



Self-Assessment Guide for Resource Management

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Introduction

How is your company doing managing utilization of billable resources? Are you struggling to maintain reasonable margins? Do you have issues with quality or project management? If your answer to any of these is yes, then read on.

This guide is intended as a self-assessment tool for companies that want to better understand how their execution of resource management processes are contributing or inhibiting the bottom line. While I will address the clear relevancy of utilization performance (and indirectly related cost performance) in this guide, I will also provide context and assessment ideas for other operational implications of resource management.

With more than 40 years in the services business, an important observation I have is that most services operations have (wisely) invested in operational processes for quality and project management, but not for resource management. These same organizations go through the usual ups and downs of process execution, making necessary adjustments as prescribed by their chosen quality or project management process. Resource management again is either overlooked or receives inconsistent attention, all while the underlying causes of failure in quality or project performance are often directly related to a simple failure of not having *the right person in the right place at the right time*.

Therefore, my point is simple. Establishment of a well-disciplined resource management process is at least as important to a services operation as any quality or project management process. The matrix below helps illustrate some key observations:

Operational Processes	Symptom	Resource Related Cause
Quality	<ul style="list-style-type: none"> • Late-stage system design problem • Rushed final stage e.g., test or user preparation 	<ul style="list-style-type: none"> • Wrong or no expert in design phase • Late start due to initial staffing shortages
Project management	<ul style="list-style-type: none"> • Budget overruns • Project delays 	<ul style="list-style-type: none"> • Wrong mix of skills • Staffing imbalances

These are only simple examples but are hopefully exemplary of the types of issues we all deal with at some point. From experience, I have seen that those companies with a

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well-oiled resource management process see far fewer of these types of symptoms than those who have quality and PM processes without an underlying/supporting approach to resource management.

Assessing Your Resource Management Readiness

There are many aspects to developing an effective resource management ‘ecosystem.’ This guide will deal with six (6) key performance checks you can apply to your operation, and six (6) resource management related performance drivers. The performance checks will provide a quick analysis of how you are doing overall, with the performance drivers helping to understand what is driving the level of performance you may be experiencing. An aggregate score of:

- 100 or better indicates you are in good shape and should focus on incremental improvements
- 51 - 99 indicates you have work to do
- 50 or lower indicates you have serious issues with resource management, and thus will derive great benefit from implementing a resource management process

Resource Management Performance Checks

Scoring Directions: With the exception of the first question in this section, score each performance check as follows: a 1 (poor) to 5 (excellent). The first question has its own scoring table referenced below. Aggregate your scores from this section and the next, and refer to the scoring summary above for your final assessment.

- 1) **Billable utilization performance:** You simply cannot make money in the services business if you are not doing this well. Even if you are a technology company and use professional services as a tool to drive technology sales (and not expecting PS to turn a profit), poor utilization of resources invariably drives costs outside the ranges necessary to make profit (or reasonable margins) on the technology.

There are many available benchmarks to use in assessing your utilization performance vs. peers. The benchmarks listed below are simple and based on the aggregation of data from many sources. The percentages are based on a 2080-hour work year. Non-productive time is assumed to be used for vacation, illness, training, and internal demands such as meetings, etc.

Job Type	Benchmark Range (%)	Comments
Software developers	80 - 84	On-shore or off, these are typical
Testers	78 - 84	Some non-billable time may be invested in test capability build out from time to time
Systems integrators	72 - 80	The type of products supported drives a wider variability in productive time
Architects	68 - 72	Typically would get involved in certain aspects of business capture and new product matters
Business and technical consultants	66 - 70	Typically would get involved in certain aspects of business capture – lots of recurrent training

For scoring billable utilization performance:

- 5 – high end of the range or slightly above (but not well above)
- 4 – middle of the range
- 3 – low end of the range
- 2 – below the range
- 1 – well below the range (3 points or more)

At the high end, too high of a score probably means you are burning people out due to a failure to provide adequate down-time, training, or both. For the remainder of the ranges, since small incremental amounts of productivity mean so much to your financial performance, the gradients for scoring are also small.

