



# Workforce Optimization in Aerospace & Defense

A Strategic Imperative



The Aerospace and Defense (A&D) industry is entering a period of historic opportunity—and acute strain.

- Order backlogs remain at record highs, yet production capacity is constrained by workforce shortages, rising attrition, and supply chain bottlenecks.
- Defense modernization, space exploration, and commercial aviation recovery are fueling demand at a pace unmatched since the Cold War.



**The Aerospace & Defense (A&D) industry faces a foundational challenge:** a structural deficit in its workforce.

Traditional talent pipelines for engineers, technicians, and cleared professionals are no longer sufficient to meet escalating demand, a problem compounded by high attrition rates and a persistent shortage of specialized skills. Simultaneously, evolving security and compliance requirements, including Trusted Workforce 2.0 and CMMC 2.0, introduce further complexity to talent management.

In response, industry leaders are shifting their focus from conventional recruitment to strategic workforce empowerment, accelerated by emerging technology. Digital tools such as model-based systems engineering (MBSE), AI-powered “copilots,” and robotics are being deployed to scale expertise, augment capabilities, and enhance productivity on the shop floor. These efforts are complemented by a renewed focus on apprenticeships and regional talent ecosystems to fortify the skilled-trades base for the future.

Workforce planning has been elevated from a human resources function to a core strategic imperative. Organizations that effectively integrate digital solutions with modernized career pathways and clearance-aware hiring practices will unlock growth and ensure mission delivery. Those that lag behind risk significant backlogs, rising operational costs, and diminished competitiveness.

KPMG has developed a comprehensive workforce planning solution to help our A&D clients meet this challenge. By strategically aligning people, processes, and technology—underpinned by proven change management—we help organizations strengthen productivity, accelerate time-to-competency, and retain their most critical talent, turning pressing workforce challenges into a distinct competitive advantage.

# The solution

KPMG collaborated with a prominent defense technology and innovation client to tackle a series of workforce optimization challenges, including difficulties in obtaining a comprehensive view of workforce needs across its operations due to the reliance on **multiple workforce planning tools and processes**. Additionally, **persistent security clearance delays** and a lack of visibility to available resources impeded timely onboarding for projects, amidst rapidly shifting and increasing production demands. The fragmentation of data across various workforce systems burdened leaders with the laborious task of **manually compiling planning information**, slowing decision-making and eroding confidence in data reliability.

To assist our client in overcoming these challenges, KPMG first initiated a **maturity and feasibility assessment** and crafted a **business case** for implementing Workforce Planning within Workday Adaptive and designed a future-state framework and architecture.

With the business case approved, KPMG then embarked on the second phase of the initiative, involving a two-phased, **enterprise-wide rollout of Workday Adaptive**, transitioning the organization to **driver-based planning models** and establishing **standardized workforce planning processes** across business units. Change management and training strategies were implemented to guide demand planners, supply managers, and leadership through the shift from legacy systems and practices to the new framework.

In the upcoming third phase, KPMG will support our client in integrating skills-based planning into their workforce planning models. Although the initiative is not yet complete, our client anticipates **annual growth and savings of approximately \$14.5 million** from this initial investment, attributed to **gains in staffing efficiency and mobility, platform standardization, automation, offshoring capabilities, and reduced idle time for project resources**.

- WFP Leadership Vision Alignment
- WFP Maturity Assessment
- Roadmap, Business Case, & Budget
- WFP Driver Model & Framework
- WFP Process & Governance Models
- Change Management & Training Technology Implementation



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