Supply & Demand Analysis

Forecast Assignment - 2

Executive Summary

Situation of the *FUNCTIONAL* business in the world is promising. Thanks to OUR COMPANY's customizable product, WE can easily adapt to any market that it wants to enter. However, OUR COMPANY needs to be innovative and always must follow technology trends in its market. Since innovation is the key for being successful in our field, company's most important asset is human capital. In order to grow in this business market, OUR COMPANY needs to focus on its key employee group which are TBC. TBC are hard to find employees and they are the majority of the OUR COMPANY's workforce.

In forecasting the demand and the supply for the key group, we used two models; ratio analysis and vacancy model. In ratio analysis, we used general growth data provided OUR REFERENCE SOURCE FROM ASSIGNMENT 1 Canada and compared them with OUR COMPANY's short and long term growth rate. We saw that OUR year by year growth is very similar to INDUSTRY's growth rate. So, with this model we are able to provide a reliable forecast for short-term and long-term. In vacancy model, we used our internal turnover rate, internal-external hiring plan rates, and growth ratio together to calculate the supply in short-term and long-term.

To support our forecast, we need to establish some HR programs for success of the plan such as NAME OF PROGRAM A (short-term), NAME OF PROGRAM B (short-term), revising the PROGRAM C (long-term), and PROGRAM D (long-term).

Our business strategy highly depends on our human capital. To gain and hold the competitive advantage in our market we need talented resources in our KEY GROUP that supports our hallmarks of being innovative and creative. Since we are in a growing business, we need and will need more high-skilled employees in our company. This HR plan aims to satisfy the demand of these high-skilled professionals.

Business Strategy

With our FUNCTION SPECIFIC EXPERTISE, OUR COMPANY specialized in INDUSTRY SPECIFIC products and services. According to THE BUSINESS MODEL FROM ASSIGNMENT 1, OUR COMPANY's business strategy is more likely THE CONCLUSION FROM ASSIGNMENT 1. This business strategy pushes company to be more innovative than its competitors to gain and hold the competitive advantage in the market.

HR Strategy

Alignment of Business and HR strategies is the key factor to success in the market. Since OUR COMPANY's business strategy is AS STATED FROM ASSIGNMENT 1, WE need to be innovative in terms of the products. Being innovative means good management of human capital. This situation reflects to OUR COMPANY's HR Strategy in 2 ways; external and internal.

For internal, OUR COMPANY should OUTLINE THE DIRECTION TO BE TAKEN, GIVEN THE LABOUR MARKET/ DEMOGRAPHIC TRENDS. Employee retention is a challenge for not only us but most competitors AS OULTINED IN THE SWOT ANALYSIS FROM ASSIGNMENT 1. According to The. OUR COMPANY should not only train its employees for being innovative and high-skilled but also should train them faster and more effective to get quick results.

For external, OUR COMPANY must create a successful SPECIFIC HR strategy to attract new talents. As mentioned before, tight labour market pushes OUR COMPANY to think in many different ways about the value of our human capital. Using social media effectively and creating a reputable employment brand can be useful for SPEICIFC HR strategy.

The internal and external strategy details are included in the recommendation section.

Key Group to Forecast

Organizational Structure of OUR COMPANY

OUR COMPANY has XXX employees. As shown in the Table 1 below, these employees have their own code which makes them a member of groups that are Executives (E), Managers (M), Specialists (S), and Other Services (O).

Employee Titles	Group Code	Levels	#
Executives	E	N/A	Y
Managers	M	N/A	Y
Specialist 1	S	1, 2, 3	Y
Specialist 2	S	1, 2, 3	Y
Specialist 3	S	1, 2, 3	Y
Specialist 4	S	1, 2, 3	Y
Other A	O	1, 2, 3	Y
Other B	O	1, 2, 3	Y
Other C	O	1, 2, 3	Y
		Total	**xxx**

For Specialists and Other Services, there are 3 levels for a career development option. For example, a SPECIALIST who starts from Level 1 which reflects a junior position can get a promotion and move to Level 2 which reflects an intermediate position between junior and senior. There are no levels for Executives and Managers groups.

Because of their importance in the organization in producing company's core product, SPECIALISTS are the key group for OUR COMPANY. In short-term and long-term there will be a significant demand for these roles. As we know, for these SPECIALISTS, labour market is quite tight. "As a result of widespread demand for SPECIALISTS, the SPECIALIST unemployment rate is a fraction of the national average at just 2.6%" ("WORKS CITED ARTICLE").

Our key group's employee numbers are as below;

Specialist 1	#
3	Y
2	Y
1	Y
Total	**xx**

Specialist 2	#
3	Y
2	y
1	y
Total	**xx**

Software Analysts	#
3	Y
2	Y
1	Y
Total	**xx**

Factors

According to our environmental scanning, there are very prominent internal and external factors that drives us to focus on this as our key group.

Internal Factors

- I FACTOR 1.
- I FACTOR 2.

- I FACTOR 3.
- I FACTOR 4.

External Factors

- E FACTOR 1
- E FACTOR 2
- E FACTOR 3
- E FACTOR 4

Demand and Supply

Demand

According to WORKS CITED SOURCE, COMPANY'S FUNCTIONAL sector has been increasing more than X% average forY8 years ("Software Business Sector Growth").

