ActivTrak

The Executive's Guide to Workforce Optimization

up to 20% reduction in untapped capacity

up to 10% in payroll savings

122X ROI in transformation scenarios

Read the guide

GUIDE

The Executive's Guide to Workforce Optimization

The Untapped Opportunity Hiding Inside Your Workforce

Labor costs account for up to 70% of total business expenses — yet many executives can't measure the ROI of their workforce investments. Why is this?

For most organizations, workforce efficiency remains a blind spot. Leaders can pull up real-time financial metrics, sales forecasts and marketing ROI at the click of a button. But when it comes to linking workforce performance to profitability, they're often left guessing. As a result, companies waste 20-30% of workforce capacity each year through hidden inefficiencies — costing millions in unrealized value. Without clear visibility into how labor investments translate into business results, executives struggle to align workforce planning with agility and growth goals.

In today's volatile market, that disconnect is no longer sustainable.

Workforce optimization has emerged as a strategic imperative for the entire C-suite — not as a cost-cutting tactic, but as a proactive lever for driving profitability with data-driven insights. By quantifying workforce performance, pinpointing underutilization and aligning employee activities to business outcomes, organizations can unlock new capacity for growth without adding headcount.

This guide outlines:

- Why workforce optimization is essential to maintaining competitive advantage
- What components drive a successful workforce optimization strategy
- How ActivTrak enables a scalable, ROI-driven approach to workforce optimization
- Real-world examples of organizations turning hidden inefficiencies into measurable gains

Workforce optimization isn't about doing more with less — it's about doing the right work, at the right time, with the right investments. Organizations that prioritize it will be the best equipped to drive sustainable growth.

Why Workforce Optimization Is so Important

Whether your role is focused on revenue, operations or cost management, the pressure to identify hidden inefficiencies and quantify ROI extends to nearly every aspect of business.

These aren't just interesting findings — they represent massive opportunities to recapture value. But solving the root problem takes more than just data. It requires turning workforce metrics into meaningful financial insights. Why? Because one ill-advised decision can create lasting ripple effects. Reduce headcount too much and you run the risk of employee burnout. Approve too many new hires and you may face issues with underutilization and a lack of work.

For these reasons and many more, workforce optimization — once considered a middle-management concern — is now a boardroom imperative. But why is workforce optimization so critical? And how can your organization leverage it to fuel growth?

Did you know the average employee spends nearly three hours a day on unproductive tasks like unnecessary meetings and emails? Or that many companies unknowingly pay for costly, duplicate roles due to a lack of proper headcount insights?

Nearly half of the software licenses organizations pay for go unused and many offices sit empty as more teams work from home.

To understand the potential of workforce optimization, consider the case of one company using ActivTrak. An analysis of the organization's Activity Alignment report revealed that top performers spend 75% of their time on high-value tasks that drive results. In contrast, underperformers average just 48%. Armed with these insights, executives shifted a portion of employee time from low- to high-value work, generating significant output gains without adding headcount.

And that's just one example. Adding financial context to your workforce data empowers:

- **CEOs** to ensure workforce investments drive measurable financial returns, eliminating inefficiencies that drain EBITDA.
- **CFOs** to control labor costs and maximize ROI by transforming productivity data into quantifiable financial gains.
- **COOs** to optimize resource allocation and enforce policies with real-time visibility into workforce operations.
- **CIOs** to align technology investments with actual usage patterns, ensuring digital tools deliver measurable productivity gains — while also identifying underutilized or unused tools to unlock significant cost savings and operational efficiency.
- **CHROs** to make data-driven decisions that unlock untapped potential and ensure accurate headcount planning.

Putting Workforce Optimization Into Practice

Workforce optimization is essential for improving efficiency, reducing costs and sustaining long-term growth. The six components below pair strategic value drivers with practical solutions — giving executives a clear, scalable framework to align workforce investments with business results.

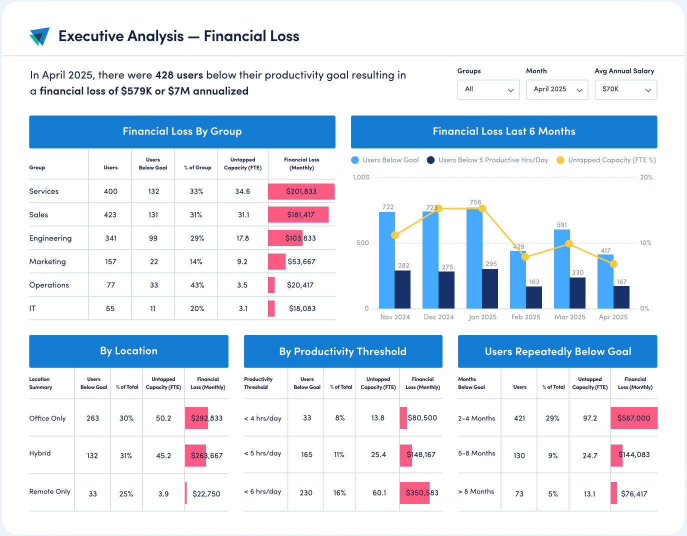
Identify inefficiencies and quantify financial impact

Understanding where value is lost is just as important as knowing where it's gained.

