Resource Forecasting

AGENDA

PS/CS - Professional/Consulting Services
AATA - Accounting/Audit/Tax/Advisory
MA – Marketing Agencies
LF – Law Firms
E/IT - Enterprise/IT
PD - Product Development
E - Engineering

Survey Background

1 This was the RMI's second survey on Resource Forecasting. The first survey was conducted in 3Q/2022.

2 Input was provided by RMO leaders, resource managers, PMO leaders, operations managers, delivery managers, and services/business unit executives from 82 different companies (double the sources of input from 2022) across Professional/Consulting Services; Enterprise/IT; Product Development; Marketing Agencies; Accounting, Audit, Tax, and Advisory; and Engineering.

3 For analysis purposes, responses to this survey were organized into two segments: companies that serve external customers (Professional/Consulting Services; Marketing Agencies; Accounting, Audit, Tax, and Advisory; and Law Firms) and those that serve internal customers (Enterprise/IT Services, Product Development, and Engineering).

Survey Questions

01 What type of organization do you represent?

a) Professional or Consulting Services
b) Marketing Agency
c) Accounting, Audit, Tax and Advisory
d) Law Firm
e) Enterprise/IT
f) Product Development
g) Engineering

02 What is your level in your organization?

a) Individual Contributor
b) Manager
c) Director
d) Executive

03 What is your level in your organization?

a) Resource Manager
b) Project Manager
c) RMO Leader
d) PMO Leader
e) Delivery Leader
f) Operations
g) HR
h) Other (please specify)

04 How many resources in total does your organization manage as part of a resource management process or function(s)?

a) <50
b) 50-99
c) 100-199
d) 200-499
e) 500-999
f) 1000-2999
g) 3000+

05 To what extent does your organization recognize the importance of resource forecasting to support resource planning needs?

a) To a great extent
b) To some extent
c) Neutral
d) Forecasting is not yet recognized as important

06 Does your organization currently have a formalized and documented process for forecasting resource needs?

a) To a great extent
b) To some extent
c) Neutral
d) Forecasting is not yet recognized as important

07 Do you consider your current resource forecasting capabilities: (pick the choice that most accurately describes your situation)

a) Excellent - no need for change
b) Adequate - improvement opportunities exist
c) Not sufficient - substantial improvement opportunities exist
d) We have no formalized and documented forecasting capabilities

08 How far (over what time horizon) can your organization accurately forecast needs for resources?

a) < 1 month
b) 1-2 months
c) 3-4 months
d) 5-6 months
e) > 6 months
f) Does not apply

09 At what level are you able to forecast resource demand today? (Check all that apply)
a) Portfolio/Product/Geo
b) Project
c) Role
d) Skill

10 How was your resource forecasting methodology developed?

a) In-house
b) We used approach taught in the RMCP® certification course
c) From a combination of in-house and RMCP® certification course taught approach
d) We hired a consultant to help us
e) We rely on the forecasting capability of our PSA/PPM tool or some other software tool
f) We have no formalized and documented forecasting methodology

11 What is the biggest inhibitor to effective resource forecasting in your organization? (Check all that apply)

a) Lack of accurate demand data
b) Lack of timely demand data
c) Lack of defined resource forecasting processes
d) Lack of adherence of resource forecasting processes
e) Lack of automation

12 Does your organization use spreadsheets to help with resource forecasting?

a) Yes
b) No

13 How is your organization using spreadsheets to help with resource forecasting? (Open Response)

14 Does your resource management automation tool integrate with the various sources of input needed for resource forecasting e.g., sales projections, business project projections, etc.?

a) Yes
b) Partially
c) No

15 How would you describe your resource management automation tools integration capabilities (e.g., from demand sources) as currently implemented for resource forecasting?

a) Excellent - no changes needed
b) Adequate - improvement opportunities exist
c) Not sufficient - substantial improvement opportunities exist
d) We are searching for a new automation tool

16 Our sources that provide demand data that we input into our resource forecast are:

a) Excellent - no changes needed
b) Adequate - improvement opportunities exist
c) Not sufficient - substantial improvement opportunities exist
d) We are searching for a new automation tool

17 Do you have formalized "organizational interlock" processes to help with ensuring the integrity of inputs into your resource forecast?

a) Yes
b) No

18 At what level do you have interlock processes in place? (Check all that apply)

a) Strategic interlock at departmental or organizational level
b) Demand interlock with all sources of input
c) Supply interlock with all sources of delivery capacity

19 Who is responsible for the resource forecasting process in your organization?

a) Resource manager(s)
b) Demand planners
c) No one has this assigned responsibility
d) Business operations
e) Other (please specify)

Key Takeaways

1 Resource forecasting continues to be the #1 inhibitor to effective resource management. As a follow-on to our first survey on this topic, this research report provides good benchmark data for firms trying to tackle this essential process element. Overall, the data tells us that collectively we continue to have a long way to go to get better at resource forecasting.

2 The largest resource forecasting deficiencies identified from this survey have dimensions spanning both process and automation tool support. Respondents highlighted data quality issues, insufficient planning horizons, process gaps in the form of resource forecasting process definition and lack of interlocks, integration challenges in current automation tools, and continued reliance on spreadsheets to support this all-important business process.

3 Perhaps the most important need highlighted by this survey is around deficiencies in clear accountability for effective enterprise resource forecasting and demand planning. Effective resource forecasting requires a methodology, assigned personnel and processes to drive accountability through organizational interlocks, and automation technology that supports forecasting processes with seamless data integration. While the good news is that the majority of respondents indicate that the job of resource forecasting is assigned to someone in the enterprise, when what is needed to deliver effective resource forecasts is taken in total, the need for improvement persists.
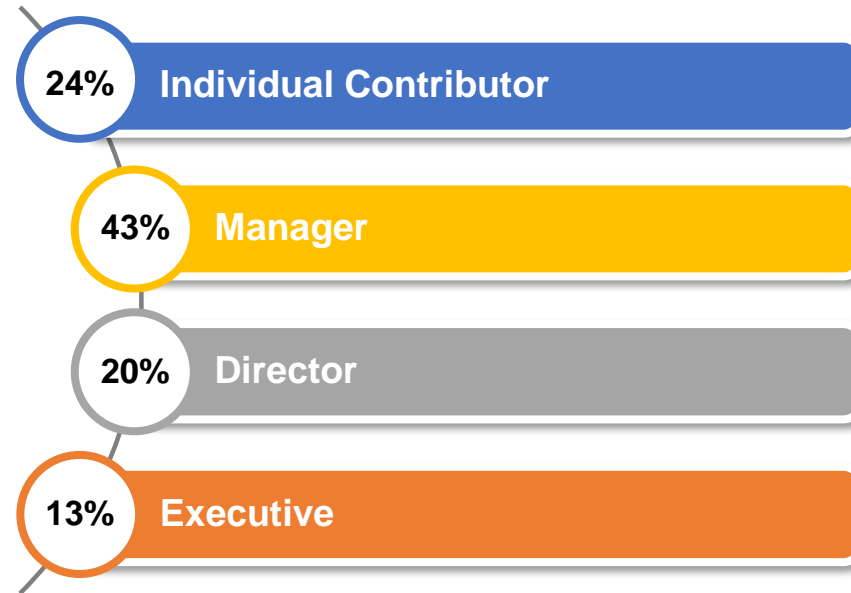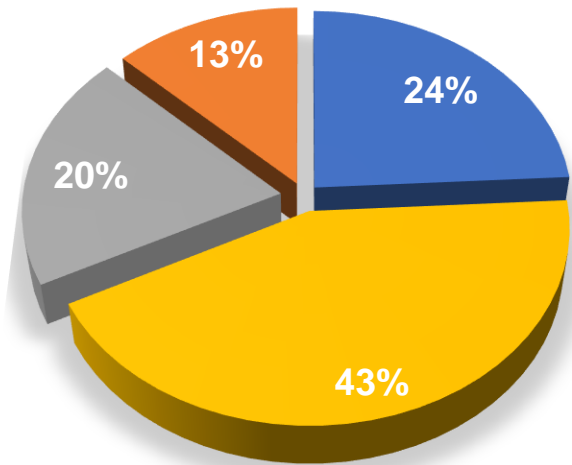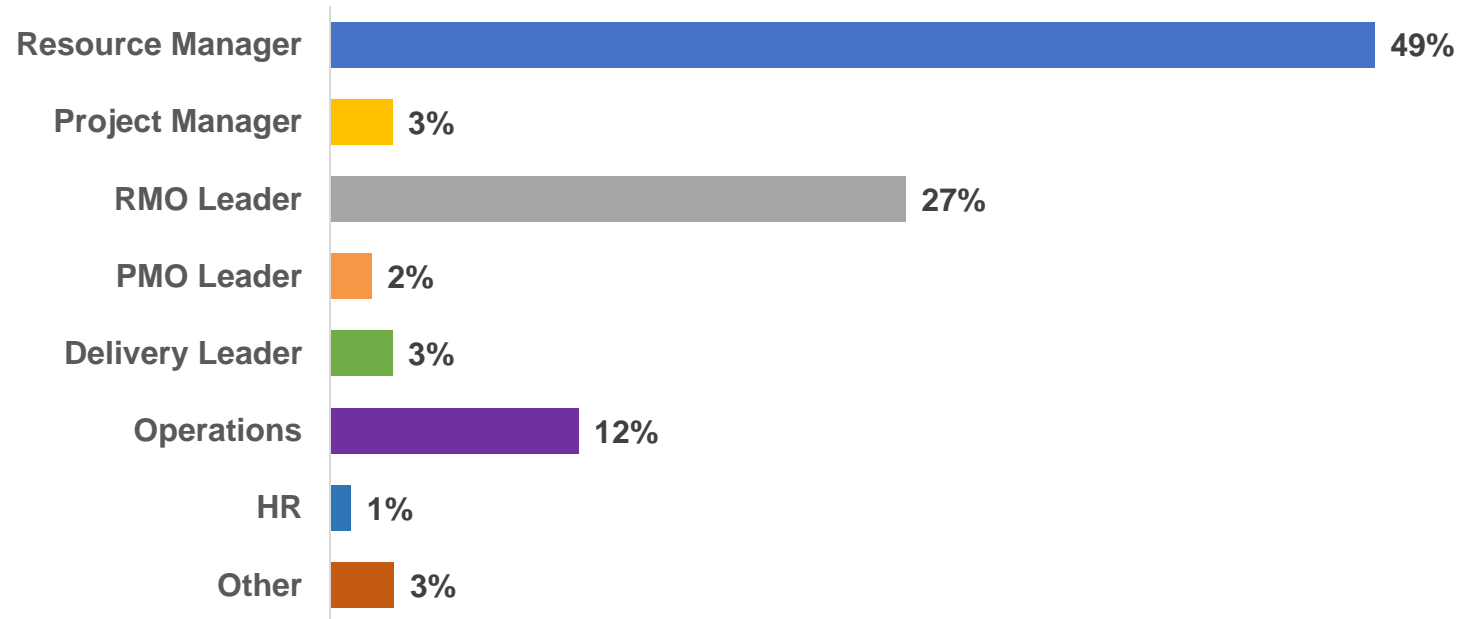
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Marketing Agencies (MA)
Accounting/Audit/Tax/Advisory (AATA)
Law Firms (LF)

24% Individual Contributor

43% Manager

20% Director

13% Executive

Survey respondents were predominantly those at the Manager and Director level.

PS/CS, AATA, MA, LF

Q3. Which option best describes your role?

Role	Percentage
Resource Manager	49%
Project Manager	3%
RMO Leader	27%
PMO Leader	2%
Delivery Leader	3%
Operations	12%
HR	1%
Other	3%

Responses to this survey predominantly came from those in resource management, with 76% of respondents being a resource manager or RMO leader.
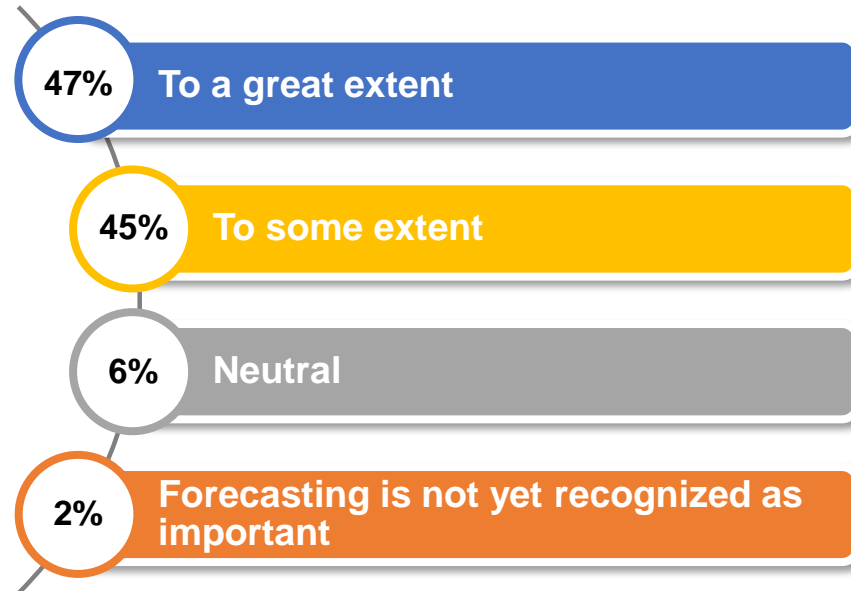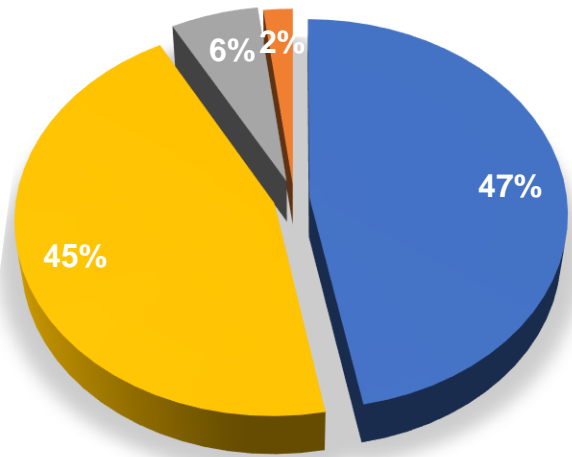
Q4. How many resources in total does your organization manage as part of a resource management process or function(s)?