Sector Growth by Year		
Year	($Billions)	% Change
200X	###	
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
	Average	%

This growth number covers FUNCTION in all provincials and territories in Canada. Since LOCATION X is accepted as one of the most important centres for our SPECIALISTS in North

America after LOCATION Y, LOCATION X's number of growth is higher than other places in Canada (WORK'S CITED SOURCE).

When we look at the numbers of OUR COMPANY's growing rate we can see that the trend is very similar to national sector growth rate.

OUR COMPANY - Growth by Year		
Year	($Millions)	% Change
200X	###	
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
200X	###	%
Average		%

Since year by year growth is very similar with sector's growth rate our growth model depends on this data. Our year by year growth data is as below;

Period	Growth
2017 – 2018 | Short term	%
2018 – 2019 | Long Term	%
2019 – 2020 | Long Term	%

Short-term Demand

As mentioned in the environmental scanning analysis from Assignment 1, FUNCTION business is booming recently. We do our growth forecast higher than X% for Y years as this booming situation effects our short-term and a part of long-term growth rate.

According to our growth forecast, our short-term demand will be as follows *(employee number multiplied by annual growth percentage then rounded up)*;

Employee Groups	Code	Levels	#	2017-2018
Executives	E	N/A	#	Y
Managers	M	N/A	#	Y
Specialist 1	S	1, 2, 3	#	Y
Specialist 2	S	1, 2, 3	#	Y
Specialist 3	S	1, 2, 3	#	Y
Specialist 4	S	1, 2, 3	#	Y
Other A	O	1, 2, 3	#	Y
Other B	O	1, 2, 3	#	Y
Other C	O	1, 2, 3	#	Y
		Total	**#**	Y

Long-term Demand

In long-term forecasting our growth numbers converge to the country's FUNCTION business average growth as it is harder to predict long-term future environment. Our long-term prediction is relatively modest because of uncertainty global environment such as the future of NAFTA and strength of Canada's economy compared to the US.

According to our growth forecast, our long-term demand will be as follows *(employee number multiplied by annual growth percentage then rounded up)*;

Employee Groups	#	2017-2018	2018-2019	2019-2020
Executives	E	#	#	#
Managers	M	#	#	#
Specialist 1	S	#	#	#
Specialist 2	S	#	#	#
Specialist 3	S	#	#	#
Specialist 4	S	#	#	#
Other A	O	#	#	#
Other B	O	#	#	#
	XXX	**XXX**	**XXX**	**XXX**

Supply

Succession Planning

In order to create succession planning first we need to understand company's average and/or anticipated turnover rate. After looking at our turnover rate, we found a dramatic picture which emphasize us to reconsider our recruitment, training, and rewarding processes. Our average turnover is as follows:

SPECIALIST 1	Turnover Rate
3	%
2	%
1	%
SPECIALIST 2	Turnover Rate
3	%
2	%
1	%
SPECIALIST 3	Turnover Rate
3	%
2	%
1	%

OUR COMPANY must retain employees and provide them an internal career path to grow. Therefore, our succession plan mostly focus on internal hiring for our key group.

Code	Level of Work	Internal	External
E	Executives	80%	20%
M	Managers	75%	25%
S	***Specialists***	***60%***	***40%***
O	Other Services	20%	80%

Additionally, in our key group, supply (internal hiring) for first level will come from our HR PROGRAM 1. Furthermore, given the average age of our employees which is XX, we don't need to think about retirement numbers in 3 years.

Labour Market Statistics

WORKS CITED SOURCE references.

Short-Term Supply

While calculating our short-term supply, we focused on our short-term growth and employee demand. We consider number of promotions to next level because our supply plan mostly consists of internal hiring. In addition, we plan to solve our Level 1 - Internal Hiring supply problem with our Internship program. For instance, as table below shows that 4 SPECIALIST 1 NEW TO THE ROLE will be intern before the promotion.

2017 – 2018						
SPECIALIST 1						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**
Total						
SPECIALIST 2						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**
SPECIALIST 3						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**

Total						

Long-Term Supply

In our long-term supply plan, our demand growth rate will be decreasing because of our relatively slow growth forecasting. Again our internship program will continue to provide talents for Level 1 Specialists.

2018 – 2019						
SPECIALIST 1						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**
Total						
SPECIALIST 2						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**
SPECIALIST 3						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**
Total						

2019 – 2020						
SPECIALIST 1						
Level	**# of employee**	**Promotion to Next Level**	**Quits**	**Total Outflows**	**Internal Hiring**	**External Hiring**

Total						
SPECIALIST 2						
Level	# of employee	Promotion to Next Level	Quits	Total Outflows	Internal Hiring	External Hiring
SPECIALIST 3						
Level	# of employee	Promotion to Next Level	Quits	Total Outflows	Internal Hiring	External Hiring
Total						

Recommendations

Our short-term plan based on aggressive HR PROGRAMS such as …. . In this plan, OUR COMPANY needs to …. This is an extra budget (Annually around $$$) that OUR COMPANY must consider.

In long-term our HR plan will focus on HR PROGRAMS ...

We need to focus on XXX that give us fast results. To do that, we will DO …. . Our solution for the HR PROGRAMS IS … WITH AN annual fee OF $$$.

As mentioned in Environmental Scanning, HR FACTORS OF … are important for BUSINESS REASONS. AS SUCH THE FOLLOWING HR PGORAMS can be a strong investment to retain employees. This is an extra budget that will decrease from now to the end of the long term forecast.

Works Cited

LISTNG A

LISTING B …