



Forecasting Manpower

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The Magic Wand Question

As it relates to your business - if you could wave a magic wand and get anything you asked for, what would it be?

Most Common Response

People

Capital (cash, sales, revenue)

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People & Capital (Cash, Sales, Revenue)

Are they correlated?

SALES leads to needing PEOPLE

Working PEOPLE generates REVENUE

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fore•cast

- verb
 - predict or estimate (a future event or trend)
- noun
 - a prediction or estimate of future events

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Establish The Plan

Step 1

Set Sales/Revenue Target

Step 2

Determine the value (\$) of bids, quotes & proposals that must go out to hit your Sales/Revenue Target

Step 3

Determine how many estimators are required to hit your Sales/Revenue Target

Step 4

Determine how many people (field) are required to install what you've sold

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Step 1: The Sales/Revenue Target

This baseline or target can be:

- Prior years data
- An amount required to cover overhead
- An amount required to allow for growth
- Projects won, already on the books
- An arbitrary goal

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Step 2: Bid, Quote & Proposal Target (Value \$\$)

This baseline or target is derived from:

- Sales/Revenue Target
- “Priced” revenue
 - “Priced” = Revenue generated from submitting a Bid, Quote or Proposal for both Projects AND Change Orders
- Likelihood of award and/or approval (%)

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Step 3: Bid, Quote & Proposal Target (People)

Determine if you have the office staff to support the Bid, Quote and Proposal Target established in Step 2.

- Are ___ Estimators and ___ Project Managers capable of supporting a \$ _____ Sales/Revenue Target?
 - Must bid \$ _____ each month
 - Must price \$ _____ in CRPs each month
 - Must manage \$ _____ of Priced Work each month

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Step 4: How Many Field Workers are Needed?

- Determine how many field staff are need to install what you've sold.
- Understand how many field staff you would need if you get the work you've bid.
- Understand how many field staff you would need if you get approval on the CRP's you've priced.

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Workshop Example

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Conclusion

- Establish a plan
 - The trickle-down effect of running a construction company reactively, without a plan is crippling
- Constantly and regularly monitor performance
 - Always keep the baseline, but make adjustments when appropriate
 - Review and compare actuals to forecast
- Make business decision that align with your plan

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Questions?

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For more Information:
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