Without clear visibility into how time and resources are spent, inefficiencies build up over time and inflate costs. Workforce optimization starts with identifying underutilized labor and converting performance gaps into financial metrics. This gives leaders the insight needed to protect margins and make more strategic planning decisions.

Recommendation

Use ActivTrak's Financial Loss Analysis dashboard to map untapped capacity to FTEs and salary costs. Filter by department, location or productivity thresholds to uncover savings opportunities and prioritize actions that align workforce investments with business priorities.



Early adopters report up to 20% reductions in idle capacity within 90 days and 10% payroll savings.

Optimize headcount and capacity planning

What if you could achieve "just right" workload distribution?

Overstaffing drains resources while understaffing strains teams and hurts performance. A strong workforce optimization strategy aligns the right people with the right work, preventing burnout and reducing waste.

Recommendation

Use ActivTrak's Headcount & Capacity Planning report to evaluate utilization, spot imbalances and redistribute workloads. Real-time activity data helps guide hiring, resource allocation and investment decisions.

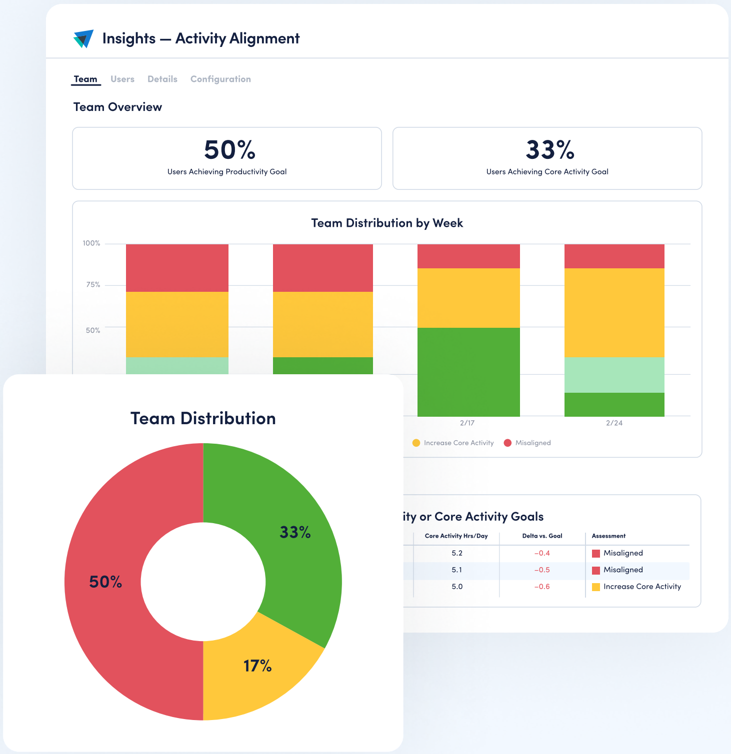
Align time to high-value work

How much time do your employees spend on work that drives results?

When employees spend too much time on low-value tasks, performance and profitability suffer. Knowing how time is distributed across core and non-core work allows leaders to correct focus drift and reinforce what drives results.

Recommendation

Use ActivTrak's [Activity Alignment] report to compare time spent on high-value vs low-value work. Identify coaching opportunities and help managers guide their teams toward more impactful outcomes with built-in frameworks that improve focus and output.



Maximize productivity by location

Where are your teams most productive — and does your real estate strategy support them?

Data gaps in remote work planning can hurt performance and lead to poor office space investments.

Understanding where employees are most effective helps optimize [flexible work] policies, reduce real estate costs and boost productivity.

Recommendation

Use ActivTrak's [Location Insights] report to evaluate productivity across work environments. Identify which teams thrive in-office, remotely or in hybrid setups, then [align space planning] and flexible work models to match.

Optimize technology investments

Are you getting full value from your software investments?

Without visibility into actual software usage, organizations waste thousands on unnecessary licenses — and teams miss opportunities to leverage valuable tools. Strategic technology license planning helps leaders eliminate waste, negotiate smarter contracts and optimize efficiency to deliver measurable returns. It also helps to enforce policies aimed at mitigating compliance risk.

Recommendation

Use ActivTrak's Technology License Optimization to identify underutilized licenses, track adoption rates and right-size software investments.

Connect workforce data to business outcomes

Workforce insights are essential for ROI clarity — but they're only part of the picture.

Workforce data is more valuable when it's tied to business performance. Integrating productivity metrics with systems like CRM, finance or help desk tools enables deeper insights, faster reporting and better decisions across departments.

Recommendation

Use ActivTrak's ActivConnect API to embed workforce data into BI tools like Power BI, Tableau and Looker Studio. Leverage pre-built templates to jumpstart analysis and measure workforce impact across sales, service technology and more — without starting from scratch.

