



# Self-Assessment Guide for Resource Management (for Enterprise/Internal IT Departments)

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## **Introduction**

Growing competition and marketplace change continue to put unprecedented pressure on IT departments to rapidly adapt and innovate in every facet of information technology capability and the project-based work those environments require. Most internal IT departments today are struggling with project performance failures exceeding 35%, and under-utilization problems resulting in unnecessary labor cost. Customer satisfaction is also negatively impacted as a result of project and resource management failures. Customer support systems which fail to meet the expectations of internal and external IT/application users can contribute to low customer satisfaction. Interestingly, other research validates that deficiencies in resource management are a leading driver of project failures! Therefore, effectively and efficiently sourcing and managing supply and demand of human resources for IT will be the new high water mark for the industry.

Do you have issues with quality or project failures? How is your company doing managing utilization of available resources? Are you struggling to maintain reasonable levels of user/customer satisfaction? If your answer to any of these is yes, then read on.

This guide is intended as a self-assessment tool for companies that want to better understand how their execution of resource management processes are contributing to or inhibiting project performance and overall IT affordability. While I will address the clear relevancy of resource management performance (and indirectly related cost performance) in this guide, I will also provide context and assessment ideas for other operational implications of resource management.

With nearly 40 years in the IT services business, an important observation I have is that most IT services operations have (wisely) invested in operational processes for quality and project management (PM), but not always for resource management. There are many reasons for this, but I can sum it all up and say that the science of resource management and therefore acceptance and implementation of real resource management has lagged PM and quality processes. These same organizations go through the usual ups and downs of process execution, making necessary adjustments as prescribed by their chosen quality or project management process. Resource management again is either overlooked or receives inconsistent attention, all while the underlying causes of failure in quality or project performance are often directly related to a simple failure of not having *the right person with the right skills in the right place at the right time*.

Therefore my message is simple. Establishment of a well-disciplined resource management process is at least as important to an IT services operation as any quality

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or project management process. The matrix below helps illustrate some key observations (examples):

Operational Processes	Symptom	Resource Related Cause
Quality	<ul style="list-style-type: none"> <li>• Late stage system design problem</li> <li>• Rushed final stage e.g. test or user preparation</li> <li>• Large amounts of break-fix/incidents</li> </ul>	<ul style="list-style-type: none"> <li>• Wrong or no expert in design phase</li> <li>• Late start due to initial staffing shortages</li> <li>• Wrong mix of skills</li> </ul>
Project management	<ul style="list-style-type: none"> <li>• Budget overruns</li> <li>• Project delays</li> </ul>	<ul style="list-style-type: none"> <li>• Staffing imbalances</li> <li>• Wrong mix of skills</li> </ul>

These are only simple examples but are hopefully exemplary of the types of issues we all deal with at some point. From experience, I have seen that those companies with a well-oiled resource management process see far fewer of these types of symptoms than those who have quality and PM processes without an underlying/supporting approach to resource management.

### ***Assessing Your Resource Management Readiness***

There are many aspects to developing an effective resource management 'ecosystem'. This guide will deal with six (6) key performance checks you can apply to your operation, and six (6) resource management related performance drivers. The performance checks will provide a quick analysis of how you are doing overall, with the performance drivers helping to understand what is driving the level of performance you may be experiencing. An aggregate score of:

- 100 or better indicates you are in good shape and should focus on incremental improvements
- 51 - 99 indicates you have work to do
- 50 or lower indicates you have serious issues with resource management, and thus will derive great benefit from implementing a resource management process

### ***Resource Management Performance Checks***

*Scoring Directions:* Score each performance check as follows: a 1 (poor) to 5 (excellent) with the exception of the third question as it has an embedded scoring table. Aggregate your scores from this section and the next, and refer to the scoring summary above for your final assessment.

- 1) **Project performance:** As suggested earlier, what comes first - project management or resource management? Being on-time and under budget with a project means starting on-time with the right people with the right skills in the right place at the right time. Industry research shows that roughly one third of all projects are delivered late, over budget, or missing on one or more quality measures. Research shows that a significant contributor to these project failures is the inability of organizations to mobilize the right teams in a timely fashion. When the right people are not there to begin delivery on-time, projects begin to fail no matter how good your PM processes are.

- Do you meet on-time project performance goals?
- Do projects run on or under-budget targets?


- 2) **Quality:** There are many ways to measure quality. Two quality measurements that I find directly impacted by resource management performance are defect levels and the amount of rework necessary to correct issues. Both are often directly attributed to the simple notion of (not) having the right person in the right place at the right time. Continuous improvement in the area of quality typically starts with a review of quality process adherence, before simply looking at the possibility that the personnel assigned were not ready, trained, capable or available when needed due to a failure of, or lack of a resource management process.