Billable utilization performance scoring:

- Benchmark performance
- Consistency (pick 1 for poor to 5 for excellent) based on how you do month to month

- 2) **Distribution of utilization:** Too many times what seems like good utilization numbers on the surface, really start to look different when you examine what is happening at the sub-group or individual levels. Almost without exception, when we analyze organizational utilization performance we see department variation, or variation of individuals within an enterprise that tell a different story. We will typically find a 20/60/20 type rule applies wherein a small percentage (~20%) of the workforce are working near 100% (or more with overtime) while some part of the population is substantially underutilized (~20%). The ramification of this situation is high attrition of the overworked population due to burnout.

Unfortunately, these people were in demand for good reason; usually they are your invaluable experts that you can least afford to lose. Low morale in organizations is common where this 20/60/20 scenario is in effect.

- Distribution of utilization score

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- 3) **Quality:** There are many ways to measure quality. Two quality measurements that I find directly impacted by resource management performance are defect levels and the amount of rework necessary to correct issues. Both are often directly attributed to the simple notion of (not) having the right person in the right place at the right time. Continuous improvement in the area of quality, typically starts with a review of quality process adherence, before simply looking at the possibility that the personnel assigned were not ready, trained, capable or available when needed due to a failure of, or lack of, a resource management process.

- Defect levels
- Rework

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- 4) **Project performance:** This one again begs the simple question, what comes first - project management or resource management? Being on-time and under budget with a project means starting on-time with the right people in the right place. Industry research shows that roughly one third of all projects are delivered late. Research shows that a significant contributor to schedule slippage is the failure of organizations to mobilize the right teams in a timely fashion. When the right people are not there to begin delivery on-time, projects begin to fail no matter how good your PM processes are.

- On-time project performance
- On or under-budget performance

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- 5) **Attrition:** Let's face it most people want to be part of a well-run organization where things (that we can plan for) occur in a predictable fashion. The 'churn,' that occurs when we do not plan for resource deployment in a disciplined way, destroys morale and lowers the confidence of both non-managers and managers in the company and its leadership. While there are certainly many factors that may cause high attrition such as compensation and market conditions, bouncing people around in an unpredictable manner has very predictable ramifications when it comes to attrition.

- Attrition (relative to your peer group)

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- 6) **Dependence on the (private) project whiteboard:** In this case, I will reveal a trade secret. When I walk into the office of a delivery executive and see a

whiteboard with names of people, names of projects, dates, and long curvy lines with arrows connecting the various pieces, I know I have a good chance of selling a resource management consulting engagement. You know the whiteboard I am talking about – it looks like a complex football play your high school coach used to draw. If this sounds like you, then you are in serious need of a resource management process and a professional services automation tool. Senior PS executives, like a good coach – should design the system (resource management process). The team should execute the system – and free up executive time for more strategic activities.

- Dependence on a project whiteboard



Resource Management Performance Drivers

Scoring Directions: In each of the performance checks described below, score each area as follows: a 1 (poor) to 5 (excellent). Aggregate your scores from this section and the prior one, and refer to the table referenced above for your final assessment.

For purposes of clarity, the below graphic is RTM Consulting's Just-in-Time Resourcing® solution for resource management. Each component depicted help comprise a comprehensive resource management solution.



Just-in-Time Resourcing® (JITR) is the capability to facilitate getting the *Right person in the Right place at the Right time*

- o Characterizing Supply
 - o Resource Skills Inventory
 - o Process Staffing requests
- o Characterizing Demand
 - o Forecasting future needs
- o Managing Talent
 - o Candidate Sourcing & Development
- o Enabling / Automating RM Processes
 - o Automation Infrastructure e.g. PSA/PPM
- o Ensuring Compliance
 - o Process Governance

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Resource management performance drivers to score your company on:

- 1) **Skills data base** - The existence of a centralized data base identifying what people, skills and experience they have. It is hard to plan for future capacity needs without a clear picture of what you are capable of now. A detailed skills inventory is the best way to start. Having a centralized view of enterprise-wide skills and transparent access (e.g., more than just the practice lead can access the data) to this data is critical to making effective use of what are and should be your most important corporate assets – people.

- Do you have a skills data base?
- Is it easily accessible to all potential consumers of the resource?
- Is there a process to keep the data base updated?

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- 2) **Staffing process** - A process to govern in a pre-planned way how people get deployed to projects, preferably a process free from department influences or the 'I want my favorite person' syndrome.

