**Video Transcript - Introduction**

* Hi, my name is Anthony Mazen and I am a People Partner from the People & Places function at Lloyds Banking Group. I have been working with and supporting the Financial Services Skills Commission – the FSSC – since its foundation back in 2020
* The FSSC - was set-up as a cross-industry body led and run by members of the UK financial services industry to help tackle the skills challenges faced by the UK financial services industry
* One of a number of skills challenges identified was financial services organisations ability to identify and communicate the skills it would need in the future
* This is not to suggest that there aren’t lots of great examples of skills forecasting work going on across financial services industry, but what was clear from the FSSC’s research with member organisations was that not everyone had the time, the support or the know-how to do it. Even organisation’s that were doing the work well reported challenges driving action off the back of the analysis.
* So with that in mind the decision was taken to develop an industry-wide toolkit to help financial services organisations forecast their skills for the future, understand where their key skill gaps are and identify actions to close the gap.
* The toolkit is built around a three key phases:
  1. **Where are we now?** Which is all about the organisations current work, roles and skills
  2. **Where do we need to be in the future?** Which is all about determining where the organisation is going and what that will mean for the work people do, the roles needed and the skills required to do them
  3. **How do we close the gap?** Which is all about understanding the size of the skills gap and what needs to be done to close it (some people call this a skills sourcing strategy and action plan)
* The toolkit itself has 4 parts to it:
  1. A pack for the facilitator
  2. A pack for participants
  3. A spreadsheet to collate data and
  4. A skills dictionary to help get the conversation going
* Rather than just provide the materials we wanted to provide a series of videos to help bring the materials to life, acknowledging that at first glance they might feel quite over whelming.
* In practice, the toolkit has been designed to be an ‘all you can eat’ buffet where you can use as much or as little of it as you choose. The high level approach may enough for some, whereas the spreadsheet, dictionary and individual workshop slides may be used by others. How much you choose to use is completely up to you.
* Similarly, the approach can be done at a very high level in a matter of weeks to provide direction of travel or it can be done at a much more granular level business unit by business unit over a number of months.
* The 5 videos that follow will talk you through the high level approach followed by each of the three key phases before finishing on the outputs and how you drive action.

**Video Transcript - Gathering Input and Support (Overview)**

* Of all of the materials in the toolkit, the most important part is the diagram that shows the high level approach.
* If you use nothing else, this at the very least is worth a look because it provides a structure for how to go about discussing, forecasting and taking action on future skills.
* At the heart of the approach is a series of conversations with business leaders about the strategic direction of their business.
* Whilst many claim that workforce planning is all about data and technology – and there is no doubt that both elements have a significant role to play – the most important element is the conversation and discussion to ensure you really understanding the direction that the business leaders want to take their business coupled with how quickly they want to get there.
* As a result, each of the three key phases in the approach are centred on workshop:
* **Workshop 1 – Where are we now** – brings people together to ensure a shared understanding of the current work, current roles, current headcount, mix of resources, skills and skill levels. You may assume that everybody knows this and you are starting from a well understood baseline. If so, great: this will be a very short workshop. In my experience, particularly in larger organisations, reaching a shared understanding of the current roles and skills can takes a surprisingly long time!
* **Workshop 2 – Where do we need to be in the future** – the most important workshop at which you must have the right people in attendance to ensure a shared understanding of where the organisation is going and what the implications will be for the work and key roles and skills identified in Workshop 1. Again, it might sound straightforward, but getting someone to clearly articulate a business strategy for the next 5 years in what can be a very complex world is not as easy as it may sound!
* **Workshop 3 – How do we close the gap** – the key workshop for bringing it all together in order to understand the gap between your skills, where they are and where they need to be and also the action you need to take off the back of it. This is where your HR / People specialists will really earn their stripes by helping the organisation to identify the right learning, recruitment and talent management solutions.
* In and around each of these workshops, good preparatory work and post-workshop write-ups are crucial to ensure that:
  + Previous related work is identified and used as a foundation
  + Time is well spent during the workshops,
  + Actions are properly written up so that they can be tracked and managed to completion.
* Care should be taken at all time that this isn’t a naval gazing activity that doesn’t culminate in anything tangible
* What is also critical is that before even kicking off the work, you are ready as an organisation to do it properly. Our experience is that you need 6 key ingredients to be in place:

1. **The right level of senior sponsorship** – it takes time and effort so you will need to senior support to make it happen
2. **Participation from the right business people with the right level of knowledge** – the further the task gets delegated beneath the ultimate decision maker the less likely you are to get what the actual business strategy is going to be
3. **An agreed business strategy that extends at least beyond the current year, and ideally for the next 5 years** – if the business doesn’t know where it is going there is no way they will be able to explain it to you!
4. **An awareness of and the ability to leverage similar work to help accelerate progress** – there are few things that people hate more than being asked to do something they feel like they have already done
5. **The right HR specialists available to lend a hand and help shape the action plan** – everyone believes they are an expert in HR: make sure you have the right ones in the room (or at least on the phone!)
6. **A clear articulation of the business benefit and tangible outputs that will result from the exercise** – what so many business leaders refer to as the ‘so what’?

