

Using Analytics to Develop a Strategic Workforce Plan: The HR Challenges at Xcel Energy

UTILITIES

How Xcel Energy is Leveraging Data to Build a Workforce Planning Strategy

It has been said that the Utility industry is a “hire to retire” industry. This reputation is not without foundation as the median age of the Utilities workforce has steadily increased over the last decade.

This aging workforce has presented a very unique challenge, and it urgently needs to be addressed. By 2020, it is estimated that 18 percent of employees in the Utility industry will be retiring. This prediction prompted the leadership at Xcel Energy to build an ambitious strategy to better plan for their largest asset—human capital.

Through historical data and actuarial information within their retirement plan, they determined that, for their company, the statistics were even more staggering: 44 percent of Xcel Energy’s workforce was already within 10 years of retirement. Factoring in the cost to hire, replace, and train new employees—and considering the talent gaps and shortages in the amount of qualified skilled workers available—the value of the Xcel Energy workforce is greater than \$1B annually.

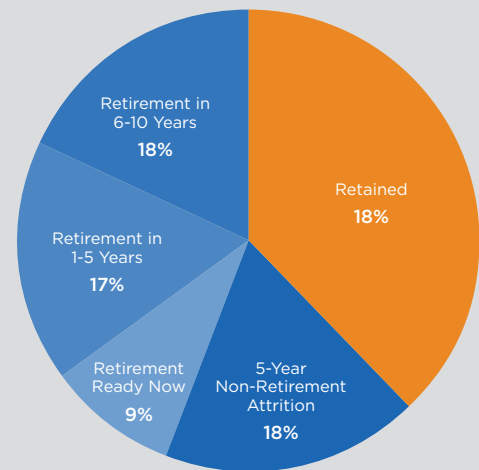
The Biggest Risk

Not only did Xcel Energy struggle with the high percentage of imminent workforce retirement, but also the challenge of which business areas would be most affected. It was determined that the highest attrition rate will be among two key areas: technical positions and leadership—specifically operational leadership.

The risk of losing such a great number of leadership in key areas is much bigger than an HR problem—it’s an operational issue. The relative sudden loss of so many within such a short period of time can lead to a significant loss of legacy knowledge. The result is a spike in dollars spent to address the fallout, including:

- Recruitment campaigns
- Additional skill set training; cross-training
- Investment in additional human capital to fill the gaps

Potential Attrition Retirement and Non-Retirement



Rising to the Challenge

To cope with increasing talent gaps and shortages in the number of skilled workers, employers need to take decisive action.

Xcel Energy did so with the development of strategic workforce analytics and planning to deliver effective operational solutions across the company:

- Employee engagement
- Training
- Leadership development
- Knowledge transfer

The hub for all this data is the Teradata Enterprise Data Warehouse (EDW), featuring PeopleSoft® as their primary source of data. The data from this legacy system is extracted, transformed and loaded into the data warehouse, where it is integrated with other relevant data from twenty to thirty additional data sources. By having a centralized repository, all of the data collected can now be used to quickly communicate and inform leadership across the

Human Capital > \$1B Annual Investment

organization, rather than relying on siloed data and insular information from which to make decisions.

By embracing a workforce planning strategy that includes data analytics, Xcel Energy has the ability to better predict employee churn, address talent gaps before they become an issue, and better inform leadership of workforce trends. Empowering the leadership team with workforce analytics means Xcel Energy is better prepared to meet the workforce challenges that face the Utilities industry today, and tomorrow.

The Teradata Advantage

Teradata consultants help you realize these results by bringing the deep utility and technology experience needed to understand what works and what matters for your business. We partner with you in a disciplined process aimed at quickly making you the experts in the use of your analytical tools.

Equally important, Teradata offers a flexible array of data storage and analytics options that we can readily integrate into your existing technology structures. This begins with our Teradata Unified Data Architecture™, a remarkably comprehensive, yet flexible platform for

data integration that is widely recognized as the world's most scalable analytics platform for structured, multi-structured and Big Data analytics. The integration of the data warehouse with the Aster discovery platform and open-source Hadoop provides deeper insight, integrated access, ease of use, lower costs and better insights.

Our workload-specific platforms all take advantage of our industry-specific logical data model. Data Labs enable individual units to test ideas in an environment safely isolated from day-to-day operations. And our experts can optimize the way your data interacts with our analytic tools or virtually any leading analytical applications.

In short, by significantly improving your ability to uncover operational problems and understand their financial impact, sophisticated data integration and advanced analytics can dramatically enhance your revenue flows and operating margins.

About Teradata

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