
3 Secrets To Successful Resource Management

Poor Resource Management is at the root of some of the most pressing problems that PMOs, IT groups, service delivery organizations and others face. The path to achieving improved RM in your PMO begins with three key areas of focus: Attracting Talent; Just-in-Time Resourcing; and Building Effective Processes.



CHALLENGES:

- RESOURCE MANAGEMENT REMAINS ONE OF THE TOP REASONS FOR MORE THAN A THIRD OF PROJECTS FAILING.
- POOR UTILIZATION, LOW PRODUCTIVITY AND INEFFECTIVE TALENT MANAGEMENT ARE THE AREAS TO FOCUS ON FOR RESOURCE MANAGEMENT IMPROVEMENTS.
- MANY PMOS FALL SHORT IN THE SIX AREAS THAT ARE CRUCIAL FOR JUST-IN-TIME GLOBAL RESOURCE MANAGEMENT (GRM), A DISCIPLINE THAT CAN HELP RETAIN TALENT AND CREATE PROCESSES THAT WORK.

TAKEAWAYS:

- LEARN HOW GRM CAN SOLVE MOST, IF NOT ALL, OF YOUR RESOURCE DEMAND, CAPACITY AND FORECASTING ISSUES.
- CREATE A PMO IN WHICH RESOURCE UTILIZATION, HIGH PRODUCTIVITY AND EFFECTIVE TALENT MANAGEMENT ARE NOT THE EXCEPTION, BUT THE RULE.
- LEARN WHAT YOU CAN DO TO INCORPORATE JUST-IN-TIME RESOURCE MANAGEMENT INTO YOUR PMO'S ARSENAL TO RETAIN TALENT, ENSURE KPIS ARE MET, AND DESIGN THE RIGHT GRM PROCESSES.

Resource Management Overhaul Needed: Stat!

Poor resource management is at the root of some of the most pressing problems that PMOs, IT groups, service delivery organizations and others face. In fact, in recent research, Gartner reported that more than 35% of enterprise IT projects fail due to a variety of reasons. Number one on their list of reasons? Resource management (RM).

We fail because most organizations, while they're heavily invested in quality project management processes, have not instituted a disciplined and repeatable resource management process, or automated this process across organizational silos. Gartner research has shown, moreover, that "Organizations tend to overestimate the amount of slack available in their resource pool and overcommit resources for pending projects and programs." Other research regarding resource demand in PMOs has uncovered more troubling stats: "Based on 2016 IT key metrics data, more than half of organizations — some 58% — still have no high-level resource allocation process in place."



The reality, however, is that we rarely see our resources work to full capacity, leaving a gap in project budget, timeline or both.

POOR UTILIZATION RATES

Poor utilization rates are often the result of ineffective resource demand planning. Fortunately, PMOs that have discipline in people management can realize a 75% improvement in their resource utilization.

COST SAVINGS ANALYSIS*

Increase in Utilization by (pts):

# of people	1	5	10	15
50	\$104,000	\$520,000	\$1,040,000	\$1,560,000
100	\$208,000	\$1,040,000	\$2,080,000	\$3,120,000
150	\$312,000	\$1,560,000	\$3,120,000	\$4,680,000
200	\$416,000	\$2,080,000	\$4,160,000	\$6,240,000
250	\$520,000	\$2,600,000	\$5,200,000	\$7,800,000
325	\$676,000	\$3,380,000	\$6,760,000	\$10,140,000
375	\$780,000	\$3,900,000	\$7,800,000	\$11,700,000

* Using \$100/hr. loaded costs

As the chart illustrates, using a generalized rate of \$100 an hour, this improvement can grow across time by ensuring that resources are deployed most effectively and that the PMO possesses more visibility to use when planning future resource utilization. In fact, in its Resource Demand Planning Toolkit, Gartner asserts, "If the PMO maintains a consolidated view of the project portfolio, it generally provides the best perspective of future resource availability, based on the progress of individual projects and their estimates to complete."

LOW PRODUCTIVITY

In a best case scenario, a resource is assigned to a project or an array of portfolio projects based on the percentage of work hours available against what needs to be accomplished.

The reality, however, is that we rarely see our resources work to full capacity, leaving a gap in project budget, timeline or both. This is not the resource's fault in many cases. Usually, low PMO maturity and organizational fragmentation preclude project success. If they are on a sinking project, our people will not want to stay because they see the endemic issues with our project processes. That's why the biggest culprit for low resource retention and productivity remains the chaotic environment we create ourselves, because we failed to address poor RM.



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The good news? According to the Resource Management Institute, a software vendor-agnostic organization dedicated to the advancement of resource and workforce management best practices, in every customer scenario where better resource management processes have been deployed, those organizations have realized:

- Reduced attrition among their most valuable, productive and highly utilized employees
- Improved employee satisfaction

ACHIEVING BETTER RESOURCE MANAGEMENT

The path to achieving improved RM in your PMO begins with three key areas of focus: Attracting Talent; Just-in-Time Resourcing; and Building Effective Processes.

1) Attracting Talent

The Resource Management Institute has noted that the RM profession suffers from a dearth of talented resource managers. A system of certification and professional development has long been crucial to fill the project manager pipeline. The skillset for project managers extrapolates easily to portfolio management in most cases, except when it comes to resource management on a global scale.

