The Benefits of Resource Management Software
Whitepaper

Projects primarily involve the management of human resources in order to accomplish the target schedule, cost, and quality, so it is safe to assume that poor resource management plays a large role in any project that goes off course. Unfortunately, without effective resource management processes, such organizations are left asking questions like:

- "Who is working on what?"
- "How do I get this project back on schedule?"
- "How much more work will it take to finish?"

The Problem with Projects Today

Resource Management

Project teams are made up of knowledge workers who are categorized by skill types or job functions. For example, a project team might require business analysts, developers, team leads, project managers, architects, or database analysts. Finding the right person to assign to a project or task can be the most challenging problem confronting the organization. Typically, quality staff is scarce and therefore heavily sought by competing projects. Without resource management processes, the organization struggles with allocation of its staff across projects.

Project Management

In addition, project managers are responsible for keeping scope, budget, and schedules on track. How can project managers achieve this when they don't know how many hours it takes to accomplish a task, or how many hours remain in the project? Without an effective system in place, project managers must constantly intrude on team members to get estimates. Likewise, the management team is always asking for status reports and accurate information on projects so that they can make critical decisions. Of course, the project manager is always the last to know when one of his or her critical resources has been magically "re-assigned" to another high profile project!

Executive Decision-Making

From an executive perspective, it is impossible to make effective decisions when one does not know what people are working on or how the projects are doing. Additionally, if strategic projects do not have priority for critical, scarce resources, it will cause stress for the organization as a whole.

Many organizations feel that it is enough to track project progress on a percentage complete basis. Unfortunately, this is not consistent with established methodologies, which nearly always suggest that the only accurate measure of progress is tracking work effort (i.e., time).

The Answer

Integrating Plans with Actuals

Projects are executed in order to bring in a positive return on investment (ROI). The ROI might be lowering risk,

enhancing the organization's strategy, streamlining processes, complying with regulations, or otherwise improving the state of the organization in some way. This potential return must be quantified in financial terms, even if it is only a very rough estimate of the benefit provided. It motivates people to understand why they are working so hard, and a big number is a good motivation.

The other half of ROI is the investment or cost. Project managers and executives cannot know if a project was successful or not unless they understand its cost. In today's globalized knowledge worker world, project costs are mainly derived from the cost of labor. Consequently, tracking time to projects and tasks is an inescapable requirement for measuring project ROI.

If 10% of a project's allocated budget has been spent and only 5% of the work has been completed, there is a problem. Project managers who track employee actuals and find this out early in the project have a fighting chance of recovery. Those who don't will find out much later on that their projects are drastically over budget. This is just one example of how real-time data enables project managers to fix problems before they start.

Insight into Resource Availability

In a 100 person organization, there are always five or ten people who are overbooked. Everyone wants these people to work on their projects. Every time one of them takes a vacation or becomes ill, the organization groans. Conversely, there are other people who are under-utilized.

Even when project managers understand resource availability, it changes. They might run around and get all of the vacation schedules recorded in a big spreadsheet, only to find that a week later it has all been moved. What project managers need is real-time access to team member schedules, tasks and available time. This makes assigning people to tasks much easier. A web-based resource management system can be updated in real-time, is auditable, and allow for global access from various participants.

Real Data for the CXO

It is extremely important to present project data to management in an easily consumable way. Executives just want to know, at a glance, what is broken or about to be broken. They are problem solvers, and they can only succeed if they have up-to-date, accurate information. Such data will also allow executives to prioritize projects based on their value to the organization at large.

The Bottom Line

When companies use a resource management system to allocate people to future projects and then have employees track time to those projects, managers can address problems as soon as they surface and executives can understand cost expenditure. This will put an end to project failure, as well as eliminate the waste of resources on projects that are not profitable to the organization.

About Journyx, Inc.

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