RMI
Resource Management Institute SM

Presents the 7th Annual…

State of Resource Management

Latest Research, Best Practices

2021

Thanks to Our Sponsor:

Mavenlink

Agenda

1	The RMI and RM Community
2	Resource Management Perspectives
3	Resource Management: Observations, Research and Best Practices
4	RMI Tools You Can Use
5	Wrap-up

RMI Mission

The RMI is dedicated to the advancement of resource and workforce management thought leadership, best practices and standards, globally recognized credentials that certify resource and workforce management expertise, and tools and resources necessary for effective and efficient management of human capital intensive businesses.

www.resourcemanagementinstitute.com

We provide our members:

- Best practice definition and development

- Market research and white papers

- Training and education

- Industry collaboration/events

Growing the RM Community

725+ Member Companies

124% growth since 2018

Resource Management Global Symposium

2nd time event in 2019 drew 138 people from 10 countries and 67 companies

Human Capital Intensive Service Providers:

- Professional/Consulting
- Enterprise/IT
- Product development
- Marketing agencies
- Field Services
- Other project-based work teams

RMI Focused on Four Big Problems

Project Performance

35 - 40% failure rates
Time, Cost, Quality

> Industry progress stalled. Does your business prioritize RM first (over PM and Quality processes)?

Utilization

Too low, Unpredictable

> What human capital intensive business does not care about personnel costs? What's the value of 1 point of utilization to your business?

Customer Satisfaction

Internal and external customers

> If your projects don't go well, what is the impact on customer satisfaction?

Employee Satisfaction and Retention

Need for better employee engagement

> RM holds some of the answers for better employee engagement leading to improved employee satisfaction and retention

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{ 2 } Resource Management

Perspectives

Resource Management is Critical to Service Success!

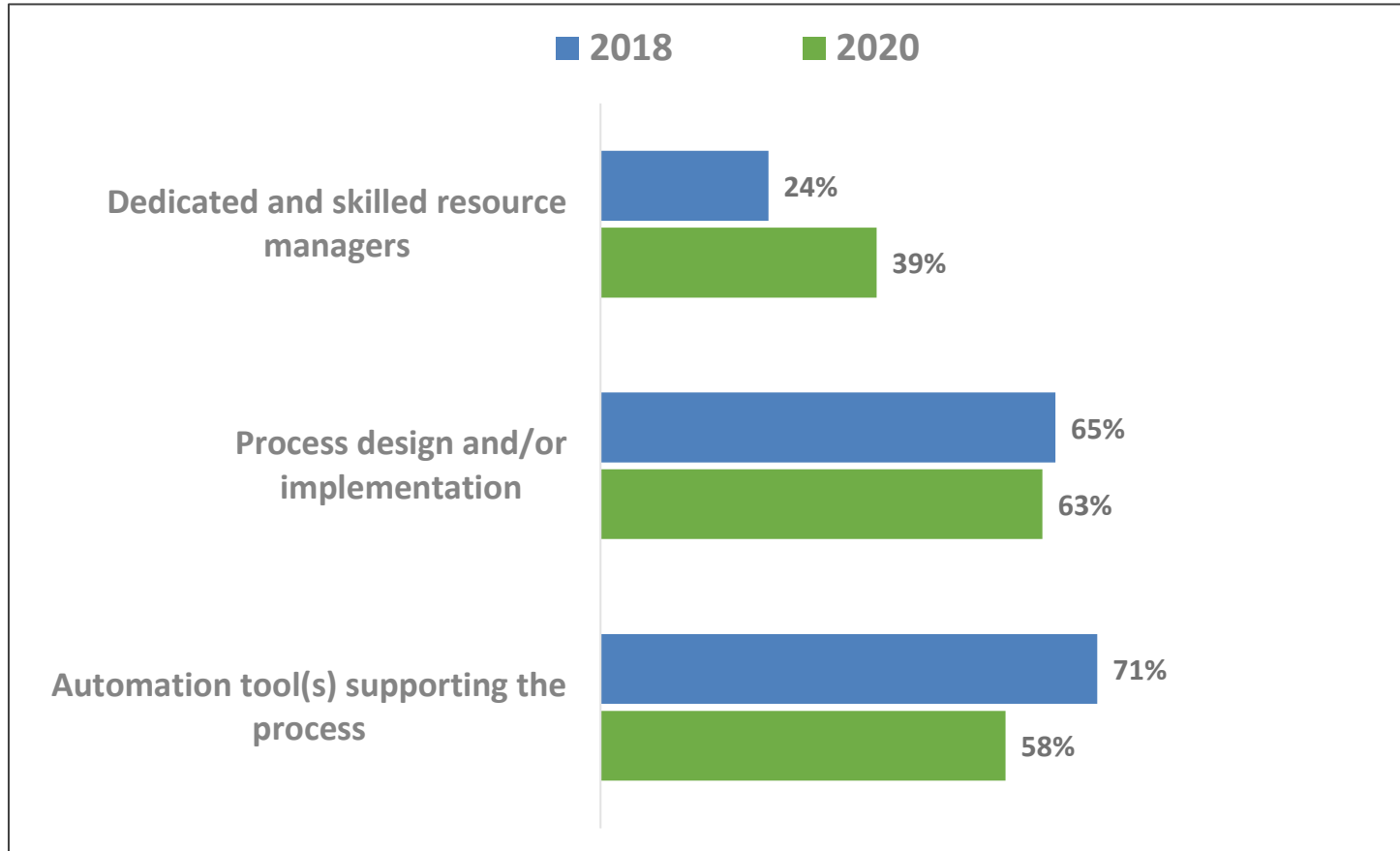**Services comprise the 'glue' for business solutions**

On average, three quarters of a service business annual spend is for labor

35%+ of service projects fail to meet objectives for cost, quality or timeliness or some combination of these

It's all about efficiently and effectively getting the right person with the right skills in the right place at the right time!

What gets in the way?
Largest inhibitors to effective resource management for project-based businesses are:

■ 2018 ■ 2020

- Dedicated and skilled resource managers: 24% (2018), 39% (2020)
- Process design and/or implementation: 65% (2018), 63% (2020)
- Automation tool(s) supporting the process: 71% (2018), 58% (2020)

KEY TRENDS:

- RM talent in greater demand
- RMI believes process as an inhibitor will continue to decline due to industry standardization (JITR)
- Automation tools improving – vendors are listening to RMI members input via research, Symposium, and other RMI events
- Not everyone committed to RM

IS RESOURCE MANAGEMENT VIEWED BY THE C-SUITE IN YOUR COMPANY AS STRATEGIC?

- Yes: 52%
- No: 48%

RMI 2020 Research
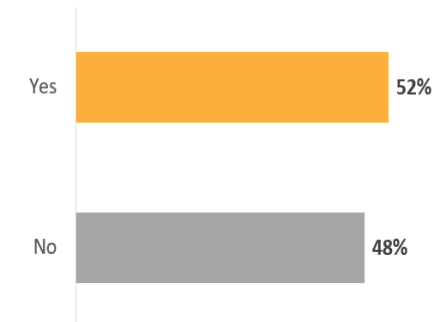
A Growing Industry Standard Process Solution for RM

*Just-in-Time Resourcing®

JITR*

- Skills Inventory
- Staffing
- Forecasting
- Sourcing & Development
- Technology
- Governance
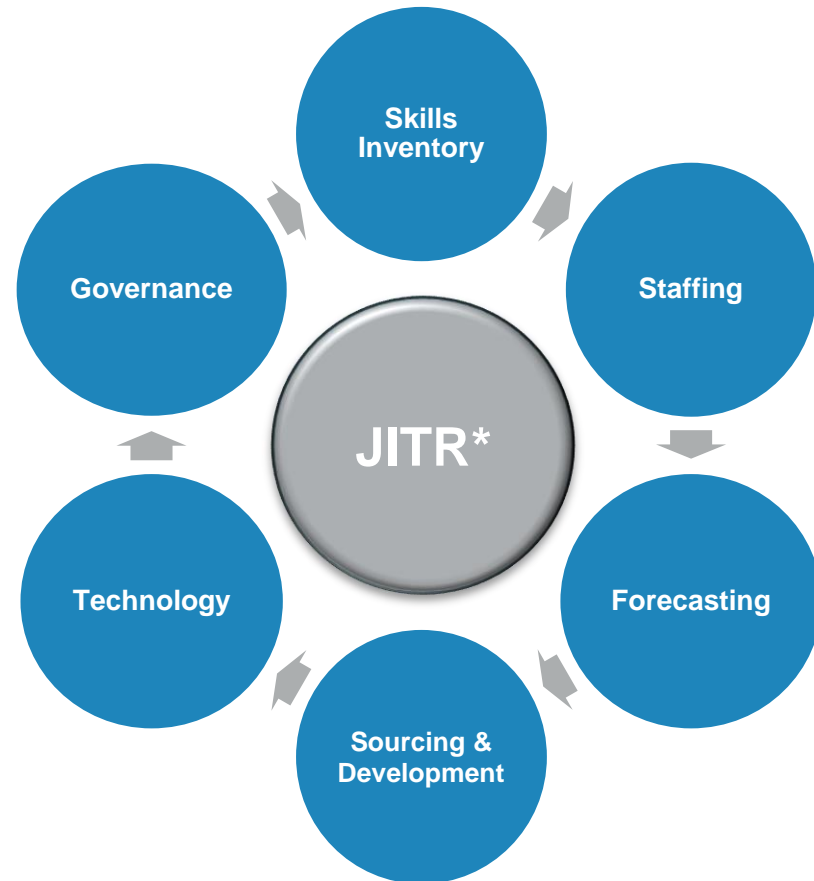
Industry benefits:

- Process standardization
- Documented processes
- Standardized training
- Common taxonomy for RM
- Community support
- …and, better resource related business outcomes!