GARTNER DESCRIBES WHAT MAKES FOR A CAPABLE RESOURCE MANAGER:

“For clarity, our use of the term ‘resource manager’ does not mean a line manager who manages people, as part of a functional role in building or acquiring software or infrastructure. Rather, we are talking about a role that is largely dedicated to:

- Effectively allocating IT staff with the ‘right’ capabilities to the ‘right’ projects
- Maintaining forward-looking forecasts of assignments and availability
- Some degree of workforce planning that ensures the organization will have IT staff with new or needed skills in the future that match the strategic direction and goals of the business or agency”

“Better resource management means a more predictable match in the supply and demand in your project-based businesses. For that you need global RM,” says RMI Institute Managing Director Randy Mysliviec. “As your talent management processes evolve, it’s clear that your technology tools must evolve right along with them.”

Mysliviec’s organization offer certifications for the RM role. The RMCP®, or Resource Management Certified Professional, program ensures that certified resource management professionals can allocate a company’s human capital in a way that fully utilizes its people; keeps them productive and on staff by integrating talent management activities into the GRM process; and ensuring that any technical solution for a PMO includes adequate forecasting, reporting and a skills inventory database to get the right person at the right place at the right time.

2) *Just-in-Time Resourcing*

Just-in-Time (JIT) manufacturing refers to getting the right part to the right place at the right time. Global Resource Management professionals can apply many of the same JIT processes and mechanisms when managing human capital in the portfolio.

The Resource Management Institute cites six technical capabilities that ensure JITRM success:

A. Skills Inventory

In a professional services automation tool or in a PPM tool, all human capital must be represented. It’s vital to know who we have to do the work; the core competencies they have; where they’re located; their availability and current utilization; when they’ll be done with current projects; and what their career plan might be. These are all essential elements that help us match supply and demand.

B. Staffing

When prioritizing projects or when matching the supply of skills and demand for project-based work, inevitably, even if you do this 100% right, there will be times where things didn’t work out the way we wanted them to work. However, a good, repeatable staffing process helps us to take those chaotic situations and turn them into more project success to make a big difference in organizations.



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74%

Organizations are very immature in resource management. Over 74% of organizations... have no organizational standards for resource management.

C. Forecasting

One of the biggest hurdles to RM success is a lack of the granular view of demand over sufficient planning time. Human capital doesn't just emerge on a moment's notice. It takes time to find the right people, to up-skill, to re-skill, to cross-skill.

Accurate forecasting might hold the key to effective resource management. As evidenced in a still-relevant paper from the Project Management Institute (PMI) Global Congress way back in 2008, many "organizations are very immature in resource management. Over 74% of organizations...have no organizational standards for resource management."

This clarion call went out almost a decade ago, and while many suspect that this number has gone down, it's unfortunate that this PMI stat still holds true for a great number of PMOs.

In addition, one of the differences between top performing PMOs and their lowest performing brethren is that "effective portfolio reporting capability exists." This empowers forecasting which in turn allows organizations to allocate resources more accurately. Forecasting is often the fulcrum that allows your portfolio effectiveness to rise to a sponsor's expectations and gain strategic focus.

D. Sourcing and Developing Talent

Answering the question: What do we need to have skills-wise 3-6 months from now? is a key predictor of JITRM success. PMOs use the skills inventory to forecast resource needs and identify requirements for recruiting, capacity-rebalancing, reskilling, proactive career development, and what will allow us to proactively keep people happy and avoid trying to find resources at the last minute.

E. Technology PSA/PPM

A modern generation PSA or PPM tool that automates the GRM process makes analysis possible. The dashboarding and reporting capabilities need to support better resource management, or you will be hamstrung during any level of deployment. This can be a recipe for disaster.

F. Governance

Without the proper monitoring and measurement of expected resource demand, a PMO's portfolios and projects could be doomed to failure before they even begin. That's why governance retains prime importance in GRM. Your reporting and dashboarding should be cross-functional and gather all of the data needed to ensure continuous improvement on a global scale.

3) Build Effective Processes

Most organizations have clearly defined processes around the management of projects, but seldom do they have those same processes for resource management. Regardless of the business discipline, the path to more effective process begins with the same fundamental steps, as noted by the workflow automation experts at Comindware ix:

1. Define the roles and responsibility scope of each of your team's members. From the resource manager in Colorado to the managed resource in Dubai, a successful process begins with all the players understanding their roles and responsibilities, as documented in a central knowledge base.
2. Define task hand-over rules among your team members and across departments. This step includes not only basic rules of engagement and service-level agreements among the involved departments, but also the entry and exit criteria to move from one stage of the process to the next.
3. Define process efficiency KPIs (key performance indicators) and configure a reporting system to provide the required data. Without an agreed-upon set of metrics to evaluate the health and effectiveness of given process – and an automated way to populate the associated data – you will rarely be able to maintain the organizational momentum to turn planned process into company culture.



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How KeyedIn Projects Can Help

Is all of this really doable? Or is the technical solution to effectively support successful resource management the ultimate PMO unicorn?

Thankfully, there is a solution. And it's called KeyedIn Projects.

Used by hundreds of PMOs and project teams around the globe, KeyedIn Projects provides an intuitive technology foundation to support innovative practices like JITRM, thanks to a powerful feature set that includes:

- Resource forecasting
- Resource scheduling by role or skill set
- Capacity and demand planning
- Project & portfolio management
- Time & expense entry
- Resource analytics & dashboards
- And much more...

To schedule a demonstration of KeyedIn Projects, visit www.keyedin.com



About KeyedIn[®] Projects

KeyedIn Projects enables your PMO to be more strategic, more efficient, and deliver greater business impact by allowing you to easily forecast and allocate resources, create and analyze portfolios, gain visibility to all your projects, and discover new insights through dynamic PPM analytics.

Sources

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