**Video Transcript - Where Are We Now (Workshop 1)**

* Workshop 1 is all about understanding the current state – the current key work, the current key roles and the current key skills
* Much of this information should already exist so make sure you gather and read as much as you can prior to the workshop
* Useful sources of information include any descriptions of the work done by the business area, any performance objectives or key business metrics for the business area, monthly / quarterly People reports specific to the business area, a list of Roles & Headcount / FTE from any core HR System, Business Area organisation charts.
* You may find you are even able to develop a strawman of key activities, key roles and key skills ahead of the workshop and then the session can simply be an opportunity to discuss and update your understanding.
* You probably need about an hour and a half for this workshop, but depending on how much you can do in advance you might find you can do it with an hour. Alternatively it could take you as much as three hours if the area is big and complex
* Like all of the workshops, the quality of the output will be very dependent on how well the attendees know the business area. In addition to the facilitator I would always recommend that you have the relevant HR / People Business Partner alongside whoever this individual recommends should join from the business – just be wary of a cast of thousands!
* You are likely to want to divide the session up into three separate sections. Make sure you circulate the agenda and key collateral ahead of the workshop (e.g. the FSSC Skills Dictionary) to allow proper preparation time:
* **The first section** is about understanding the current work – ideally you would try and tease out 1 – 2 sentences that describe the purpose of the business area and the work that it does
* **The second section** is about identifying the key roles – the bulk of the session should be spent identifying the key clusters of work and then the key roles within each of them.
  + For a particular business area you should probably be looking for 6 – 8 work clusters for example you might cluster by product – for example mortgages – or by customer journey – buying a home – or by function such as customer service or customer operations
  + Within each cluster you probably want 3 – 4 Key Roles. You are not looking to identify and discuss every individual roleinstead you should be focussing on the Key Roles that comprise c. 70 – 80% of the workforce. Be flexible with how you define Key Roles e.g. In large Business Areas individual roles could have thousands of employees (e.g. Customer Service Advisors) but in others you might only have roles with half a dozen or so.
* **The third section** is then about identifying the key skills against each of these Key Roles
  + The simplest way to do this to ask the attendees what they look for when they are recruiting for the roles – this tends to tease out the skills that really matter
  + You can then supplement those skills by looking down the lists of skills provided in the FSSC Skills Dictionary that forms part of the toolkit. Wherever possible, stick to the titling and descriptions used in the Skills Dictionary – this removes the risk of capturing multiple versions of what is essentially the same Key Skill. At the same time, do not ‘force fit’ and where important Key Skills are missing please add them. If you are engaging in separate Workshops with multiple stakeholders it is important that you maintain a ‘parking lot’ of Key Skill so you have the opportunity to incorporate them later on if multiple people ask for them
  + It's important to keep in mind that you are looking for 5 – 6 Key Skills and not every skill you need to do each job.
  + In an ideal world, you would then assign each Key Skill a proficiency level. Again you can use the proficiency definitions provided in the FSSC Skills Dictionary to help you do this. The benefit of having these is that you might find in the future that rather than needing a new skill employees just need to be more proficient at the skills they already have
* There is a lot to cover so don’t be surprised if you run out of time. It is important to remember that Workshop 1 creates the foundation for the rest of the work so **ensure you do not rush through the content** – as a minimum it is important to leave the session with a good understanding of the current work, current Key Roles and an initial view on current Key Skills, however, you can always finalise the Key Roles, Key Skills and Proficiency Levels post the workshop
* With that in mind, before you leave it is important that everyone is clear on what needs to be done ahead of Workshop 2:
  + You will need to write-up Workshop 1 – you might want to use the templates provided in the toolkit to help you do this
  + Then are likely to be outstanding questions raised during the workshop which will need an answer
  + Everyone should leave with an understanding of what additional inputs might be needed for Workshop 2

