Labor Cost Analysis
Budgeting and Forecasting Staffing Costs

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Employer Budget and Labor Cost Analysis

- Quickly and accurately builds annual labor cost budgets; tracks payroll and accounting cost and headcount by operating company, legal entity, cost center, employee and location against budget.

- Facilitates Finance and HR collaborative budget efforts while ensuring privacy mandates.

- Offers accessible real time, precise reporting of your company’s labor costs (payrolls and accounting transactions) for all entities in all locations and all payrolls.

- Forecasts monthly staffing costs and headcounts.

- Supports labor cost estimates for multiple year business plan.

- Projects impact of changes to labor costs due to modifications to headcount and/or expense type(s).
Harmonizing and Analyzing Staffing Costs

- Payroll Data
- Finance Labor Cost Budget/Forecast Analyses
- HR Employer Cost Changes
- Accounting Transactions
- Headcount Changes
Bringing Multi-National Entities Together

North America
US, Canada

Latin America
Brazil, Mexico

Europe
Gibraltar, Luxembourg
The Netherlands, UK (IOM)

Africa
Ghana, South Africa and Zambia

Asia
Australia, China,
Hong Kong, Singapore
Stakeholder’s Responsibilities

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<thead>
<tr>
<th>Stakeholder</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Finance</td>
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<tr>
<td></td>
<td>▪ Provide budget and forecast information for headcount and coordinate HR labor cost directives (i.e. merit increase %)</td>
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<td>▪ Review budget and forecast (annual and monthly reports)</td>
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<td>▪ Coordinate payroll and accounting transaction feeds</td>
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<td>HR</td>
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<td>▪ Provide HRIS headcount data</td>
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<td>▪ Provide labor cost directives (i.e. merit increase %)</td>
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<td>Payroll</td>
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<td></td>
<td>▪ Manage pay code</td>
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<td>▪ Provide updates as necessary</td>
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<td>Managers</td>
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<td>▪ Review/analyze budgets/monthly variance reports (actual vs. budget)</td>
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<td>▪ Take necessary steps to correct variances</td>
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<td>Administrator</td>
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<td>▪ Coordinate HR and Payroll data collection on a monthly basis</td>
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<td>▪ Update the LCA Budget/Forecast System</td>
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<td>▪ Provide reports to Finance, HR, and Management</td>
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<td>▪ Create annual budget and monthly forecasts</td>
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Web based Labor Costs Analysis Tool Processes

**Process begins**

During annual business planning

Import payroll and contractor transaction
- Payroll
- GL journal entries by clock number
- GL people transactions

Import HR forecast
- FTE budget by cost center
- Labor cost budget by cost center

Management Action

Correct budgeted cost/category if it has changed during a fiscal year

Finalize reports
- Provide reporting for variance stakeholders
- Provide alternate scenarios
- Enable management to make decision in case business plan adjustment is necessary

Apply and accumulate payroll costs
- Summary and detail views of accrual
- Analyze monthly variance from budget
- Identify variance due to error
- Administer data adjustment

Monthly Closing
eConsultingNetwork Administrators

- eConsultingNetwork:
  - Establishes and maintains the Finance/HR staffing cost connection
  - Builds detailed (by person, by category or payroll code) annual budgets to specifications
  - Builds extended year business plans
  - Manages payroll and HRIS data; loads data into a shared database for client / administrator reporting
  - Provides monthly and annual reports
Building Budgets

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**Budgets:**
- Budget 2010
- Actual 2010
- Forecast 2010
- Variance 2010
- Budget All
Your Positions – Your Pay Categories

The image shows a screenshot of eConsultingNetwork software, which displays a financial report titled "Demo Corporation." The report includes a table with various financial figures such as forecasted costs, current financials, and other financial data. The table is titled "All - Position View" and includes columns for budget, version, current year and month, view, show, and country. The data is presented in a grid format with specific financial figures and cost centers detailed for different positions and years. The screenshot also includes other software icons and tabs on the screen.
Online Variance Reporting

Is this headcount approved? What is the annualized cost?
Contact us

- Find out more…
  - Call Deb Grigson 484-883-0318 or email deb_grigson@econsultingnetwork.com