

Proven Practices for Overcoming Today's Labor Shortage

A Solution Brief for Growing Organizations

USE TECHNOLOGY TO BUILD AND RETAIN A SKILLED WORKFORCE

American companies are battling the greatest labor shortage since World War II. A record-breaking 11.4 million job openings¹ impede productivity and jeopardize profit margins in small and medium businesses across every industry.

The COVID-19 pandemic amplified the simmering shortage in some industries while igniting a full-blown crisis in others, forcing many small and medium businesses (SMBs) to slash services and hours and shuttering others. In addition, millions of employees left their jobs to care for family members or pursue other opportunities. The Great Resignation also compelled workers to rethink their career goals and priorities, which makes attracting and keeping employees more challenging than ever.

Growing companies must change with the times or risk losing their business. Overall, U.S. companies stand to lose \$160 billion in annual revenue due to understaffing.² Before identifying what attracts and retains employees in their industry, organizations must improve their internal culture and enact proven techniques to keep employees engaged and productive.

The right technology can tackle these challenges head-on by promoting growth, boosting productivity, and strengthening hiring. For example, Acumatica's robust and connected ERP business management suite optimizes operations and fosters a collaborative, transparent culture that improves employee engagement and performance. The modern cloud-based ERP system delivers award-winning usability and end-to-end transparency, eliminating bottlenecks that frustrate workers and diminish productivity. In addition, companies can better allocate resources for each project and in their overall operations.

This solution brief examines the seven best practices for countering the labor shortage.

SEVEN BEST PRACTICES FOR COMBATTING THE LABOR CRISIS



REVITALIZE CULTURE
Page 2



BOOST HIRING
Page 2



RETAIN TALENT
Page 3



FOSTER COLLABORATION
Page 3



AUTOMATE PROCESSES
Page 4



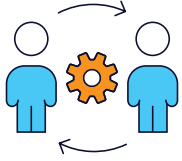
BUILD PARTNERSHIPS
Page 4



TARGET TECHNOLOGY
Page 5

¹ US Bureau of Labor Statistics, May 2022

² Korn-Ferry, [The \\$8.5 Trillion Talent Shortage](#)



BEST PRACTICE #1

Revitalizing Company Culture

Personal experience dictates employee loyalty, influencing workers to stay or leave their company. Unfortunately, employee experience suffered across all companies in recent years. Previously, companies relied on in-person experiences to shape their culture through teamwork, one-on-one interactions, activities, and a congenial, well-equipped environment.

However, the pandemic changed everything. Most people experienced massive shifts in their work and lifestyle. In addition to navigating pandemic-related fear and social distancing, they faced challenges from unprecedented rates of understaffing, supply chain shortages, and customer dissatisfaction.

Those who worked from home fared better in some respects but faced isolation and uncertainty. Many also lacked access to the necessary technology. Therefore, organizations must carefully assess their current culture—onsite and remote—and foster experiences that empower people to do their best work in their preferred lifestyle. In addition, companies must monitor the effect of fluctuating working conditions and implement an engagement strategy that nurtures purpose, empathy, open communication, and career development.

Acumatica delivers superior usability to workers accessing the system remotely, onsite, or on their mobile devices. The cloud-based ERP system empowers clear, multi-channel communication by integrating diverse business and collaboration applications on one centralized platform.

“After everyone started working remotely, we realized we needed to reinforce the company’s mission and goals so everybody understood why they were important to the company. The feedback has been really positive from employees who say they feel they can connect the dots and understand the company better.”

– MARTHA LUCIA GROUX, CHIEF PEOPLE OFFICER, ACUMATICA



BEST PRACTICE #2

Optimizing Hiring

The Great Resignation combined with rising baby boomer retirements left many organizations understaffed. As a result, companies face intensifying competition for premium employees.

Before creating job postings, managers must consider labor pool limitations. Instead of pursuing the ideal blend of experience and education, they should define the skills needed to perform the job and consider candidates who demonstrate the desired aptitude even if they lack extensive expertise.

