



We Help Services Organizations
Get Better At What They Do

A Primer for Global Resource Management

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A Primer for Global Resource Management

Introduction

Growing competition fueled by globalization of the economy is putting unprecedented pressure on service providers to rapidly innovate in many aspects of service delivery. Effectively and efficiently sourcing and managing resources globally is the new high-water mark for the industry. The inherent complexity of managing large and diverse populations of employees across multiple geographies and time zones becomes a serious challenge even for the most experienced managers. ***Getting the right person in the right place at the right time*** will be challenging for solutions providers for the foreseeable future.

There are four key objectives for Global Resource Management (GRM):

1. Effectively and efficiently leverage professional services capabilities across global boundaries.
2. Maximize utilization of on-board resources while leveraging specialized resources across multiple projects.
3. Delivering high quality at the lowest possible cost.
4. Support the enterprise solutions strategy (in product companies with supporting PS).

Marketplace dynamics are forcing change for service providers including:

- Pressure to reduce blended rates and costs on projects.
- Scarcity of specialized expertise.
- Requirement to scale delivery resources quickly to meet aggressive global PS revenue growth targets.
- Increasing quality expectations.

GRM Challenges and Benefits

Some of the many complex challenges of managing services resources globally to remain highly competitive include:

- Speed of deal pursuit and staffing
- Flexibility/adaptability to rapidly changing project definition and scope
- Cost management while labor costs continue to rise
- Talent management for large geographically dispersed employee populations
- Time and distance issues
- Service quality

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- Geographic reach
- Robust support of the enterprise solutions strategy
- Providing for specialized skills or regional needs

Doing all the above well can provide powerful differentiation and produce the following benefits:

- Make your company fast, flexible and adaptable to marketplace needs.
- Help you control and reduce labor costs, while creating a capability that will allow you to raise prices while reducing your hourly labor cost.
- Achieve better reach from existing skill sets giving your company the ability to project your capabilities further, and enabling the ability to serve the global market.
- Enable a more diverse view of your company to your customers by creating natural pools of diverse workers for any given project.
- Deliver better quality by enabling more consistent and process-oriented approaches to resource deployment.
- Grow revenues and drive solution selling, driving more pull-through of the entire portfolio of capabilities available from your company.
- Grow overall profitability by enabling efficient and effective use of resources.

Implementing Effective GRM

GRM is the process of getting the right person in the right place at the right time to effectively and efficiently fulfill a service need.

Too many companies want to separate the issues of managing utilization from the management choices of organization, operations, measurement, talent management, etc. Services organizations that are effective at GRM treat the matter holistically.

Critical Success Factors

Four critical success factors for effective GRM are:

1. Building Necessary Infrastructure: Effective GRM is highly dependent on building a foundation of necessary infrastructure/processes required to manage skills inventories, skills usage, skills building, resource allocation, project and change management, and measurement input for financial, quality, and operational management purposes.
2. Effective Resource Pool Management: Effective management and execution of the aforementioned processes requires discipline and organizational commitment to the investment and execution necessary to implement GRM processes.
3. Definition of Core Solution Offerings: To facilitate more 'product like' attributes of labor requirements means driving more packaged service definition and sales.

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4. **Measuring and Monitoring:** Development of supporting measures necessary to monitor effective execution such as utilization, quality, project effectiveness, costs, revenue and profits.

Infrastructure Elements

Effective forecasting:

The forecasting process, irrespective of a companies' organizational construct, must facilitate a precise estimate of need, by person and skill, by month, to span the necessary hiring horizon. Effective interlock of the forecast and resource plan with sales is imperative.

Responsive recruiting:

Traditional methods of recruiting people include use of recruiting firms, hiring fairs, web-boards, etc. Today's environment requires less expensive and more responsive approaches to recruiting. A proven technique is the adoption of "warm pool" recruiting, driven by a continuous recruiting process vs. the start/stop method deployed by most firms today. The warm pool approach invests in appropriate methods to create "warm" candidates in a pool that are recruited into permanent roles in a "just in time" hiring system to meet specific job or project needs.

Building a bench:

A somewhat controversial but important subject related to recruiting is investment in a 'bench' of resources. The bench is a critical element of driving a GRM system that enables the "right time" element of GRM. Too often companies default to hiring only when a contract is in hand. Reality is that the lost opportunity cost of losing a deal because you could not serve it quickly enough, or failing to find needed resource in time to serve a committed project, can more than offset the cost of a bench.

Talent management and retention:

There are many aspects of talent management and retention. Critical factors are:

- Training – Programs for rapid and cost-effective skills building.
- Career management – Your firm should provide appropriate career planning, and identified progression steps demonstrating a clear career ladder.
- Job rotation programs – PS employees commonly like to learn new things, take on new challenges.
- Competitive compensation – There are lots of materials available on this subject from third party sources.
- Choices for sourcing labor – For work that is typically more static e.g. less travel required, common low-cost sites today are India, S. America, China and the Philippines. Today companies are finding that mobility of people from these sites is more affordable and possible. There are many factors to consider when choosing where to locate labor pools not covered in this article.
- Provision for employee safety and country stability issues

PS Automation systems:

Many PS firms today manage their resources with simple tools generally not up to the task of today's business needs. Considering the impact of just a few points of utilization of a typical labor pool, justification of investment to automate is usually easy. Resource management software (also commonly referred to as PSA software) exists to create a data base of resource pool information, enter and track project needs and progress, and produce reports/queries capable of reducing determination of project staffing needs by up to 90% (a human element is still needed to finalize resource selections).

