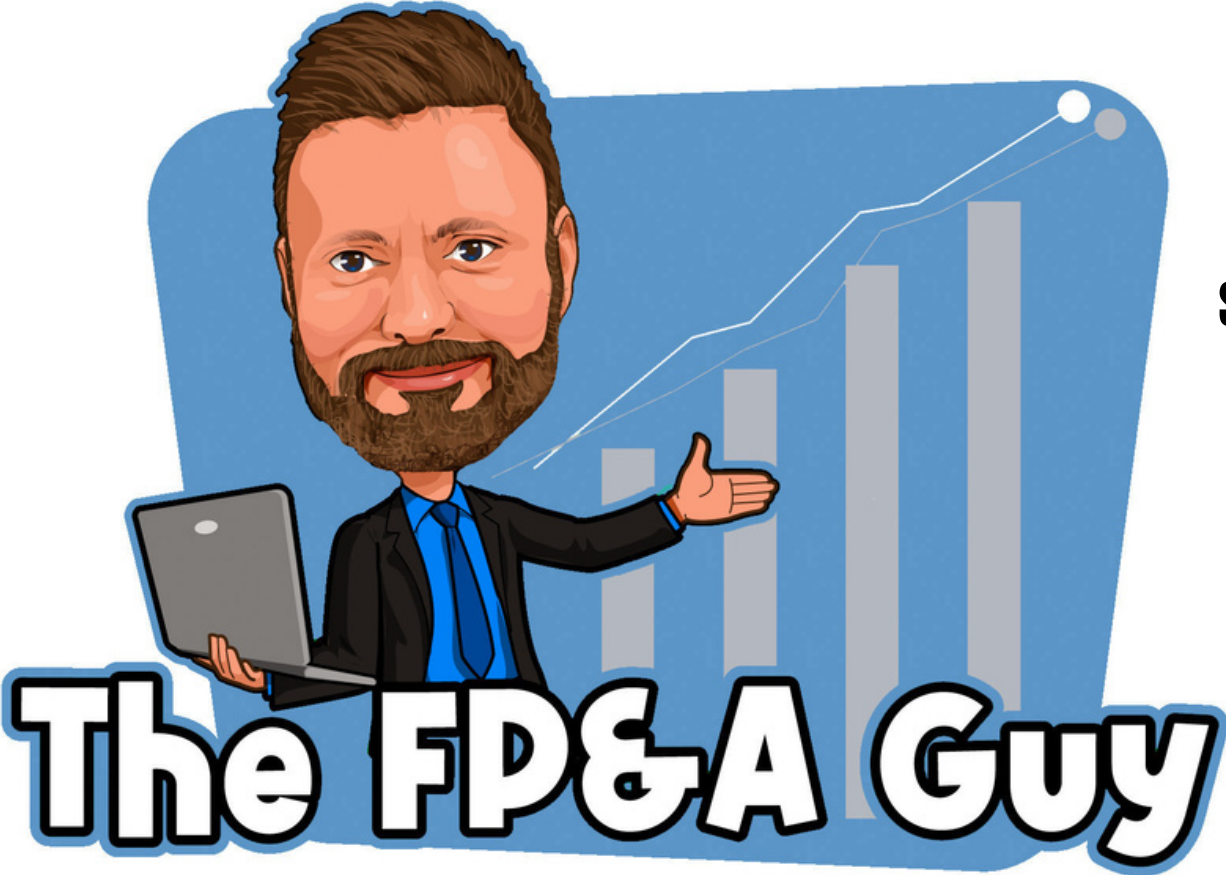


Headcount Planning



Swipe

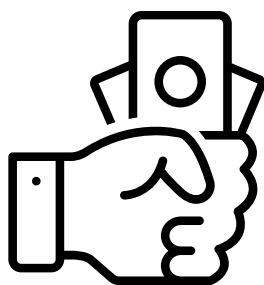


Headcount Planning Methods



- **Run Rate** - Use the prior period compensation costs and assign a growth factor to build the plan.

- **Name-Based Planning** - Build a headcount plan using names for each position with actual salaries and then placeholders for new roles.



- **Role-Based Planning** - Build plan based on number of heads in each role using an average salary for each role in the plan.

- **Capacity-Based Planning** - Build plan using capacity metrics to estimate the amount of labor needed and the cost per unit of labor (Example: Call Center)



Compensation Costs

- **Base Salary** - This is the base rate paid to an employee. Usually, either an hourly rate or annual salary.
- **Taxes** - All government taxes (unemployment, healthcare, retirement, etc.).
- **Bonus** - Usually a % of salary for all eligible employees.
- **Incentives** - Special employee incentive programs. For example operations might pay a quarterly incentive based on certain performance targets.
- **Commissions** - This generally consists of sales commissions paid based on the sales plan. Usually, a certain percentage of sales.
- **Hiring Costs** - The cost to hire an employee, including recruiting costs, relocation, and hiring bonus.
- **Benefits** - These are benefits above and beyond base salary, such as insurance premiums, travel, education reimbursements, etc.
- **Merit/Cost of Living** - Usually, a percentage of base salary is assigned to all employees for an annual cost of living increase.
- **Overtime** - Estimate for the amount of overtime that hourly employees will work during the year.

