The Smart Approach To IT Resource Management

Operational & Technological Best Practices For Improving Resource Management

> This white paper will look at why effective resource management is crucial for an IT department, and discuss best-practice strategies for creating a comprehensive IT resource management plan.

Alignment between IT and other lines of business has been an age-old problem, but the emergence of new tools that provide visibility and intelligence into the volume and priority of projects being managed by IT is driving real collaboration. From finance to marketing to customer service, stakeholders are now realizing IT plays a vital role in the success of moving to the cloud, managing data and analyzing business trends.

With IT now in greater demand, the challenge for many IT teams is stretching their limited resources to keep the business running, while making time to focus on innovation. According to a 2012 report from Gartner, however, more than 60% of IT spend is focused on day-to-day operations and personnel costs; less than one-third is earmarked for strategic projects that will contribute to the growth and diversification of the company.

In order to make the most of limited resources, progressive companies are starting to focus on resource management within the IT department. By deploying solutions that provide line of business executives with clear visibility to the IT department's work approval, prioritization and resource allocation processes, key decision makers are able to better determine which employees have the bandwidth and skill sets to work on particular projects. As a result, these businesses are able to increase overall efficiency, and immediately provide the necessary human resources for high-priority projects.

The Need For Automated Resource Management

Historically, most IT departments have functioned on a "first-in, first-out" system, in which requests for support and development are responded to based on the order in which they were received. Additionally, when new tasks come in specified as high or critical priority, employees are expected to drop existing projects to focus on the high-priority task, then return to their previous

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> *- Gartner*

7% of IT organizations have no resource management process at all.

assignments. As a result, the other work gets behind schedule, often without any visibility to the overall owner.

According to a recent survey, slightly more than one-third of organizations have general "work visibility" policies in place so they know which employees are working on certain projects, but beyond that, they have no formal assignment and approval process, and 7% have no resource management process at all.

IT departments that lack formal processes face numerous problems:

> *"The status quo has been ad hoc," said George Shaheen, a solution consultant at Innotas. "If you assign an individual four tasks, you assume he or she will be able to complete them in this time, with no idea if it's actually realistic. If emergency projects come up, where will his or her time go and how does it affect those other tasks and projects?"*

This system is inefficient for several reasons:

- *IT departments are overwhelmed:* When there is no filtering system for IT requests, employees are flooded with requests from all departments and quickly become backlogged. With no prioritization mechanism in place, resources are often not focusing on the most important work items.

- *Resource capacity is often over-estimated:* Managers often assume that employees have more available time than they

actually do, because they fail to underestimate admin time, support and maintenance time, scheduled holidays, vacations and other time off.

- *The goals of the business are not being addressed:* When projects are addressed on a first-come, first-served basis, each project's relevance to the business' overall goals are not taken into account. As a result, the IT department may be heavily focused on projects that benefit internal departments, rather than furthering the development goals of the company's leadership.

- *Task-switching leads to lost productivity:* According to a Gartner study, knowledge workers spend roughly 40% of their workdays on tasks that must be performed without outside distraction. When employees are asked to drop an existing project to focus on a new task, they lose anywhere from 20 minutes to two hours of productivity, depending on the complexity of the task.

IT management inefficiency is widespread: Of the 168 businesses that were analyzed for Gartner's Program and Portfolio Management Model, 60% of organizations do not take effective measures for capacity planning in the IT department. This points to a widespread need for better resource management across enterprise IT departments.

Building an Effective IT Resource Management System

In order to create a truly efficient IT resource management system, organizations must take advantage of modern technology to develop transparent systems for analyzing staff allocation.

The Benefits Of SaaS In Resource Management

When deciding on a resource management platform, cloud-based solutions offer a number of advantages over traditional infrastructure. These benefits include:

- *Ease of team collaboration* - Employees and managers in different offices can update and track progress across all of the organization's projects.

- *Detailed analytics* - SaaS Project Performance Management solutions can provide up-to-the-minute data analysis that is customized to fit the specific needs of each type of user.

- *Integration with other web services* - SaaS tools use an API, which can easily integrate with standard business web applications, streamlining organizations' capabilities to upload data to other services.

- *No hardware or software to install or upgrade* - When using a SaaS solutions provider, the service provider is responsible for ensuring that all software and hardware are properly functioning and updated to their latest versions, eliminating the need for in-house maintenance.

- *Unlimited data storage* - Rather than being limited to the space available on an internal server, an organization that utilizes a SaaS platform is able to instantly upgrade data storage based on its needs, and to reduce capacity if the space is no longer needed.

- *Fast deployment* - SaaS tools reduce the need to rely on internal resources, resulting in a more efficient process.

- *High value* - Organizations can scale their use of the solution up or down at any time. This approach ensures that they are only paying for the services they need.

