities and reporting relationships.

A strong organizational structure paves the way for strong decision-making in all areas of organizational planning. Additionally, it serves as the "you are here" spot on your business's roadmap. The company may need to switch routes from time to time, but without knowing its current location, you might as well let go of the steering wheel and punch the gas.



Constructive Criticism



Once a framework has been created, its effectiveness must be constantly evaluated to make sure each department or area can:

- Handle the business's workload
- Perform in concert to achieve the company's overall goals
- Adapt to change quickly and efficiently
- Sustain a high level of employee engagement

“The goals of the workforce must combine to satisfy the goals of the business,” says Eric Kilponen, manager of marketing and sales operations at Insperty Performance and Organizational Management. “A formal performance management process ensures this. It shows employees how they contribute to the business's success and the value of their work. Additionally, it will expose training and development opportunities.”

Organizational planning is also organizational maintenance. By evaluating and re-evaluating your staff, you can identify gaps and redundancies, manage workforce changes more effectively, and increase productivity.

Thinking Ahead



Perhaps the biggest reason organizational planning is a must is because it's the basis for every workforce decision you'll ever make. Employee moves should have a positive impact on the business, both now and in the future. To make the right calls, you'll need to be able to explore as many of the "what if" scenarios as possible and create strategies based on the predicted outcomes.

"In business, change comes at you from all directions – sometimes simultaneously," Kilponen says. "A company that anticipates change and demonstrates agility in its decision-making processes will thrive. A company that doesn't and isn't, won't."

Here are a few ways to be better prepared for the changes your business will inevitably encounter:

Make performance appraisals count Having a viable employee assessment process engages your staff and increases productivity. This improves morale and creates opportunities for advancement while bolstering company culture. Everybody wins.

Start succession planning When top performers at any level of the organization retire, resign or rise up through the ranks, filling their positions should be smooth. And if you can identify internal candidates for the role, you'll save money on recruiting and training.

Do the math Whether through mergers and acquisitions, layoffs, or other shifts in headcount, the organization as a whole must be able to adapt quickly and move forward. Have managers propose hypothetical plans that deal with these situations, limiting surprises when they actually happen.

Communication Is Key

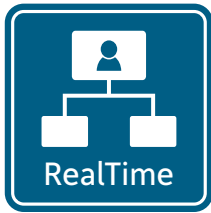


A well-informed workforce decision is the product of collaboration. This means a steady stream of communication between managers, executives and HR staff across all levels of the company. Organizational planning strives to break down silos of information and departmental isolationism.

“If your organizational structure is as concrete as it should be, you’ll know who to talk to regarding workforce decisions,” Kilponen says. “These decision-makers and HR leaders are the ones to consult with when it’s time to make changes to your staff.”

When communication breaks down, it’s only the first domino to fall. Efficiency suffers, morale dips, and customer service and satisfaction drop as well. All this takes its toll on your bottom line, which is why maintaining companywide communication is so important to organizational planning.

Organizational Management Tools Can Help



Insperity® OrgPlus® RealTime

Visualize, strategize and optimize your workforce online

Insperity OrgPlus RealTime is a cloud-based organizational management solution that empowers businesses to strategically plan, refine and analyze their entire workforce to make more informed, collaborative decisions and better adapt to organizational change.

Features and benefits

- Accessibility anytime, anywhere with role-based security that allows employees access to only those features they need
- The ability to track and measure key employee metrics such as performance rating, compensation, budget and headcount
- Insight into how workforce changes can affect your organization
- A way to easily and effectively manage changes under a merger or acquisition
- In-the-cloud infrastructure with no desktop hardware, a limited initial investment and online access using a variety of compatible Web browsers
- Boardroom-quality charts with insightful workforce analysis tools to reveal key metrics
- Drag-and-drop functionality to plan organizational change and optimize your workforce
- A wide variety of publication options, including Word, HTML or navigable PDF and PowerPoint documents

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