Respondents to this survey were well mixed, representing different sized organizations.

Category	Percentage
<50	12%
50-99	7%
100-199	14%
200-499	19%
500-999	16%
1000-2999	15%
3000+	17%

47% To a great extent

45% To some extent

6% Neutral

2% Forecasting is not yet recognized as important
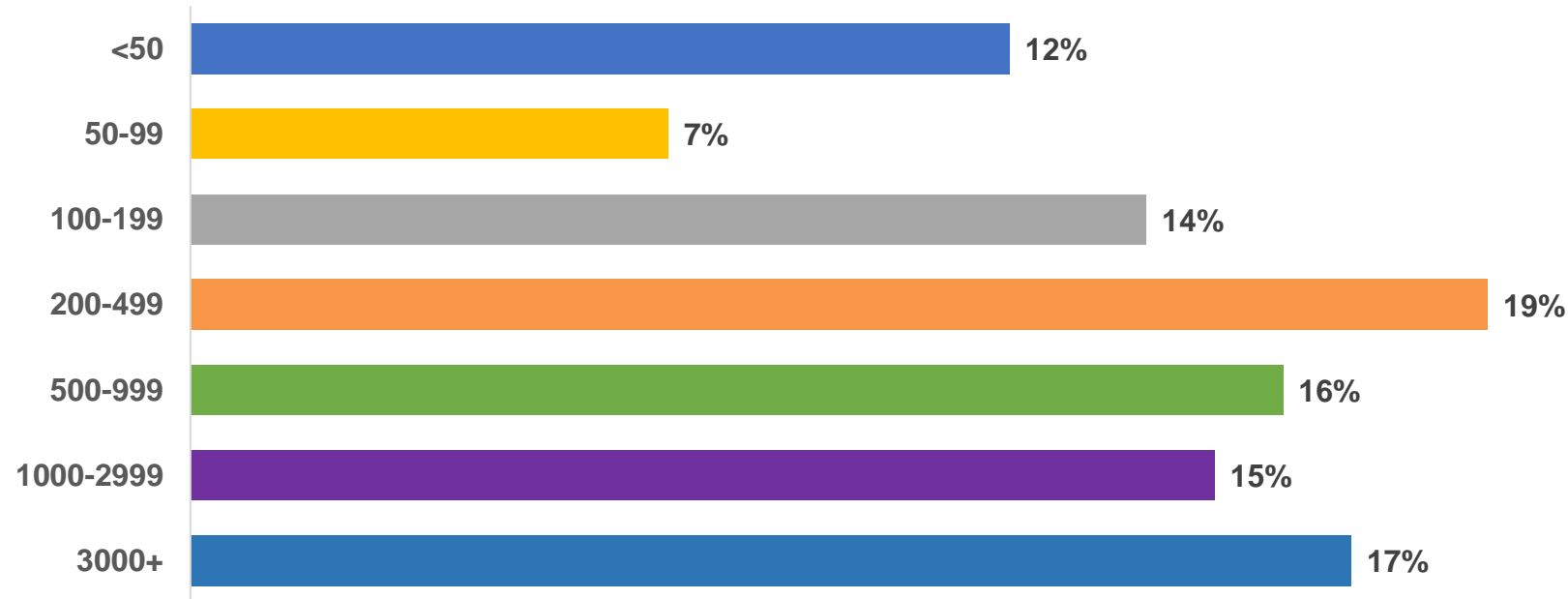
Although there has been some fluctuation as to the extent in which organizations recognize the importance of resource forecasting, nearly all see that it is, to at least some extent an important component in supporting resource planning needs. Only 2% of respondents state that its importance is not yet recognized by their organization.

Q6. Does your organization currently have a formalized and documented process for forecasting resource needs?

49% Yes

51% No
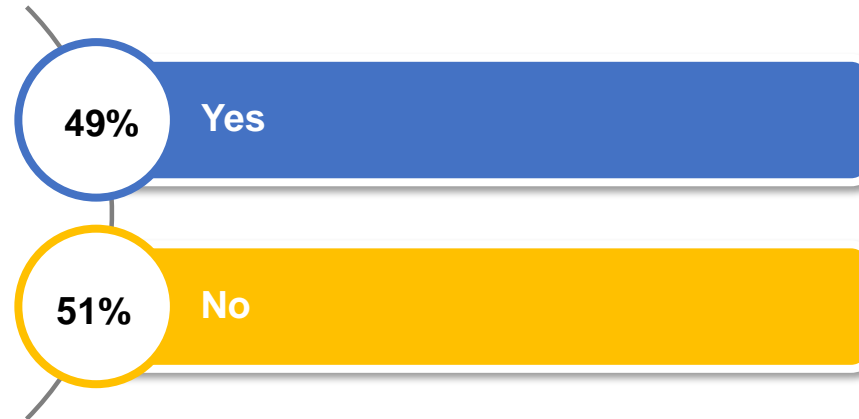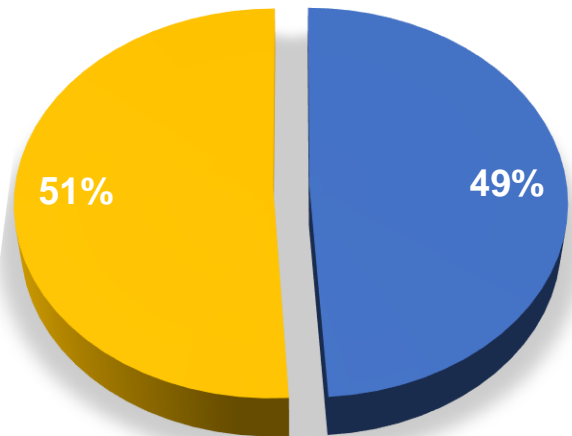
Responses have not varied much since our last survey. Although organizations believe forecasting is important, only 49% have a formalized and documented process. The inability for organizations to accurately forecast is a significant inhibitor to effective resource management, therefore a formalized process is essential.

Q7. Do you consider your current resource forecasting capabilities: (pick the choice that most accurately describes your situation)

3% Excellent - no need for change

42% Adequate – but improvement opportunities exist

43% Not sufficient - substantial improvement opportunities exist

12% We have no formalized and documented forecasting capabilities
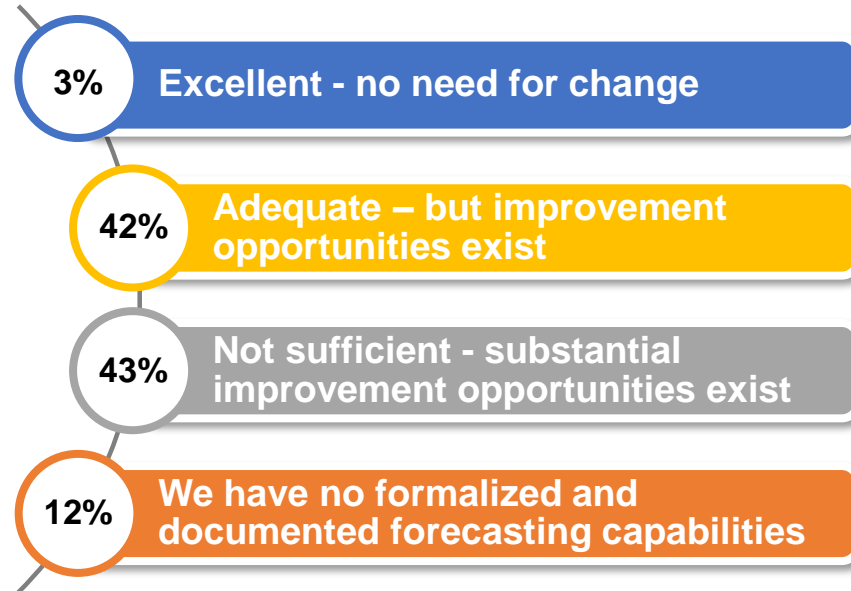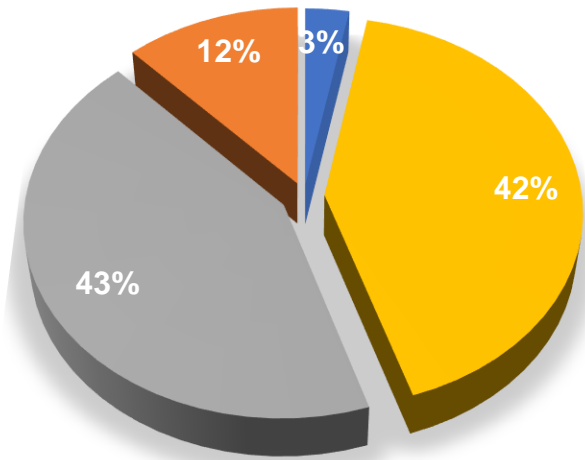
As indicated in previous RMI research, forecasting continues to be the leading inhibitor to effective resource management. It is no surprise that very few feel their organization excels at forecasting. 97% of respondents indicate that opportunities for improvement exist in their organization. This is a high priority to target for improvement.

PS/CS, AATA, MA, LF

Q8. Over what time horizon can your organization accurately forecast needs for resources?

| Time Horizon	Percentage
< 1 month	16%
1-2 months	35%
3-4 months	22%
5-6 months	8%
> 6 months	12%
Does not apply	7%
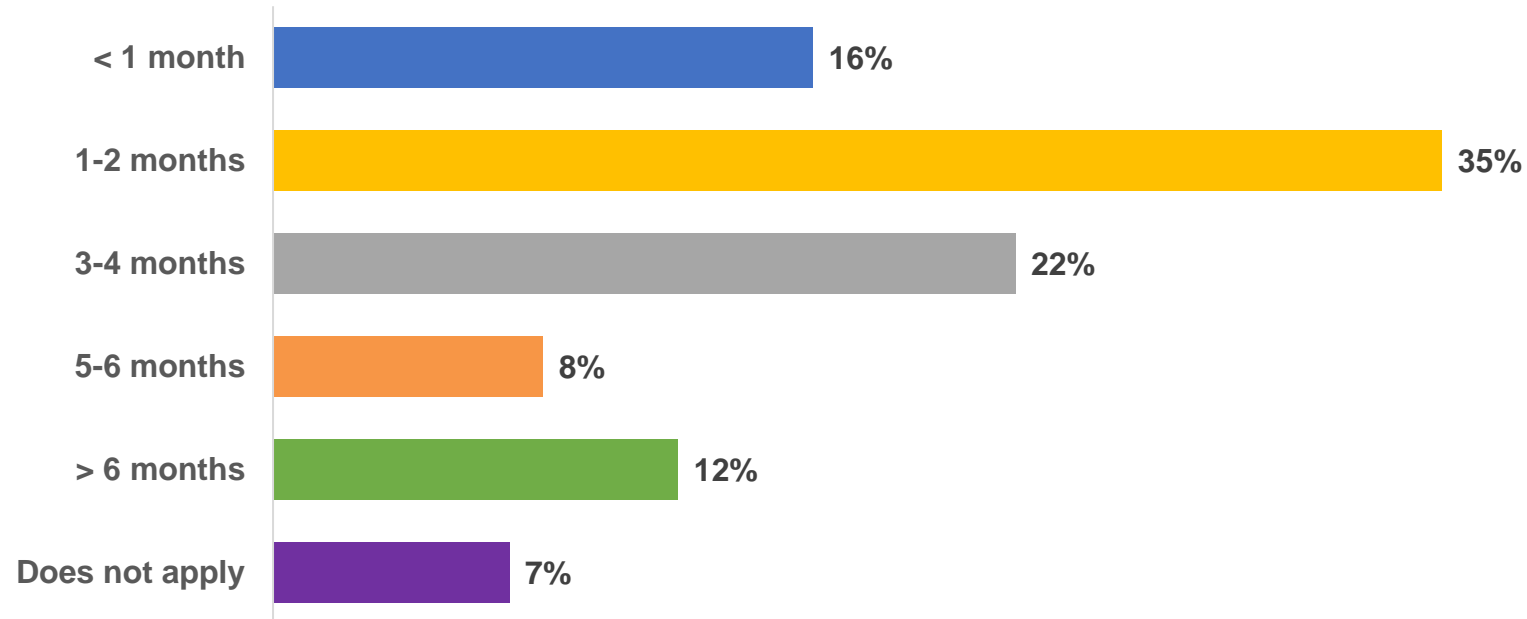
Similar to our previous survey on this topic, half of respondents can only forecast out up to 2 months. Leading practices in this regard are for companies to develop the capability to forecast over a time horizon of at least 3-4 months or more. With timelines to hire, retrain, and adjust overall skills and capacity mix often taking more than 2 months, the challenge becomes obvious and a real inhibitor to effective RM/WFM.