Organizations must optimize hiring practices to extend their reach in multiple market segments and attract as many qualified candidates as possible. For example, applicant tracking software automates routine recruiting, scheduling, and screening practices, so organizations can concentrate on securing the best talent. Companies should also cross-train new hires on multiple related processes, using ERP software to provide integrated workflows and a centralized database with access to real-time data. When companies help new hires connect the dots between functions and provide cross-training, they fuel productivity and equip workers to prioritize their time and move projects along despite workforce gaps.

Acumatica helps new hires connect their tasks to the larger operation with end-to-end visibility into related workflows and functions while deploying role-based security to restrict access to sensitive and confidential information.

“With Acumatica located in the cloud, it literally is no different sitting here at home or in my office chair, and it’s like that for my team. The functionality is the same, everyone is productive, and that’s a huge relief.”

– REBECCA OGLE, CFO, SAFETY MANAGEMENT GROUP

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“Our clerk had no previous accounting experience, and now she’s doing all the AP work . . . I just hired an accountant, and I didn’t have to teach her at all; she just got on the system and easily uses it.”

– JEN ALDEN, CHIEF FINANCIAL OFFICER, TULSA PERFORMING ARTS CENTER

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BEST PRACTICE #3

Strengthening Retention

The best recruiting and onboarding practices cannot compensate for high turnover. Turnover breeds discontentment among remaining staff, who often struggle to handle the additional workload and must hunt for information in multiple places. Consequently, nearly 43% of remaining employees consider changing jobs when a coworker leaves.³

Meanwhile, many job hoppers dislike their new roles. In addition, 25% of all workers are considering resigning. Each departure drains productivity and the bottom line, forcing companies to spend six to nine months of the existing employee’s salary on replacement expenses.

Therefore, organizations must boost employee engagement on multiple levels, from management style and flexibility to development opportunities and workload. Fortunately, technology can increase employee satisfaction and productivity. In addition, giving staff tools to work efficiently and flexibility improves retention.

Today’s workforce expects instant access to resources. Acumatica combines the power of its award-winning ERP system with a customizable reporting engine and business intelligence to present users with personalized KPIs. Acumatica engages employees with a modern ERP application that is easy to use, easy to learn, and adaptable to specific roles. The mobile framework delivers the same experience on every browser. No-code/low-code report development lets users easily create personalized dashboards and KPIs.

Acumatica consistently wins customer and analyst awards for usability. In 2022, Acumatica earned top marks from G2 and won Best Usability and Easiest to Use awards.

“Bridging the labor gap is about helping a limited workforce through cloud-based applications and services, including enterprise resource planning (ERP) and IT management. By taking advantage of the resources and services that can perform tasks and automated business functions with cloud technologies, organizations can alleviate the impact of labor shortages and focus on what they do best—run their business.” – FORBES



BEST PRACTICE #4

Empowering Collaboration and Personalization

Employees want to enjoy their work, do well, and connect with each other and the company’s mission. Therefore, combatting the labor shortage requires creating working conditions that combine intangible factors, like purpose and appreciation, with desired technology that alleviates frustration and fuels productivity. For example, Acumatica enables workers to focus on priorities with minimal inefficiency, connect with coworkers, and automatically move projects to the next phase.

Companies should pursue technology that improves everyday experiences and connects people and processes. It must remove information siloes that prevent users from connecting functions and provide visibility across operations. For example, sales associates should obtain instant access to all customer history, including payments, support, and communication, to inform their interactions.

In addition, leaders should leverage technology to facilitate collaboration and empower employees since 40% of employees prioritize flexibility, remote work, and career advancement.⁵ Acumatica provides the same experience on a PC and mobile phone and automatically opens the last task the user performed.

Acumatica facilitates collaboration by connecting robust ERP functions with external systems and presenting users with an end-to-end view of real-time data. For example, they can visualize project data with integrated workflows and leverage automation to eliminate error-prone manual tasks. In addition, personalized dashboards deliver real-time KPIs and alerts to drive progress.

³ CNBC, *Half of all workers say their companies are understaffed as labor shortage takes a toll on those still employed*

⁴ Forbes, *Can Cloud-Based Technologies Help Bridge The Labor Gap?*

⁵ CNBC, *Great Resignation 55% are Looking to Change Jobs*



BEST PRACTICE #5

Maximizing Resources via Automation and Transparency

Companies cannot afford to operate the same way they always had. After all, legacy systems perpetuate information siloes, forcing workers to navigate multiple applications and restricting workflow visibility. Businesses must strive to streamline operations, eliminate bottlenecks, and reduce manual tasks. Automating manual work reduces labor demands and promotes growth.

