



A Primer for Global Resource Management

Introduction

GRM is the process of getting the right person in the right place at the right time to effectively and efficiently fulfill a service need.

Growing competition fueled by globalization of the economy is putting unprecedented pressure on service providers to rapidly innovate in many aspects of service delivery. Effectively and efficiently sourcing and managing resources globally is the new high-water mark for the industry. The inherent complexity of managing large and diverse populations of employees across multiple geographies and time zones becomes a serious challenge even for the most experienced managers. ***Getting the right person in the right place at the right time*** will be challenging for solutions providers for the foreseeable future.

There are four key objectives for Global Resource Management (GRM):

1. Effectively and efficiently leverage services capabilities across global boundaries.
2. Optimizing the utilization of onboard resources while leveraging specialized resources across multiple projects.
3. Delivering high quality at the lowest possible cost.
4. Supporting the enterprise solutions strategy.

Marketplace dynamics are forcing change for service providers including:

- Pressure to reduce blended rates and costs on projects.
- Scarcity of specialized expertise.
- Requirement to scale delivery resources quickly to meet aggressive growth targets.
- Increasing quality expectations.

GRM Challenges and Benefits

Some of the many complex challenges of managing services resources globally to remain highly competitive include:

- Speed of deal pursuit and staffing
- Flexibility/adaptability to rapidly changing project definition and scope
- Cost management while labor costs continue to rise
- Talent management for large geographically dispersed employee populations
- Time and distance issues
- Service quality
- Geographic reach

- Robust support of the enterprise solutions strategy
- Providing for specialized skills or regional needs

Doing all the above well can provide powerful differentiation and produce the following benefits:

- Make your company fast, flexible and adaptable to marketplace needs.
- Help you control and reduce labor costs, while creating a capability that will allow you to raise prices while reducing your hourly labor cost.
- Achieve better reach from existing skill sets, giving your company the ability to project your capabilities further and enable the ability to serve the global market.
- Enable a more diverse view of your company by creating natural pools of diverse workers for any given project.
- Deliver better quality by enabling more consistent and process-oriented approaches to resource deployment.
- Grow revenue and drive solution selling, driving more pull-through of the entire portfolio of capabilities available from your company.
- Grow overall profitability by enabling efficient and effective use of resources.

Implementing Effective GRM

Too many companies want to separate the issues of managing utilization from the management choices of the organization, operations, talent management, etc. Services organizations that are effective at GRM treat the matter holistically.

Critical Success Factors

Four critical success factors for effective GRM are:

1. Building Necessary Infrastructure: Effective GRM is highly dependent on building a foundation of necessary infrastructure/processes required to manage skills inventories, skills usage, skills building, resource allocation, project and change management, and measurement input for financial, quality, and operational management purposes.
2. Effective Resource Pool Management: Effective management and execution of the aforementioned processes requires discipline and organizational commitment to the investment and execution that is necessary to implement GRM processes.
3. Definition of Core Solution Offerings: To facilitate more 'product like' attributes of labor requires driving more packaged service definition and sales.
4. Measuring and Monitoring: Development of supporting measures that are necessary to monitor effective execution such as utilization, quality, project effectiveness, costs, revenue and profits.

Infrastructure Elements

Effective forecasting

The forecasting process, irrespective of a companies' organizational construct, must facilitate a precise estimate of need, by role and skill, by month, to span the necessary hiring horizon. Effective interlock of the forecast and resource plan with sales/business team is imperative.

Responsive recruiting

Traditional methods of recruiting people include the use of recruiting firms, job fairs, etc. Today's environment requires less expensive and more responsive approaches to recruiting. A proven technique is the adoption of "warm pool" recruiting, driven by a continuous recruiting process vs. the traditional start/stop method many organizations continue to use today. The warm pool approach uses methods to identify and create a "pool" of candidates that are kept "warm" and later recruited into permanent roles in a "just-in-time" hiring system designed to meet forecasted demand.