Individual vs. Group Average

Sales Team Member	Avg. Productive Hrs/Day	Avg Sales Tools, Email & Meeting Hrs/Day	New Opportunities/Hr Ratio	# of New Opportunities Created	vs. Group Avg.
Victorina	6.5	4.7	12.7	101	▲ +102.5%
Tamika	6.4	4.7	12.9	74	▲ +44.4%
Farrah	7.1	5.4	15.4	65	▲ +30.3%
Daron	5.8	4.1	11.7	50	▲ +14.5%
Marcy	6.1	4.9	3.0	42	▼ –18.7%

These reports bring financial clarity to the ROI of your workforce investments, enabling:

- **CEOs** to surface valuable metrics to ensure workforce investments deliver measurable returns.
- **CFOs** to gain visibility into cost-to-output ratios and prevent unnecessary spending.
- **COOs** to uncover workload inefficiencies and imbalances to streamline operational models.
- **CHROs** to harness behavioral insights to coach performance and reduce burnout.
- **CIOs** to leverage accurate usage data to optimize technology investments and resource allocation.

The ROI of Workforce Optimization

Looking for proof that workforce optimization actually delivers results? These real-world success stories demonstrate how organizations across industries have transformed operations using workforce analytics.

Uncovered $600,000 in labor savings

After 18 acquisitions and a shift to remote work, Echo Global Logistics needed better visibility into the productivity of its 2,500-employee workforce. Workforce optimization enabled executives to identify untapped opportunities, transforming how they allocate resources and make headcount decisions. As a result, the company achieved $600,000 in savings and was able to:

- **Align finance and operations teams** with shared workforce data for strategic decision-making.
- **Prevent unnecessary hiring** by identifying and activating underutilized talent.
- **Integrate productivity metrics into EBITDA**-focused decision-making.

Achieved 122X ROI with workforce analytics

When Parts ASAP rapidly expanded — acquiring 18 companies and growing to 65 locations — the company sought to consolidate operations while transitioning to remote work. Workforce optimization empowered the company to achieve 122X ROI with $6.82 in added benefits through expense reduction and revenue gains, enabling it to:

- **Improve overall employee productivity by 18%** after uncovering and addressing unproductive behaviors.
- **Decrease non-productive time by 42%** through targeted coaching conversations.
- **Generate 12,000 additional productive hours** monthly across their workforce.

Make Data-Driven Workforce Decisions with ActivTrak

High-performing companies turn workforce visibility into business value. The sooner that starts, the stronger the return. With ActivTrak, you can get started right away. Our workforce optimization software equips you with data-driven insights to reduce waste, optimize workforce investments and drive growth. It's all the executive-level workforce metrics you need to get (and stay) ahead.

Are you ready to see how workforce analytics can transform your business? Start today with these resources:

- Watch the webinar to learn how you can unlock productivity gains and financial impact.
- Read the blog post to discover how workforce analytics helps unlock EBITDA growth.

Executive Checklist for Workforce Optimization

Follow these six steps to transform your workforce investments into measurable financial gains.

1. Identify Inefficiencies & Quantify Financial Impact

Gain visibility into where your workforce is underutilized.

- [ ] Analyze workforce data to find untapped capacity and performance gaps.
- [ ] Translate productivity gaps into financial loss to protect margins.
- [ ] Use ActivTrak's **Financial Loss Analysis** dashboard to uncover potential savings by team, role or region.

2. Optimize Headcount & Capacity Planning

Balance workload distribution and make smarter hiring decisions.

- [ ] Analyze over- and underutilization in real time to right-size teams.
- [ ] Prevent burnout and boost retention by addressing imbalances early.
- [ ] Leverage **Headcount & Capacity Planning** insights to align talent and resources with demand.

3. Align Time with High-Value Work

Ensure teams are focused on outcomes that matter.

- [ ] Audit how time is spent across core vs. non-core activities.
- [ ] Shift time away from low-impact activities like excessive meetings or low-impact tasks.
- [ ] Use **Activity Alignment** reporting to coach teams toward performance that drives results.

4. Maximize Productivity by Location

Adapt your workplace strategy to where people perform best.

- [ ] Understand productivity trends across remote, in-office and hybrid teams.
- [ ] Align flexible work policies with actual productivity trends.
- [ ] Apply **Location Insights** to guide real estate decisions and hybrid or remote work policies.

5. Optimize Technology Investments

Eliminate software waste and improve digital ROI.

- [ ] Audit software usage to compare license allocation with actual adoption.
- [ ] Eliminate or consolidate underused tools and reduce overlapping spend.
- [ ] Use **Technology License Optimization** to right-size tech investments.

6. Connect Workforce Data to Business Outcomes

Link workforce metrics to financial and operational performance.

- [ ] Integrate workforce analytics with BI, finance, CRM and ops systems.
- [ ] Tie productivity metrics to revenue, EBITDA and operational KPIs.
- [ ] Utilize **ActivConnect API** to embed workforce insights into dashboards and decision-making tools.