



INDEAVOR

# 5 Ways to Optimize Your P&L Management

Guide

# Intro

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In an era of increased work flexibility, one constant remains across the Industrial Enterprise – the need for people, 24/7, to deliver against increasingly volatile demands. Adding to this complexity, demands for products are rarely constant throughout the year. Especially in environments characterized by high-volume production (e.g., Consumer Packaged Goods).

Operators maintain several levers to combat these needs, including:

- Increasing inventory
- Hiring temporary workers
- Leveling the product mix between facilities
- Managing overtime

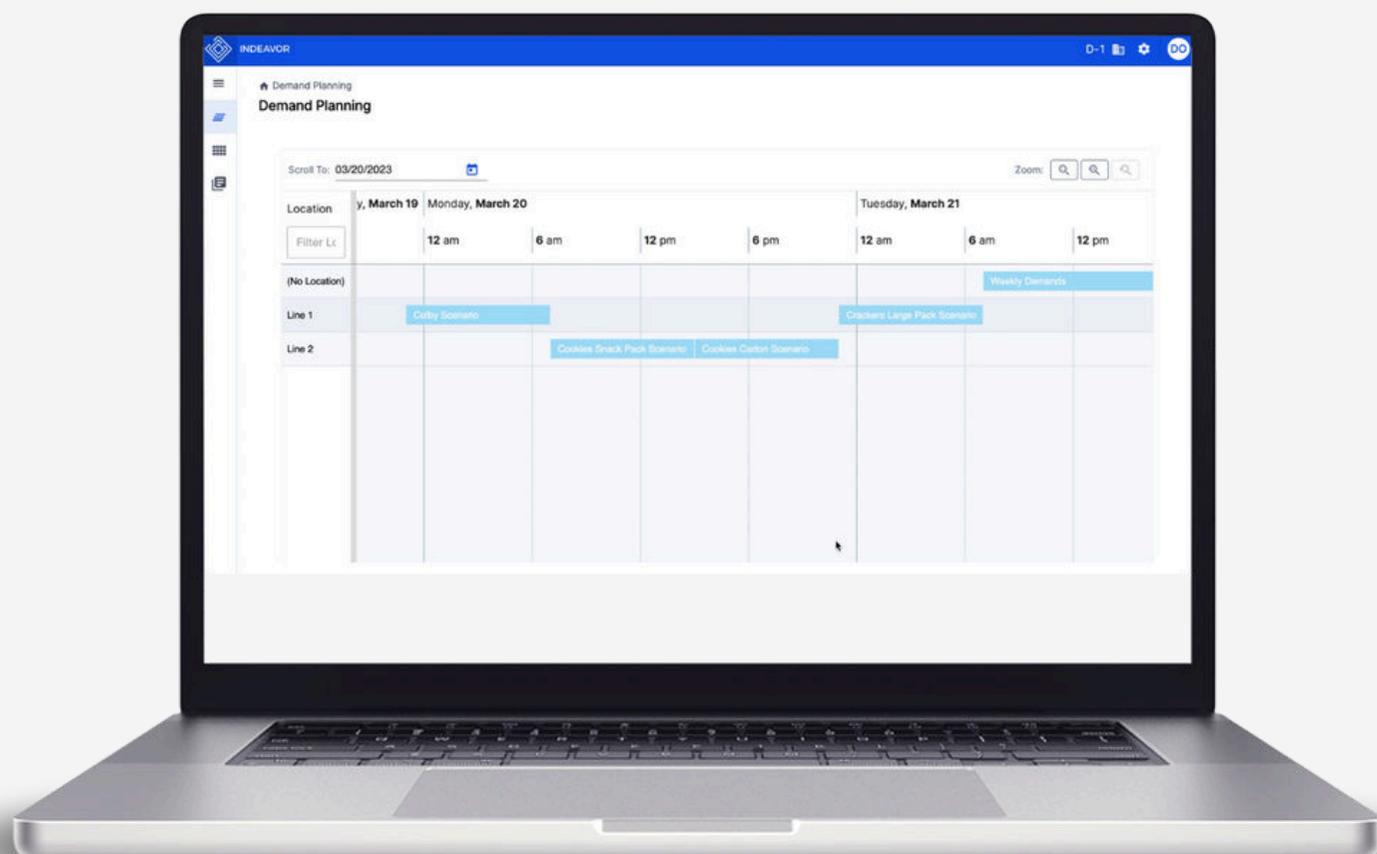
The most common lever is the use of overtime (OT). The concept is polarizing by itself as overtime is loved by some while others loathe the idea – especially when forced. Regardless of the workforce's appetite, the use of overtime drives increased cost, impacts employee morale, and drives additional complexity in the management of work rules.