**Video Transcript - Where Do We Need to Be (Workshop 2)**

* Workshop 2 is all about understanding how work is likely to change in the future and what key skills will be needed to do it.
* Similar to workshop 1, a load of information should already exist about the future of the business.
* Examples of information that could be submitted in advance or at least brought to the session include business strategy documents (including vision and mission statements); operational plans for the next 2 – 3 years, with key change programmes; business area targets or commitments; insight from internal or external continuous improvement analysis which identifies opportunities for growth or areas for improvement; and of course external thought leadership or examples of best practice or external benchmarks to work towards.
* If you have time, it may even be helpful to pull together a summary of the key changes or maybe a description of what the business could look like in 5 years time to stimulate the discussion.
* At the very least you will need an hour and a half for this workshop, however you shouldn’t be surprised if it takes you much longer. This is largely because it can be very difficult to describe a business strategy in such a way as to make it translatable into what work will need to get done, what roles will be required and what skills will be needed in the future.
* Of all the three workshops, this one must have the right business representatives in attendance because you are completely reliant on them to describe the direction of their business. This is not insight you can simply pull off a system. You need them to explain it to you and for them to be available for questions.
* You will probably want to divide the workshop into three sections:
* **The first section** is to confirm the accuracy of the work from workshop 1 and your understanding of current work, current roles and current skills. This is particularly important if there are business representatives at this workshop that didn’t attend the first workshop.
* **The second section** is the key part of the workshop – discussing and understanding what work will look like in the future. I would suggest the following to try and get the most out of the discussion:
  + Firstly, just ask the attendees questions – if I left and came back in 5 years, what would you expect the business to look like? What new things would been launched? What old things may have been replaced or removed altogether? What would you like a customer to be saying about our business in 5 years’ time? What would you like your employees to be saying about the work they do in 5 years’ time? What are the commitments we must have delivered by then vs what are the nice to haves?
  + Secondly, do not be tempted to jump into what changes might mean for roles or skills too early, instead focus on trying to list out all of the potential or expected changes, the commitments, the opportunities and what they might all mean for the future of work.
  + Thirdly, start with the long term view (4 years+) and then work back to medium term (2 – 3 years) and then to the short term (1 year) – this will help ensure the conversation is focussed on the future and on establishing a direction of travel rather than being limited to incremental or tactical changes from the current state
  + Forthly, business representatives may well be worried that what is being discussed is being translated into a commitment and it will leave them exposed. As a result, they may be less prepared to tell you anything, or not prepared to share with you anything that is particularly bold or far reaching. It is very important you provide reassurance that you are not looking for a definitive answer nor a commitment – you are simply looking to understand potential changes so that you can think through all of the implications.
  + Fithly, reassure Business representatives that you will be capturing any assumptions so that you have a record of what predicted changes were based on. For example, some changes might be totally reliant on the introduction of a system or a piece of automation that never gets delivered.
* **The third section of the workshop** is about understanding the impact of these changes on the Key Roles and Key Skills identified in Workshop 1 and what Key Roles and Key Skills will be required in the future. Now you might find it makes more sense to combine section 2 and section 3 so you talk about the changes and then the impact on each key role. Either way, you need to try and understand:
  + Firstly, based on the future work discussion, which of the **Key Roles most likely to be impacted by the changes to work** – try to focus on no more than 4 – 5 Key Roles (any more than that may require either more time or an additional workshop)
  + Secondly, for each Key Role first understand **whether there is likely to be a change in headcount** (increase or decrease) or whether there might be a change in resource mix (internal vs external) over the short, medium and long term
  + Finally, you should be spending the remaining time **discussing the change in skills for each of the Key Roles** with the key focus being on the priority skills (key 4 – 5) that will be required by these Key Roles. If you have the time, by all means discuss the proficiency level (foundation, intermediate or advanced) for each of these skills that will be required in the future, but you may well run out of time and need to follow-up on this after the workshop. Please use the FSSC Skills Dictionary that forms part of the toolkit to help you to both identify new skills and assign proficiency levels.
* Before you leave it is important that everyone is clear on what needs to be done ahead of Workshop 3:
  + Firstly, you will need to write-up Workshop 2 – you might want to use the templates provided in the toolkit to help you do this.
  + Secondly, there are likely to be some outstanding questions on the future of some aspects of the business, so make attendees aware of what the questions they are taking away are and when you will need an answer by
  + Thirdly and finally, unlike Workshop 1, you will want to circulate the write-up once complete so that it can be reviewed and updated prior to Workshop 3, so make sure all attendees know what to expect and how quickly you will want their comments back.