PS/CS, AATA, MA, LF

Q9. At what level are you able to forecast resource demand today? (Check all that apply)*

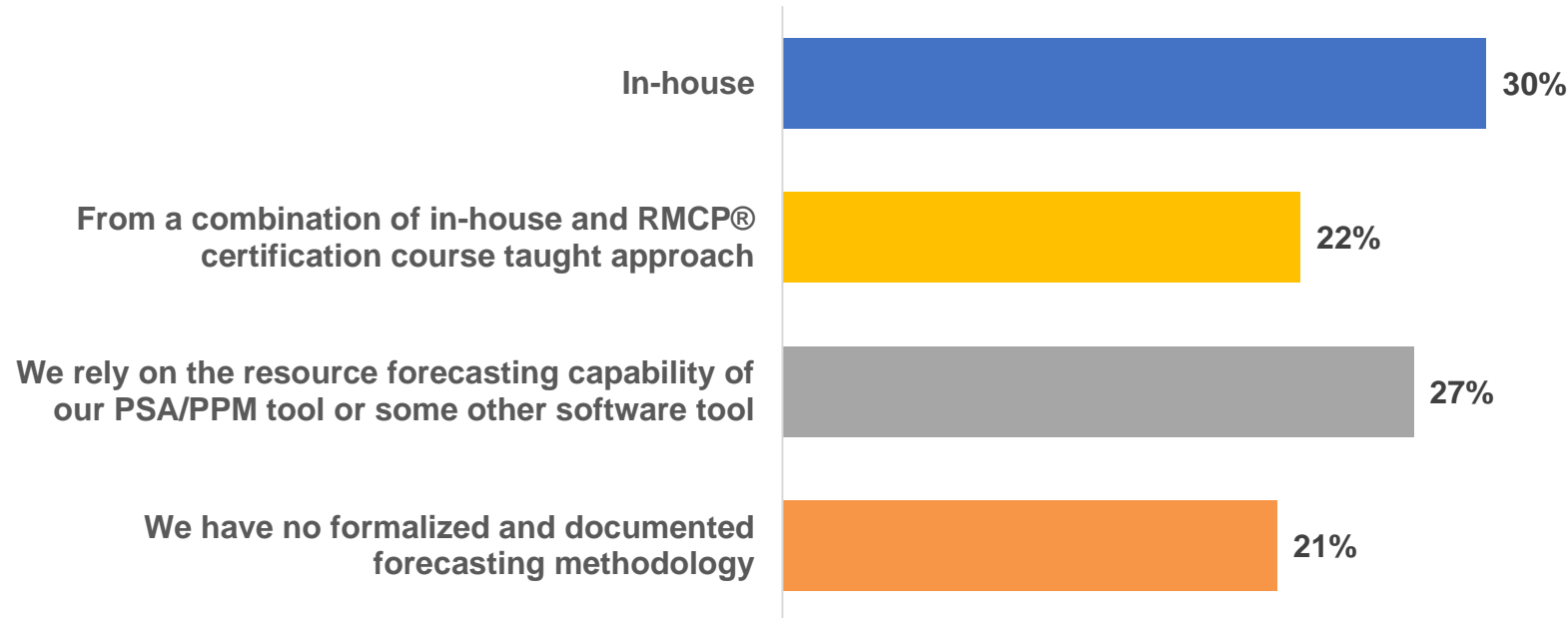|	Level	%
1	**Project**	**77%**
2	**Role**	**72%**
3	**Portfolio/Product/Geo**	**52%**
4	**Skill**	**34%**
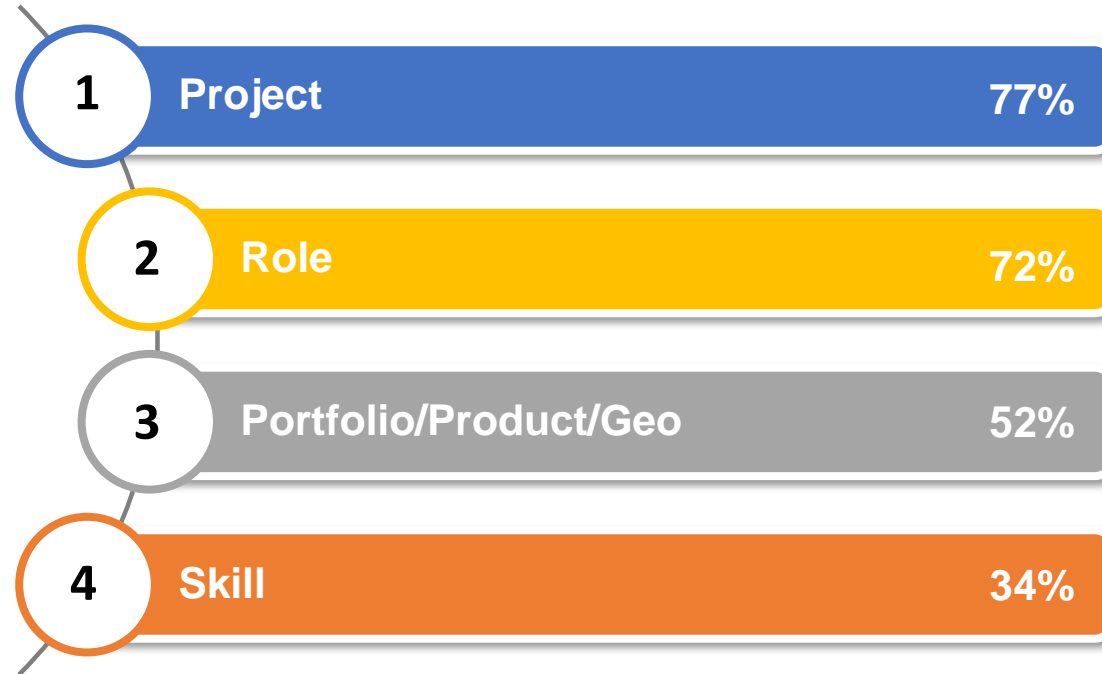
* Multiple responses allowed. Numbers represent the percentage of respondents that can forecast resource demand at each level.

Respondents were able to select all levels they were able to forecast resource demand today, and most felt confident with forecasting at the Project and Role level. Skills forecasting continues to be the area that needs the most focus. Only 34% feel they are able to forecast at this level, which is similar to our previous survey (31%).
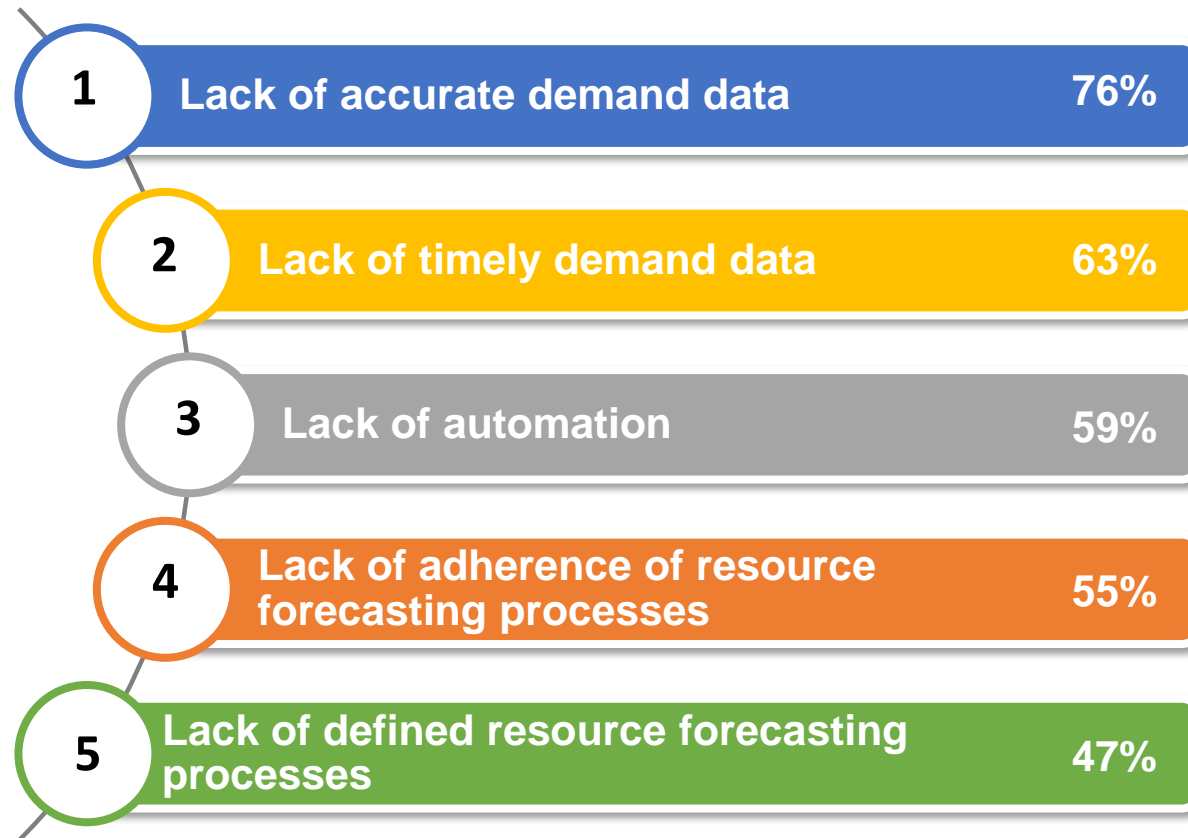
PS/CS, AATA, MA, LF

Q10. How was your resource forecasting methodology developed?

In-house: **30%**

From a combination of in-house and RMCP® certification course taught approach: **22%**

We rely on the resource forecasting capability of our PSA/PPM tool or some other software tool: **27%**

We have no formalized and documented forecasting methodology: **21%**

Just over half of respondents (52%) use a forecasting methodology that was developed either in-house or in combination with the approach taught in the RMCP® certification program. A quarter are using their PSA/PPM tool; however, 21% have no formalized forecasting methodology, showcasing an opportunity for improvement.

Q11. What are the biggest inhibitors to effective resource forecasting in your organization? (Check all that apply)*

1	Lack of accurate demand data	76%
2	Lack of timely demand data	63%
3	Lack of automation	59%
4	Lack of adherence of resource forecasting processes	55%
5	Lack of defined resource forecasting processes	47%

The lack of both accurate and timely data are the top two inhibitors to effective resource forecasting, followed closely by automation deficiencies.

* Multiple responses allowed. Numbers represent the percentage of respondents that selected each option as an inhibitor.

PS/CS, AATA, MA, LF

25%

75%

75% Yes

25% No
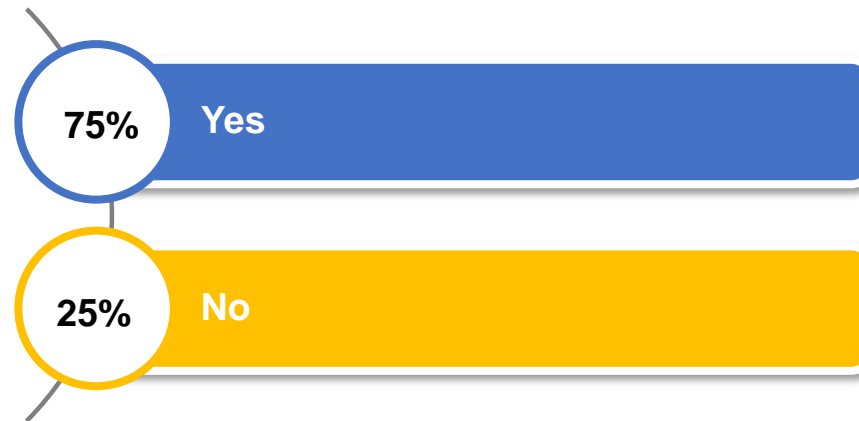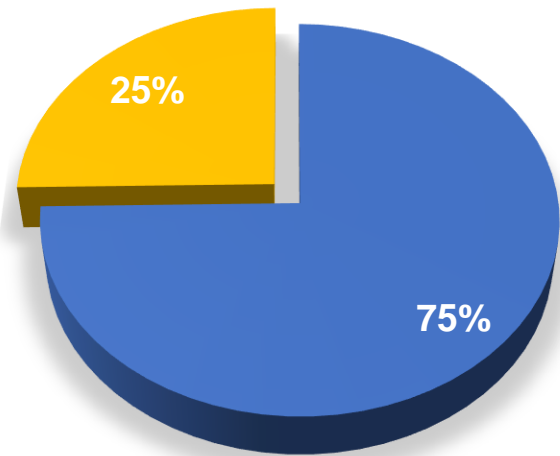
Three-fourths of respondents are still using spreadsheets to support their resource forecasting needs, a slight increase since the previous survey.

Spreadsheet usage varies from data manipulation and scenario planning, all the way to serving as the sole vehicle for resource forecasting.
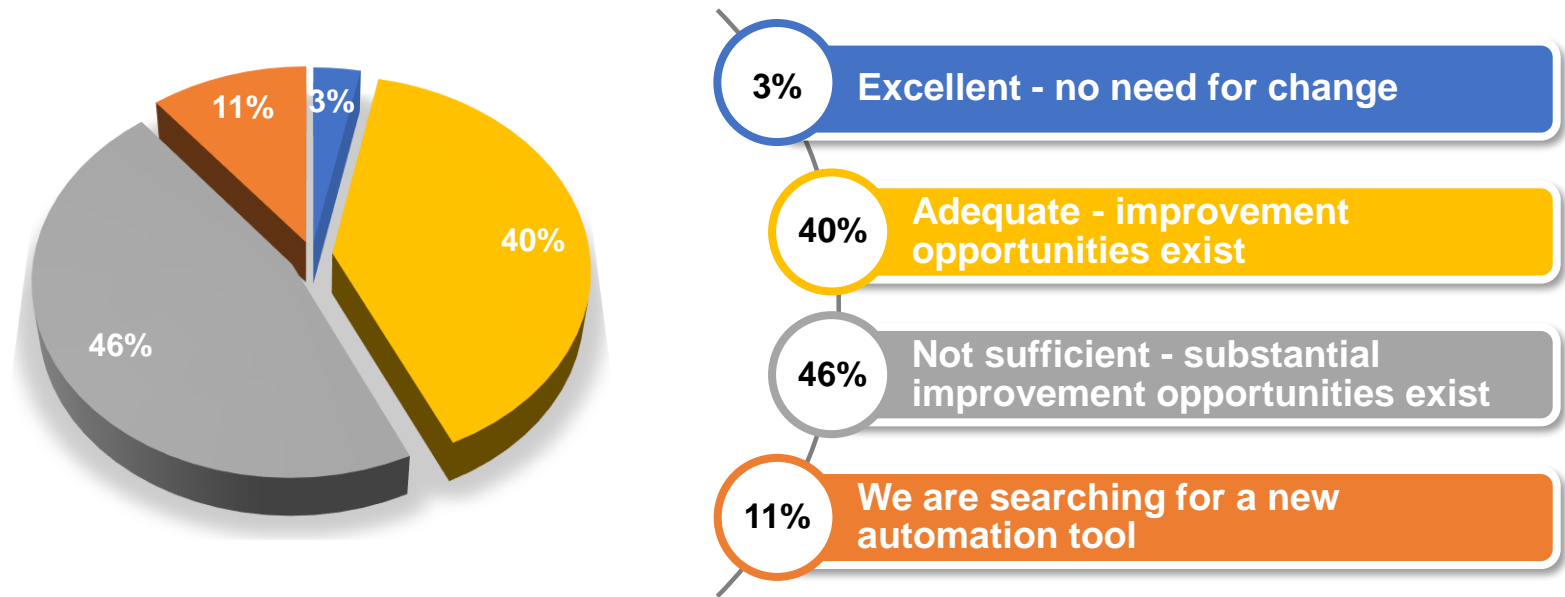
PS/CS, AATA, MA, LF

Q14. Does your resource management automation tool integrate with the various sources of input needed for resource forecasting e.g., sales projections, business project projections, etc.?