Right Person, Right Place, Right Time!

RMI Best Practice Summary - from Past 'State' Webcasts

01 Use a *centralized approach to RM* with transparent visibility enterprise-wide to all available resources

02 Benchmark operational efficiency *using 2080 for your utilization denominator*. Adjust for different work situations e.g. type of work, vacation standards, etc. by adjusting your targets

03 Implement a *documented RM process* with supporting training

04 Focus *on metrics that matter* – Project performance, utilization, customer and employee retention/satisfaction

05 Build and operate a *Resource Management Office (RMO)* to manage RM for your enterprise

06 *Invest in your Resource Managers* – training and career paths

07 Let your process requirements drive a *use-case driven selection process for automation tools*. Process design should precede PSA/PPM tool selection

08 Leading delivery organizations have a **three part (business planning, forecasting, staffing) approach to forecasting and capacity planning** to meet the dynamic needs of the business

09 *A properly designed skills database and process* will include defining skills by role, implementing regular updates by employees, and conducting proper validation of employee data by management or SMEs

10 Processes should be developed to *better balance priorities for project allocations* between the need for business efficiency (utilization) *with organizational objectives for employee engagement and retention*

So what have we learned since RMI Connect/2020?

(September, 2020)

{3} Resource Management

Observations, Research and Best Practices

Serving External Customers

| PS/CS | Professional and Consulting Services |
| MA | Marketing and Creative Agencies |

Serving Internal Customers

| E/IT | Internal IT/Shared IT Services |
| PD | Product Development |
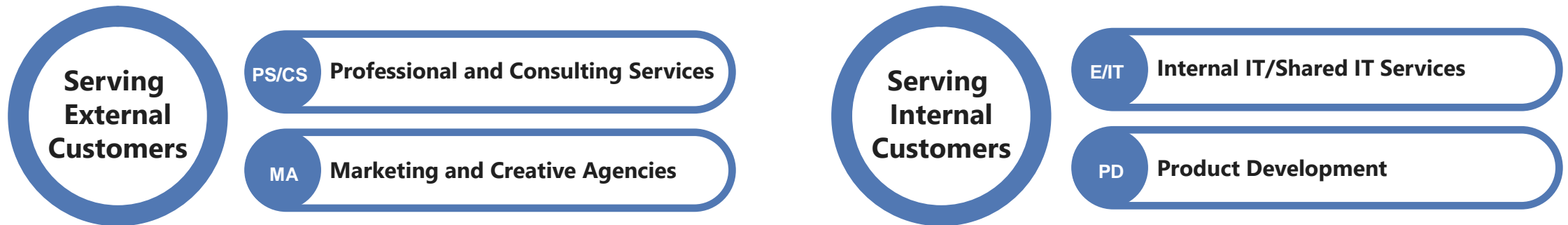
...and other project-based work teams such as field services, legal and accounting firms, construction, aviation, and more.

Observation #1

The RM discipline, the RMO* and the profession of being a resource manager are all here to stay!

*Resource Management Office

Five RM Future Megatrends – from RMGS18

01 — *RMOs will become the norm* in most human capital centric service operations, and on an equal footing with PMOs

03 — *Fluid strategic sourcing* will provide cost and flexibility differentiation

02 — *The rise of the 'uber' workforce* will make RM capabilities table stakes

04 — *RMOs* will be *essential to 'employee engagement'* strategies

05 — *Comprehensive data* analytics assisted by *artificial intelligence* will be the next big thing for PSA/PPM/RPM vendors

RMO Adoption Growing

Do you currently have a Resource Management Office (RMO)?