- Do you achieve low defect levels?
- Do you have a low amount of rework?


- 3) **Utilization performance:** Low utilization of resources invariably drives costs outside the ranges necessary to make IT operations affordable. Productive time is normally categorized into two buckets: 1) discretionary time is spent specifically on a project(s) and 2) non-discretionary time on operational “keeping the lights on” activities. Non-productive time is normally categorized into two buckets: 1) Administrative time for meetings and education and 2) non-work including vacation, sick leave and other time spent on items not specific to a particular project or IT support. Highly performing IT teams have a well-oiled process for knowing where time is spent from available human capital with buckets measuring productive time vs. the non-productive time buckets. Timely and specific time recording and reporting is a must!

The benchmarks listed below are simple guidelines and based on the aggregation of data from available sources. The percentages are based on a 2080 hour work year. Be aware the that labor standards vary greatly in some cases from country to country based on what constitutes a standard work week, vacation/personal time off standards, etc. so your actual utilization may vary from these guidelines. These guidelines incorporate a global mix of data.

Job Type	Benchmark Range (%)	Comments
Architects	75 - 80	Education time investment important to keep up with latest IT tech and trends
Project Managers	70 - 78	Utilization will vary on organizational construct and nature of projects being managed. Internal team demands for unproductive time may sometimes be higher.
Software developers	82 - 87	On-shore or off, these are typical
Testers	78 - 84	Some non-project/operational specific time may be invested in test capability build out from time to time
Systems or application support/integration	80 - 85	The type of projects/operational needs supported drives a wider variability in productive time
Business and other technical consultants	75 - 80	Typically would get involved in certain aspects of solution/application design – lots of recurrent training

For scoring utilization performance:

- 5 – high end of the range or slightly above (but not well above)
- 4 – middle of the range
- 3 – low end of the range
- 2 – below the range
- 1 – well below the range (3 points or more)

At the high end, too high of a score probably means you are burning people out due to a failure to provide adequate down-time, training or both. For the remainder of the ranges, since small incremental amounts of productivity mean so much to your financial performance, the gradients for scoring are also small.

Utilization performance scoring:

- How does your performance compare to benchmark standards?
- Consistency (pick 1 for poor to 5 for excellent) based on how you do month to month (too many peaks and valleys would be poor)

- 4) **Distribution of utilization:** Too many times what seems like good utilization numbers on the surface, really start to look different when you examine what is happening at the sub-group or individual levels. Almost without exception, when we analyze organizational utilization performance we see department variation, or variation of individuals within an enterprise that tell a different story. We will

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typically find a 20/60/20 type rule applies wherein a small percentage (~20%) of the workforce are working near 100% (or more with overtime) while some part of the population is substantially underutilized (~20%). The ramification of this situation is high attrition of the overworked population due to burnout.

Unfortunately these people were in demand for good reason; usually they are your invaluable experts that you can least afford to lose. Low morale in organizations is common where this 20/60/20 scenario is in effect.

- Are utilization levels consistent across your IT workforce?

5) **Retention:** Let's face it most people want to be part of a well-run organization where things (that we can plan for) occur in a predictable fashion. The 'churn', that occurs when we do not plan for resource deployment in a disciplined way, destroys morale and lowers the confidence of both non-managers and managers in the company and its leadership. While there are certainly many factors that contribute to a successful retention strategy, creating a more predictable and stable work environment can be an important element of that strategy.

- Is your company's retention performance high relative to your peer group?

6) **The (private) project whiteboard:** In this case, I will reveal a trade secret. When I walk into the office of a delivery executive and see a whiteboard with names of people, names of projects, dates, and long curvy lines with arrows connecting the various pieces, I know I have a good chance of selling a resource management consulting engagement. You know the whiteboard I am talking about – it looks like a complex football play your high school coach used to draw. If this sounds like you, then you are in serious need of a resource management process and/or a (better) PPM (Project and Portfolio Management) tool. Senior IT executives, like a good coach – should design the system (resource management process). The team should execute the system – and free up executive time for more strategic activities.

- Do you have low dependence on a project whiteboard?

### **Resource Management Performance Drivers**

*Scoring Directions:* In each of the performance checks described below, score each area as follows: a 1 (poor) to 5 (excellent). Aggregate your scores from this section and the prior one, and refer to the table referenced above for your final assessment.

For purposes of clarity, the graphic on the next page is RTM Consulting's Just-in-Time Resourcing® solution for resource management. Each component depicted help comprise a comprehensive resource management solution.