- Do we have a well-defined staffing process?
- Is the process consistently followed?
- Is the staffing process centralized with transparent access to potential consumers of resources?

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- 3) **Forecasting process** – A process designed to help you predict in a more precise manner future staffing needs. Normally this requires some form of automation integration (CRM to PSA integrationⁱ), and a good interlock (collaboration) process with the sales team so that you get a full view on a recurring basis of future staffing needs, which can be combined with your known project staffing and backlog.

- Do we have sales and delivery forecasting inputs integrated in some way and does an interlock process exist?
- Do we regularly forecast our delivery needs beyond 30 days?

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- 4) **Candidate sourcing and development** – A key to any good resource management process is the need to hire the right people at the right moment in time, keeping them trained with the right mix of skills, and preparing for peak-load needs in a planned way.

- Does our recruiting process support our just-in-time resourcing needs?
- Do we have a continuous skills development process in place?
- Do we deal with our peak-load needs using a well-thought out process for integrating partners and contractors?

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- 5) **Professional Services Automation (PSA) system** - Too many service organizations continue to manage their operations with spreadsheets or legacy systems that were poorly designed for the today's highly complex and fast paced markets. Integration of the various data sources such as your skills data base, project status and accounting information and CRM systems all with real-time support is critical to be competitive. The problem with many legacy systems is the frequent need to enter similar information in multiple applications creating redundancy, duplication of effort, and increasing the potential for errors.

- Have you deployed a COTS¹ (or robust) PSA system? (vs. spreadsheets) ☐
- Are the various applications to support PS operations integrated? ☐

- 6) **Governance** – We are what we measure in this business. And after we measure our progress/results, do we have a process to address ongoing issues, conflicts and changing needs of the business in an orderly manner? Gaining senior management agreement to clear accountabilities and a process for governing the various decisions relating to PS operations in the enterprise are important. This governance process will always cross organizational boundaries to likely include sales, product, finance, HR, and delivery management.

- Does the enterprise have a clear set of metrics to measure progress and expected results? ☐
- Does the enterprise have a documented governance process for PS related operations? ☐

Closing comments

If you scored well on the assessment, congratulations! You are in the clear minority of companies who manage their utilization of human capital well, likely because of your disciplined focus on a well-defined and documented resource management process.

If you did not score well, the good news is there are processes, automation tools and consulting firms that can help you.

At the beginning of this article, I stated that resource management is either overlooked or receives inconsistent attention, while the underlying causes of failure in quality or project performance are often directly related to a simple failure of not having *the right person in the right place at the right time*. Establishment of a well-disciplined resource management process is at least as important to a services operation as any quality or project management process.

Good luck with becoming the most efficient and effective operation possible. Good resource management is the key!

¹ Commercial Off the Shelf Software

About RTM Consulting

Specializing in resource, workforce, and project management, service business optimization, digital transformation, and skills development, RTM Consulting helps project-based service providers deliver better business outcomes and customer success for their clients. RTM Consulting helps IT hardware, software and support services organizations achieve the benefits associated with successful services portfolios. With its unique Just-in-Time Resourcing® solutions, Business Acceleration Services, and training solutions, 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.

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¹ CRM = Customer Relationship Management PSA = Professional Services Automation

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Company Capabilities Overview

Our mission is to help services organizations get better at what they do

The Challenge

Project-based service providers and other human capital-intensive service organizations all know that efficient management of human capital, effective project processes, and other service 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

RTMC combines decades of services operational experience coupled with our unique service frameworks and consulting and training solutions. Targeted specifically to services organizations, we help your firm 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 service intensive technology companies (primarily professional and consulting services, field and support services), marketing agencies, accounting, tax and audit firms, and enterprise/IT organizations to assist them with increasing revenues, lowering costs, improving project performance and the customer experience by leveraging best in class 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. Some of our services include:

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

Digital Transformation - We use our knowledge, tools and practical experience to help you on your digital transformation journey. The end goal is to deploy useful, innovative technology that is embraced by your business users to improve business outcomes.

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.

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.

Strategic Planning for Embedded Services - We help you build the right plan to leverage services to drive the growth and profitability of your business

Find Top Tier Services Talent - Our Premier Resource Network (PRN) is a specialized talent acquisition service designed to support your most critical resourcing needs with hand-selected professionals whom we know and trust.

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.