And when a global labor shortage is coupled with volatile demands? More OT is forced, more people are stretched thin, increased cost per worker, and increased risk of missed revenue due to missed production goals. How can operators most efficiently use overtime to optimize their P&L?

# #01 DEMAND VISIBILITY

Most plant and facility leadership are in a state of “I’ll take whoever shows up” when it comes to labor staffing. Even in an environment where shift scheduling results in multiple gaps in assignments, operators must be intentional about staffing needs. This means only scheduling hourly employees against the demanded product.

This operational practice is a low investment in both resources and capital, with a major return. The foundational data structures of always maintaining staffing needs to meet demands will pay dividends when fully cost-optimizing your workforce planning efforts. Workforce scheduling software or other digital shift scheduling tools are purpose-built to always maintain visibility of staffing needs to meet demands.



# OUTLINE A PLAN #02

Operators should intentionally remove the idea of “eliminating,” or even “reducing” overtime – the key being to “optimize” its use specific to your operating environment.

Overtime may be the most efficient way to meet the needs of a dynamic shift-driven environment. During these optimization efforts, it’s important to consider all critical inputs needed for scheduling hourly employees.

- What are the needed skills/qualifications to meet demand?
- What are the work rules that I must abide by?
- Are grievances or compliance fees at risk with my strategy?
- How does regularly scheduled time off impact my overtime strategy?



# #03 UNDERSTAND WORK RULES

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Each operating environment is unique, with rules governed by various drivers – industry, process, local, regional, union, work council, etc. Understanding these local rules at the leadership level is a “price of admission” to the role, but giving tools to all levels of the organization is critical to support appropriate decision-making.

For example, a supervisor may have the autonomy to make an in-the-moment OT decision with major ripple effects – potentially resulting in a grievance, compliance fee, or employee morale impact.

Leveraging a platform with robust, rule-based building blocks can give all layers of the organization the confidence that the right decisions are being made at the right time.