Organizations must anticipate labor needs for each activity to minimize delay. They need real-time operational data to forecast shortages and adjust resources. Technology must gather data from hardware and software across the enterprise and analyze it against operational needs.

For many SMBs, vital information resides exclusively in the minds of experienced workers. Organizations must document workflows and provide centralized access to them. They should:

- Evaluate the systems used to create, manage, and execute workflows.
- Seek and apply employee recommendations, which boost engagement while driving efficiency.
- Digitalize the steps and make them accessible via mobile applications and PCs so workers can review and move tasks along anytime.
- Leverage documented workflows also improve training and reduce turnover.

Acumatica automatically aggregates historical and real-time data across global enterprises and converts it into personalized reports that identify resource needs. Managers can identify gaps and reallocate resources with Acumatica's unified platform and 360-degree views.



BEST PRACTICE #6

Expanding Your Partner Network

Organizations face intensifying demands to keep customers happy and businesses running smoothly while complying with complex regulations. Unfortunately, the labor shortage also jeopardizes their primary success driver—innovation. Leaders must refocus employee energy on innovation. Automating manual processes helps but may not provide sufficient support amid today's understaffing.

Outsourcing can fill the gap by offloading essential tasks to experts and enabling employees to focus on strategic work. For example, most businesses rely on partners for ancillary services, like shipping. Expanding the partner network can combat the labor shortage by enabling companies to scale services based on need and budget.

However, adding partners adds another layer of complexity to overtaxed personnel and systems. The right ERP empowers organizations to maximize the value partners provide and minimize manual oversight. Acumatica delivers end-to-end visibility into partner activities and enables them to share information and conduct transactions on the platform. The intuitive platform supports unlimited users, which contains costs while using role-based access to secure data.

Therefore, auditors, consultants, and contract workers can collaborate with organizations and conduct related business on Acumatica. Integrated workflows expedite approvals, and personalized reports keep priorities in front of all partners. Low-code and no-code tools let organizations connect to external hardware and software systems and the Internet of Things.

Acumatica's future-proof ERP provides transparency into partner operations and allows organizations to monitor all partner activity on one centralized system with instant access to real-time data. In addition, Acumatica supports unlimited users with consumption-based licensing.

“With Acumatica, I’m giving employees an ultra-efficient tool they need to do their jobs correctly and allowing them to do things easier. I’m handing them a smartphone versus a rotary phone. They are more well-equipped to do their jobs, which produces good outcomes for customers and helps us build the business.”

– MATTHEW SHAMP, EXECUTIVE DIRECTOR, CARLSON-LAVINE INC.

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BEST PRACTICE #7

Deploying Targeted Technology

The labor shortage carries a widespread impact but hits each industry differently. Therefore, companies that leverage ERP solutions for their industry can combat understaffing by maximizing their available resources while reducing manual processes and their subsequent labor demands.

Acumatica offers four ERP solutions targeted at the industries most impacted by the labor crisis.

CONSTRUCTION EDITION

Lack of resources and skilled labor cause construction delays, missed deadlines, and workplace injuries. Acumatica helps workers stay on top of projects, and managers identify risks. In addition, firms can integrate with leading construction management and estimating programs for best-in-class functionality in a single, cohesive platform. With Acumatica, construction firms can:



- Automate tasks and improve data processing for accounts payable and other business operations with native artificial intelligence and machine learning.
- Optimize project material controls and eliminate inventory and purchase order management delays, including drop-shipping directly to the job site.
- Connect field, office, and remote workers in real-time with cloud and mobile construction and accounting software.
- Use triggers with drill-down capabilities to expose project scopes, labor, and materials changes.

DISTRIBUTION EDITION

Warehouse automation technology, robotics, RFID, and other modern systems enable distributors to accomplish more with less staff. Acumatica integrates disparate hardware and software systems and illuminates operations. Warehouse, shipping, and transportation workers can manage daily tasks in one system, receive orders from multiple sales channels, and view inventory across locations on their mobile devices or PC. Distributors can also manage physical inventory and warehouse transfers, create pick lists for workers, and process packaging. They can use Acumatica to manage omnichannel sales, returns, and exchange processing.



