



SOLUTION BRIEF

Labor Budgeting

Retailers face challenges connecting corporate objectives with the needs of each store. Corporate HQ seeks to streamline planning and improve budget compliance. However, accurately forecasting business demand and supporting 12-18-month labor needs can be challenging, especially when the top-down budget is created independently from the operating labor model. Businesses often can't develop long-range, accurate demand forecasts, estimate labor hours based on their actual labor model scenarios, or enforce and track labor budgets in weekly schedules.

Labor Planners create budgets only to find store operators and managers don't follow them because, in their minds, the budgets miss critical details or don't fit with labor models. As a result of this disconnect, store and district managers fail to adhere to plans and budgets.

One Global Retailer saved **\$100K to \$1M** in time savings due to improved forecast and labor accuracy.

THE LEGION SOLUTION

Legion Labor Budgeting leverages advanced artificial intelligence (AI) to generate precise labor budgets that connect the staffing model with the stores' labor models—creating an accurate labor budget that can be enforced in schedules every week—12 to 18 months out.

Labor Budgeting enables finance and planning teams to create accurate long-range plans that form the foundation of your long-range planning. By leveraging existing operational configurations—such as operating hours, labor models, and average wage rates—it simplifies what-if scenarios and ensures that operational inputs inform your labor budget. With Labor Budgeting, you can increase operational efficiencies and create the optimal plan.

Create A True Bottom-Up Budget

Connecting overall corporate objectives with execution at the store level can be challenging when top-down budgets don't reflect real-world staffing or operational issues that individual stores experience. Budgets are often high-level with no concept of the labor model or costs associated with activities at the store level. These budgets typically only work top-down, applying, at best, sophisticated proportional logic, but they are not predicated on any real labor computation for tasks or costs.

A budget that is aligned with the labor model reduces time, eliminates intra-period planning, and enables operational leaders to replan continuously throughout the year. Improved alignment also enables finance to respond in real-time to potential budget changes' impacts.

Increase Accuracy through Automation

Most companies find the labor budgeting process labor-intensive and time-consuming. Manual processes can also introduce errors or labor overages, costing the company millions. Additionally, creating budgets that reflect the differences between stores presents a significant challenge.

Finance teams often employ a top-down budget, treating all stores alike without recognizing their unique differences. Legion enables intelligent automation to create accurate demand forecasts for the budgeting timeframe, which are then used to generate budgets based on each store's labor model.

These bottom-up budgets reflect the nuanced labor needs of each store in the organization and deliver individually forecasted demand specific to that store location. This approach provides a more realistic and grounded understanding of what will be scheduled during the execution phase of the budgeting cycle.

Create Long-Range Labor Budgets

Legion's sophisticated labor models enhance strategic planning and enable the creation of long-range labor plans that align with your business goals. By leveraging data-driven insights and predictive analytics, Legion's labor model helps you anticipate future labor needs, manage costs, and enhance operational performance.

Budget planners can create and view labor budgets centrally at HQ or from the bottom-up at the field level. For example, you can enable districts to enter their operating hours and generate and submit their budget scenarios. Budget plan durations can be specified as a maximum 12-month planning period, up to 18 months in the future. When each region or district submits its budget for review, you can easily update inputs to create a top-down budget for all locations or roll up bottom-up budgets.

Easily Model What-if Scenarios

With Labor Budgeting, you can model various what-if scenarios to adapt and react to business changes, new strategies, or support long-range plans. This includes adjustments to operating hours, the introduction of new channels, store openings or closures, or different wage rates for specific periods.

Legion Labor Budgeting automatically models multiple what-if scenarios to create dynamic budgets and identify profit-optimized "best bet" labor decisions that balance costs and revenue impacts. To ensure precise and accurate budgets, you can accommodate unique and complex standards and granular labor requirements, including multi-level compliance rules, diverse shift patterns, and wage and hour regulations calculations.

Labor Budgeting brings Finance and Operations together by providing an end-to-end process within a single platform that seamlessly fits your existing budget process. Labor Budgeting enables bottom-up or top-down collaboration when creating budgets by stores for the entire year. Once the labor budget is finalized, it can be executed and automatically enforced in the Legion Automated Scheduling module, ensuring your financial goals are tightly aligned with store execution.

Key Features

- Leverage ML-powered demand forecasts and labor models to create labor budgets up to 18 months out.
- Model what-if scenarios by explicitly adjusting inputs, such as sales, traffic, channel mix, and location variables, and directly modifying the total budget hours.
- Constrain the labor budget to a top-down number while retaining the allocation determined by labor demand, including the ability to protect hours at some locations.
- Automatically enforce the budget in weekly schedule generation.
- Adjust budgets and keep financial goals tightly aligned with store execution.
- Leverage actual operational labor models.
- Manage budget adjustment and track budget approval.
- Use Legion forecasted demand or externally loaded demand.

Benefits

- **Increase operational efficiencies** by creating the perfect budget plans based on accurate, granular demand forecasts powered by machine learning and rooted in optimized labor plans.
- **Improve business agility** by creating dynamic budgets that can evolve by quickly modeling what-if scenarios or adjusting the total budget hours.
- **Improve labor budget execution** by automatically enforcing the budget in weekly schedule generation.
- **Provide better visibility and deeper insights** by tracking budgets to execution, quickly identifying gaps, and making adjustments.

[Request a demo](#) to see [Legion Labor Budgeting](#) in action and learn more about how we can help you create optimized labor budgets.

About Legion

Legion Technologies delivers the industry's most innovative workforce management platform. It enables businesses to maximize labor efficiency and employee engagement simultaneously. The award-winning, AI-driven Legion WFM platform is intelligent, automated, and employee-centric. It's proven to deliver 13x ROI through schedule optimization, reduced attrition, increased productivity, and increased operational efficiency. Legion delivers cutting-edge technology in an easy-to-use platform and mobile app that employees love. For more information, visit <https://legion.co> and follow us on [LinkedIn](#).