■ **Yes**　　■ **No**

Professional/Consulting Services

- 2019: 68% / 32%
- 2020: 77% / 23%

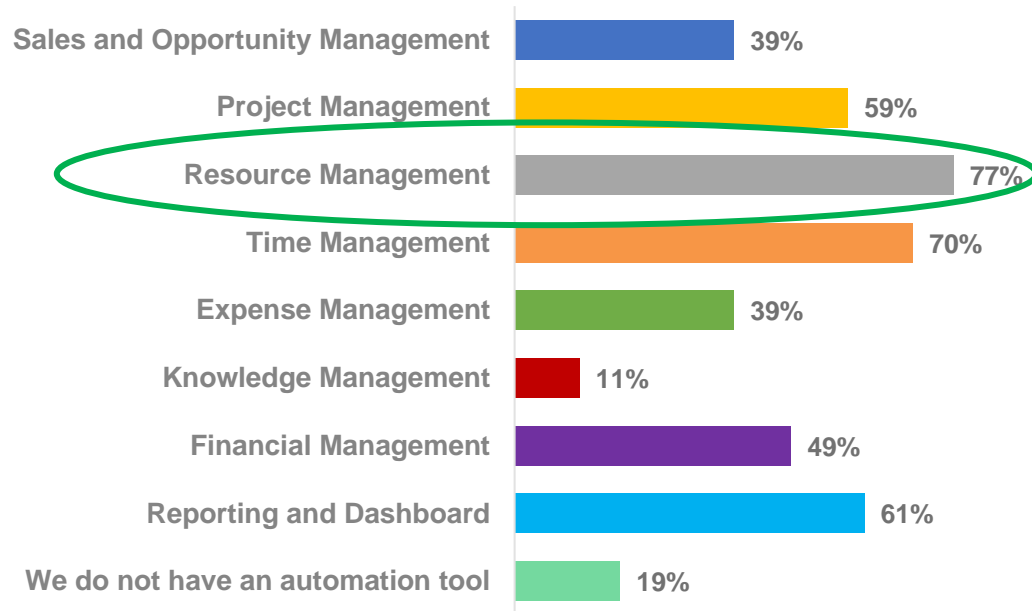**Enterprise/IT**

- 2019: 50% / 50%
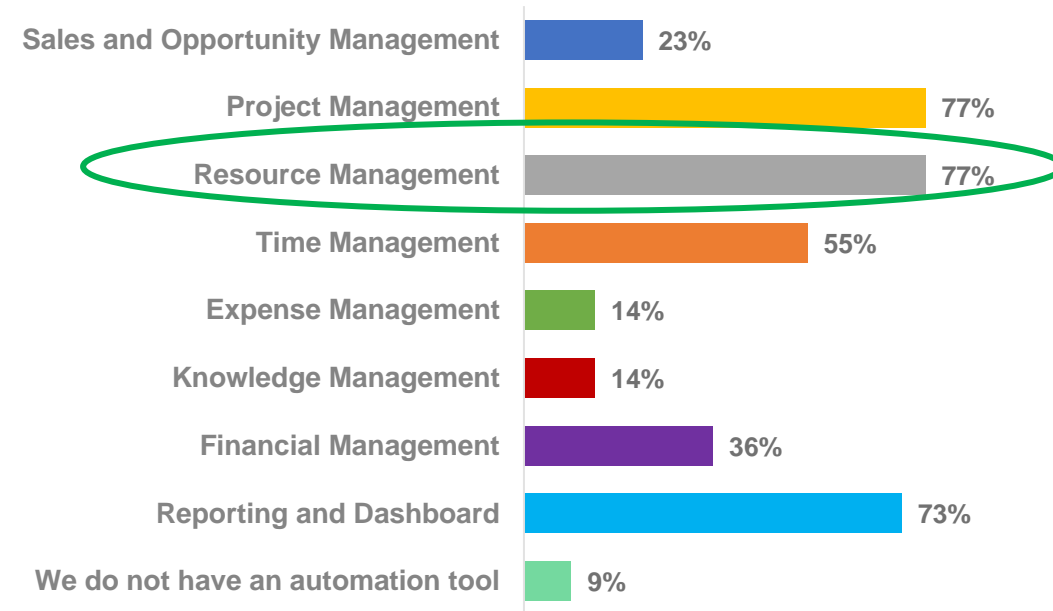- 2020: 80% / 20%

RMI Research
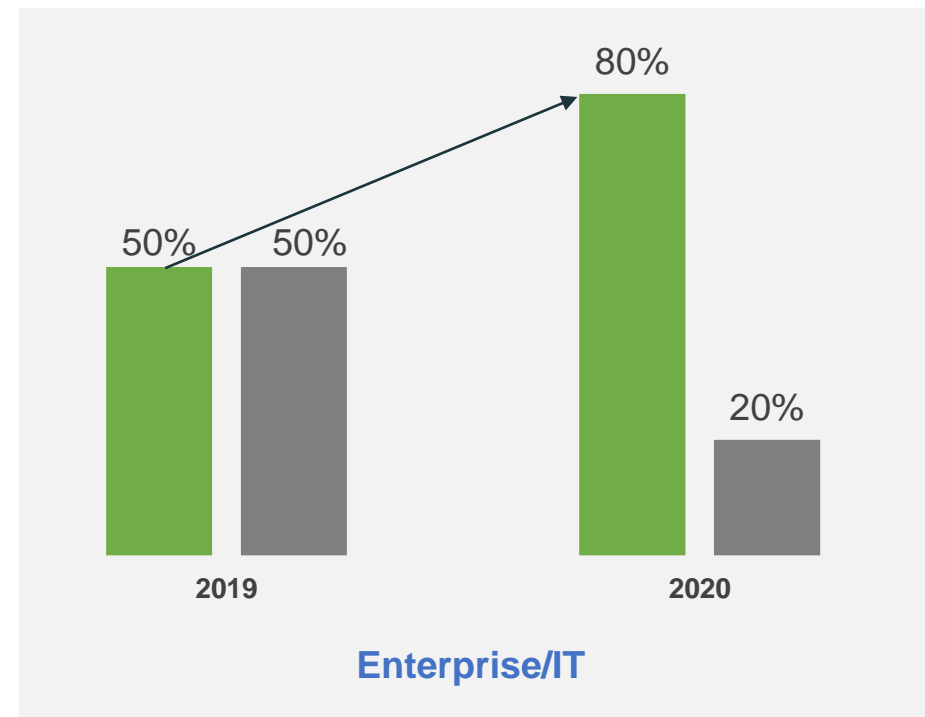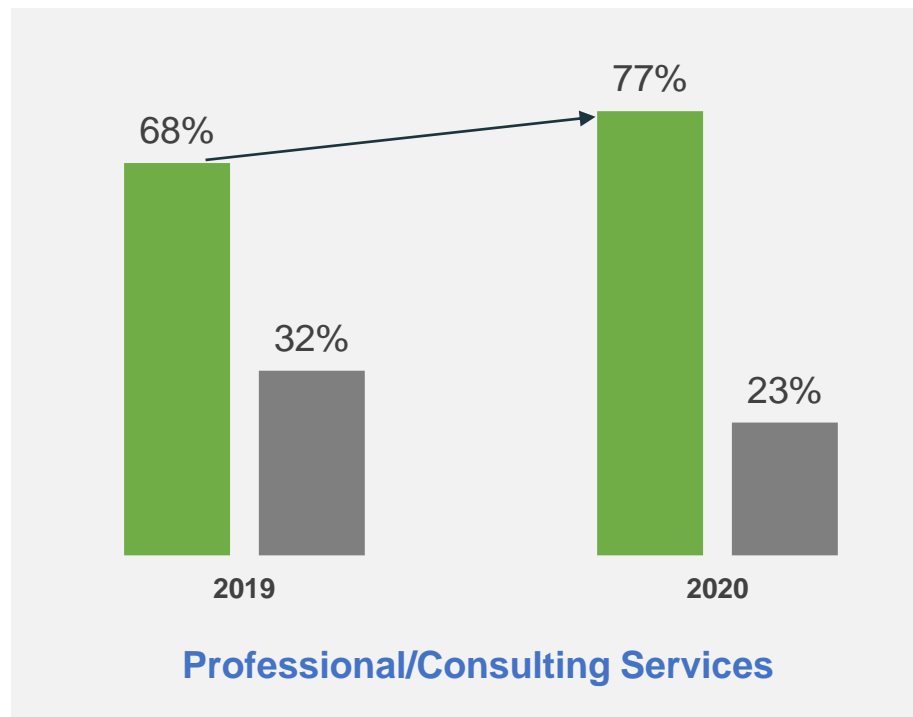
Resource Management Tops Lists for Automation Tools

2020 RMI Survey: If you have a PSA or PPM automation solution (tool), which functions are you using it for? (check all that apply)?

Professional/Consulting Services

Function	%
Sales and Opportunity Management	39%
Project Management	59%
Resource Management	77%
Time Management	70%
Expense Management	39%
Knowledge Management	11%
Financial Management	49%
Reporting and Dashboard	61%
We do not have an automation tool	19%

Enterprise/IT

Function	%
Sales and Opportunity Management	23%
Project Management	77%
Resource Management	77%
Time Management	55%
Expense Management	14%
Knowledge Management	14%
Financial Management	36%
Reporting and Dashboard	73%
We do not have an automation tool	9%

Demand for Resource Management Thought Leadership

RMI Member Companies

1000 +

673

497

301

158

38

2016   2017   2018   2019   2020   2021

RMI Founded   Goal

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03 Implement a ***documented RM process*** with supporting training

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05 Build and operate a ***Resource Management Office (RMO)*** to manage RM for your enterprise

06 ***Invest in your Resource Managers*** – training and career paths

07 Let your process requirements drive a ***use-case driven selection process for automation tools***. Process design should precede PSA/PPM tool selection

08 Leading delivery organizations have a **three part (business planning, forecasting, staffing) approach to forecasting and capacity planning** to meet the dynamic needs of the business

09 ***A properly designed skills database and process*** will include defining skills by role, implementing regular updates by employees, and conducting proper validation of employee data by management or SMEs
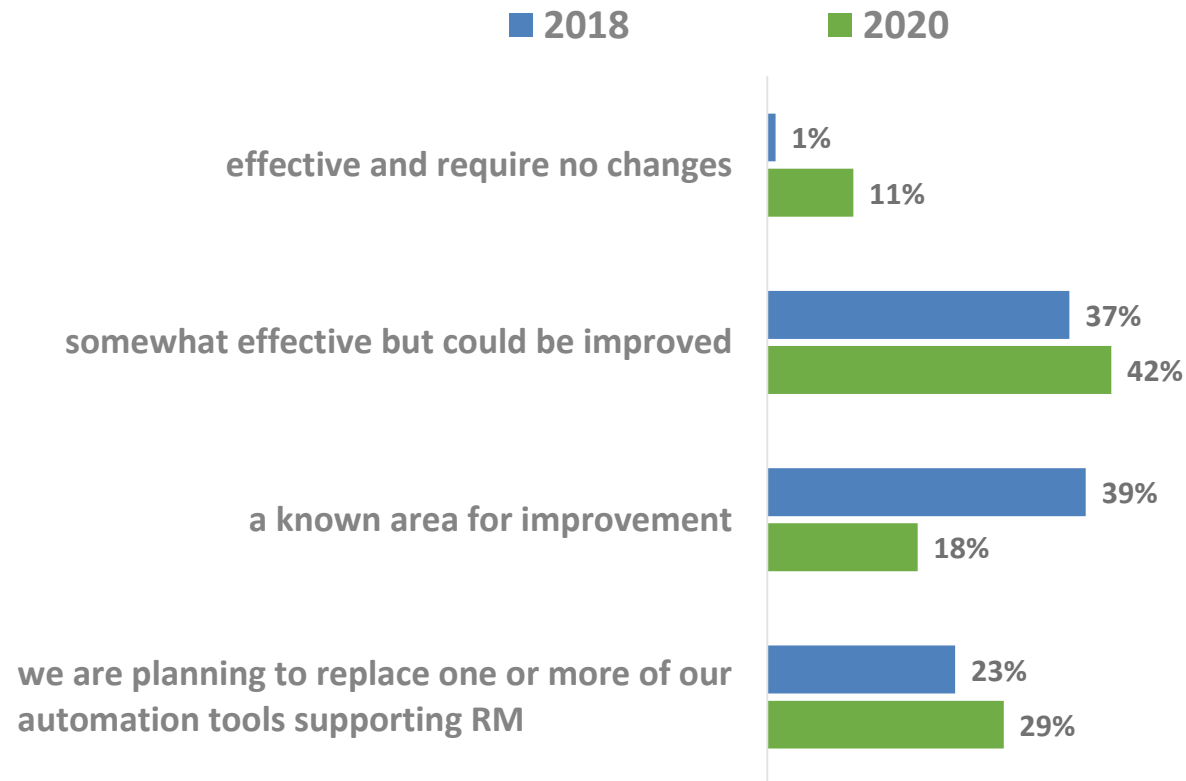
10 Processes should be developed to ***better balance priorities for project allocations*** between the need for business efficiency (utilization) ***with organizational objectives for employee engagement and retention***

Observation #2

Automation tools are essential and the industry landscape for tools and how they are being used is changing rapidly

RM Automation Tools

■ 2018 **■ 2020**

effective and require no changes
- 2018: 1%
- 2020: 11%

somewhat effective but could be improved
- 2018: 37%
- 2020: 42%

a known area for improvement
- 2018: 39%
- 2020: 18%

we are planning to replace one or more of our automation tools supporting RM
- 2018: 23%
- 2020: 29%

KEY TRENDS:

- In general user satisfaction with automation tools is improving
- From other RMI research use of spreadsheets remains an issue but is also improving
- Accelerating trend to replace old PSA/PPM solutions with newer generation tools

RMI Research

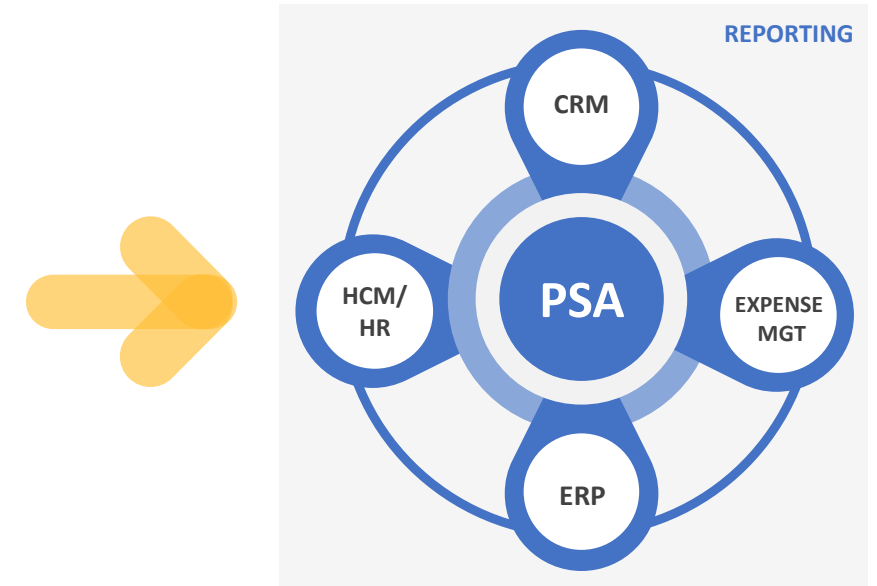# Digital Transformation Accelerating (PSA Example)
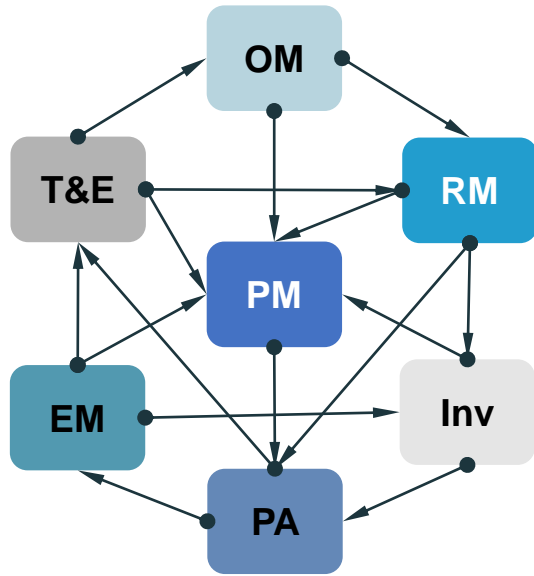
BESPOKE
- PS functions disparate
- Information Silos
- Users interacting with multiple systems
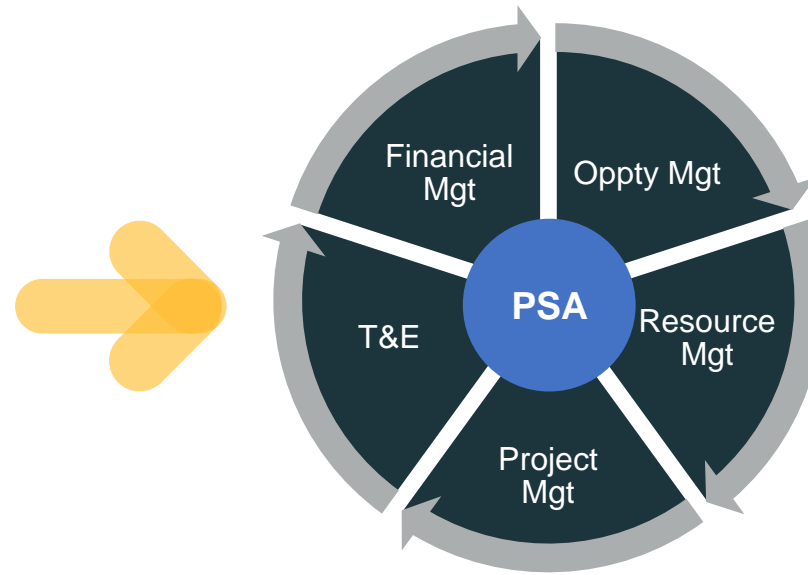
AUTOMATED
- Primary PS functions automated within single system
- Single source of truth for core transactional data

INTEGRATED
- PSA integrated with other systems in the PS ecosystem
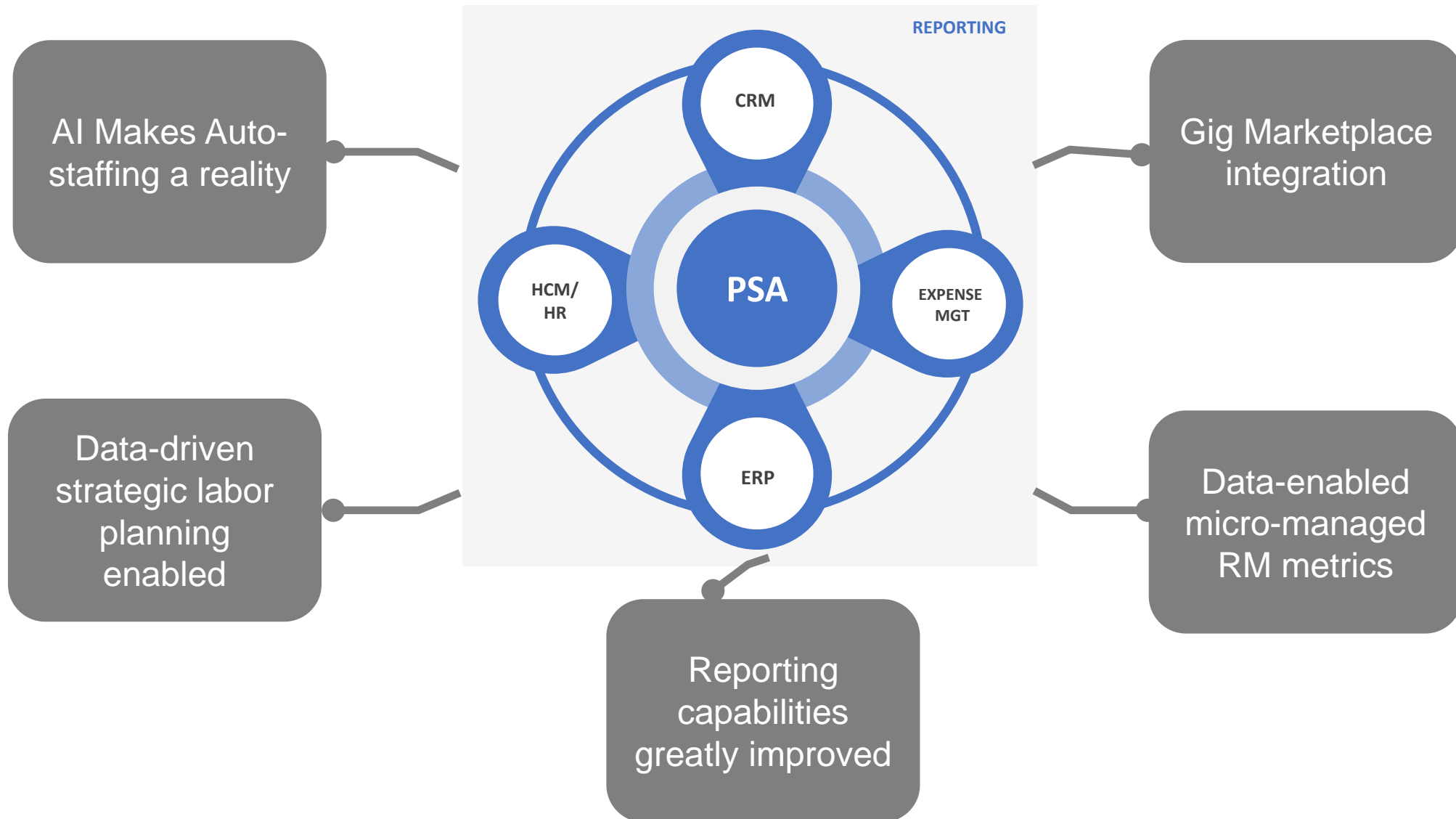- More optimized end to end processes

RMI & RTMC Research

- ~25% companies in RMI survey <u>not</u> using PSA/PPM automation tools for RM

- For those that are, ~ 1/3 are not happy and 70% are still using spreadsheets

- ~57% of PSA users and 25% of PPM users lack integration between the PSA/PPM systems and other core front-end/back-end systems