Utilizing automated systems, managers can clearly assess their team's capacity and availability for upcoming projects, and create clear action plans based on the company's objectives. Follow this step-by-step process to develop an efficient IT management system:

Determine your team's true capacity - To track how long a project will realistically take, analyze each resource's overall availability, using data from both corporate calendars and individual calendars to track unavailability due to holidays, administrative time, and individual time off.

Identify your team's existing and planned project allocation - Assess each resource's scheduled project work. For each project, consider:

- *Project title*

- *Required roles* - How many of each type of resource are required, and how many hours must each contribute?

- *Individual resources to fill the roles* - Which individual employees or consultants can fill each role?

Determine the demand tied to ongoing operational work - In addition to project-based work, employees typically spend a percentage of time on internal operational work. To assess this demand, consider:

- *Category title* (e.g., infrastructure or help desk)

- *Required roles*

- *Individual resources to fill the roles*

Optimize your resources - Using an automated tool that factors in the above variables, you will be able to create an efficient system that aligns your resources with projects that meet their skills and availability. Each employee is held accountable for meeting project goals and working to capacity, while company leadership can use the tools to gain a clear snapshot of the current workload at any point in time. Your organization can track efficiency in the IT department and determine the most effective way to manage internal resources to prioritize high-value projects.

For instance, Innotas' resource management software allows managers to plot out hypothetical scenarios on a "what-if" scenario planner. It demonstrates how a proposed project would impact the department's current staff allocation. The scenario planner can:

- Identify the overall priority of each project to support the scheduling of higher priority projects

- Illustrate when the department will have the capacity to take on the project, and which employees will be available to work on it

- Shift project timelines and assigned roles

- Create multiple scenarios to illustrate a number of options

- Display capacity and demand on a shifting, real-time schedule

Such programs can also collect data for actual work time and measure how it compares to predicted estimates. This benchmarking

Innotas Resource Management

system gives managers a clear view of how well each employee or team is managing their time, and can alert them to potential issues with project staff allocation to prevent bottlenecking.

Success Story: Chesterfield County

Chesterfield County, a Virginia municipality that serves over 300,000 citizens, adopted Innotas' cloud-based IT Governance and Project Portfolio Management solution so the county could gain a better overview of how the IT department was functioning and where resources should be deployed. Team members use time tracking to illustrate their progress on tasks, and dashboards provide managers with consolidated reporting across the project and program portfolio. This toolset has enabled Chesterfield Country to eliminate outdated and inefficient tools such as spreadsheets and Word documents. As a result of these changes, the county now saves $100,000 a year on IT expenses.

5 Best Practices For IT Resource Management

In order to plan for effective IT resource management, it can be helpful to implement a five-step framework based on industry best practices:

1. **Plot out your resource capacity**
2. **Allocate resources to meet demand for proposed projects**
3. **Match internal resources with tasks that will lead to the best overall results for the company**
4. **Focus on team dynamics**
5. **Encourage employees to manage their own performance**

1. Plot out your resource capacity

Carefully analyze your organization's existing resource capacity to determine how the department functions on a high level. This process can be done in a spreadsheet program – though, it may be simplified by using a program that collects and analyzes organizational data. In this process, the company must:

- Identify generic employee titles and determine how many employees fit each role;
- Identify which employee roles are often needed on multiple projects at once, leading to "bottleneck" situations;
- Time-sequence project requests;
- Finally, match available resources to these projects.

This exercise should be done as a preliminary measure to determine whether the company has adequate resources to handle project demand.

2. Allocate resources to meet demand for proposed projects

At this point in the process, a project manager should be used to assign projects to specific employees, basing the assignments on the employees' skill sets and availability. It's also important to continually assess whether current projects are moving forward according to schedule. If planned projects have been delayed, the project manager can use second-order resourcing to slot in other projects that can be completed before the delayed project launches.

3. Match internal resources with tasks that will lead to the best overall results for the company

Once a project is underway, the project manager is responsible for monitoring employee performance and ensuring that they are being properly matched with appropriate tasks. This process takes each employee's skill set into account, but weighs it against additional factors such as staff development goals and costs. Project managers should be provided with a budget for retaining outside resources: In many cases, outside consultants may be brought in to perform high-level tasks that it would be inefficient to train current employees to perform.

It is also the project manager's responsibility to ensure that each internal and external

team member has been given the proper number of assignments to prevent bottlenecking or frequent task-shifting. In most cases, each team member should focus on a single task at a time with a goal to meet a realistic deadline based on estimates and past performance.

In order to maintain proper staff allocation, frequent communication between team members and managers is essential. Regular meetings and the use of task-management software can help ensure that all team members are on track to meet their stated goals.

4. Focus on team dynamics

Project managers must motivate their team members to work together to achieve project goals. Strategies for achieving peak performance include:

Helping team members to unify as a group - Ideally, all team members should be based in the same office; however, collaborative software tools can also be used to enhance communication. Creating a project name, logo and product "buyer persona" can also create a shared affinity and vision among group members.

