ELIMINATE SPREADSHEETS

Optimizing the Resource Management Process

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This white paper discusses the significant financial and efficiency benefits that services organizations realize through an optimized resource management process within a Professional Services Automation (PSA) solution.

Overview

Organizations that use the "spreadsheet" approach to resource management are, in effect, playing a game of chance. What if the spreadsheet is outdated or contains errors? Mission critical staffing decisions should be made with accurate, up-to-date resource utilization and skills data that can only be provided through the marriage of a Professional Services Automation (PSA) solution and sound resource management practices.

TABLE OF CONTENTS

RESOURCE MANAGEMENT

While it is fashionable for organizations to refer to themselves as "people" businesses, the professional services firm truly is. When your revenue stream derives from selling your team's talent, rather than a car or computer, you have to meticulously manage your resources—much like Dell manages computer components. Unfortunately, many professional services firms manage their staff using spreadsheets. The spreadsheets are used to determine who is available to be staffed to which projects and pick among the available resources. While the spreadsheet may be efficient, it is not effective.

The issues inherent in the spreadsheet approach become even more evident as an organization grows. While you might be able to manage the staffing process challenges for a 10-person organization, it becomes unwieldy when your organization doubles or triples. Your legacy methods for managing resources will need to change, or you risk losing significant revenue opportunities due to a lack of insight into your most important assets—your people.

ELIMINATE THE SPREADSHEET

Practically everyone in the services world will admit to knowing this spreadsheet all too well. It likely has resources listed in a column and the projects to which they are staffed across each row. Perhaps this spreadsheet uses green marker to indicate that someone is available and red to indicate that a resource is not available. Or, perhaps the spreadsheet is shared daily/weekly with the team or saved on a shared drive. Either way, maintaining the accuracy of the data is next to impossible. Why? There are many reasons, but the most commonly cited include the frequency with which resources change projects, the frequency of project scope and schedule changes and project managers' frequent demands for specific resources to be staffed to their projects. Furthermore, if resources are working on more than one project at a time, the spreadsheet loses its visual simplicity.

The only way to eliminate the spreadsheet is to invest in a Professional Services Automation (PSA) solution. With a PSA solution, the staffing team and project managers will have access to the same real-time data on resource availability, so everyone will know who is available and who is not. As staffing allocations change, the PSA solution will automatically reflect these changes. These reports, incorporating all changes, can be shared with select people or emailed so everyone is working with real-time, up-to-date data. Ultimately, organizations will gain tremendous efficiencies from a PSA solution, saving the company both time and money.

Furthermore, an accurate staffing plan is a key input to forecasting demand planning and hiring needs. If the staffing plan is written in a spreadsheet, without significant data entry, management will not be able to use this data in other aspects of the business. Conversely, by using a PSA solution, firms can leverage resource/staffing plans to drive financial forecasting as well as determine hiring gaps by role/level/office for the coming months. In the end, if the plan is not accurate—practically an impossibility when using the traditional spreadsheet approach—then the financial forecast and demand plan cannot be accurate either.

Best practices demonstrated by OpenAir clients:

- Allocate resources to projects as far out as you can without losing accuracy. Forward-looking staffing data feeds into financial forecasts and demand-planning reports, so while inputting data for future months will help forecasting, inaccurate data will make the forecasts worthless.

- Update staffing plans weekly or semi-monthly, but create new bookings/allocations as necessary. Updating staffing plans daily provides limited upside but places a significant burden on your company.

By eliminating the spreadsheet, the company will realize the following benefits:

- Increased resource utilization and profitability by keeping the right resources on the right projects and avoiding gaps in staffing.

- More accurate financial forecasting, resulting in better insight into key operating metrics for the firm.

- More accurate demand planning forecasts, allowing management to alter hiring plans, as needed.

Perhaps there already is an effective method to determine the availability of resources, but can it determine who ultimately is staffed to a project? Others may employ a method of staffing which involves significant guesswork and random choices, and in the worst case scenario, throwing a "dart" at a set of resources and staffing the person on which the "dart" lands.

The ideal staffing decisions consider the interests of clients, project managers and resources:

- Clients want people working on their projects who understand their business and their industry. Resources with experience working on other cases for that client or similar companies are highly valued.

