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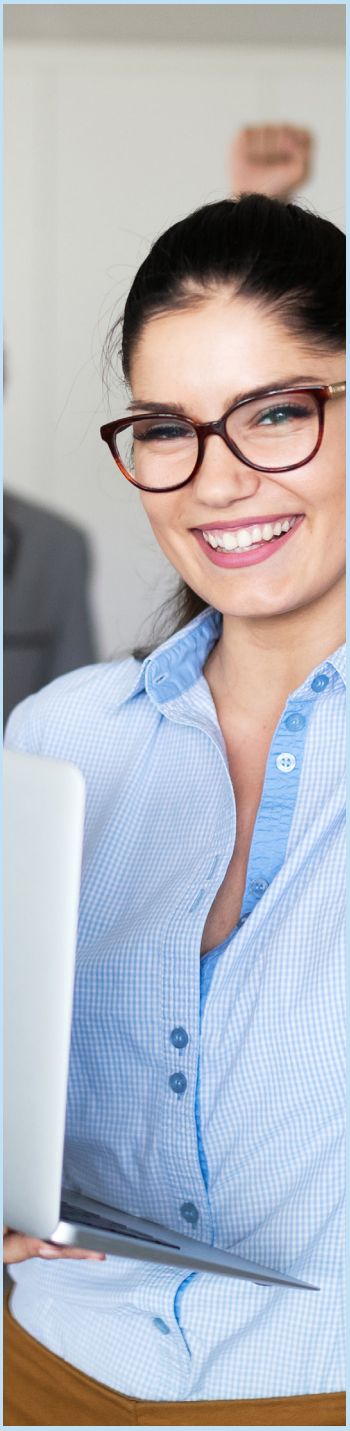

DYNAMICALLY TACKLING THE PEAKS

Abstract

To succeed in today's dynamic environment, most organizations are challenged to extract the most out of their existing capabilities. Towards this end, flexibility in staffing is the key. This paper discusses how a dynamic staffing model can help deal with the peaks of seasonal work, while controlling costs and managing risk.

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Demand volatility in the age of automation

Since the days of the industrial revolution, production managers have always found it challenging to match capacity with demand. In more recent times, the service sector too has seen its own version of this problem. While today's variations in demand are cyclical in nature and can be estimated in advance, they still pose challenges as the lead time required to scale human resources is quite high.

In the BPM industry, these challenges manifest themselves through wide swings in resource utilization or in some cases even lost business opportunities due to a company's inability to scale quickly enough.

Several organizations have deployed automation solutions including robotic process automation (RPA) to improve straight-through processing rates during seasons of high demand. However, while these solutions have increased customer service levels, the corresponding fall outs requiring manual interventions have also steadily risen in absolute numbers, even while reducing as a proportion of the processed volumes. As a consequence, processes are still subject to demand volatility.

Manipulating demand and capacity

On the demand side of the equation, several approaches to manipulate the spikes in demand have been deployed and have met with varying degrees of success. For instance, the service sector including the BPM industry has successfully deployed "demand levelling" through differential pricing. In some other scenarios, the client's expectations have been adjusted through proactive communication and the delivery of the service is normally spread over a longer than usual lead time.

However, these strategies have very limited applicability in certain sectors such as information services, where delivery timelines have been shrinking due to intense competition. Also, in this age of instant information, process managers have limited flexibility for adjusting demand and its patterns. These adjustments moreover presuppose a familiarity and access to a customer's journey, which is not commonly or always available.

When it comes to managing capacity, process managers are far more adept, having in-depth experience of the various interventions possible. Organizations have been managing capacity through including planned buffers into staffing plans, using flexible staffing alternatives by employing temporary contract workers, and in some extending working hours of their resources.

It is essential to note that all the above interventions on both capacity and demand management are incumbent on reliable forecasting.