Building a bench

A somewhat controversial but important subject related to recruiting is investment in a bench of resources. A bench is a critical element of driving a GRM system that enables the "right time" element of GRM. Too often, companies default to hiring only when a contract is in hand. The reality is that the lost opportunity cost of losing a deal because you could not serve it quickly enough, or the failure to find a needed resource in time to serve a committed project, can more than offset the cost of funding a bench.

Talent management and retention:

There are many aspects of talent management and retention. Critical factors are:

- Training Programs – For rapid and cost-effective skills building.
- Career management – Your organization should provide appropriate career planning with progression steps demonstrating a clear career ladder or lattice.
- Job rotation programs – PS employees commonly like to learn new things and take on new challenges.
- Competitive compensation – There are lots of materials available on this subject from third party sources.
- Choices for sourcing labor – For work that is typically more static, such as assignments that do not require travel, the use of offshore/near shore resources has become more and more viable.

Services automation tools:

Surprisingly, some organizations continue to manage their resource pool either without the help of a PSA/PPM/RPM tool, or with simple tools generally not up to the task of today's business needs. Considering the impact of just a few points of utilization of a typical labor pool, justification of investment to automate this important task is usually easy.

Peak-load workforce strategy and planning:

The peaks and valleys of resource demand can make the process of maintaining a consistent level of full-time resources difficult. Hiring and firing people with every change in your resource demand profile is not workable, particularly from an employee morale standpoint. Therefore, establishing a temporary pool of resources will go a long way toward helping smooth the peak-load demands of your business.

The Resource Management Office (RMO):

For medium to large enterprises, centralized development and management of the processes necessary to effectively manage the resource pool is a necessary and beneficial investment. Particularly where the resource pool is shared across organizational boundaries, the RMO can play a neutral role and help break down the silos that sometimes exist in the enterprise.

Resource Pool Management

Key issues necessary for effective management of the resource pool are:

- Managing resources centrally while providing the needed level of specialization in each region globally requires a different approach to resource management. A recommended approach is to create Centers of Excellence in certain skills or service offerings where depth of resource and thought leadership is needed. The centers should be dispersed and shared across your geographic regions.
- Finding the best balance of cost and skills – Every customer wants the “A” team on their project. The art of staffing a project is to find the right balance of cost, skills and project management. Sometimes resource availability will dictate the use of labor from higher cost pools than desired, or vice versa. Re-balancing the base of skills is a constant exercise requiring continuous discipline and process improvement.
- Organizational considerations – establishing the “resource pool” – breaking down the silos – this is probably the toughest issue most organizations will tackle. Organizations need to adopt shared resource pools for services, much in the same way companies have done for other more commonly shared services such as finance, human resources, and legal support.

Definition of Core Solution Offerings

Key points are a) packaged services improve the predictability of resource skill needs since a forecast exists/should exist for these services, b) improves the accuracy of resource forecasts since the base skills needs for a particular packaged service is known in advance.

Measuring and Monitoring

Inspect what we expect. Key measures:

- Utilization
- Overtime
- Cost/time to hire/train
- Cost per full time employee
- Training time

Active management of services data is facilitated by use of a management dashboard, readily available in some form for review and appropriate action.

Summary

GRM is all about getting **the right person in the right place at the right time**. Paying attention to these proven critical success factors will improve your odds of success. Good luck with your global resource management initiatives!

About the Resource Management Institute (RMI)

The Resource Management Institute is dedicated to the advancement of resource and workforce management thought leadership, best practices and standards, globally recognized credentials that certify resource management expertise, and tools and resources necessary for effective and efficient management of human capital-intensive businesses. The Resource Management Institute was created to provide the resource and workforce management community a vehicle to advance the discipline of resource and workforce management, and further the interests of the people who make up this community and the companies they work for. Visit us at www.resourcemanagementinstitute.com and on [LinkedIn](#).

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