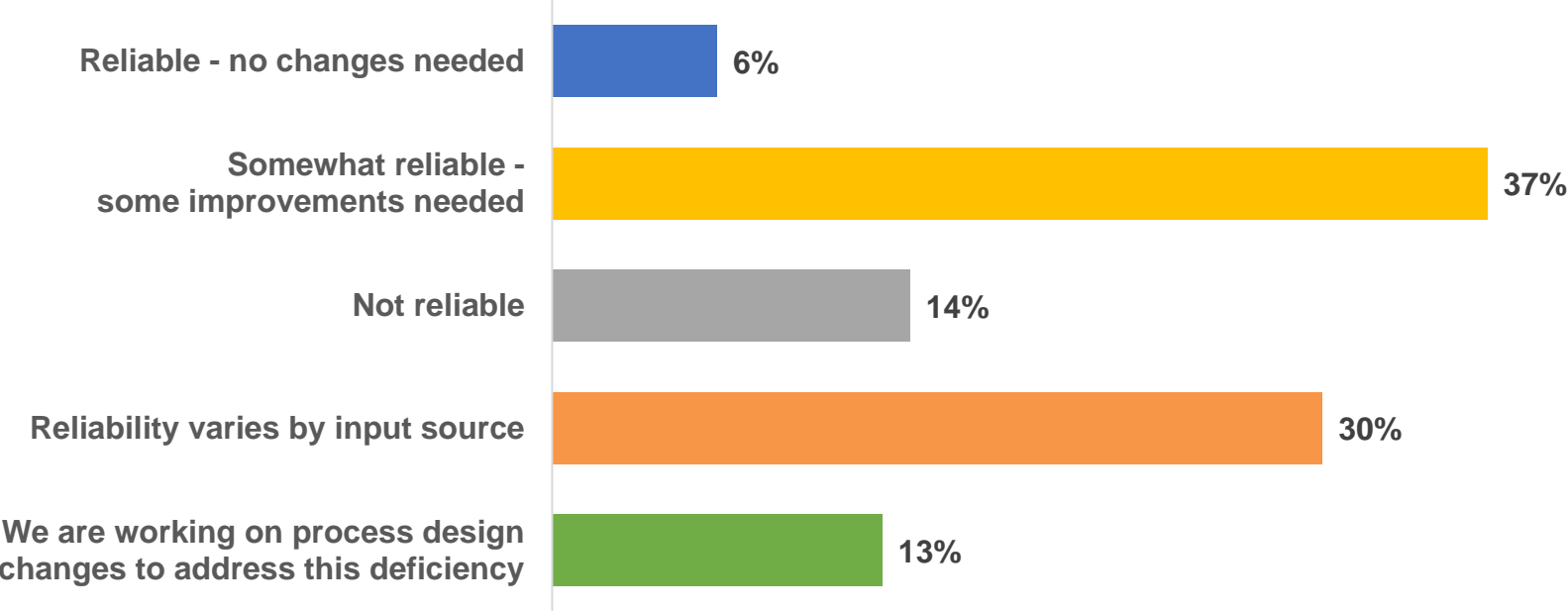**25% Yes**

40% Partially

35% No
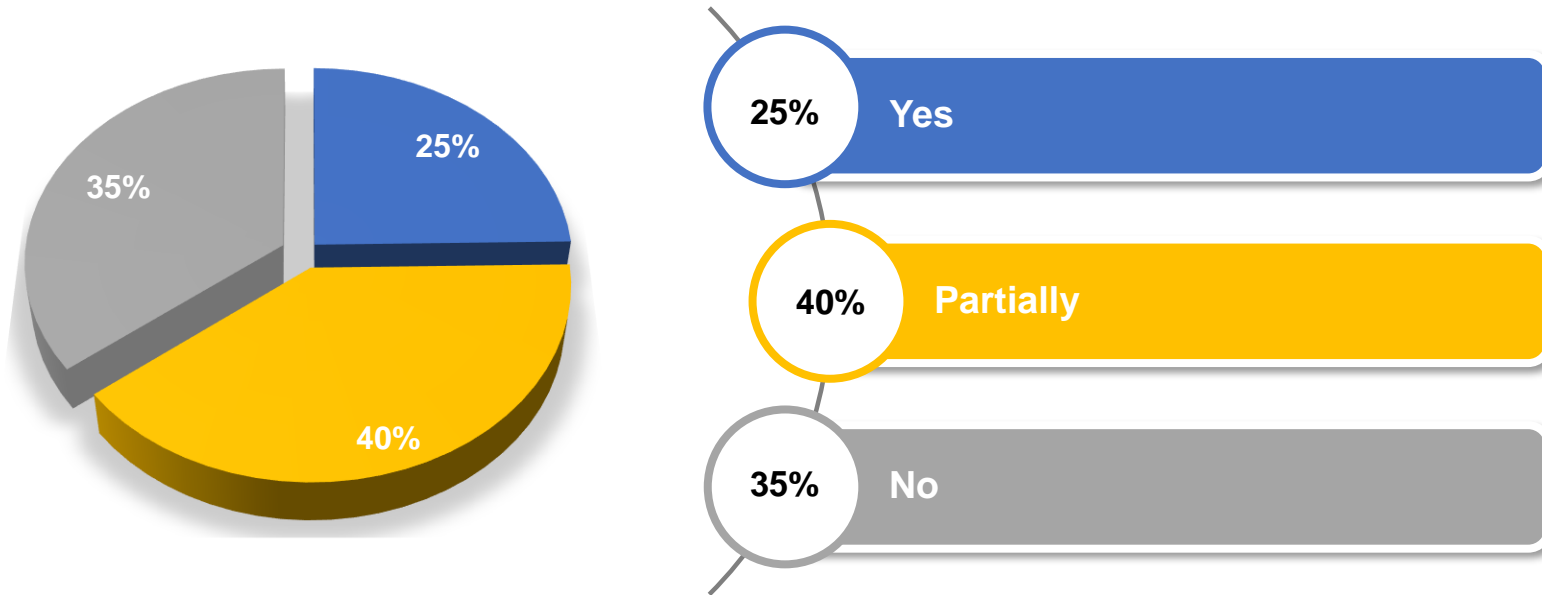
While the data shows that there continues to be a need for RM/WFM automation tool providers to improve integration capabilities, some improvements have been noticed. 65% of respondents (vs. 56%) now indicate that their RM automation tool integrates, at least partially, with the various sources needed for resource forecasting.

Q15. How would you describe your resource management automation tool's integration capabilities (e.g., from demand sources) as currently implemented for resource forecasting?

- **3%** Excellent - no need for change
- **40%** Adequate - improvement opportunities exist
- **46%** Not sufficient - substantial improvement opportunities exist
- **11%** We are searching for a new automation tool

When describing their RM automation tool's integration, 86% of respondents report that some degree of improvement opportunities exist in their automation tool's integration capabilities for RM/WFM forecasting.

Q16. Our sources that provide demand data that we input into our resource forecast are:

Reliable - no changes needed — 6%
Somewhat reliable - some improvements needed — 37%
Not reliable — 14%
Reliability varies by input source — 30%
We are working on process design changes to address this deficiency — 13%

Results are similar to the previous survey. Only 6% feel their sources that provide demand input are reliable and require no changes, while the vast majority agrees that their sources of demand input for forecasting are in need of at least some improvement.

The RMI leading practice to address this begins with locating the right sources of data, capturing it, normalizing it, and then seeking to automate it.

42% Yes

58% No
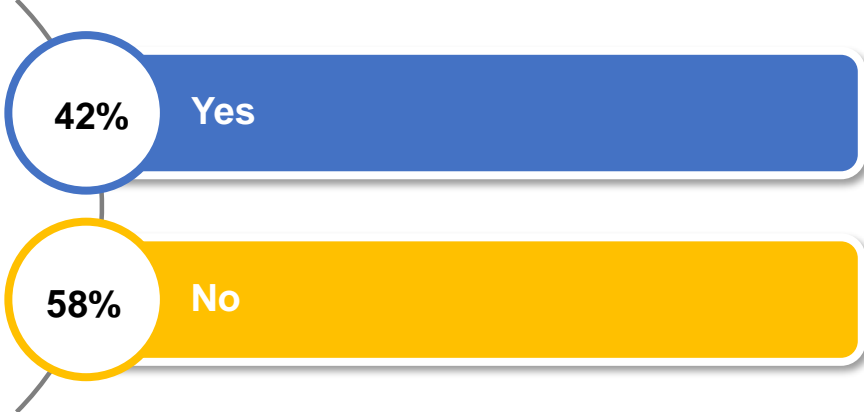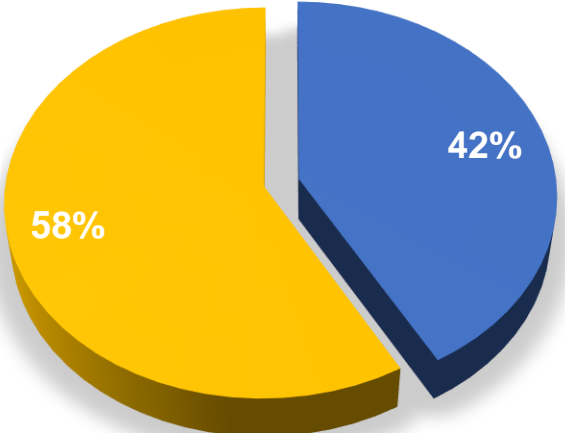
Interlock meetings are an essential part of the forecasting process and should be happening on a regular cadence to help ensure the integrity of forecast inputs. While there has been improvement (42% vs. 35%), more than half still do not have a formalized process in place, indicating an opportunity for process improvement.

1 Demand interlock with all sources of input — **53%**

2 Supply interlock with all sources of delivery capacity — **50%**

**3** Strategic interlock at departmental or organizational level — **38%**

* Multiple responses allowed. Numbers represent the percentage of respondents that have interlock processes in place at each level.

There has been a decline in each of the levels in which interlock processes are in place, with the largest decline being strategic interlocks – down from 63% in 2022.

The interlock process is integral to perfecting resource data used in RM reporting and resource forecasting.

Q19. Who is responsible for the resource forecasting process in your organization?
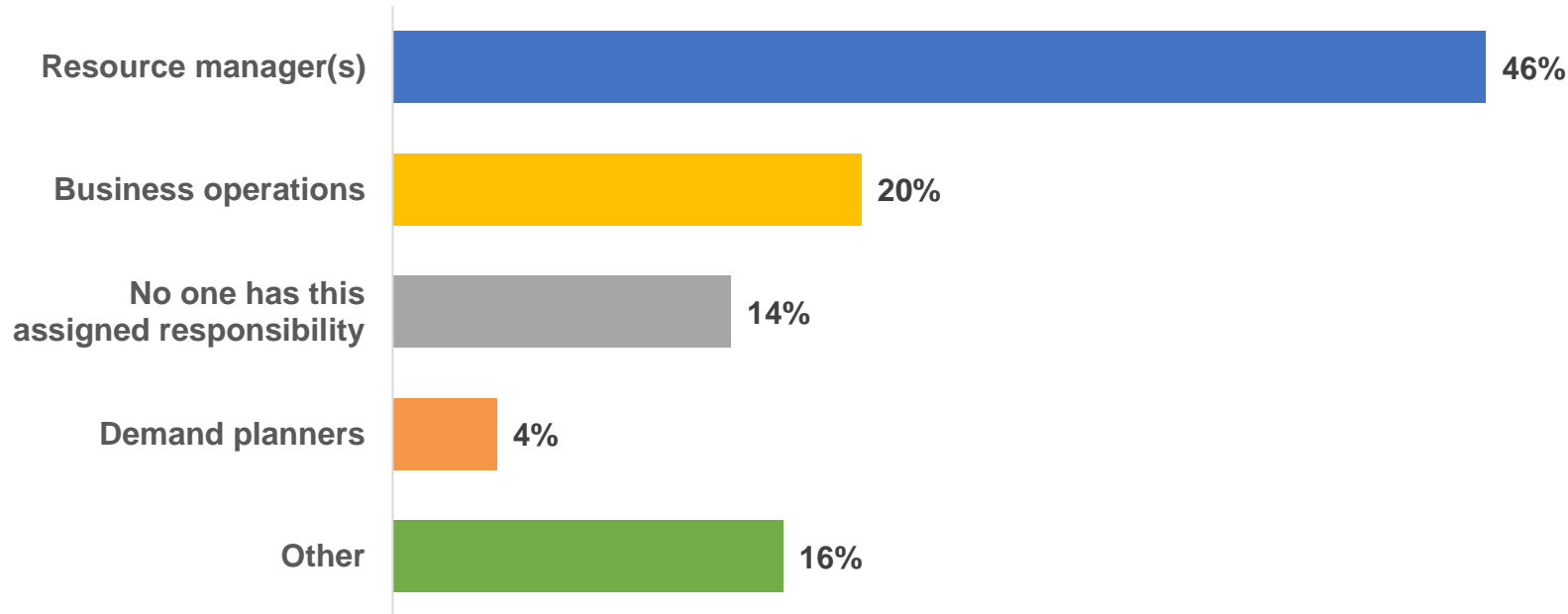
Nearly half of respondents indicate that resource managers are responsible for the resource forecasting process in their organization, followed by those in business operations. 14%, however, indicate they have no one assigned to this responsibility.