The rise of evolved staffing models

The needs of today's organizations are varied. While most focus on efficiency, some focus on scalability, others on compliance, and some on transforming their operations. To meet these diverse needs, several staffing models have evolved with unique characteristics:

- Dynamic Model: Utilizes resources from other lines of business in their non-peak season for better optimization.
- Buffer Model: Employs sufficient resources to fully meet the client's maximum demand arising out of a volatile market.
- Operational Model: Redesigns operational strategy using shift allocation based on inflows, managing leaves, training plans and so on to meet the market demand.
- Temp Model: Deploys specific set of resources on a temporary basis only for specific period.

The pros and cons for every of those models is tabulated below:

Parameters	Dynamic Model	Buffer Model	Operation Management	Temp Model
Scalability	High	High	Moderate	High
Impact on Service Level	High	High	Moderate	High
Rec + train time	Low	High	Low	High
Employee Engagement	High	Moderate	Low	Low
Total Lifecycle Cost	Low	High	Low	High
Sustainability	High	Moderate	Low	Low
Domain Expertise	High	Low	Low	Low
Utilization of Resources	High	Low	Moderate	Low

Advantage

No Significant Impact

Disadvantage

The benefits of the dynamic model

In experimenting with several of these methodologies to cater to the needs of a diverse set of clients, the dynamic staffing model appears the most effective, giving organizations that implement it a host of benefits.