The Future Landscape

AI Makes Auto-staffing a reality

Data-driven strategic labor planning enabled

REPORTING

CRM

HCM/HR

PSA

EXPENSE MGT

ERP

Gig Marketplace integration

Data-enabled micro-managed RM metrics

Reporting capabilities greatly improved

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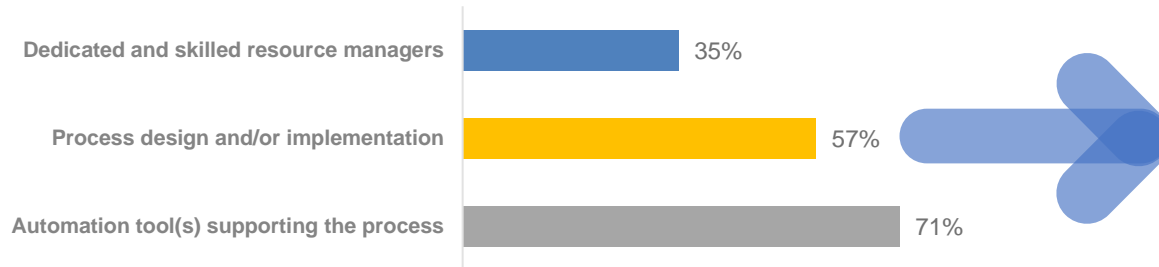
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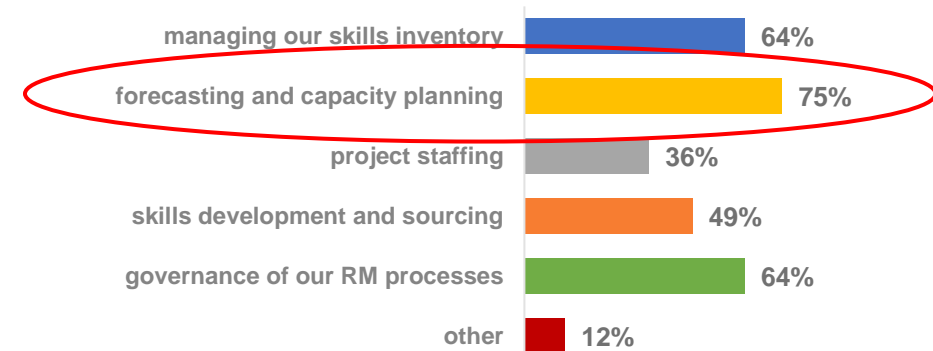
Observation #3

Forecasting is critical yet companies still struggle with how
to get reasonably accurate demand forecasts over
a sufficient time horizon.

Forecasting Remains a Challenge

The largest inhibitors we have to effective resource management are due to (check all that apply):

Dedicated and skilled resource managers	35%
Process design and/or implementation	57%
Automation tool(s) supporting the process	71%

For future process improvements we need/plan to develop better processes for (check all that apply):

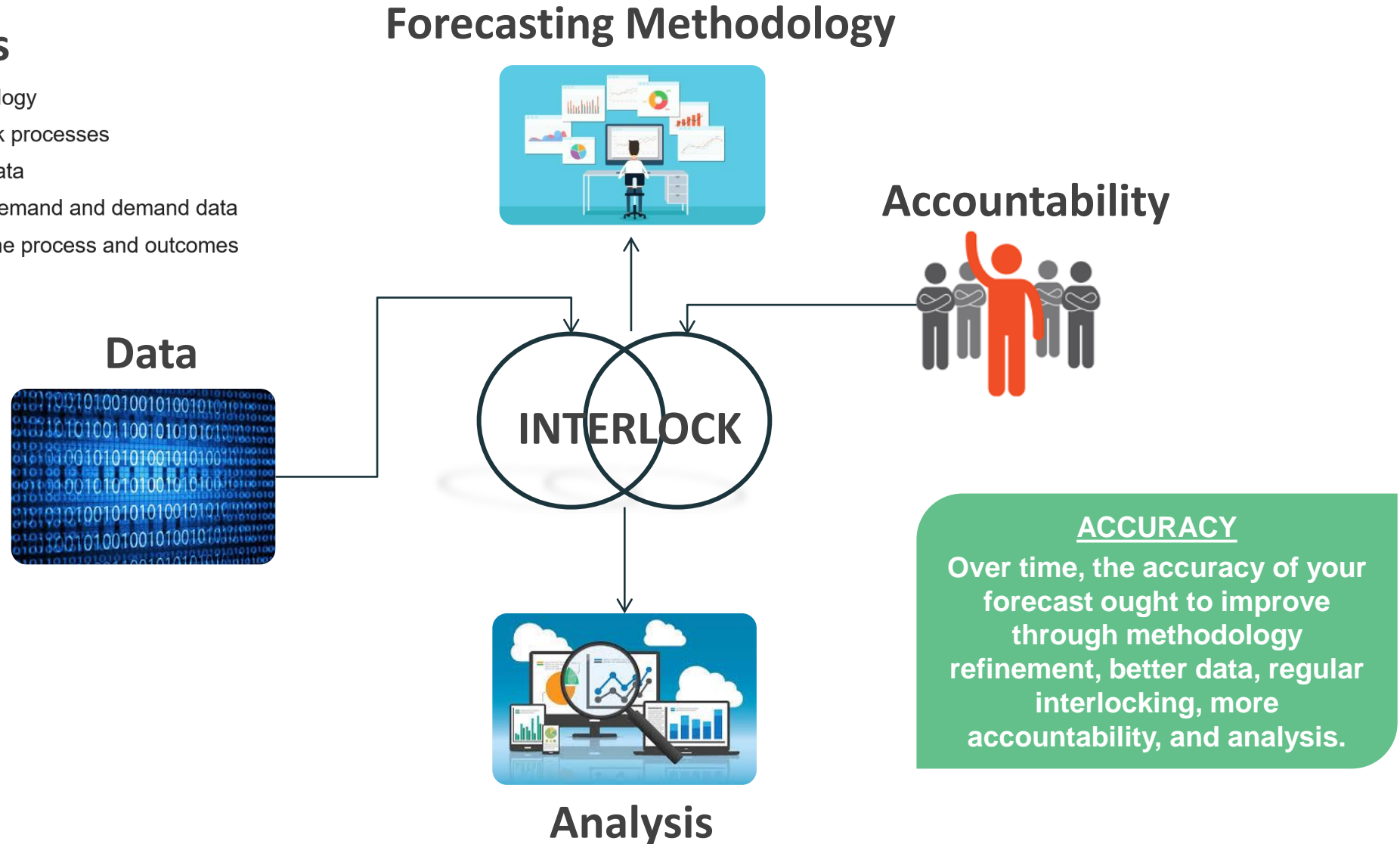|	
managing our skills inventory	64%
forecasting and capacity planning	75%
project staffing	36%
skills development and sourcing	49%
governance of our RM processes	64%
other	12%

How satisfied are you with your Resource Management automation solution (tool) regarding capabilities for forecasting and capacity planning?

To a great extent	24%
To some extent	36%
Neutral	19%
The tool is not sufficient	21%

What Good Forecasting Looks Like *(Excerpt from Advanced RM course)*

Forecasting Methodology

Inhibitors

1. Lacking a formal methodology
2. No (or ineffective) interlock processes
3. Too much latency of the data
4. Incomplete or unreliable demand and demand data
5. Lack of accountability to the process and outcomes

Accountability

Data

INTERLOCK

ACCURACY
Over time, the accuracy of your forecast ought to improve through methodology refinement, better data, regular interlocking, more accountability, and analysis.

Analysis

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Observation #4

Sourcing strategies and supporting technology are evolving quickly as the labor market reacts to the gig economy.

Impact of the Gig Economy on Labor Force Dynamics

44%

of gig workers say that their work in the gig economy is their **primary source** of income.
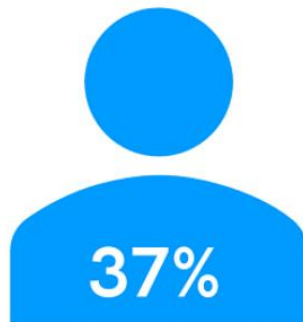
Source: Edison Research

1 in 6 workers in traditional jobs

wants to become a primary independent earner.

