

Resource Management and Capacity Planning

A resource supply chain requires symbiosis between knowing what your current workload is today and what your workload might be in the future. In the world of professional services, managing complex people and planning processes via manual tools (spreadsheets) is risky. Spreadsheets have limited controls, trace-ability and audit-ability. They will not tell you if you are making money this month or not. A wrong calculation can be devastating as seen on [Wall Street](#). Having the right technology aligns people and processes to maximize efficiencies. Managing people without a resource management or capacity planning software can result in a range of serious problems like over-commitment, poor quality of service, under-utilization, and even missing service revenue targets due to the inability to hire, train and staff for projects in time. Let's examine some of the fundamental competencies that a modern professional services organization should be able to manage for each project, as well as the larger business.

Know If You Are Profitable

Resource analytics will tell you right away if the organization is generating enough money every month. Outside of a sales forecast, resource utilization rates will tell you how many hours each resource was able to bill their services for. Utilization rates will tell stakeholders if they need to hire more personnel to meet the demand or make adjustments to reduce costs.

The Right Person for the Right Assignment

Resource management is the ability to allocate the right person, with the right credentials, to the right assignment. Having high utilization rates and a low bench is pure nirvana. However, high utilization rates may lead to work-life stress, career burn-out or even employee churn. Resource management takes into account the need to manage people. Outside of being able to track a resource's skill level, assignments, and billable work, resource managers must also understand what makes each person tick. Knowing each person's aspirations and being able to align their goals to projects they want to work on results in a happier and more productive workforce. It is a win-win! Clients will reap the benefits of having higher quality services. People who work on things they enjoy stay motivated and challenged.

Poor Project Estimations = Resource Management Pains

Pains associate with resource management stem from poor project estimating. Inaccurate project estimates produce an overall downward effect as a project moves forward. Common downstream problems include missing go-live dates, lengthening the days it takes to go-to-market, and over-commitment or under-utilization of a resource's time.



Accurate project estimating takes experience. Combining seasoned project managers with the right project management tools can elevate resource and scheduling headaches. The tools provide granularity into what a resource is working on and when they may be rolling off a project. This minimizes administrative costs for tracing endless emails, reviewing personal calendars, and sitting through unproductive meetings and phone calls.

Future-Proof with Capacity Planning

Capacity planning projects the mid-to-long term (six months upwards of four years) future demands of the business and should tie back to the strategic goals of the organization. Monitoring up-to-date workload demands allows an organization to hire for future requirements or adjust for a down turn. And if hiring additional staff is not an option at this point, supplementing with contract staff or channel partner resources is a viable option. This alternative meets demand requirements, increases project margins and minimizes costs to adding additional headcount.

Aligning people, business processes and technology can optimize an entire resource supply chain. In a mature resource management process, the most valued resources would be paired with the most profitable projects. Resource management and capacity planning tools align the goals across management teams with the different lines of business. Moreover, it provides a structure for repeatable services like planning and recruiting for the future need. In addition, it streamlines workforce processes such as assignment, scheduling and recording of time and expenses. Having the right resource management and capacity planning tools will prioritize future demand and minimize risk of lost revenues and stress to the organization and its people.

About Fieldpoint Service Applications Inc.:

Fieldpoint Service Applications Inc. is a best-of-breed, service management software provider. Our unified project management and field service applications optimize the entire service lifecycle; from the initial project installation to recurring maintenance work. Our web-based tools enable organizations to run leaner, smarter and more profitable businesses.

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