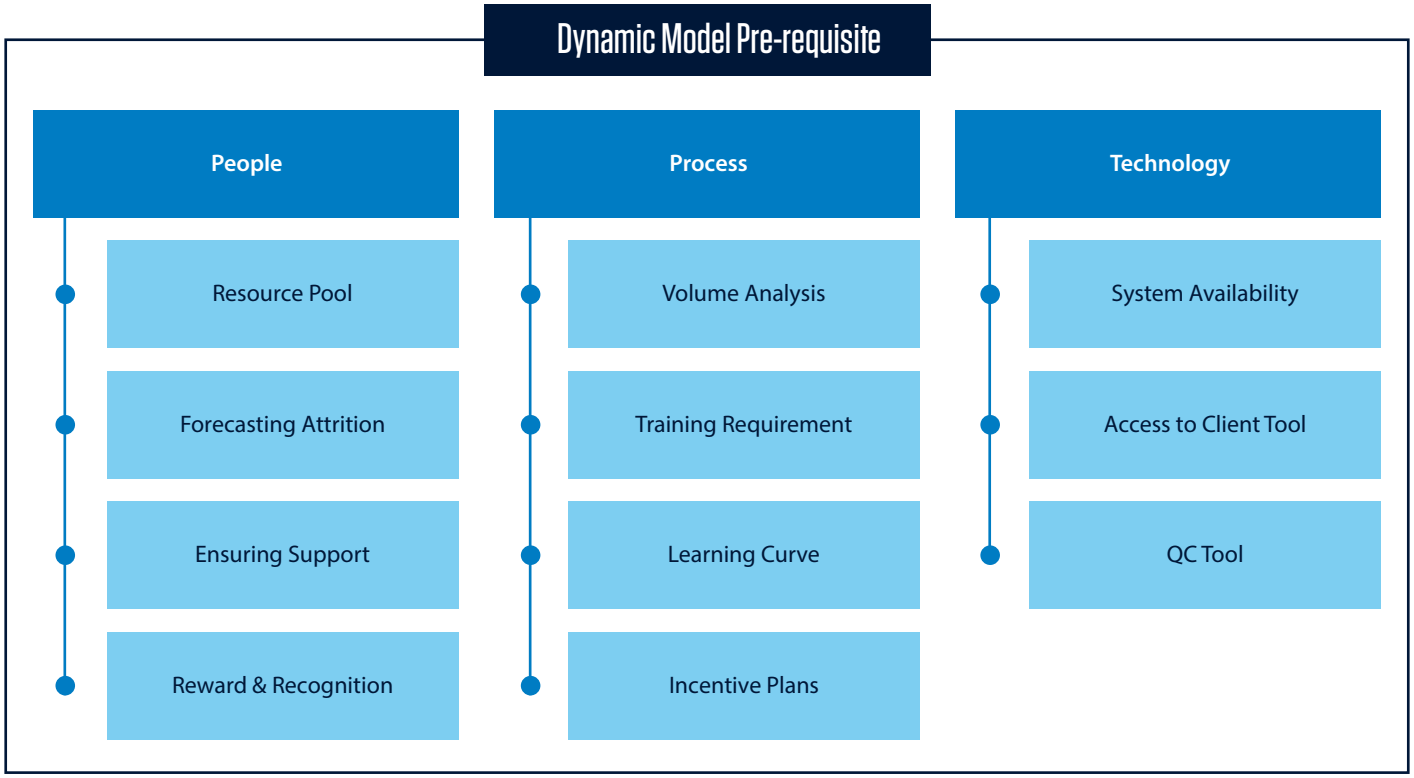
Benefits of Dynamic Model

- Creating Expertise
- Managing Peak
- Career Pathing
- Cost Cutting
- Backfilling
- Talent Retention

For example, bringing in analysts during peak season for a process from other processes that are undergoing a lean period helps manage seasonality while also creating broader expertise within the company. Other benefits of the model include better career pathing, improving talent retention through providing greater exposure and learning, providing backfill for attrition rather than having to hire from outside, and cutting costs associated with overstaffing and peak season overtime.

Priming the model for maximum effectiveness

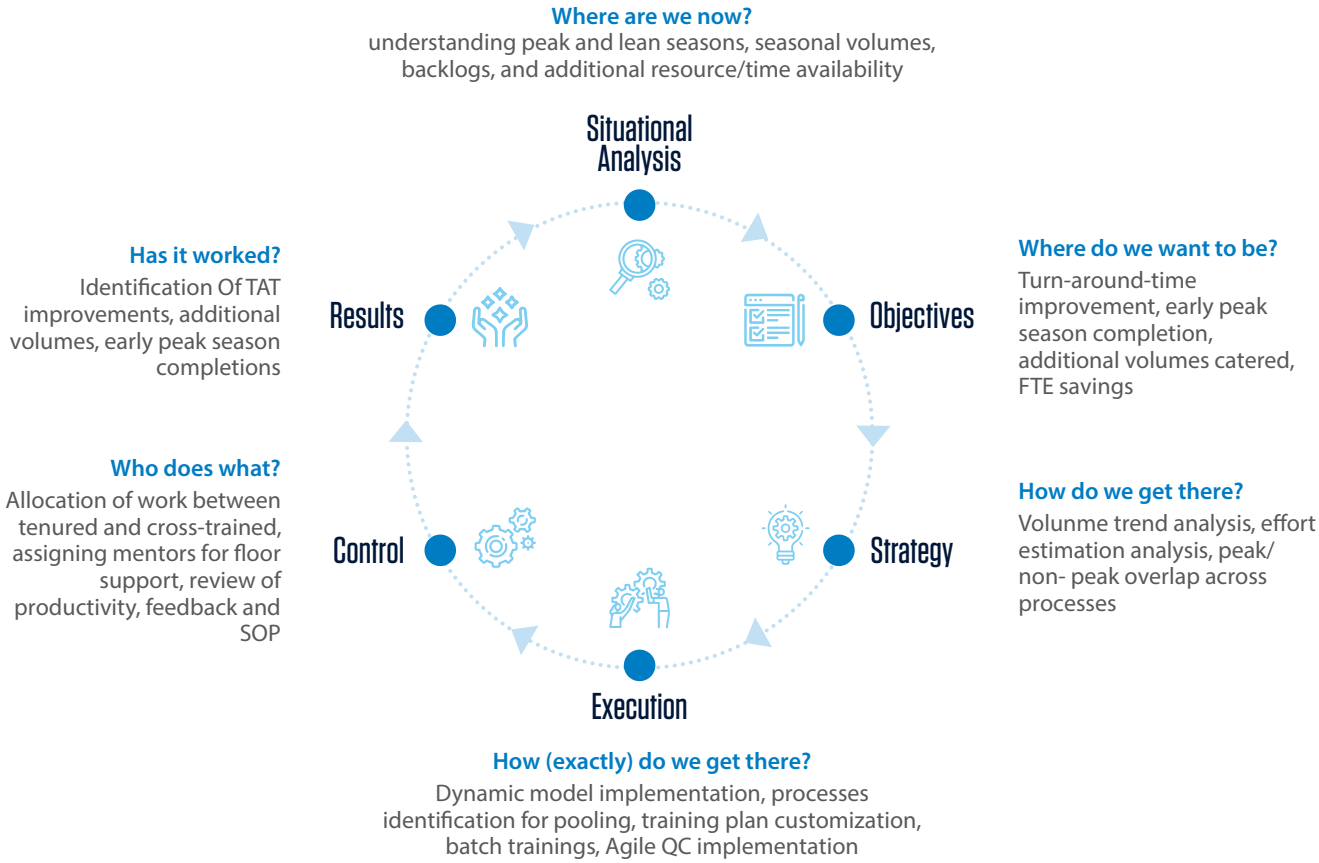
Several prerequisites need to be taken care of for maximum effectiveness of the dynamic model, and these can be bucketed under the categories of people, process and technology as below.