Establishing a clear process, with accountability, for such a key RM/WFM process is critical to success.

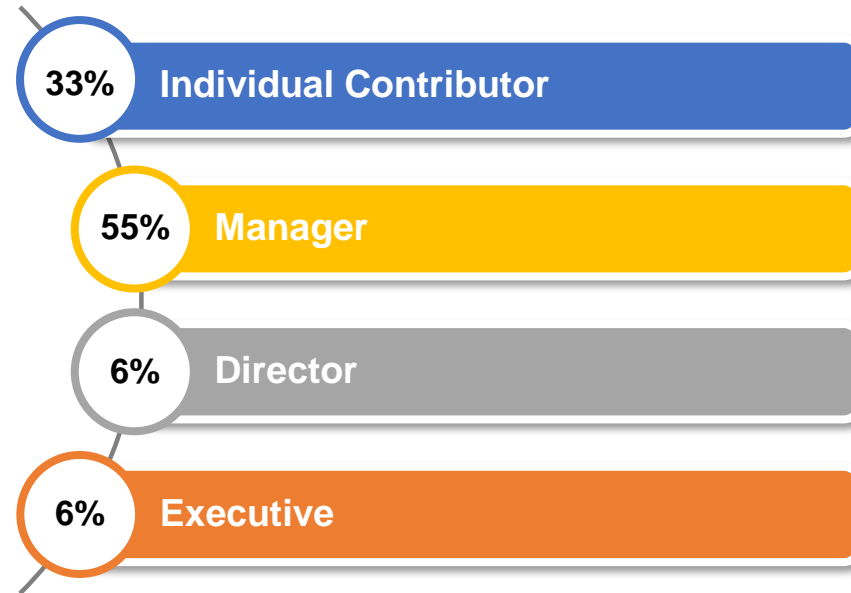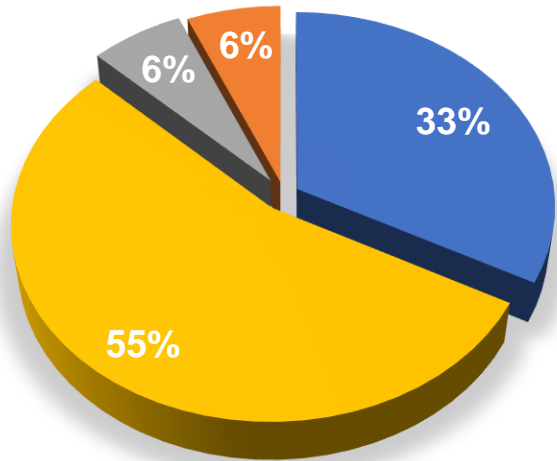| Category	Percentage
Resource manager(s)	46%
Business operations	20%
No one has this assigned responsibility	14%
Demand planners	4%
Other	16%

Notable Other Responses:
- Engagement Leaders
- Leadership teams - RMO and Delivery
- Practice Managers and Service Delivery Coordinators
- HR Managers
- Engagement/Project Managers
- RM leadership and solution/business leaders
- Account Delivery Management with support of financial team
- Currently Finance, but RMO will have input in '25.
- Combination of above

PS/CS, AATA, MA, LF

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Enterprise/IT (E/IT)
Product Development (PD)
Engineering (E)
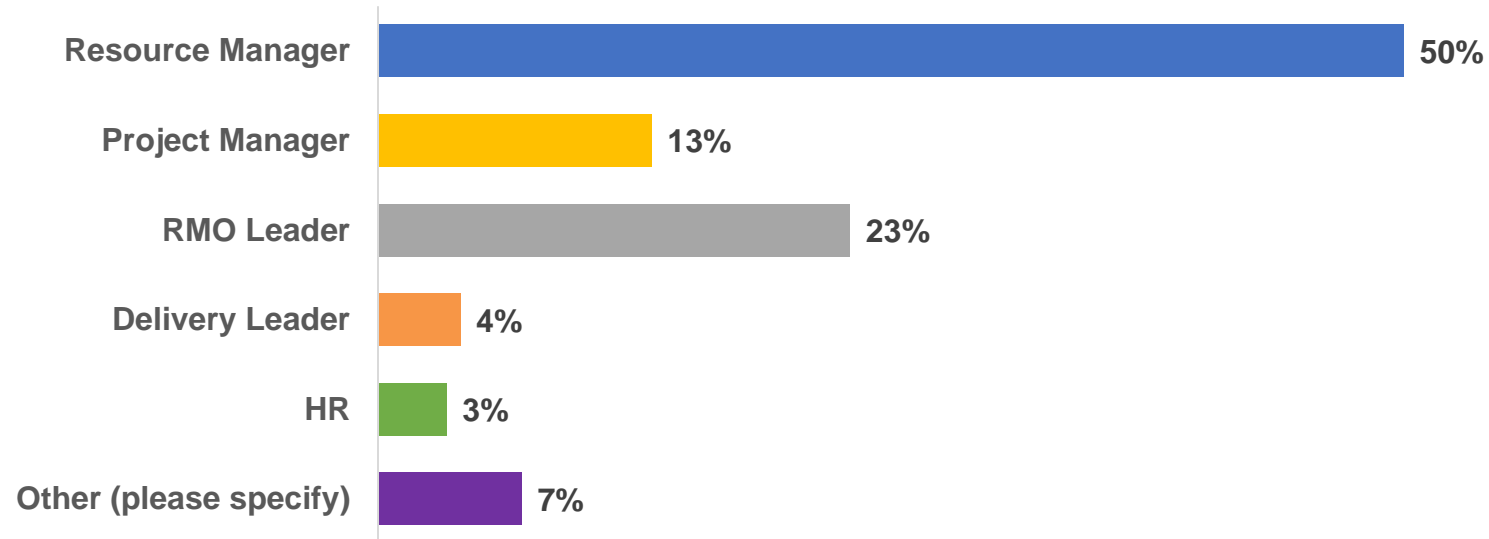
Q2. What is your level in your organization?

Survey respondents were predominantly those at the Manager level.

- 33% Individual Contributor
- 55% Manager
- 6% Director
- 6% Executive

Pie chart: 33%, 55%, 6%, 6%

Q3. Which option best describes your role?

Responses to this survey predominantly came from those in resource management, with 73% of respondents being a resource manager or RMO leader.

Role	Percentage
Resource Manager	50%
Project Manager	13%
RMO Leader	23%
Delivery Leader	4%
HR	3%
Other (please specify)	7%

Q4. How many resources in total does your organization manage as part of a resource management process or function(s)?

| Category	Percentage
<50	16%
50-99	6%
100-199	23%
200-499	16%
500-999	3%
1000-2999	13%
3000+	23%
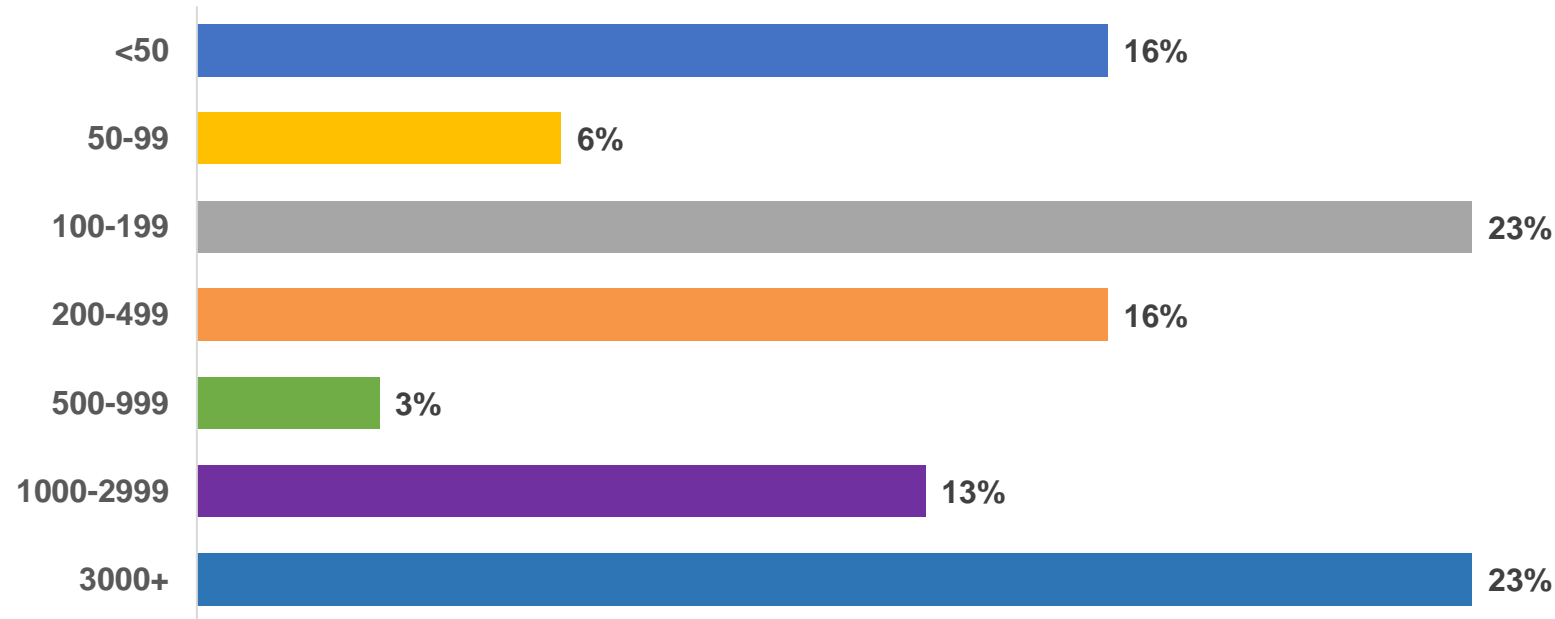
Respondents to this survey were well mixed, representing different sized organizations.

Q5. To what extent does your organization recognize the importance of resource forecasting to support resource planning needs?

52% To a great extent

39% To some extent

3% Neutral

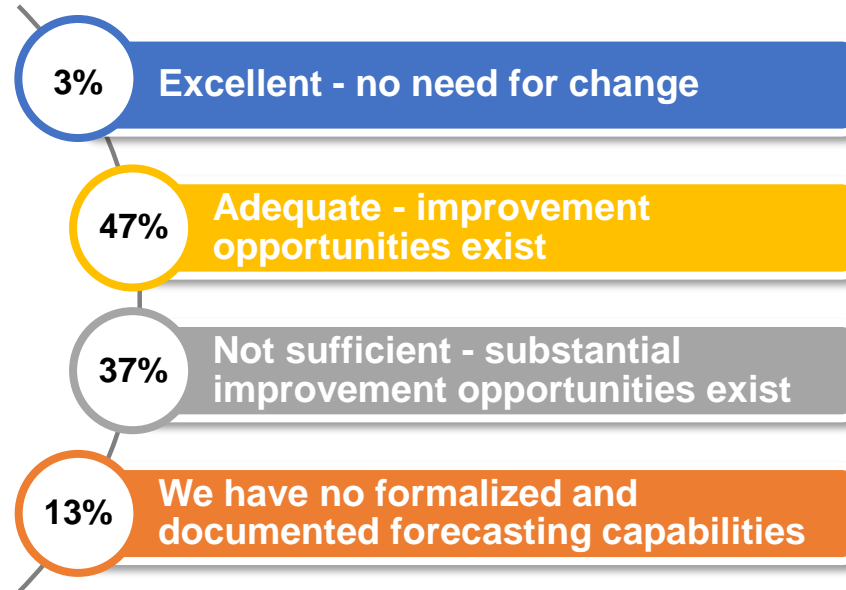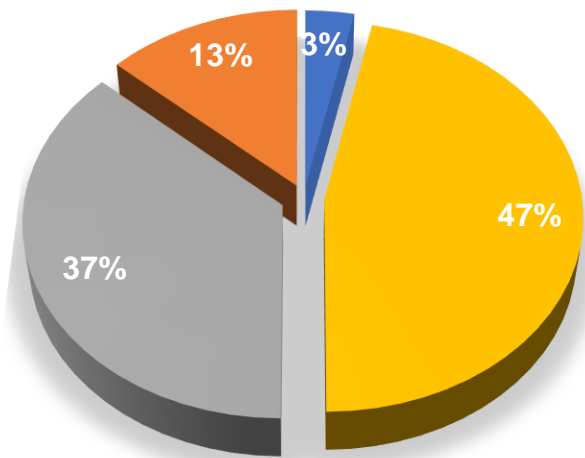**6%** Forecasting is not yet recognized as important
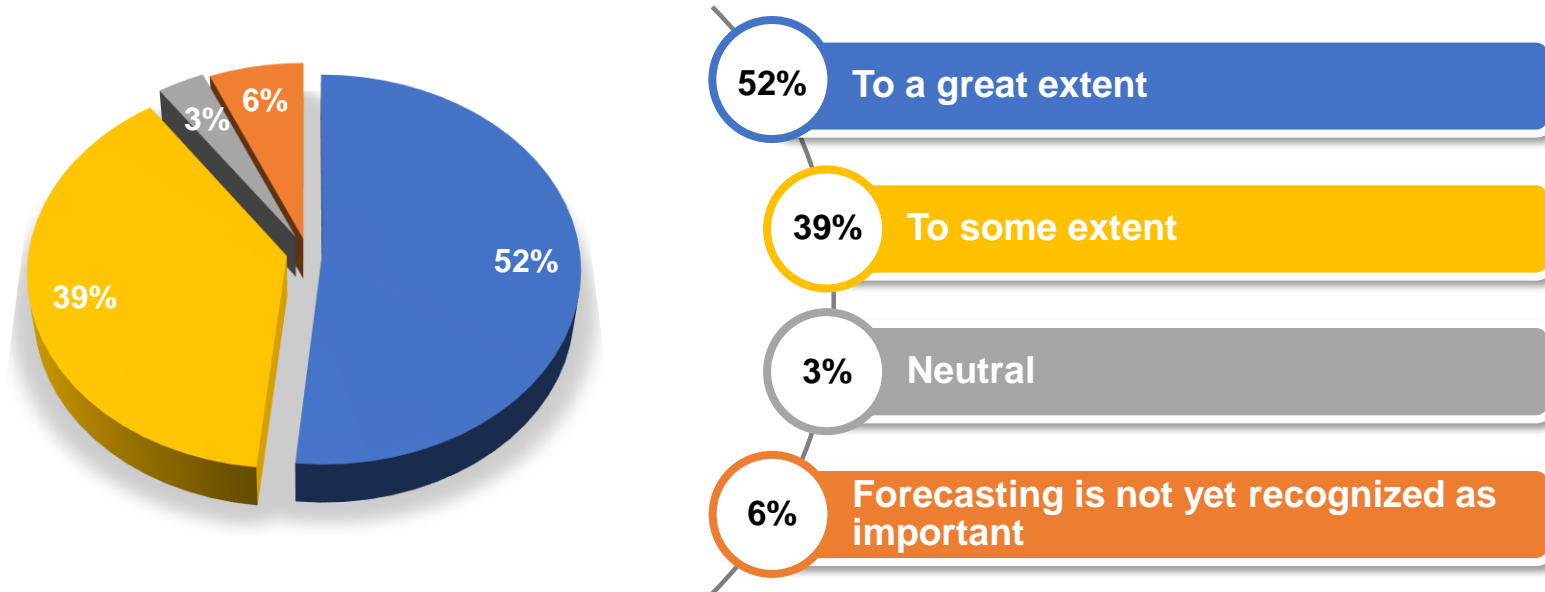
Although there has been some fluctuation as to the extent in which organizations recognize the importance of resource forecasting, nearly all see that it is an important component in supporting resource planning needs. Only 6% of respondents state that its importance is not yet recognized by their organization.