- Project managers want only exceptional people staffed to their projects, but also value people with specific technical or language skills, for instance. Similar to clients, they also value resources who have worked for this specific client or other companies in the industry.

- Resource interests are often overlooked in the staffing process. Perhaps resources want to work for clients in specific industries or verticals, or are looking to travel more for their work?

Capturing the data to please all three constituents is next to impossible. It might be possible to maintain a spreadsheet that captures the relevant skills of resources, as well as education level achieved, but what about previous work experience or the resources' own professional goals and interests. As employees are added and skills change, maintaining this information in a repository that is shared with the appropriate people is impossible.

By using a PSA solution, firms can automate this process and eliminate the spreadsheet, enabling better staffing decision. Employees' backgrounds, skills, interests and resumes can be stored in a solution like OpenAir for easy reporting and searching. Project managers then can search for resources to allocate to a project based on a specific profile, such as industry experience, skill set and interests, enabling educated staffing decisions.

Best practices demonstrated by OpenAir clients:

- Only track what truly matters to staffing decisions. For example, if every resource has a particular skill, it may not make sense to track it. Maintaining the "skills database" can be cumbersome if many categories are irrelevant. OpenAir has found that most clients only need five to eight categories to successful manage resource skills and experience.

- Update resource's skills every six months coinciding with professional development and year-end reviews. Updating more frequently provides little benefit, while updating less frequently increases the risk that the data is outdated and will not be trusted by the team.

- For companies using contractors, store key contractor data in the skills database, including contact information and reviews from past work.

By eliminating the spreadsheet, the company will realize the following benefits:

- Higher employee satisfaction and improved employee retention by allowing employees to communicate preferences on work type, location, and goals.

- Enhanced client satisfaction by ensuring the most qualified teams are staffed on each project.

PSA IS NOT ENOUGH

While a robust PSA solution, such as OpenAir, will help to automate staffing and resource management process, without a thoughtful process and approach to resource management, the organization will fail to achieve all of the benefits of adopting a PSA tool.

So what is the right resource management process? Finding the right resource management process for the company requires addressing many questions, including:

- Should all staffing be centralized with one person? Or, should the staffing decisions be delegated to a team?

- Should project managers have dedicated resources, thereby eliminating the need to request for resources?

- Who is involved in the resource staffing process?

- Who has executive authority to schedule resources to work on projects?

Best practices demonstrated by OpenAir clients:

- Institute the right levels of approvals for the company. An approval workflow for staffing decisions may be burdensome to some companies, so carefully consider the company size, culture and current staffing process before implementing a PSA solution.

- As the company grows, delegate staffing decisions by department or level. It is impossible for one person to maintain an accurate view of utilization across companies with more than 100 resources. A PSA solution can help to delegate the staffing decision authority while still following a controlled process.

- For companies that require an implicit staffing approval process, consider having project managers request generic resources. In this instance, project managers request levels or roles of people to be staffed, thereby eliminating their tendency to request their favorite

resources and allowing the resource/staffing manager to determine the best resources for each request.

Whatever staffing/resource process the company uses, it is a critical input to the management of the business. When coupled with a robust PSA solution, a company can experience tremendous benefits, including higher customer satisfaction, improved employee retention, and increase revenues and profits by eliminating gaps in staffing.

Chapter **4**
CONCLUSION

The most effective staffing decisions, and thus the most successful projects, are those that take into account the interests of all involved. The traditional "spreadsheet" resource management methods simply do not provide the level of insight and visibility necessary to ensure that the right resources are working on the right projects for the right clients. By defining the best resource management process for the organization, and putting it into action through a robust PSA tool, firms can eliminate the spreadsheet and put the organization on the road to successful resource management.

About NetSuite OpenAir
NetSuite OpenAir is the world's No. 1 Professional Services Automation (PSA) solution. OpenAir gives project-based organizations the tools they need to grow their businesses quickly and profitably. Providing enterprise-level functionality for businesses of all sizes, OpenAir has more than 1,500 world-class firms who use the software to better capture time, manage projects and resources, and bill customers. OpenAir PSA drives higher profits through improved utilization, visibility and data collection with a powerful Software-as-a-Service (SaaS) suite. To learn more, please visit www.openair.com.