**Just-in-Time Resourcing® (JITR) is the capability to facilitate getting the *Right person in the Right place at the Right time***

- o Characterizing Supply
  - o Resource Skills Inventory
  - o Process Staffing requests
- o Characterizing Demand
  - o Forecasting future needs
- o Managing Talent
  - o Candidate Sourcing & Development
- o Enabling /Automating RM Processes
  - o Automation Infrastructure e.g. PSA/PPM
- o Ensuring Compliance
  - o Process Governance

Resource management performance drivers to score your company on:

1) **Skills data base** - The existence of a centralized data base identifying what people, skills and experience they have. It's hard to plan for future capacity needs without a clear picture of what you are capable of now. A detailed skills inventory is the best way to start. Having a centralized view of enterprise wide skills and transparent access (e.g. more than just a particular department lead can access the data) to this data is critical to making effective use of what are and should be your most important corporate assets – people.

- Do you have a well-designed (good usability) skills data base?
- Is it easily accessible (organizational transparency) to all potential consumers of the resources?
- Is there a process to keep the data base updated?

2) **Staffing process** - A process to govern in a pre-planned way how people get deployed to projects, preferably a process free from department influences or the 'I want my favorite person' syndrome. Internal fiefdoms are a major inhibitor in too many organizations. All IT personnel should be considered assets of the company, not a particular department.

- Do we have a well-defined staffing process?
- Is the process consistently followed?

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- Is the staffing process centralized with transparent access to potential consumers of resources?

3) **Forecasting process** – A process designed to help you predict in a more precise manner future staffing needs. Normally this requires some form of automation in the form of a good PPM tool with or supplemented by some forecasting tool, and a good interlock (collaborative) process with the company's internal customers/users/IT departments who are driving demand and defining requirements so that you get a full view on a recurring basis of future staffing needs. The forecast can/should be combined with your known project and operational staffing and committed project and operational backlog.

- Do we have a collaborative process for forecasting inputs integrated in some way and does an interlock process exist?
- Do we regularly forecast project and operational resource needs over a sufficient time horizon for proper human resource planning?

4) **Candidate sourcing and development** – A key to any good resource management process is the need to hire the right people at the right moment in time, keeping them trained with the right mix of skills, and preparing for peak-load needs in a planned way.

- Does our recruiting process support our just-in-time resourcing needs?
- Do we have a continuous skills development process in place?
- Do we deal with our peak-load needs using a well-thought out process for integrating contractors or other third party resources?

5) **Project and Portfolio Management (PPM) system** - Too many IT organizations continue to manage their operations with spreadsheets or legacy systems that were poorly designed for the today's highly complex and fast paced markets. Integration of the various data sources such as your skills data base, project status and accounting information and other relevant systems all with real-time support is critical to be competitive. The problem with many legacy systems is the frequent need to enter similar information in multiple applications creating redundancy, duplication of effort, and increasing the potential for errors. Data analytics has also become a valuable addition to PPM tools although the functionality provided between vendors varies widely and innovation in this area has substantial room for improvement.

- Have you deployed a COTS<sup>1</sup> (or robust) PPM system? (vs. spreadsheets)
- Are the various applications to support IT operations integrated?

6) **Governance** – We are what we measure in this business. And after we measure our progress/results, do we have a process to address ongoing issues, conflicts

<sup>1</sup> Commercial Off the Shelf Software

and changing needs of the business in an orderly manner? Gaining senior management agreement to clear accountabilities and a process for governing the various decisions relating to IT operations in the enterprise are important. This governance process will always cross organizational boundaries to likely include finance, HR and delivery management.

- Does the enterprise have a clear set of metrics to measure progress and expected results?
- Does the enterprise have a documented governance process for IT related operations?

### ***Closing comments***

If you scored well on the assessment, congratulations! You are in the clear minority of companies who manage their enterprise IT human capital resources well, likely because of your disciplined focus on a well-defined and documented resource management process.

If you did not score well, the good news is there are processes, automation tools, training and education, and consulting firms that can help you.

At the beginning of this article, I stated that resource management is either overlooked or receives inconsistent attention, while the underlying causes of failure in quality or project performance are often directly related to a simple failure of not having *the right person with the right skills in the right place at the right time*. Establishment of a well-disciplined resource management process is at least as important to an IT services operation as any quality or project management process.

Good luck with becoming the most efficient and effective operation possible. Good resource management is the key!

## 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](http://www.resourcemanagementinstitute.com) and on [LinkedIn](#).

## About RTM Consulting

Specializing in Resource Management, Project/Portfolio and Knowledge Management, and Services Business Optimization, RTM Consulting helps IT hardware, software and support services organizations achieve the benefits associated with successful services portfolios. With its unique Just-in-Time Resourcing® solutions and Business Acceleration Services, RTM Consulting helps large, medium and small firms move beyond theory to practical application of industry best practices and achievement of exceptional results in the shortest possible period of time. For more information please contact RTM Consulting at [info@rtmconsulting.net](mailto:info@rtmconsulting.net) or [www.rtmconsulting.net](http://www.rtmconsulting.net).

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