

# Workforce Optimization:

Unlock Organizational  
Efficiency To Reduce Costs,  
Increase Productivity

# Contents

- 1. Introduction**
- 2. Workforce Optimization Software and Its Benefits**
- 3. Software Options: Buy vs. Build**
- 4. Talent: Hiring Internally vs. Outsourcing**
- 5. The Benefits of Outsourcing**





# 1. Introduction

In simple terms, workforce optimization is a set of data-informed strategies and practices focused on improving employee efficiency while decreasing operational costs. While workforce optimization may at first glance seem like a relatively new concept in the world of business, it is based on an idea that has been around since the early days of industrialization. For decades, businesses have sought to maximize the efficient use of internal resources with the goal of increasing profit margins and providing an exceptional customer experience.

In this 21st century era of widespread technology use and access to a plethora of associated data, workforce optimization has evolved and often now includes multiple aspects of business operations. Workforce optimization strategies encompass everything from employee scheduling, time tracking and task management to internal communications, budgeting and employee training. The use of workforce optimization software in business operations has grown exponentially in recent years as companies seek to outperform their competition in terms of productivity, customer service and error reduction. It is worth noting that the recent rise in popularity of remote and hybrid work arrangements is correlated with the increased use of workforce optimization software by businesses across sectors.

In this white paper, you will learn why workforce optimization has become increasingly important to the success of businesses big and small and the high value it provides. You will discover the vital role that workforce optimization software plays in improving productivity, reducing manual tasks and automating specific business activities. Also included in this white paper is a discussion of whether to build or buy workforce optimization software, as well as the benefits of outsourcing software development versus hiring workforce development software engineers internally.

## 2. Workforce Optimization Software and Its Benefits

There are many different types and flavors of workforce optimization (WFO) software. What all WFO software platforms have in common is that they use data analytics and tracking to optimize how team members fulfill their job responsibilities. Any software solution that enables a number of aspects related to workplace productivity to be optimized may be considered a workforce optimization software. Workforce optimization software improves productivity by reducing manual processes and automating tasks so that they are resolved in a timelier manner. For example, WFO software can collect operations data, calculate vital business metrics, create forecasts and staffing schedules, automate business processes, facilitate instantaneous communication, identify skills gaps, generate reports in a variety of formats, and integrate with other technology platforms. When choosing a WFO software, one should prioritize platforms that feature employee scheduling, employee performance, skills gap identification, time tracking, and streamlined communication functionalities.

Within the logistics and supply chain industries, workforce optimization software often is used to streamline staffing and scheduling to increase workforce efficiency, reduce downtime and prevent excessive employee workload. WFO software also is used to im-

prove task distribution, enhance teamwork efficiency and communication, and monitor employee progress relative to established goals. Some WFO solutions include gamification features that reward team members using a point system for meeting specific goals and completing tasks. Many software solutions used in logistics and supply chain management include WFO features and capabilities. These include transportation management systems, warehouse management and supply chain management software, demand forecasting systems, last mile delivery platforms, ERP (enterprise resource planning) platforms, and fleet management solutions.

There are a myriad of benefits associated with the use of workforce optimization software. It is well-established that WFO software often improves efficiency, technology utilization, employee engagement and satisfaction, transparency, cost-savings, productivity, communication, customer experience, decision making, compliance, mobile workforce management, and employee safety. In addition to boosting employee engagement and the host of other factors listed above, using workforce optimization software also can help businesses better understand cyclical demand and anticipate ups and downs in customer interaction volumes.

## Workforce Optimization Gains: By the Numbers

**70%**  
engaged with work

- Gallup's 2024 State of the Global Workplace report revealed that 70 percent of employees in organizations following WFO best practices reported feeling engaged with their work and workplace. This comes at a time when employee engagement and satisfaction is historically low.

**5%** increase customer satisfaction

**10%** improvement: First-call resolution

**15%** reduction, workforce related costs

- A report by the Aberdeen Group uncovered that companies that implement WFO strategies report on average a five percent increase in customer satisfaction, 10 percent improvement in first-call resolution rates and 15 percent reduction in workforce-related costs.

**\$2.56B**  
in growth

- The workforce analytics market is projected to grow by \$2.56 billion at a rate of 17.74 percent between 2023 and 2028.

To explore how Logistics Studio's custom-built software solutions can help you optimize your workforce, boost revenue, and reduce your company's operating costs, **email: [info@logisticsstudio.com](mailto:info@logisticsstudio.com) or call: 1-216-293-7917.**

# 3. Workforce Optimization Software Options: Build vs. Buy

Once you decide to make workforce optimization a priority for your company, the next question to consider is whether to custom-build a WFO software for your company or to purchase an already-existing workforce optimization software. There are benefits to both approaches and the best decision for your company depends on your organizational needs.

## Building Your Own WFO Software

The primary benefit of building a workforce optimization software versus buying an off-the-shelf product is that the custom-built software can be customized to your specific business needs and goals. An off-the-shelf software may not have all the features and capabilities that your company requires, which is why a customized solution may be the preferred approach for your WFO strategy.