**Video Transcript - How Do We Close the Gap (Workshop 3)**

* Workshop 3 is all about understanding the size of the gap between where your workforce is and where it needs to be and on building a plan to help you to close that gap.
* Unlike the previous two workshops, it really helps if all of the business representatives at workshop 3 have had the chance to read and input into the write-up from Workshop 2. This is to ensure we are starting from a commonly understood and agreed baseline. Without this, you can find much of the conversation in workshop 3 is at strategic direction rather than action.
* The key attendees at this workshop are your HR or your people subject matter experts and this is where they really earn their stripes! It is critically important that you have experts in recruitment, learning and talent to help identify and shape the solutions required to build the workforce for the future.
* Similar to workshop 2, whilst you can do this workshop in an hour and a half, I would strongly recommend you set aside much longer. This is largely because you don’t simply want to be able to identify actions, you also want to be able to have the time to discuss them and work out whether they would work. For example, you might propose an off-the-shelf training programme but then realise that it isn’t delivered in a way that would work for the type of colleagues you want to upskill and you will only find that out through discussion
* The workshop itself will probably need to be divided into three separate sections:
* **The first section** should be used to check that everyone is comfortable with the summary from Workshop 2 and that everyone understands the future work, the future shape and size of the workforce, the Key Roles that will be impacted and the priority / declining Key Skills. At this juncture it is important to again remind everyone that the numbers used are directional to inform thinking – they are certainly not targets.
* **The second section** should focus on identifying action types to help close the skills gaps. The best way to go about this is to look at each Key Role in turn and to agree collectively what Action Type to apply. I have seen as many as seven different action types, but for the purpose of the toolkit we have focused on five: Build, Buy, Borrow, Retain and Redeploy:

1. **Build Action Type** (Re-skill / Up-skill / Train) – this is divided into Foundation, Intermediate and Advanced to reflect the complexity of training (Foundation training can be done in a week; intermediate training is up to 3 months; Advanced training is 3 months+)
2. **Buy Action Type** (Recruit) – this is any permanent resource that needs to be brought into the workforce from outside, although this can also refer to internal hiring if you have the skills you need but they are simply in a different part of the organisation This can be the most expensive Action Type and is likely to be used if a) building the skills takes too long / is too expensive or b) if an immediate injection of different skills is required
3. **Borrow Action Type** (Temporary resource / Partners resource /contractors /consultants) – can be more expensive than building internally but faster to onboard than hiring permanent resource. Can be very helpful at providing temporary cover until you have time to build the skills you need internally. Alternatively, can be used as a deliberate strategic decision to deliver non-core activity in a more cost effective manner
4. **Retain Action Type** – Some employees may already have the skills you need and therefore a retention plan is required to ensure that, whilst you are closing the gaps elsewhere you do not lose those employees that already have the skills you are looking for
5. **Redeploy** – Some employees may be in roles or have skills that aren’t needed in the future, may not have the desire or the capability to build the skills you need or you might need to reduce the overall size of your workforce. It is important to identify these populations early so that you have enough time to support them to be redeployed either to growth roles within the business area (or elsewhere in the organisation) or to help them find a role in another organisation (e.g. by helping them to reskill)

* **The third section** is there to identify the specific actions to support each Action Type. Now you can tackle this in one of two ways: i) repeat the exercise you have just gone through by discussing each Key Role in turn or ii) by tackling each Action Type in turn, discussing potential actions for each. My personal preference is the latter, because you are more likely to identify common actions that can be applied to multiple roles.
* Where available, the relevant Human Resources Specialist should lead on the relevant Action Type to ensure their expertise and experience is used to identify the right actions to adopt:
  + **HR Learning Specialists** should lead on the ‘Build’ discussion;
  + **Recruitment Specialists** should lead on the ‘Buy’ and ‘Borrow’ discussion (with potential support from Graduate, Apprenticeship and Procurement / Sourcing specialists);
  + **HR Talent Specialists** should lead on ‘Retain’; and
  + **HR Redeployment / Restructure Specialists** should lead on ‘Redeploy’ (albeit HR Recruitment and Learning Specialists will need to be involved in this discussion)
* In the toolkit you will find a list of suggested actions against each of the 5 Action Types, which should serve as a menu from which you can mix and match actions with guidance of your HR specialists
* It is important as you discuss each action that you consider the time period and the necessary lead in time e.g. a typical graduate development cycle is 2-3 years meaning it cannot be a short term ‘Buy’ action
* Before you leave it is very important that everyone is clear on next steps like with the other workshops
  + You will need to write-up the agreed Action Types and Actions – the templates provided in the toolkit should help you do this.
  + There are likely to be some outstanding questions for some of the HR Specialists to take away about particular actions or solutions
  + Unlike the previous two workshops, this workshop marks the end of the planning phase. Once you have an agreed action plan, which might still be a number of weeks away, you then move to implementation which is a whole new phase of work. For this you will need a project team, budget and agreed support from HR – all of these will take time to agree and mobilise so agree how to manage those before you leave the workshop.