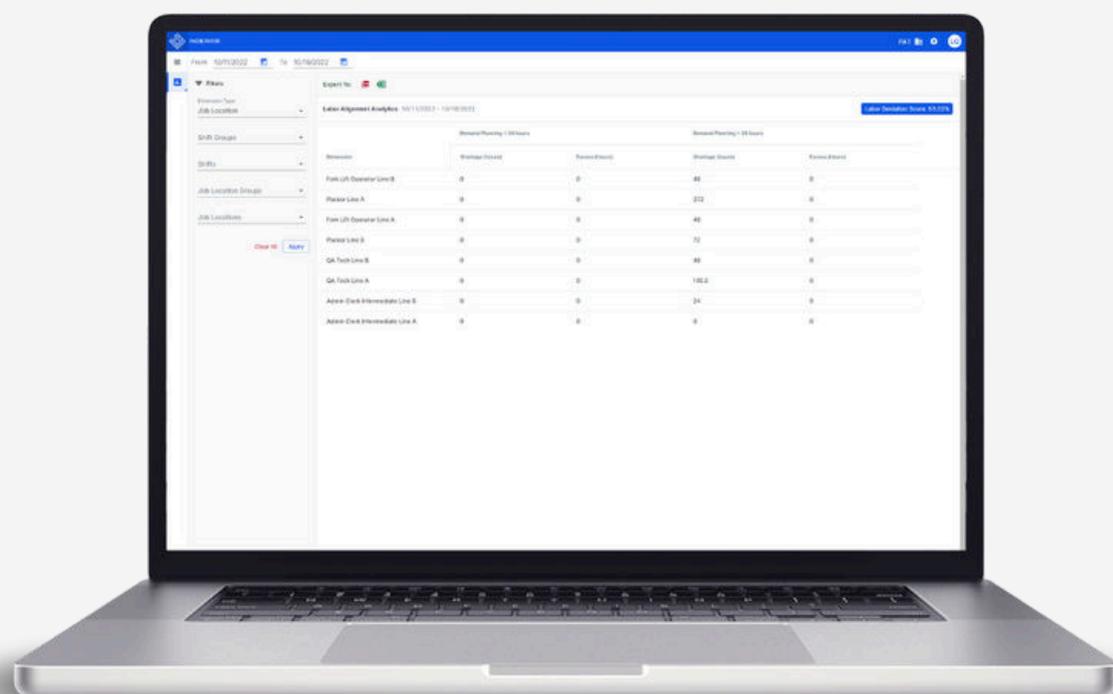
# LEVERAGE DATA #04

While data seems to drive every layer of the Industrial Enterprise, we are far from data-rich when it comes to the visibility of labor and associated costs. Defining key cost attributes aligned with labor is a simple, structured, and manageable way to promote the visibility of overtime usage that can be used to correlate against both cost & employee morale.

Much like we encourage our operating teams to ask “why,” we should do the same when managing our people:

- What are my standard reasons for overtime?
- Why was overtime used in this scenario?
- Why was this person, or group or people, leveraged?

System control of these variables can deliver differentiated operational maturity. Data add up quickly when we have a regular, system-driven cadence of collection.



# #05 ANALYZE, IMPROVE, REPEAT

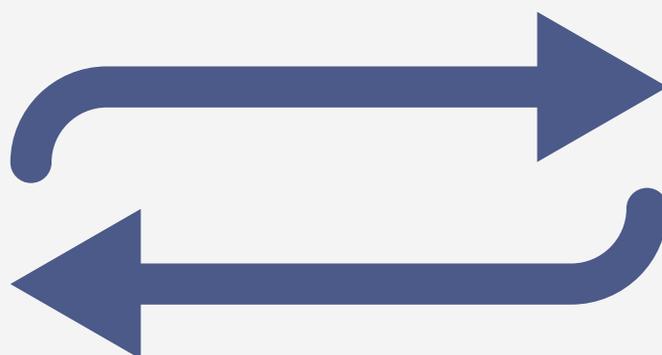
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Analyze, improve, repeat is how labor data is transformed into operational advantage. Collecting consistent information on overtime, staffing gaps, and labor costs gives leadership the insights needed to make informed decisions and improve efficiency.

Key steps include:

- **Collect Data Consistently:** Track overtime usage, skill deployment, and staffing gaps to understand patterns and root causes.
- **Prioritize Opportunities:** Focus on areas that drive the highest costs, impact the most employees, or create the greatest operational risk.
- **Define Actionable Plans:** Develop steps to address inefficiencies, such as adjusting schedules, cross-training employees, or improving compliance processes.
- **Monitor And Iterate:** Implement changes, track outcomes, and adjust continuously to maintain improvement over time.

Following this cycle ensures production goals are met, labor costs stay controlled, and workforce morale remains strong. Continuous analysis and improvement turn reactive labor management into a proactive, resilient operation.



# Conclusion

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**#01** — ***Demand visibility** ensures staffing aligns precisely with product needs, minimizing gaps and maximizing efficiency*

**#02** — ***Outline a plan** to optimize overtime strategically while considering skills, work rules, and time-off impacts*

**#03** — ***Understand work rules** at all organizational levels to enable compliant, confident, and timely OT decisions*

**#04** — ***Leverage data** to track overtime usage, correlate costs and morale, and identify improvement opportunities*

**#05** — ***Analyze, improve, repeat** to continuously refine labor utilization, reduce costs, and enhance performance*

*Empowering P&L management requires intentional strategies that balance staffing with demand and maintain workforce morale. When done right, these strategies create a more productive and resilient operation.*



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