Focusing on individual and shared goals - Project managers should set deadlines for individual employee tasks and group project milestones. Collaborative cloud-based software may be used to track progress.

Creating an interruption-free work environment - Frequent task-shifting

results in reduced productivity, so project managers should focus on enabling each team member to perform his assigned task with a minimum of outside distractions. Private workspaces and communicating through email or instant messages can help reduce workplace interruptions.

5. Encourage employees to manage their own performance

While managers play an important role in motivating employees to work as a team to achieve a business goal, it's also essential to incentivize individual employees to hold themselves accountable for their performances. Managers can help with this process by ensuring that employees are aware of their responsibilities and that their work environment is customized for their needs; for instance, managers can provide employees with flexible hours to accommodate scheduling preferences, provided they are meeting all of their milestones. Managers and CIOs should also work to build a culture where team members are accountable for their performance and take pride in their work; an environment in which employees are treated with respect is essential to promote this sense of pride.

Figure 1. Five Elements of the Resource Management Life Cycle
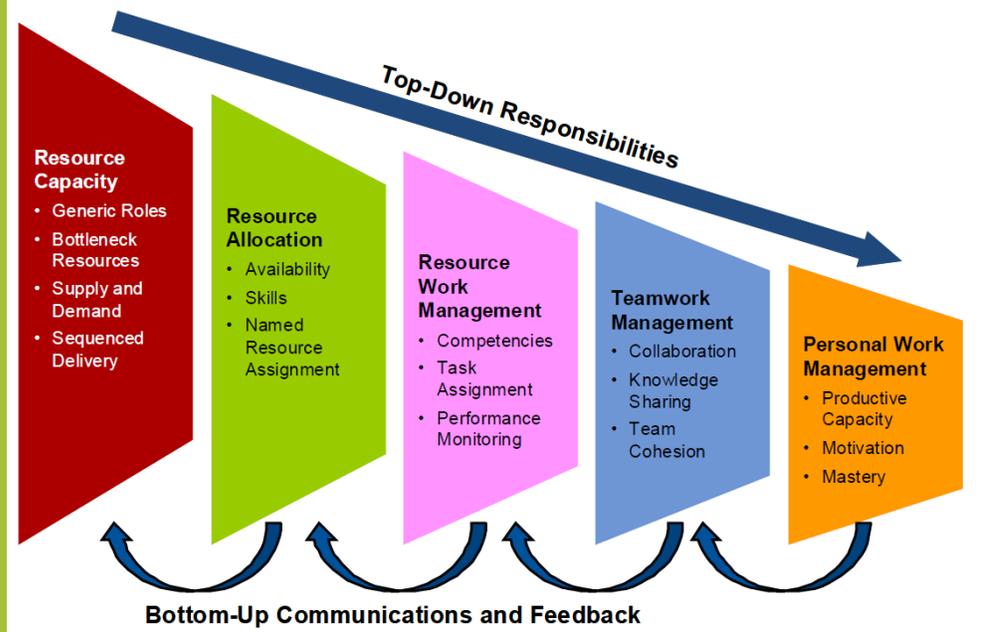
Source: Gartner

How Innotas Aids The Resource Management Life Cycle

Innotas' SaaS solutions can address concerns with the five stages of the resource management life cycle*:

1. *Planning resource capacity* - Innotas can collect and analyze data to determine each resource's true capacity, and sequence projects according to priority.

2. *Resource allocation* - The software provides managers with data tied to each resource's skills, availability, and current work allocation to streamline the assignment process.

3. *Resource work management* - By assessing resource performance on an ongoing basis, the software provides insights regarding each team member's specific performance and productivity.

4. *Teamwork management* - Innotas' workflow allocation ensures that each team member is working collaboratively with others with complementary skill sets.

5. *Personal work management* - By preventing individual employees from frequently task-shifting, the SaaS solution enables each resource to focus on the highest priority task and increase productivity and satisfaction.

* A Practical Five-Step Approach to Project Resource Management, Gartner

Conclusion

When companies have made improvements to the resource management process, both through the use of technology and operational strategies, they will see clear benefits.

Employees will no longer be overburdened with work, but will be able to maintain a consistent and predictable workload. This can enhance productivity and workplace morale, leading to lower turnover.

Additionally, resource management helps the company's bottom line: Managers are able to more efficiently assign resources to high-priority efforts in order to meet the company demand. With high-priority and high-value projects getting the most focus, companies are better able to meet their overall business objectives on time and on budget.

About Innotas: Innotas provides a ground-breaking cloud-based IT Governance solution – an easy-to-use, rapid-to-deploy, and cost-effective way to manage resources and budgets across an IT department's entire inventory of projects, portfolios, applications, assets, and service requests. With its strong foundation in Project Portfolio Management and Application Portfolio Management, Innotas provides CIOs and IT managers with visibility across both strategic initiatives and sustaining operations for improved decision making across the entire IT portfolio.

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