**Video Transcript - Implementing the Action Plan (Outputs and Actions)**

* So you’ve completed your three workshops and you now have a collective understanding of and a load of write-ups that summarise:
  1. Changes to key work activity
  2. Changes to key roles, headcount and resource mix
  3. Future key skills and where the key gaps are
  4. Key actions to build, buy, borrow, retain and redeploy
* You might think the hard work is behind you – and yes, you have accomplished a lot. It might even be the first time that anyone has written any of this down, which is great - but I am afraid to say you still only at the beginning of the work!
* The next part has three bits to it:

1. First you need to prioritise your actions. You are unlikely to be able to do everything on your list, or at least not all at the same time. As a result you need to **prioritise**:
   * What are the ‘no regret’ actions on your list? These are those actions that you feel you will need to do irrespective of what happens in the future. Or it could be those actions where you are 95% confident that the assumption on which they are based will hold to be true. For example, you might know a particular role is definitely going to be replaced in a year and the change programme is already underway
   * The other thing to consider is what actions are the most complex and most expensive? Ultimately you are more likely to prioritise the actions that are a) the easiest to do, b) will have the greatest impact for the least amount of money but also c) are more likely to have an impact sooner rather than later.
2. Secondly you need to build your plan and get owners. After you have prioritised your list you then need to make sure that you have the **actions on a plan with realistic timescales** and **each one has a clear owner**
3. Thirdly you need to track and manage that plan through to delivery and you need to agree a way of doing this. Without this the skills gap analysis exercise will never move beyond being a set of slides. This needs to include not only an agreed **way and frequency of getting together** to discuss progress but also a way of **measuring progress** so that you know what is being done is making a difference (both lead indicators and lag indicators)
4. So what type of actions would you expect to see on this plan? There are some great examples in the toolkit which you could as a helpful checklist. It is by no means exhaustive but it should give you some ideas:
   * **Training programmes** will obviously feature as part of any efforts to build skills but these can vary wildly – you might be recommending a training programme that is attending by all that brings everyone up to a similar standard on something like data and analytics, next to it you might have a few specialists who need to attend an externally provided accredited course on data science. But separate to all of that, you will need to think through how you create the time for employees to complete this training? Do you need to bring in additional temporary resource to cover? Or do you need to slow down delivery so you have time to properly reskill?
   * **Recruitment campaigns** could well feature as part of your buy efforts, but ahead of that you may well need to look at your employee value proposition in order to attract the calibre of highly skilled individual you are looking for.
   * You will almost certainly discuss **apprenticeship or graduate programmes**, but you have to keep in mind that the programmes themselves can be 18 months, 2 years, 3 years or longer so if you are looking for an immediate impact at scale, it probably won’t be through this route.
   * Borrowing might be quick to ramp-up but ramping it down can be more complex. If you are looking to **reduce your reliance on external resource**, you will need concrete actions that enable you to equip internal colleagues effectively and efficiently to do what external resource might have historically done at the same time as gradually reducing your use of them.
   * Redeployment can be similarly complex. Your actions might include newly designed **learning pathways that are fast enough to enable employees to build the skills they need for future growth roles** before their current roles disappear. Some organisations have even established partnerships with external organisations where they pay the cost of re-skilling employees to go and work for them because it is more cost effective plus better for the employee.
5. Making **each of these individual actions tangible and measurable** then holding people to account to deliver them is the most important and arguably the hardest part of the whole exercise. But ultimately, if you don’t do it, nothing that has come before would really have been worth it.
6. My final point - and one of the key lessons that I have learned – this skills gap analysis work is a **live piece of work that will always change and never be finished**. As a result, you have to find someone who can own it and update it as and when assumptions change or as the organisation evolves. That individual should not be in HR or in People otherwise the work can become disconnected from the business. It probably needs to be owned and driven by whoever is responsible for the execution of the business strategy because one cannot be done without the other. That’s how important it is.
7. I hope these videos were **helpful in bringing to life the FSSC skills gap analysis approach** and the supporting toolkit. I also hope you are left with the feeling that the most important part of all of it is getting the **right people together** with the **right experience and inputs** to **talk about future skills** with **enough time available** to **put in place tangible actions** to help **proactively build, buy or borrow the skills you need** **by the time you need them.** The toolkit is there to help, but you should not feel like you need to use it all or any of it if you can achieve these same ends through different means.

**Thank you very much**