Source: McKinsey

37%

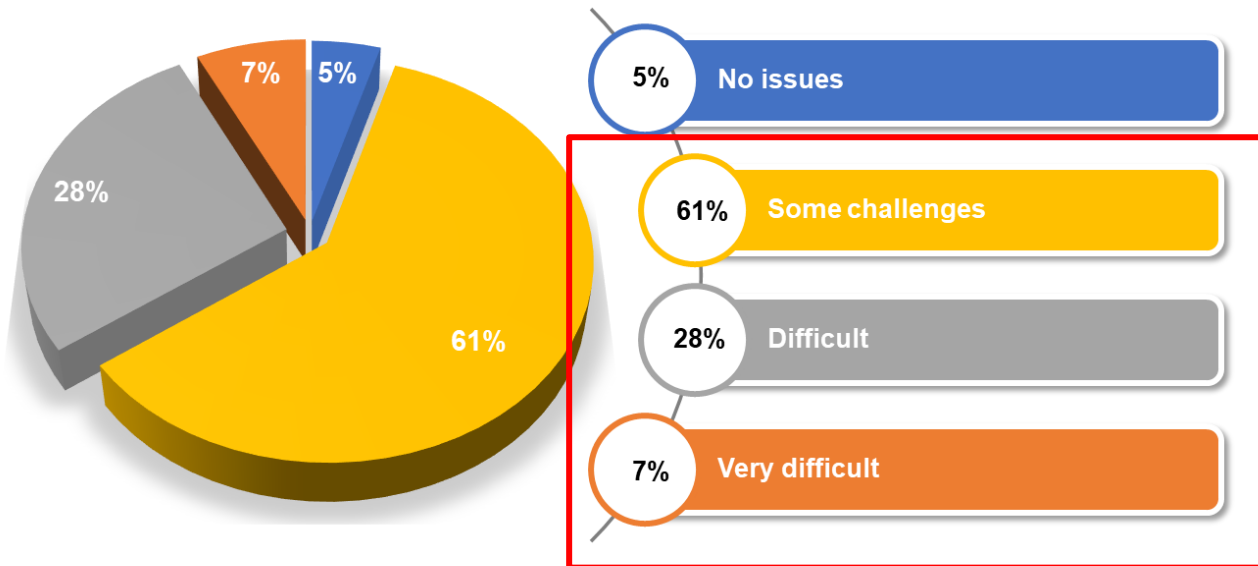of full-time independents are aged **21-38**.

Source: MBO Partners

Between **25** and **40%** of those who earn independently by leasing assets use digital platforms.
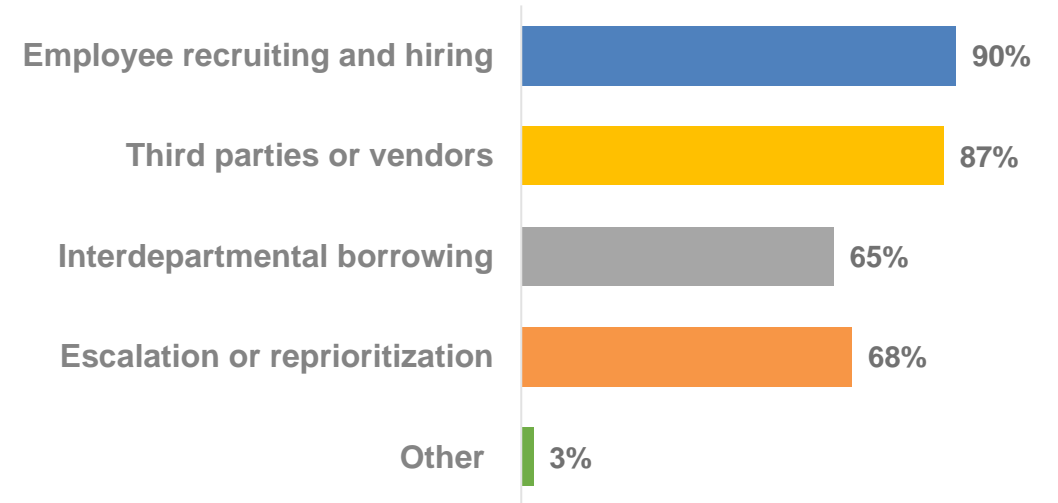
Source: McKinsey

Finding Talent is Challenging for Most Companies

What is the current status of finding available talent?

- **5%** No issues
- **61%** Some challenges
- **28%** Difficult
- **7%** Very difficult

What are the elements of your sourcing strategy?

|	
Employee recruiting and hiring	90%
Third parties or vendors	87%
Interdepartmental borrowing	65%
Escalation or reprioritization	68%
Other	3%

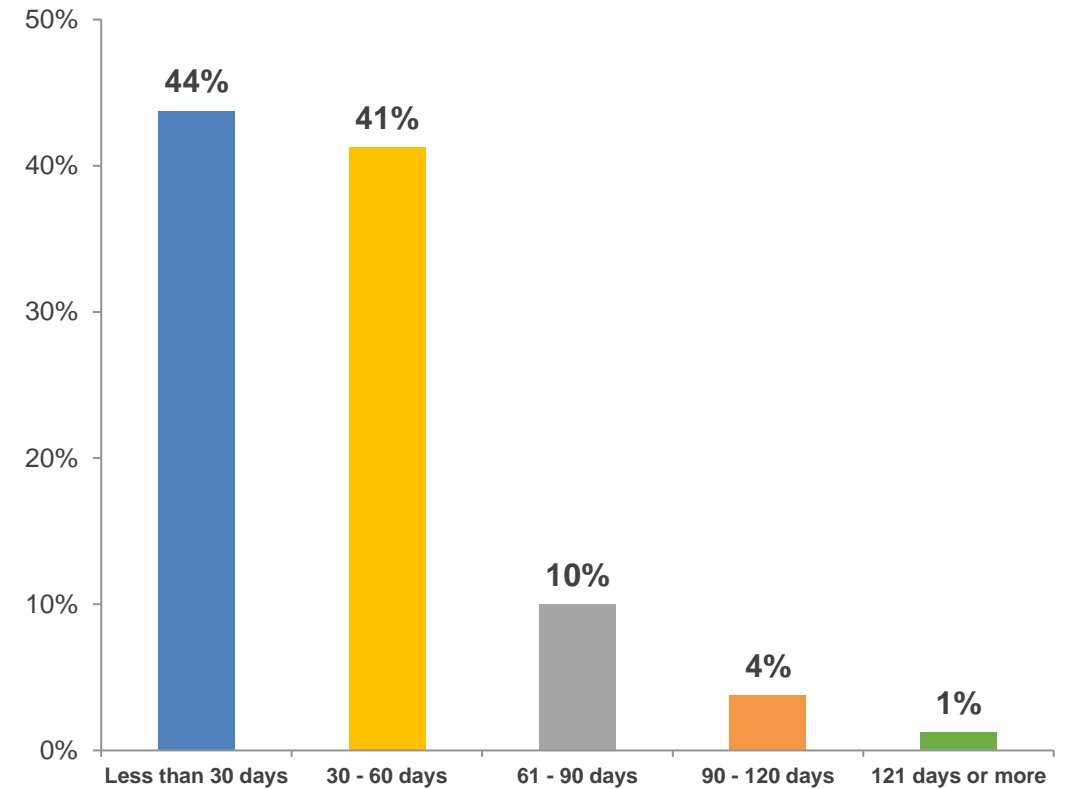**Companies Adopting 'All-in Methods' to Address Talent Needs**

Source:
RMI Sourcing Strategy survey 4Q/2019

Finding Good Talent Takes Time

The average time it takes to recruit and on-board an **employee** from start to first productive day is:
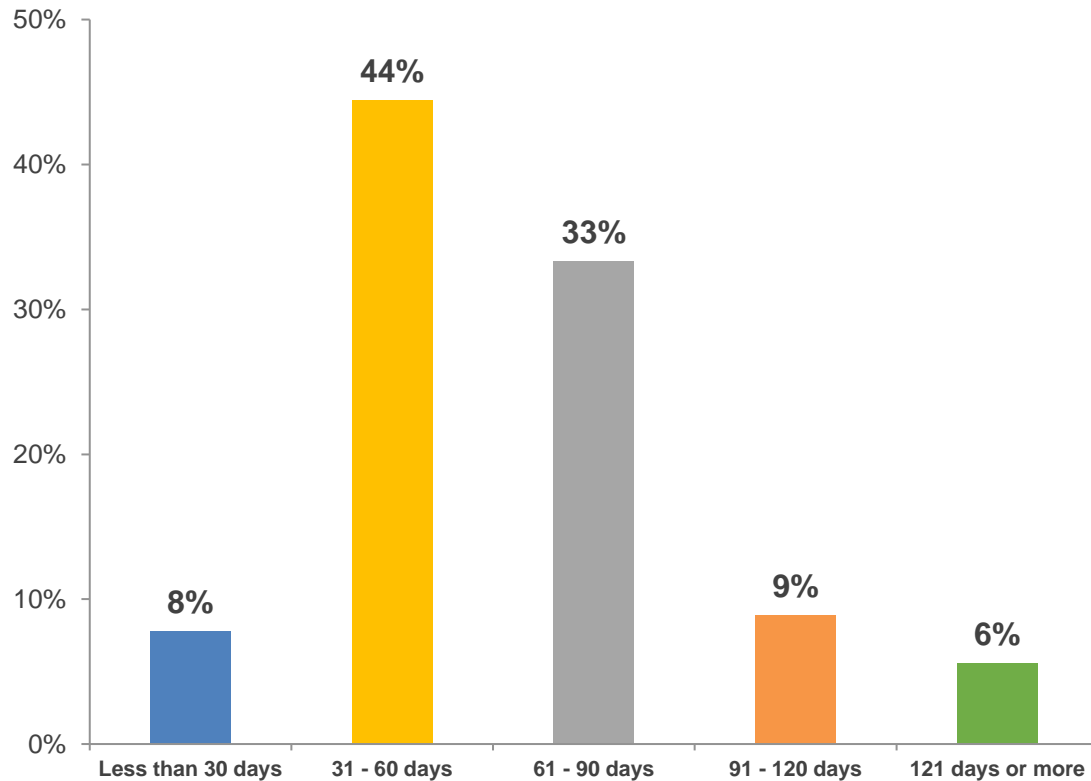
The average time it takes to recruit and on-board a **third party resource** from start to first productive day is:

Employee chart data:
- Less than 30 days: 8%
- 31 - 60 days: 44%
- 61 - 90 days: 33%
- 91 - 120 days: 9%
- 121 days or more: 6%

Third party resource chart data:
- Less than 30 days: 44%
- 30 - 60 days: 41%
- 61 - 90 days: 10%
- 90 - 120 days: 4%
- 121 days or more: 1%

Source:
RMI Sourcing Strategy survey 4Q/2019

Automation Tools Should Be Your Friend

My PSA/PPM/RPM tool helps us with effectively identifying surplus or gaps in our capacity plans in time for us to effectively rebalance our resources?
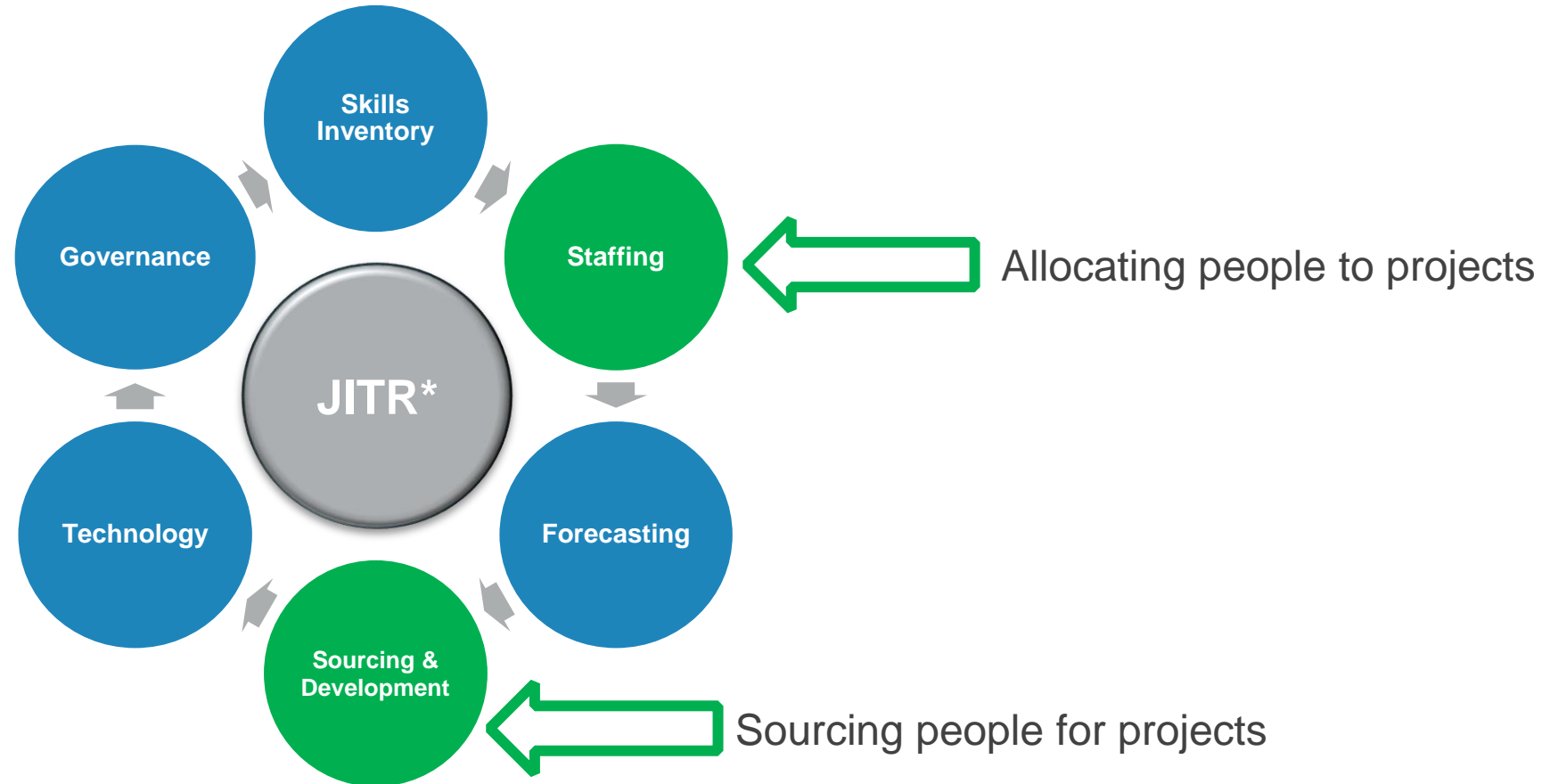

- **45%** Yes
- **55%** No
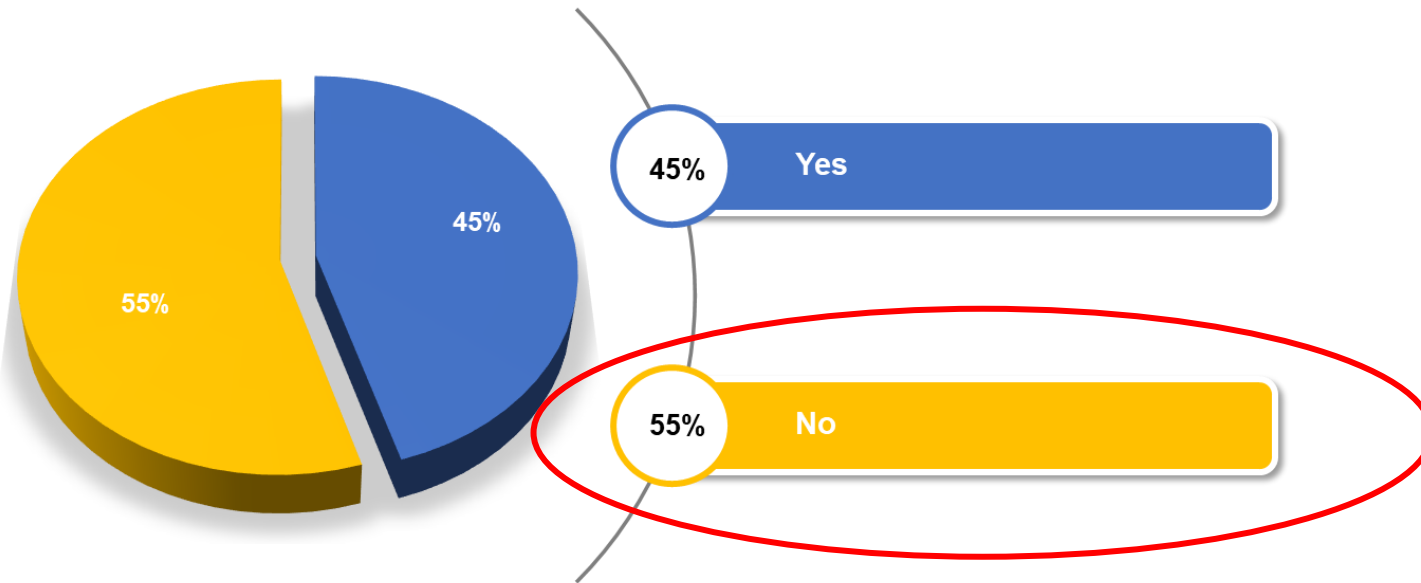
KEY FUNCTIONALITY:

- What if projections
- Ability to handle talent categories e.g. employees vs. third parties
- Minimal spreadsheet dependency or none
- Data analysis, reporting and dashboarding

Source:
RMI Sourcing Strategy survey 4Q/2019

Gig Marketplace Tech Can Play an Important Role in the JITR Ecosystem

*Just-in-Time Resourcing®

- Skills Inventory
- Staffing
- Governance
- JITR*
- Technology
- Forecasting
- Sourcing & Development

Allocating people to projects

Sourcing people for projects

Right Person, Right Place, Right Time!

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Observation #5

The winners of the resource management battle will be those who conquer how to collect, store, validate, analyze and put RM data to work.

Five RM Future Megatrends – from RMGS18

01 — ***RMOs will become the norm*** in most human capital centric service operations, and on an equal footing with PMOs

02 — ***The rise of the 'uber' workforce*** will make RM capabilities table stakes

03 — ***Fluid strategic sourcing*** will provide cost and flexibility differentiation

04 — ***RMOs*** will be ***essential to 'employee engagement'*** strategies

05 — ***Comprehensive data*** analytics assisted by ***artificial intelligence*** will be the next big thing for PSA/PPM/RPM vendors

Data Quality and Integrity

Where is the Data coming from and who is managing it?

- Business units
- Sales
- Strategic Planning
- RMs/PMs
- Delivery Managers
- Operations

Garbage in, garbage out

How, and where, is the Data organized?