Peak-load workforce strategy and planning:

The peaks and valleys of resource demands can make the process of maintaining a consistent level of "permanent" resources difficult. Hiring and firing people with every change in your resource demand profile is not workable, particularly from an employee morale point of view. Establishment of a temporary (contract or partner) pool of resources will help smooth the peak-load demands of your business.

The Resource Management Office (RMO):

For medium to large enterprises, centralized development and management of the processes necessary to effectively manage the resource pool is a necessary and beneficial investment. Particularly where the resource pool is shared across organizational boundaries, the RMO can play a neutral role and help break down the fiefdoms that sometimes exist in the enterprise.

Resource Pool Management

Key issues necessary for effective management of the resource pool are:

- Managing resources centrally while providing the needed level of specialization in each region globally requires a different approach to resource management. A recommended approach is to create Centers of Excellence in certain skills or service offerings where depth of resource and thought leadership is needed. The centers should be dispersed and shared across your geographic regions.
- Finding the best balance of cost and skills – Every customer wants the "A" players on their project. The art to staffing a project is to find the right balance of cost, skills and project management. Sometimes resource availability will dictate use of a labor from higher cost pools than desired, or vice versa. Re-balancing the base of skills is a constant exercise requiring continuous discipline and process improvement.
- Organizational considerations – establishing the "resource pool" – breaking down the fiefdoms – this is probably the toughest issue most enterprises will tackle. Corporations need to adopt shared resource pools for services, much in the same way companies have done for other more commonly shared services such as finance, human resources, and legal support.

Definition of Core Solution Offerings

Key points are a) packaged services improve the predictability of resource skill needs since a forecast exists/should exist for sale of these services, b) improves the accuracy of resource forecasts since the base skills needs for a particular packaged service is known in advance.

Measuring and Monitoring

Inspect what we expect. Key measures:

- Utilization
- Overtime
- Cost/time to hire/train
- Cost per full time employee
- Training time

Active management of PS data is facilitated by use of a management dashboard, readily available in some form for review and appropriate action.

In summary, GRM is all about getting **the right person in the right place at the right time**. Paying attention to these proven critical success factors will improve your odds of success. Good luck with your global resource management initiatives!

About RTM CONSULTING and the Author

Cincinnati-based RTM Consulting provides strategic and operational advice to assist technology companies with increasing revenues and margins by leveraging services more effectively. Specializing in Resource Management and Services Business Optimization, RTM Consulting helps teams responsible for professional, consulting and support services achieve the benefits associated with successful services portfolios. With its unique Just-in-Time Resourcing® solution and Business Acceleration Services, RTM Consulting helps large, medium and small firms move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time.

Randy Mysliviec leads RTM Consulting, providing high impact advisory services for technology companies' service businesses. Acknowledged by industry sources as an expert in Global Resource Management (GRM) and author of the Just-in-Time Resourcing® brand of solutions, Randy advises multi-national companies with the complex challenge of operating services teams serving the global market. He is a founding member of the Technology Professional Services Association (TPSA – now TSIA - the Technology Services Industry Association) and served as a member of the TPSA Advisory Board. Randy is also a contributing author for PSVillage.

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Company Capabilities Overview

We Help Services Organizations
Get Better At What They Do

**Our mission is to help consulting, professional and support
services organizations get better at what they do**

The Challenge

Technology service providers and other human capital intensive service organizations including hardware, software and consulting companies, internal shared service organizations and outsourcing entities all know that efficient management of human capital, project processes, and other service delivery and go-to-market related processes are key to market success.

Today's challenging business environment makes running a services business highly dependent upon having lean and proven business and operational processes designed for peak performance.

The Solution

Our unique combination of decades of services and outsourcing operational experience coupled with solutions targeted to the services organization allow us to work with large, medium and small firms to move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time.

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Who We Are

RTM Consulting provides strategic and operational advisory services to technology companies and other industries to assist them in increasing revenues and growing margins by leveraging consulting, professional and support services more effectively.

What We Do

Our unique and services specific strategic frameworks and transformation models, combined with talented consultants, help accelerate time to value in everything we do to help you gain competitive advantage. We cover the entire services domain spectrum including consulting and professional services, technical support, field support, education services, managed services, and services automation tools. Some of our services include:

Strategic Planning Services - We use our extensive leadership experience to help services organizations build the right strategy and operational model to make value creation and delivery a reality.

Services Business Optimization - Our skilled practitioners help you identify and implement best practices necessary to transform your services business into the most efficient and effective operation possible.

Resource/Workforce Management - We help you focus on 'Getting the Right Person in the Right Place at the Right Time' with our Just-in-Time Resourcing® (JITR) solutions.

Project and Portfolio Management - Our unique PMO/PM frameworks will help your organization efficiently run projects on-time, on-budget, with consistently excellent quality.

Channel Optimization - With a unique 'Shift to the Left' strategy based on our advanced support model frameworks, we can help your company lower costs while improving service quality moving more support from on-site to on-call and on-line.

Skills Development/Training - We enhance the soft skills of your services personnel to complement their product, business and technical knowledge with services specific curriculums in consulting soft skills, resource management and project management, services selling and more.

PSA Consulting - We provide an objective third party assessment and assistance in choosing the right automation solution for your needs – and assist you with implementation to achieve the benefits of your investment.

Services Revenue Generation Consulting - Turning services into an engine of growth is a growing priority for every technology company. We understand how to help you better market and sell your company's solutions with more focus on value and outcomes to meet changing marketplace dynamics.

How We Do It

Our highly disciplined management consulting and operational services include:

Rapid Diagnostics to identify opportunities to improve business performance.

Implementation Services to make solution implementation fast and effective.

Business Planning Services to turn your vision into a realistic operating plan.

Business Acceleration Services to accelerate your time to value with RTMC solutions.