- **People:** The organization needs to create an adequate resource pool through identifying additional headcount required from other lines of business and defining the duration of support. Forecasting of attrition is needed to help manage the volumes better through training of additional resources. Further, a number of SME's and experienced seniors must be identified to support quality control of work done by the cross-trained staff. Lastly, a well-designed rewards and recognition mechanism is key to motivating such staff.
- **Process:** The volume trend of the process in scope needs to be analyzed in comparison to prior periods. This analysis must take into account factors relating to the process such as the industry type, types of files involved, hourly volumes, market characteristics and so on. There also needs to be a training requirements analysis considering the availability of the trainers and resources, non-peak hours available for training, as well as the scope of training such as file types, industry domain and so on. Further, the learning curve of the resources must be truncated through making the trainings practical and hands-on. Lastly, the quantum of week-end work expected from the trainees must be factored in to design attractive incentive plans
- **Technology:** Prior to onboarding of the cross-trained staff, additional systems availability and access to client tools and applications must be planned for, and the QC tool database needs to be updated so as to provide on-time feedback.

Deploying the dynamic model effectively

To produce results, the floater model must be deployed effectively through iteratively seeking answers to the following questions



Another factor that will underscore effective deployment is a realistic understanding of the limitations of the model:

- The dynamic staffing model can be deployed to effect only when there is a large month-on-month variation in process volumes.
- These variations must be predicable for accurate estimation of the additional effort required.
- Thirdly, the model can be deployed effectively only when the process tools can be made available for a floating resources pool.
- Lastly, the resources for cross-training needs to be drawn from the same line of business or domain

The bottom-line

Even as digital technologies speed up business cycles, the seasonality of peak process demand will inevitably speed up as well. The dynamic staffing model with the host of benefits it offers will help organizations scale up faster and more effectively.

In a constantly and dynamically evolving marketplace, enterprises will need to implement a systematic strategy towards wide adoption of this model across their critical business process. That will go a long way towards enhancing customer experience and remaining two steps ahead of the competition.

About the Author

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Priya is spearheading Equity Operations in India for one of the leading global business and financial information and news provider. Responsible for the leadership, direction and development of the Business Services teams, ensuring growth and achievement of targets, with a view to consistent, quality delivery.

Priya started her career with Infosys BPM in 2011 with one of the leading investment bank operations. Prior to joining Infosys she has worked for more than 14 years across diversified facets of Operations and General Administration domains, including an International Exposure of 3.5 years.

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Ratnakar has been part of Infosys BPM for over 10 years, and is the global Client Operations Head for multiple client engagements which includes Compliance Client Onboarding Operations for a US Bank and Data operations across India, China and Ireland for US based Global Financial Information / Data Provider. Processes in this client engagement involve Data Extraction, Aggregation, Management and Governance of financial and business intelligence that help Investors & Clients make better financial decisions.

Ratnakar has over 19 years of rich experience in data, content, and financial information across business segments (investment management, wealth management, investment banking, corporates, industries) and services (sales and trading, enterprise, advisory, risk management). Prior to moving to Infosys BPM, Ratnakar worked with Thomson Reuters and Goldman Sachs.

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