One Application
(PSA/PPM/RM)

Multiple Applications

It may not be all in one place

How easy is it to obtain?

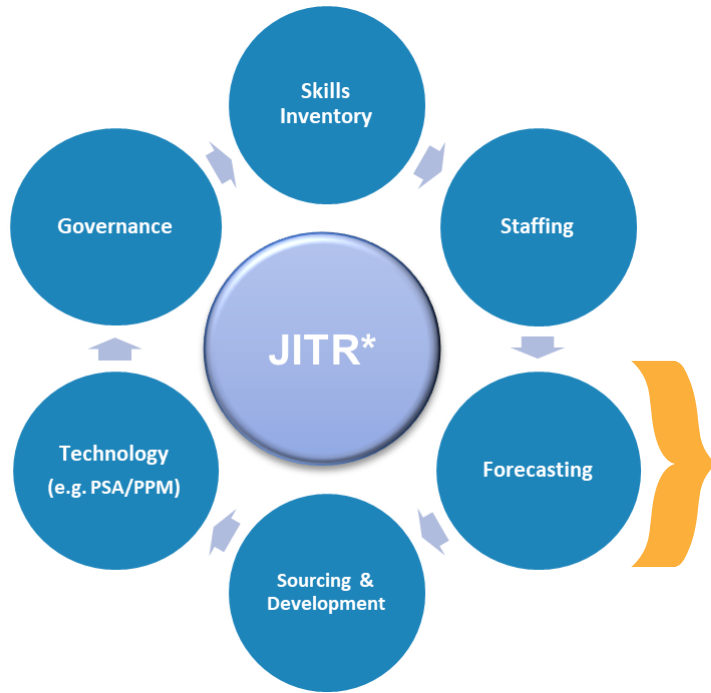Reports from source application

Dump to the desktop

Business Intelligence (BI) application

Evolve from spreadsheets

Data is the Foundation for Strategic Labor Planning

Armed with <u>timely accurate data</u>, plan to source labor that is more cost effective by:

- Creating a 'best view' of the future
- Identifying your gaps when comparing supply vs. demand
- Analyzing past use of labor vs. future view – were we optimized?
- Creating a reoptimized view of how/where you plan to source for your given time horizon
- Aggregating resource needs to drive better deals when sourcing from a vendor
- Encouraging competition for my work (any third party)

Effective forecasting will be critical

HR things happen in cycles of months, not days or weeks

Strategic Labor Planning (SLP) Concepts *(Excerpt from Advanced RM course)*

BUILDING SLP CAPABILITIES:

- It's all about DATA!
  - Capture, correlation, analysis
- Putting data to work
  - PSA/PPM/BI/AI
- Analyst capability in the RMO
- Incorporating the gig worker into your sourcing model
- Invest strategically for the long term
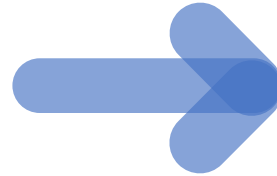
OPTIMIZE THE KEY COST DRIVERS:

- Skills type
- Experience level
- Proper project capacity
- Location (city, country, geo)
- Travel required
- Contractor or other third party?

{ 4 } RMI Tools You Can Use

RMI Tools You Can Use

Go to www.resourcemanagementinstitute.com for:

- Research and whitepapers
- Power UP webcasts
- RM Maturity Model
- Self-assessment guides
- Utilization calculator
- Collaboration tools / Forum
- Other events/webcasts
- RMCP® grads have an even broader toolkit

All Free for RMI Members!

Strategic Readiness Advisory Service

Description: Good Resource Management leads to many strategic benefits for the IT solution provider including more profitable revenue, better project outcomes, happier clients(internal or external) and better retention of the right employees. The RM Strategic Readiness Advisory Service is your fast path to determining if you are strategically positioned to realize these important benefits. This advisory service will help your company understand if you are **organized correctly, invested properly, and producing business outcomes** reflective of a business properly leveraging the power of effective Resource Management.

How does this service work? This advisory service is comprised of three steps:

1. Background information collection
2. RMI led virtual Workshop
3. Deliverable and readout

Pricing: A flat fee based on enterprise size:

- small: $7,500 (up to 100 delivery resources, 1-geo or region*)
- medium: $10,000 (101-500 delivery resources, 1-geo or region*)
- large: $15,000 (501-1000 delivery resources, 1-geo or region*)
- very large: (call for pricing)
- Fees paid in advance via major CC (Paypal) or ACH

* each additional geo or region add $2500

For more information go to
https://resourcemanagementinstitute.com/advisory-services/

Wrap Up

Perspectives on Those Four Big Problems

Project Performance

35 - 40% failure rates
Time, Cost, Quality

Utilization

Too low, Unpredictable

Customer Satisfaction

Internal and external customers

Employee Satisfaction and Retention

Need for better employee engagement

Why?

Lack of RM specific process discipline

Lack of RM process education

Insufficient automation

Project allocation methods linked solely to efficiency

Turnover of RM skilled resources

Resource Management Certified Professional (RMCP)®

First-of-its-kind certified professional skills development program for:

Resource Managers

Learn Best Practices

Gain Access to RMCP® Resource Center

Collaborate with Industry Peers

Plus a copy of a robust commercial-grade resource management process

RMCP® Overview

- ➢ Prerequisite study
- ➢ 3-day classroom, 6-week online instructor led sessions (2 hrs. each), and on-demand format
- ➢ Interactive lectures, case study workshops
- ➢ Certification exam
- ➢ Re-certification process

- ➢ Pricing*:
  - • $1,995/person in-class
  - • $1,895/person online
  - • $1,795/person on-demand
- ➢ Student pays travel expenses
- ➢ Materials and testing fee included
- ➢ Earn PDUs for your PMI Certifications**
  - • 16.25 PDUs for in class version
  - • 13.25 PDUs for online version
  - • 8.50 PDUs for on-demand version

*Price subject to change.
**The PMI R.E.P. program was retired on 12/30/20, so PDU claims may now be subject to audit.
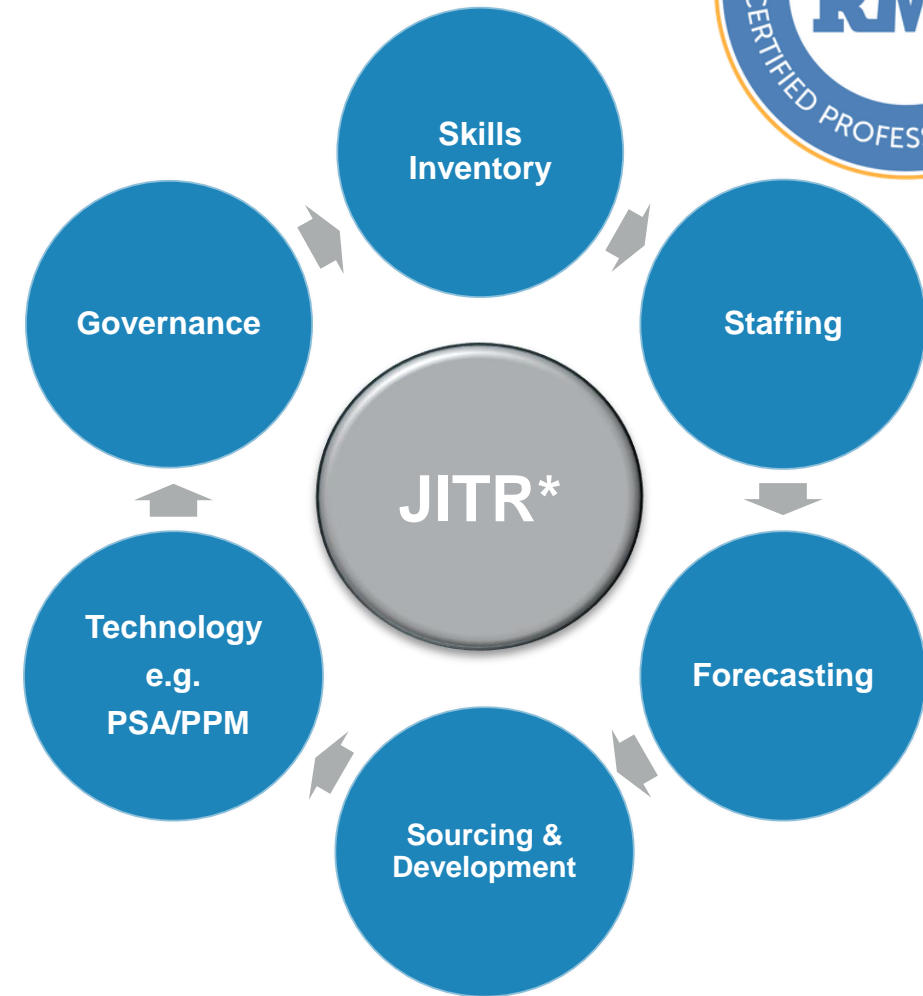
Just-in-Time Resourcing® (JITR)

Upcoming RMCP® Programs

New!

In-Person RMCP
(Cincinnati, OH)

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