In addition to receiving a customized solution created to meet your business' specific goals, building your own WFO software can differentiate you from the competition. When you purchase an off-the-shelf software, keep in mind that your competitors can buy the same solution with the same functionalities, reports and insights. A custom software solution can provide you with feature sets and capabilities that your competitors do not have, which ultimately offers you a competitive advantage.

## Buying an Off-the-Shelf WFO Software

When opting to purchase an already-existing WFO software, the good news is that your organization is not tasked with developing, implementing and supporting the new software platform. However, one of the primary challenges of buying an off-the-shelf workforce optimization software is that it may not meet all of your business requirements and/or offer little to no customization.

It is important to note that while at first glance purchasing an already-existing WFO solution may appear more cost-effective than custom-building a software, that is not necessarily the case over time. While the upfront cost of custom-building software is often more than that of an off-the-shelf product, software licensing fees add up over the lifetime of the solution. In the end, it may be more economical to have a solution custom-built for your company rather than paying monthly or yearly software licensing fees.

## 4. Talent: Hiring Internally vs. Outsourcing

Another major factor to consider when implementing any workforce optimization strategy is whether to outsource WFO software development to a technology company, leverage existing internal talent or create new staff positions to develop the solution. Unsurprisingly, there are benefits and pitfalls to both hiring internally and outsourcing and there exists no one-size-fits-all answer to the question of which approach is better.

The following questions should be asked and answered as you contemplate whether to outsource software development, use internal staff members or hire new staff to develop your WFO solution:

- Do you need the product quickly?
- Is your internal team large enough to finish the project?
- Do you have the budget and infrastructure necessary for the team to complete the solution?
- Does your internal team have the expertise to develop the solution?
- Will the developers have a permanent role to play in your organization?

## Pros and Cons of Outsourcing

If you need the solution quickly, do not have the human resources for the project, or do not have the time required to hire a new team of employees with software development experience, outsourcing likely will be the best option for your company. Outsourcing also is the preferred path if your existing or hired staff do not possess the skills or knowledge to complete the project. When you do not necessarily need the employee(s) beyond

the scope of the project, outsourcing also may be the best option. A deeper dive into the myriad benefits of outsourcing is provided in section five of this white paper.

Potential drawbacks to outsourcing include choosing a poorly vetted technology company that does not communicate adequately or cannot deliver the solution as promised, and potential loss of institutional knowledge.

## Pros and Cons of Hiring Internally

Conversely, you may want to leverage existing, internal talent or create new staff positions for the software development project if these positions can play a long-term role in your company's success and growth. Hiring internally can be the best choice when and if the project involves confidential information or requires in-depth knowledge of your company culture as well.

The challenges and limitations of hiring internally include the risk of attrition and turnover. Employee turnover of any kind is costly. According to data from Gallup, the cost of hiring new employees has reached nearly \$5,000 per employee. Losing team members

involved in the project at worst can put the development of the solution at risk and at best slow down the project's development. Hiring new employees to take on the software development project also may be incredibly time-consuming and competitive.

Another challenge is predicting the type and number of staff required for the project plus the costs associated with using internal talent. Hiring in-house usually includes recruitment and hiring costs, salaries, benefits, onboarding costs, office space, equipment, supplies, training, and other administrative costs such as payroll processing.



## 5. More on the Benefits of Outsourcing

Some of the biggest brands in the world such as Google and WhatsApp have been outsourcing IT-related projects for decades and with good reason. In fact, most companies outsource projects to technology companies because doing so often provides the highest return on investment. In fact, approximately 60 percent of companies, regardless of size, report being happy with outsourcing projects to external experts.

When you outsource workforce optimization software to a technology company, you already have an entire team of experts in place to develop your solution. Generally speaking, outsourcing is more cost-effective over the long term. In fact, 70 percent of companies that outsource technology development cite cost-reduction as their top reason for doing so. The second and third most popular reasons for outsourcing are flexibility and speed, respectively. Software providers often can deliver a custom-built solution within a six-to eight-week time frame, while in-house development can take months or even years.

Another benefit of outsourcing software development is that doing so allows your organization to tap into a broader pool of talent from around the world. Large and medium sized companies are more likely to outsource than smaller brands with 66 percent reportedly using outsourcing. However, it is worth noting that nearly 30 percent of small companies with 50 or fewer employees also outsource IT projects to outside vendors. Most small companies cite lack of internal expertise as their primary reason for outsourcing.

To explore how Logistics Studio's custom-built software solutions can help you optimize your workforce, boost revenue, and reduce your company's operating costs, email [info@logisticsstudio.com](mailto:info@logisticsstudio.com) or call 1-216-293-7917.



To explore how Logistics Studio's custom-built software solutions can help you optimize your workforce, boost revenue, and reduce your company's operating costs, **email: [info@logisticsstudio.com](mailto:info@logisticsstudio.com) or call: 1-216- 293-7917.**