Q6. Does your organization currently have a formalized and documented process for forecasting resource needs?

55% Yes

45% No
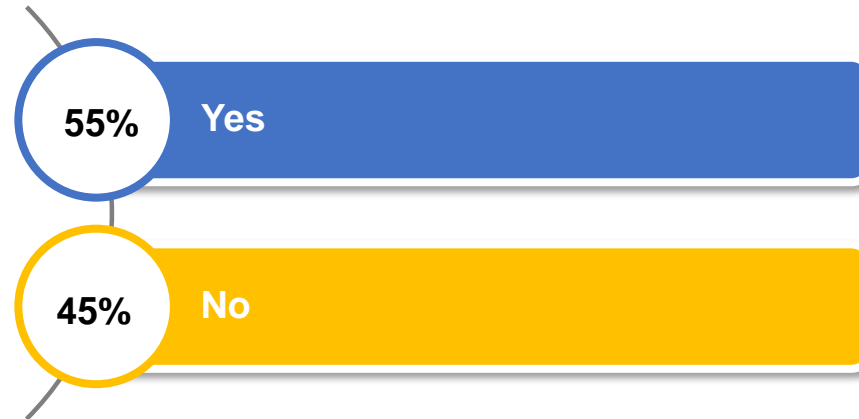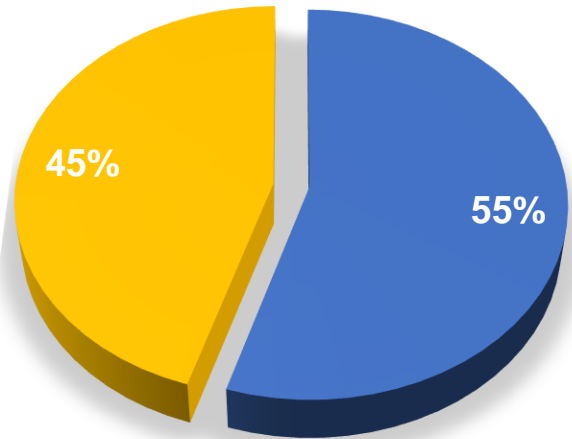
While there is still improvement to be made, 55% of respondents state their organization has a formalized and documented process in place, up from 43% in 2022. The inability for organizations to accurately forecast is a significant inhibitor to effective resource management, therefore improvements in this area are important to note.

Q7. Do you consider your current resource forecasting capabilities: (pick the choice that most accurately describes your situation)

Pie chart values:
- 3%
- 47%
- 37%
- 13%

3%	**Excellent - no need for change**
47%	**Adequate - improvement opportunities exist**
37%	**Not sufficient - substantial improvement opportunities exist**
13%	**We have no formalized and documented forecasting capabilities**

As indicated in previous RMI research, forecasting continues to be the leading inhibitor to effective resource management. It is no surprise that very few feel their organization excels at forecasting. 97% of respondents indicate that opportunities for improvement exist in their organization.

Q8. Over what time horizon can your organization accurately forecast needs for resources?

Bar chart:
- < 1 month — 7%
- 1-2 months — 27%
- 3-4 months — 37%
- 5-6 months — 23%
- > 6 months — 3%
- Does not apply — 3%
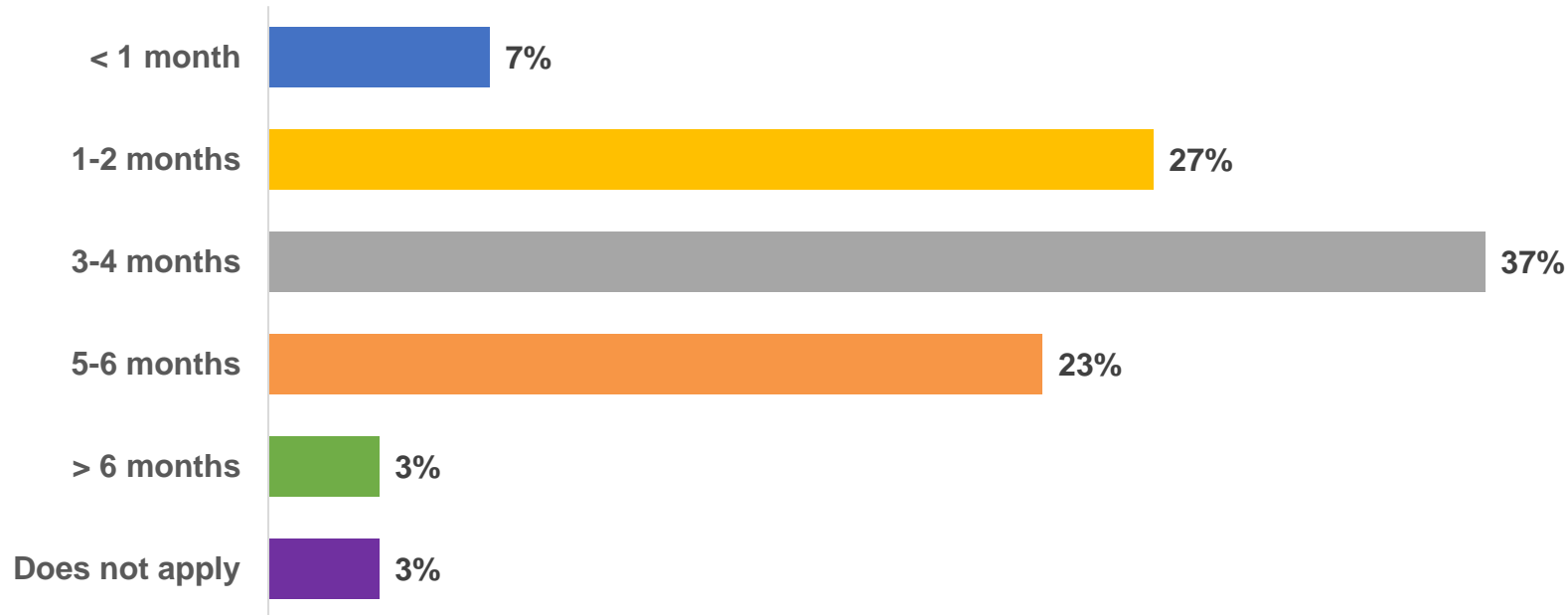
Among those serving internal clients, 60% feel their organization can accurately forecast resourcing needs 3-6 months into the future, which is a considerable improvement. However, at the same time there was a drop in ability to forecast 6+ months by 20%.

E/IT, PD, E

Q9. At what level are you able to forecast resource demand today? (Check all that apply)*
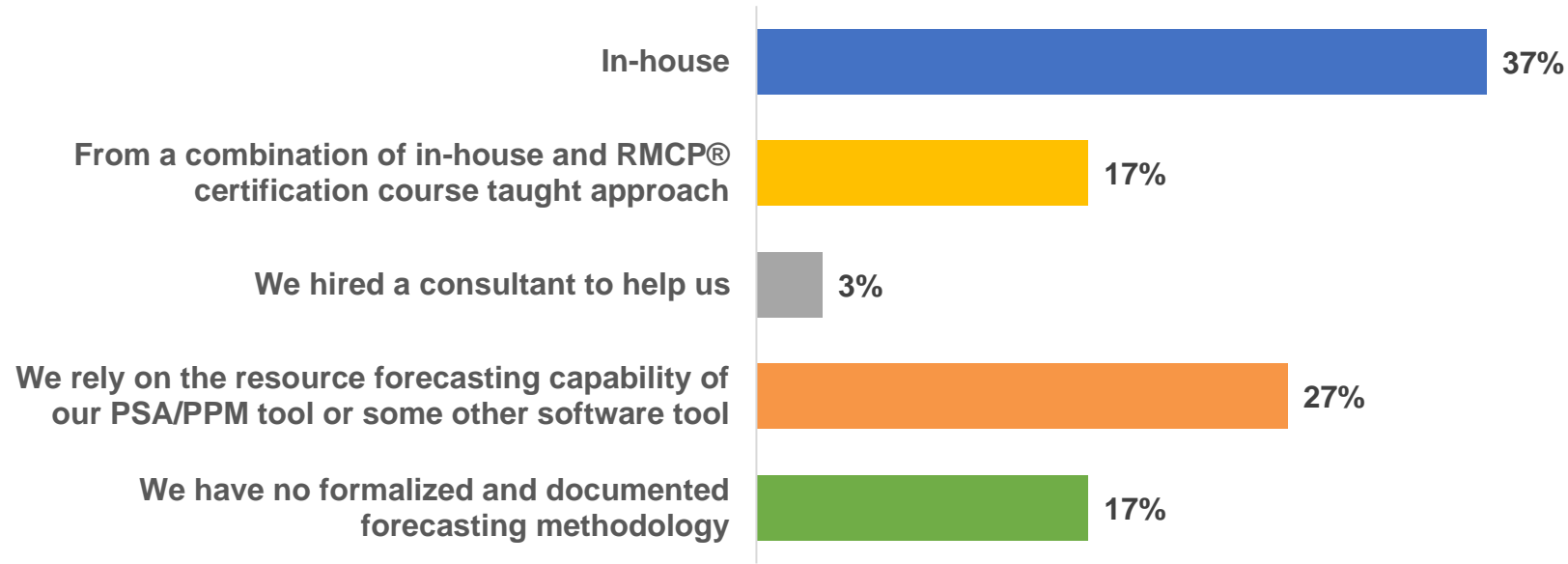
1 Project — 73%