MANUFACTURING EDITION

American manufacturers could lose 25% of their skilled labor over the next several years to retirements. They need intuitive technology that maximizes resources while increasing engagement. Acumatica delivers embedded and connected functions for all parts of the business. Manufacturers eliminate wasted efforts and increase productivity by synchronizing demand with purchasing and production. Acumatica manages and analyzes production order details, costs, and resources with data collection via mobile devices for clock-in and clock-out, material issues, and real-time job costing. Manufacturers can also leverage advanced scheduling algorithms, demand forecasts, timely material purchases, and optimized stocking levels.



RETAIL-COMMERCE

Retailers face simmering customer dissatisfaction amid the labor shortage. They need technology that automates employee tasks and connects frontline workers with back-office operations. Acumatica seamlessly integrates front-end sales engines with the back-end ERP system. The ERP solution supports orders from the web, mail orders, telesales, and in-store purchases and ensures that financials, inventory, product descriptions, and sales data are up to date. Companies can track order information, handle returns across channels, and offer customer-specific pricing and loyalty programs. They can deploy business analytics to respond to late inventory receipts, identify vendor quality issues, and spot online buying trends. In addition, Acumatica integrates seamlessly with eCommerce platforms and pulls in orders directly from point-of-sale (POS) devices.



“Acumatica has definitely cut down on the time it takes to look up orders within our system, the status of an order, and in looking up inventory. That’s been a huge value add in efficiency. As we integrate more of our systems into Acumatica, we’ll only continue to see more efficiencies.”

– GODWIN PECK, ASSOCIATE DIRECTOR, MiiR

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CLOUD-BASED ERP

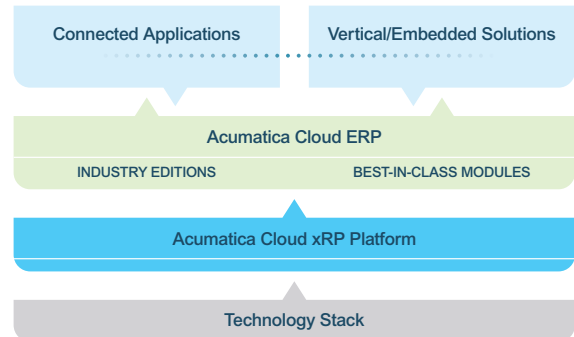
Acumatica Combats Understaffing and Increases Profitability

As the labor crisis continues to wreak havoc on businesses worldwide, Acumatica tackles underlying issues to lessen its impact. The modern ERP solution helps companies reduce their labor needs by streamlining routine processes with automation and artificial intelligence infused with machine learning. In addition, companies use Acumatica to forecast labor needs for routine operations and projects.

The award-winning platform helps retain employees by eliminating tedious, error-prone processes and promoting collaboration. Acumatica delivers centralized access to real-time and historical data as well as 360-views of customer data to promote enterprise transparency. Meanwhile, integrated business processes eliminate redundancy and inaccuracy. Robust dashboards and automated alerts push critical data and activities to users.

In addition, companies can strengthen partner collaboration and increase transparency by giving partners access to relevant processes and data in Acumatica without paying for additional users. Acumatica supports ongoing growth by enabling organizations to easily integrate with new systems via its open architecture, open APIs, and low-code/no-code customization capabilities.

Future-proof Cloud ERP



“We have dashboards, and some (employees) have their own personal dashboards where they can look at KPIs, revenue, projects we’ve bid on. Employees are more productive because they have instant access to the information they need. They don’t have to call headquarters or waste time searching for the right information.”

– JEFF HAMILTON, PRESIDENT, ROBERTS GLASS & SERVICE

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ABOUT ACUMATICA

Acumatica Cloud ERP provides the best business management solution for digitally resilient companies. Built for mobile and telework scenarios and easily integrated with the collaboration tools of your choice, Acumatica delivers flexibility, efficiency, and continuity of operations to growing small and midmarket organizations.

Business Resilience. Delivered.

Learn more about how Acumatica can work in your business by visiting us online at www.acumatica.com.