2 Role — 70%

3 Portfolio/Product/Geo — 50%

4 Skill — 37%
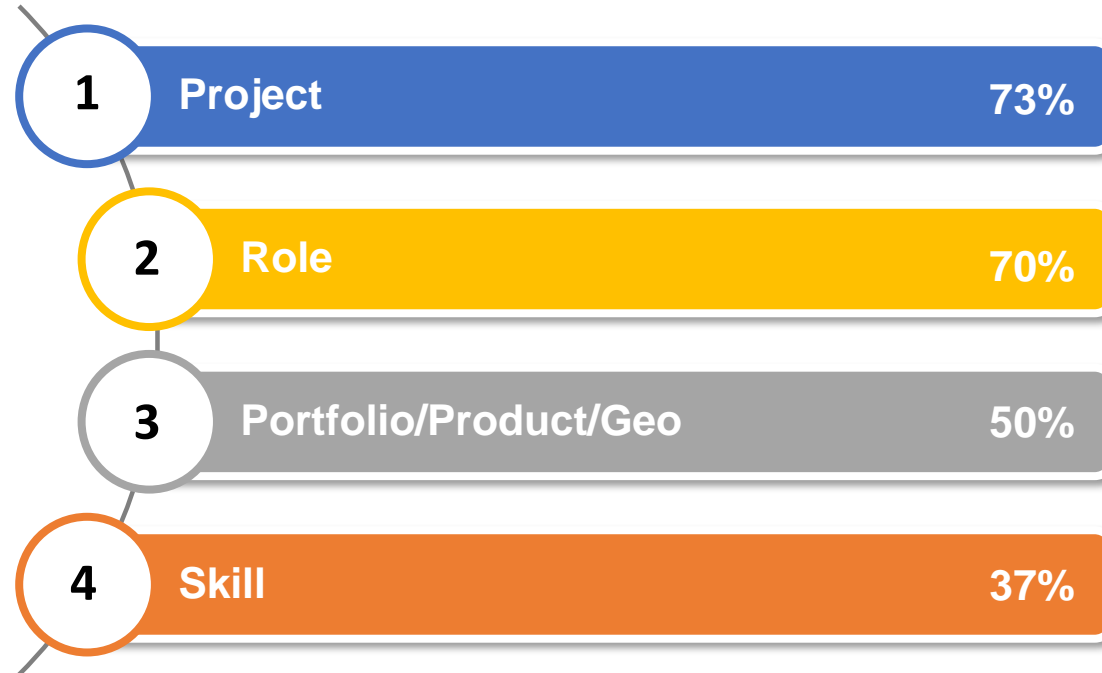
* Multiple responses allowed. Numbers represent the percentage of respondents that can forecast resource demand at each level.
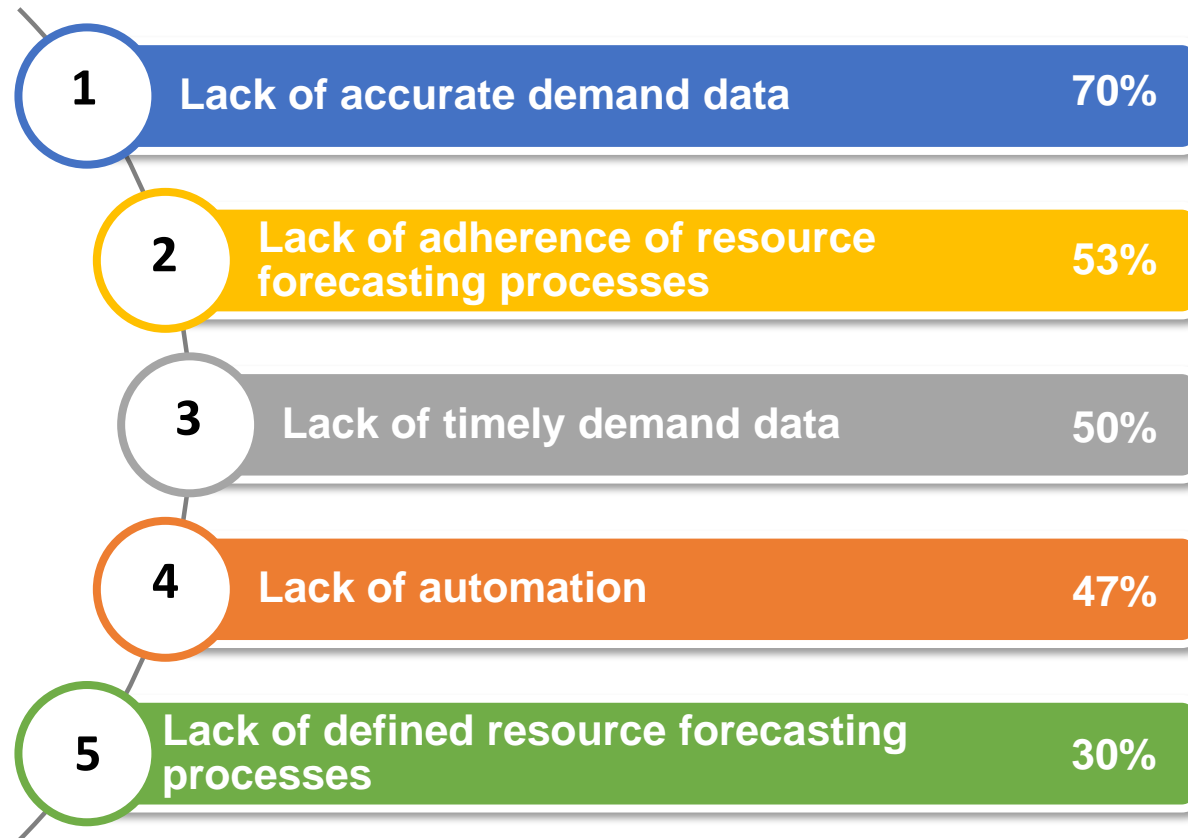
When considering at what level they could forecast, most respondents felt confident with forecasting at the Project, and Role level. Skills forecasting continues to be the area that needs the most focus. Only 37% feel capable of forecasting at the skill level representing a significant opportunity for improvement.

Q10. How was your resource forecasting methodology developed?

Bar chart:
- In-house: 37%
- From a combination of in-house and RMCP® certification course taught approach: 17%
- We hired a consultant to help us: 3%
- We rely on the resource forecasting capability of our PSA/PPM tool or some other software tool: 27%
- We have no formalized and documented forecasting methodology: 17%

Just over half of respondents (54%) use a forecasting methodology that was developed either in-house or in combination with the approach taught in the RMCP® certification program. Over a quarter are using their PSA/PPM tool; however, 17% do not have a formalized forecasting methodology, showcasing an opportunity for improvement.

E/IT, PD, E

Q11. What are the biggest inhibitors to effective resource forecasting in your organization? (Check all that apply)*

1	**Lack of accurate demand data**	**70%**
2	**Lack of adherence of resource forecasting processes**	**53%**
3	**Lack of timely demand data**	**50%**
4	**Lack of automation**	**47%**
5	**Lack of defined resource forecasting processes**	**30%**

* Multiple responses allowed. Numbers represent the percentage of respondents that selected each option as an inhibitor.

Inhibitors synonymous with resource forecasting are data capture processes, data quality, and adherence to processes that support each. Improvement in these areas are necessary to achieve better resource forecasts and automation.

67% Yes

33% No
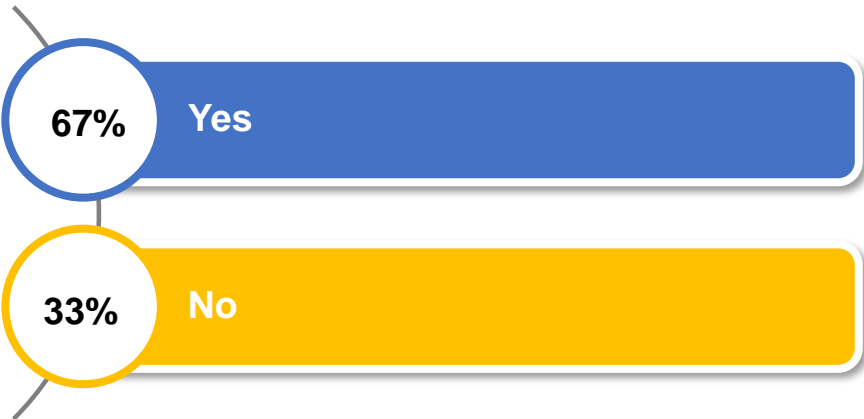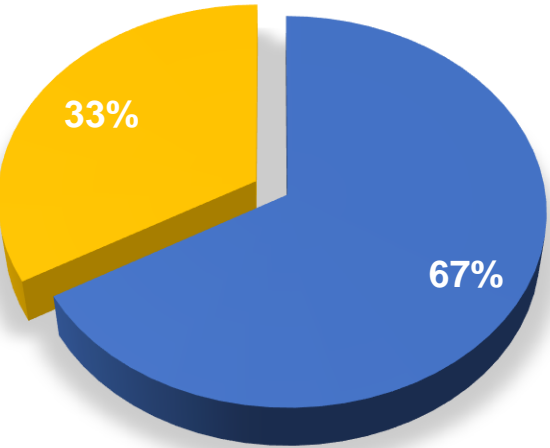
More than two-thirds of respondents continue to use spreadsheets to support their resource forecasting needs; however, it is important to note that this is a 23% drop compared to 90% in 2022.

Spreadsheet usage varies from data manipulation and scenario planning, all the way to serving as the sole vehicle for resource forecasting.
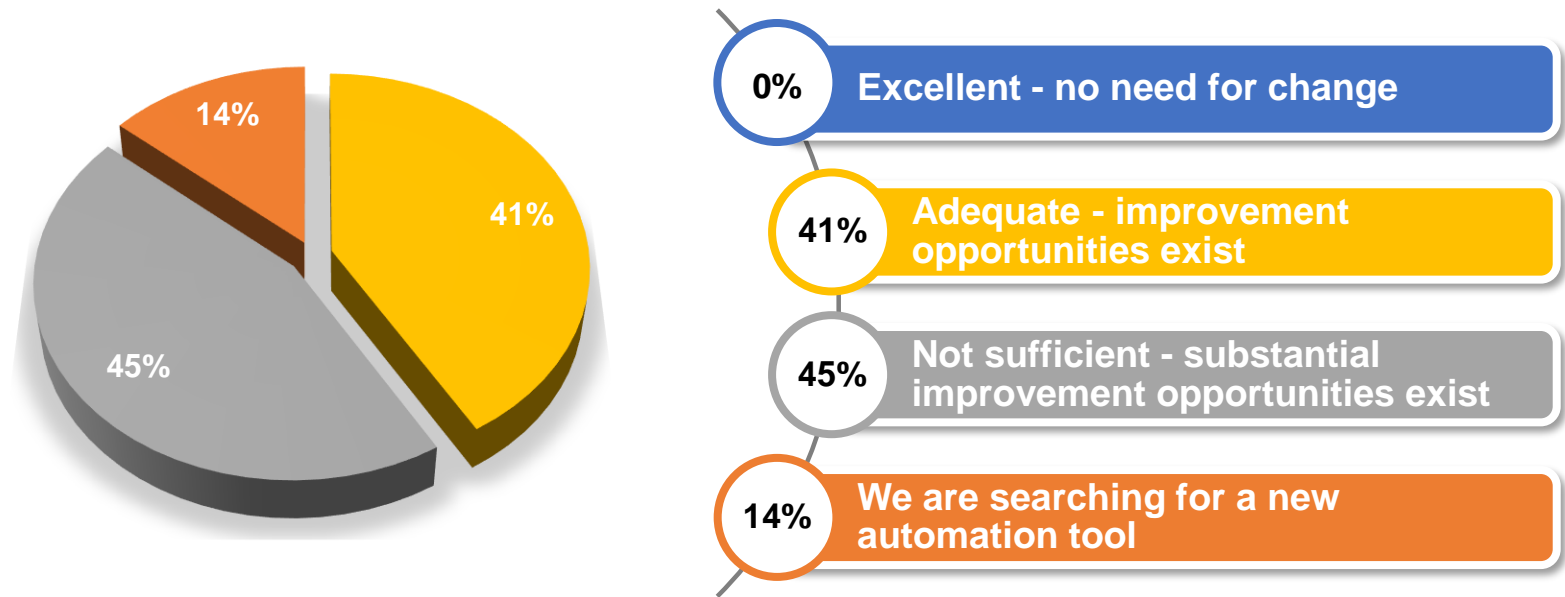
Q14. Does your resource management automation tool integrate with the various sources of input needed for resource forecasting e.g., sales projections, business project projections, etc.?
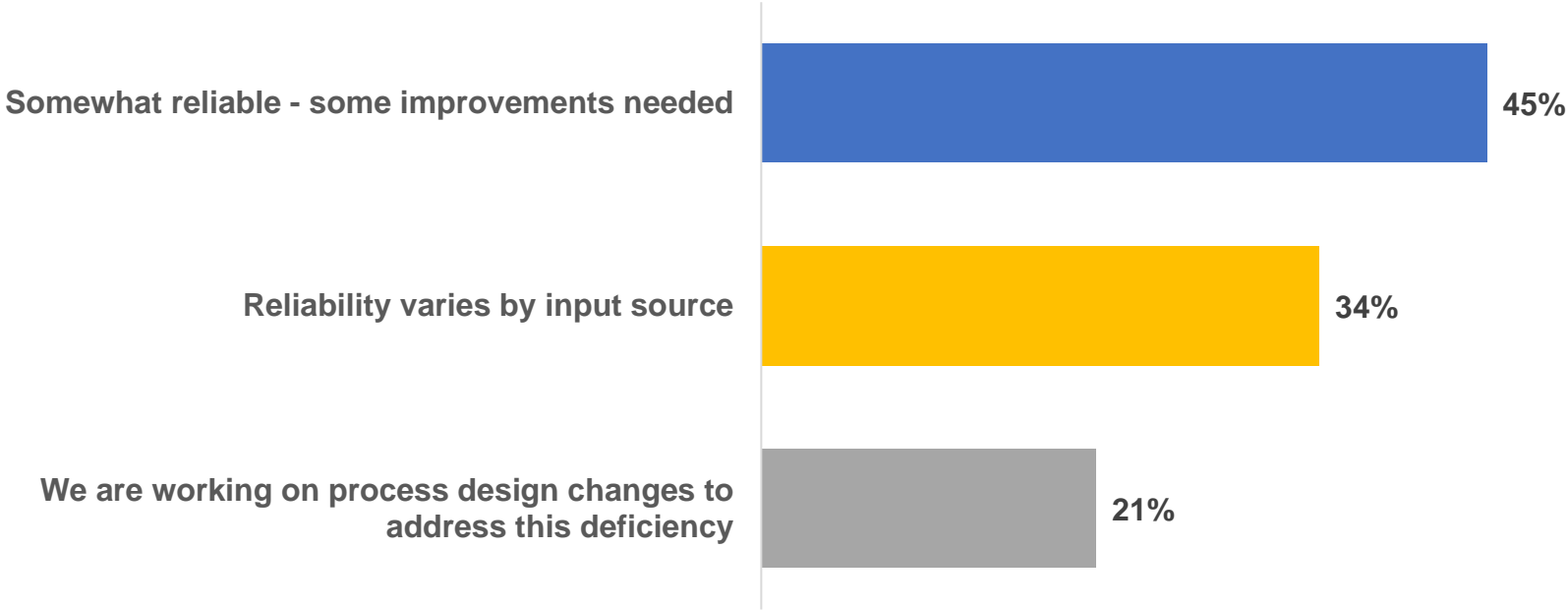

27% Yes

52% Partially

21% No
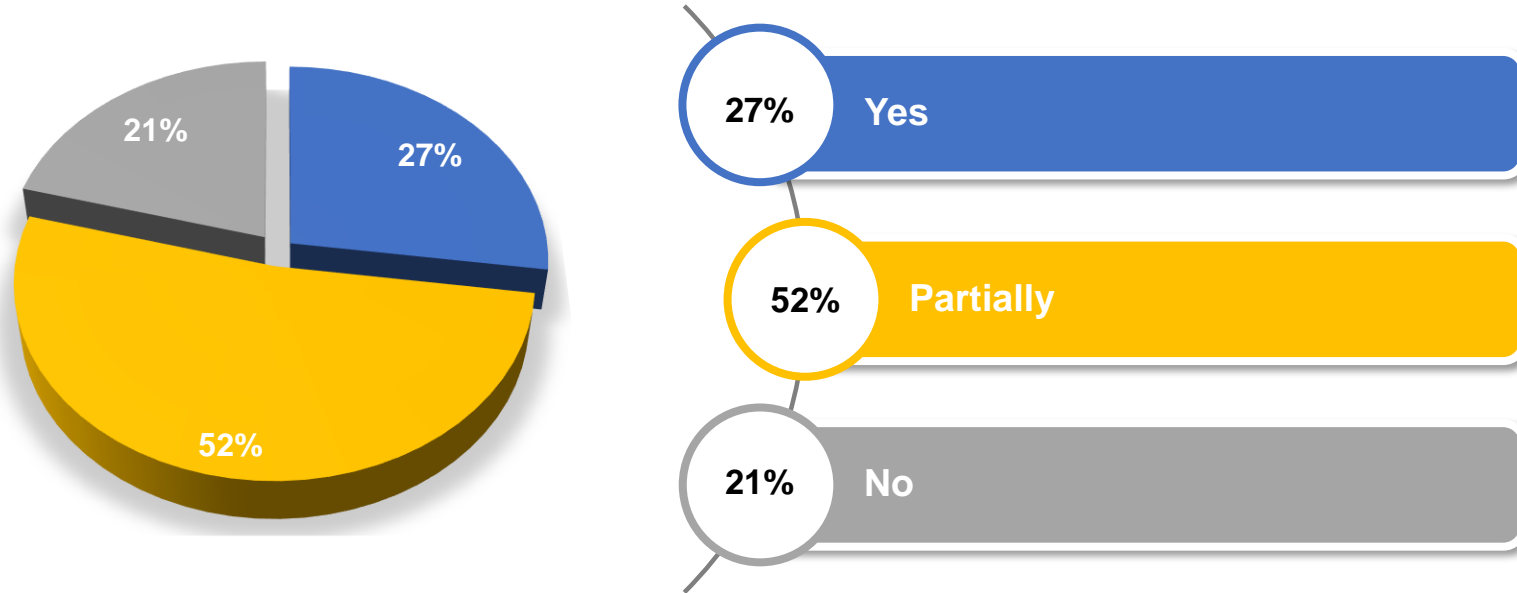
While the data shows that there continues to be at least some need for RM/WFM automation tool providers to improve integration capabilities, great improvements have been noticed. 79% of respondents (vs. 53%) now indicate that their RM automation tool integrates, at least partially, with the various sources needed for resource forecasting.

Q15. How would you describe your resource management automation tool's integration capabilities (e.g., from demand sources) as currently implemented for resource forecasting?

0% Excellent - no need for change

41% Adequate - improvement opportunities exist

45% Not sufficient - substantial improvement opportunities exist

14% We are searching for a new automation tool

When describing their RM automation tool's integration, more than half of respondents (59%) find their automation tool either lacking in its integration capabilities for RM/WFM forecasting or are actively searching for a new automation tool.

Q16. Our sources that provide demand data that we input into our resource forecast are:

Somewhat reliable - some improvements needed: **45%**

Reliability varies by input source: **34%**

We are working on process design changes to address this deficiency: **21%**

Results are in line with the previous survey. Everyone agrees that their sources of demand input for forecasting are in need of at least some improvement, and 21% are actively working on ways to address this concern.
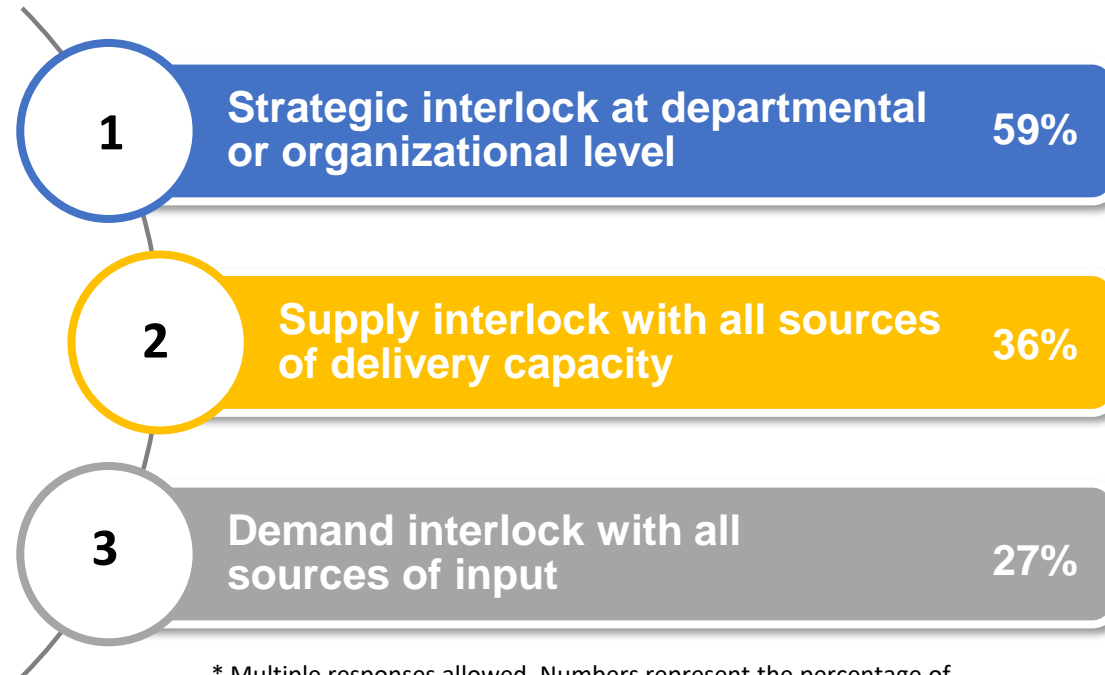
The RMI leading practice to address this need begins with building improved organizational interlock processes as taught in the RMCP® certification course.

Q17. Do you have formalized "organizational interlock" processes to help with ensuring the integrity of inputs into your resource forecast?

41% Yes

59% No
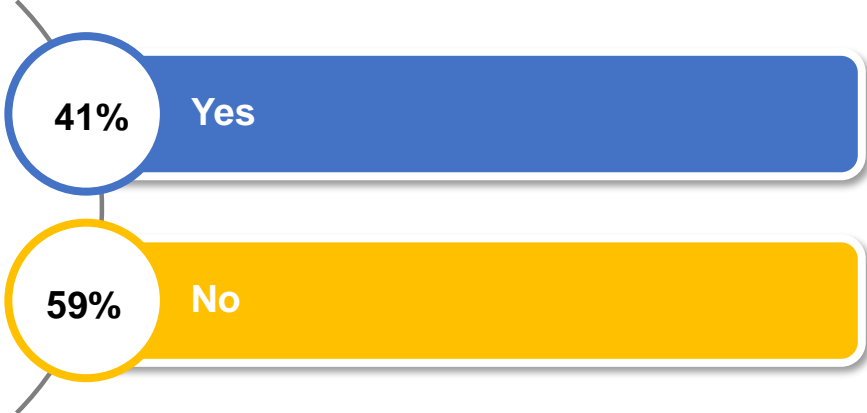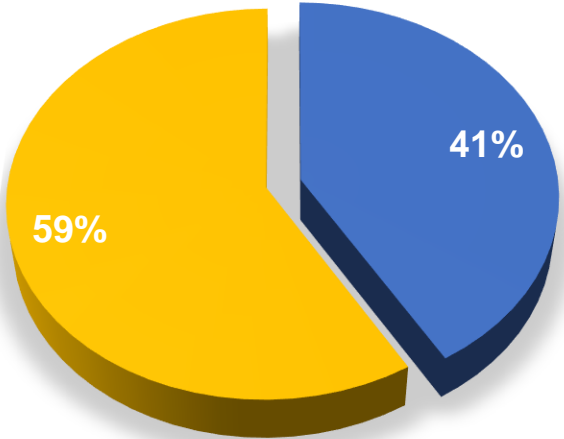
While there has been some improvement, only 41% of respondents have formalized interlock processes in place. Interlock meetings are an essential part of the forecasting process where key stakeholders gather to collaborate on and validate resource forecast data. These meetings should be taking place on a regular basis.

1 Strategic interlock at departmental or organizational level — **59%**

2 Supply interlock with all sources of delivery capacity — **36%**

3 Demand interlock with all sources of input — **27%**

* Multiple responses allowed. Numbers represent the percentage of respondents that have interlock processes in place at each level.

Since the previous survey there has been a shift in the levels at which interlock processes are taking place. Well over half (59%) have strategic interlocks at the departmental or organizational level (vs 29%). However, demand and supply interlocks have seen a drop of 59% and 21%, which are paramount to creating an effective strategic interlock.

Q19. Who is responsible for the resource forecasting process in your organization?
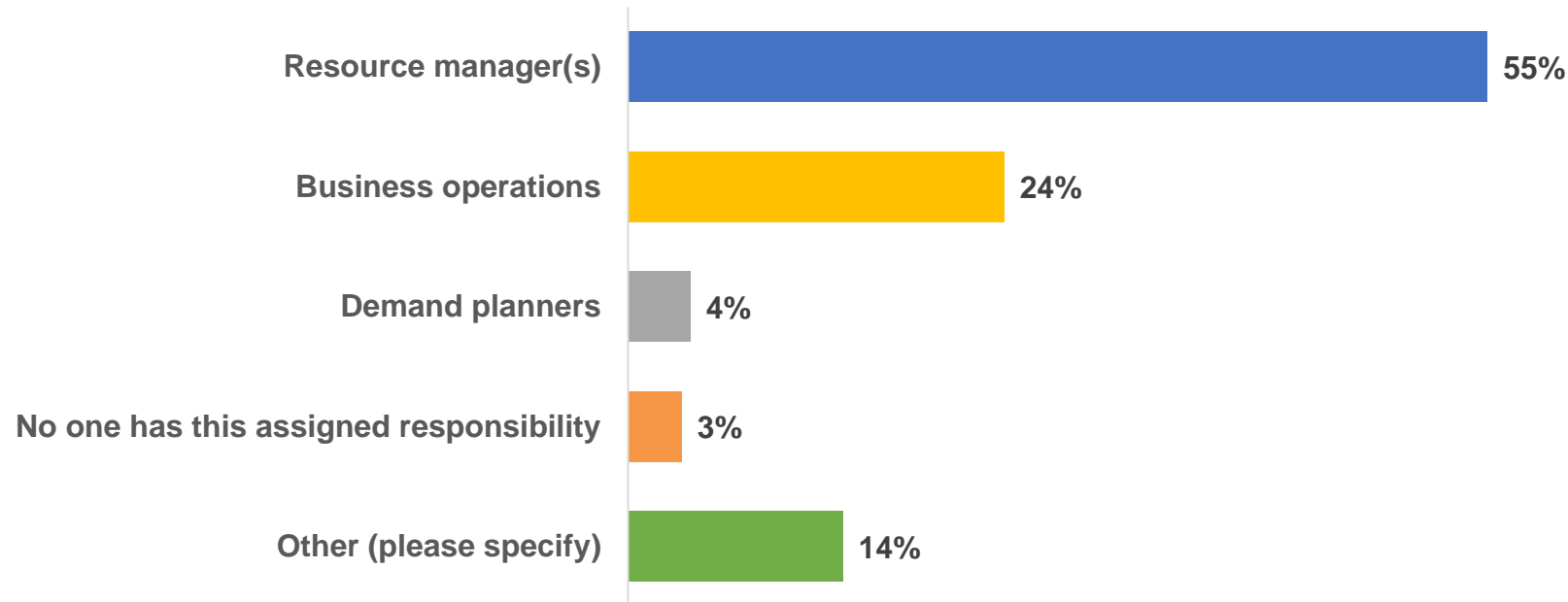
Just over half of respondents state that RMs are responsible for forecasting processes, followed by business operations and others in the organization. Only 3% indicate they have no one assigned to this responsibility, an improvement over our previous survey.

Category	Percentage
Resource manager(s)	55%
Business operations	24%
Demand planners	4%
No one has this assigned responsibility	3%
Other (please specify)	14%

Notable Other Responses:
- Project managers
- Combination of PMs and Resource Managers
- Programme and project managers
- HRBP

E/IT, PD, E

Survey Summary

Key Takeaways

1   Resource forecasting continues to be the #1 inhibitor to effective resource management. As a follow-on to our first survey on this topic, this research report provides good benchmark data for firms trying to tackle this essential process element. Overall, the data tells us that collectively we continue to have a long way to go to get better at resource forecasting.

2   The largest resource forecasting deficiencies identified from this survey have dimensions spanning both process and automation tool support. Respondents highlighted data quality issues, insufficient planning horizons, process gaps in the form of resource forecasting process definition and lack of interlocks, integration challenges in current automation tools, and continued reliance on spreadsheets to support this all-important business process.

3   Perhaps the most important need highlighted by this survey is around deficiencies in clear accountability for effective enterprise resource forecasting and demand planning. Effective resource forecasting requires a methodology, assigned personnel and processes to drive accountability through organizational interlocks, and automation technology that supports forecasting processes with seamless data integration. While the good news is that the majority of respondents indicate that the job of resource forecasting is assigned to someone in the enterprise, when what is needed to deliver effective resource forecasts is taken in total, the need for improvement persists.

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