

BUSINESS GUIDE

# Eliminate Spreadsheets

Optimize Resource Management





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Read Time: 5 minutes

# Eliminate Spreadsheets

## Optimize Resource Management

Professional services organizations that use the “spreadsheet” approach to resource management are, in effect, playing a game of chance. Which can mean thousands of dollars left on the table when all said and done. What if the spreadsheet is outdated? What if it contains serious errors that double book resources or understaff billed hours?

Mission critical staffing decisions should be made with accurate, up-to-date resource utilization planning and skills data that can only be provided through the unification of a Professional Services Automation (PSA) solution and sound resource management practices.

This business guide discusses the significant financial and efficiency benefits that services organizations realize through an optimized resource management process within a PSA solution.

While it is fashionable for organizations to refer to themselves as “people” businesses, the professional services firm truly is. When your revenue stream derives from selling your team’s talent and expertise rather than a car, computer, widget or product, you have to meticulously manage your resources.

Unfortunately, many professional services firms manage their staff using spreadsheets and disconnected task-specific solutions. While the spreadsheet may be simple and easily manipulated, it is not effective. The issues inherent in the spreadsheet approach become even more evident as an organization grows. While you might be able to manage the staffing process challenges for a 10-person organization, it becomes cumbersome when the organization doubles or triples. Tracking skills sets and understanding the resources capabilities is hard to show on spreadsheets. Older methods for managing resources will need to change, or you risk losing significant revenue opportunities due to a lack of insight into your most important assets—your people.



## Eliminating the Spreadsheet

Many in the services world will admit to knowing this spreadsheet all too well. It likely has resources listed in a column and the projects to which they are assigned across each row. Perhaps this spreadsheet uses green marker to indicate that someone is available and red to indicate that a resource is not available. Or perhaps the spreadsheet is shared daily/weekly with the team or saved on a shared drive.

Either way, maintaining the accuracy of the data is next to impossible. Why? There are many reasons, but the most commonly cited include the frequency with which resources change projects, the frequency of changes in project scope and schedule, and project managers' frequent demands for specific resources. Furthermore, if resources are working on more than one project at a time, the spreadsheet loses its visual simplicity.

The only way to eliminate the spreadsheet is to invest in a PSA solution. With a PSA solution, the staffing team and project managers will have access to the same real-time data on resource availability, so everyone will know who is available and who

is not. As staffing allocations change, the PSA solution will automatically reflect these changes. These reports that are generated with the PSA solution can incorporate all changes, which can be shared with select people or emailed so everyone is working with real-time and up-to-date data.

Ultimately, organizations will gain tremendous efficiencies with real-time automation from a PSA solution.

An accurate staffing plan is a key input to forecasting demand planning and hiring needs. If the staffing plan is written in a spreadsheet, management can't use this data in other aspects of the business—like human resources—to accurately cost the resource or manage time-off requests and how they relate to the completion of a project without significant manual data entry.

However, by using a PSA solution, firms can leverage resource/staffing plans in financial forecasting as well as determine hiring gaps by role or skill level. In the end, if the plan is not accurate or data is not shared outside the spreadsheet, then the financial forecast and demand plan cannot be accurate either.



By eliminating the spreadsheet, you'll realize benefits that include:

- Increased resource utilization and profitability by keeping the right resources on the right projects and avoiding gaps in staffing.
- More accurate financial forecasting, resulting in better insight into key operating metrics.
- More accurate demand planning forecasts, allowing management to alter hiring plans as needed.

### The Ideal Staffing Decisions Consider the Interests of Clients, Project Managers and Resources

Clients want people working on their projects who ultimately understand their business and their industry. Resources that have experience working on other cases for that client or similar companies are highly valued and sought after. Those resources often produce less errors and run more efficiently when they know the ins and outs of the business or industry.

Project managers want only exceptional people staffed to their projects, but also value people with specific technical or language skills, for instance. Similar to clients, they also value resources who have worked for this specific client or other companies in the industry.

Services organizations often overlook resources interest in the staffing process when using spreadsheets and disconnected resource planning tools. Perhaps resources want to work for clients in specific industries or verticals, or are looking to travel more for their work.

Capturing the data to please all three constituents in a spreadsheet is next to impossible. It might be possible to maintain a spreadsheet that captures

the relevant skills of resources, as well as education level achieved, but what about previous work experience or the resources' own professional goals and interests. As employees are added and skills change, maintaining this information in a repository that is shared with the appropriate people gets even harder.

By using a PSA solution, firms can automate this process and eliminate the spreadsheet, enabling better staffing decision. Employees' backgrounds, skills, interests and resumés can be stored and updated in a centralized solution for easy reporting and searching. Project managers can then search for resources to allocate to a project based on a specific profile, such as industry experience, skill set and interests, enabling educated staffing decisions.

So, what is the right resource management process? Ask yourself the following questions:

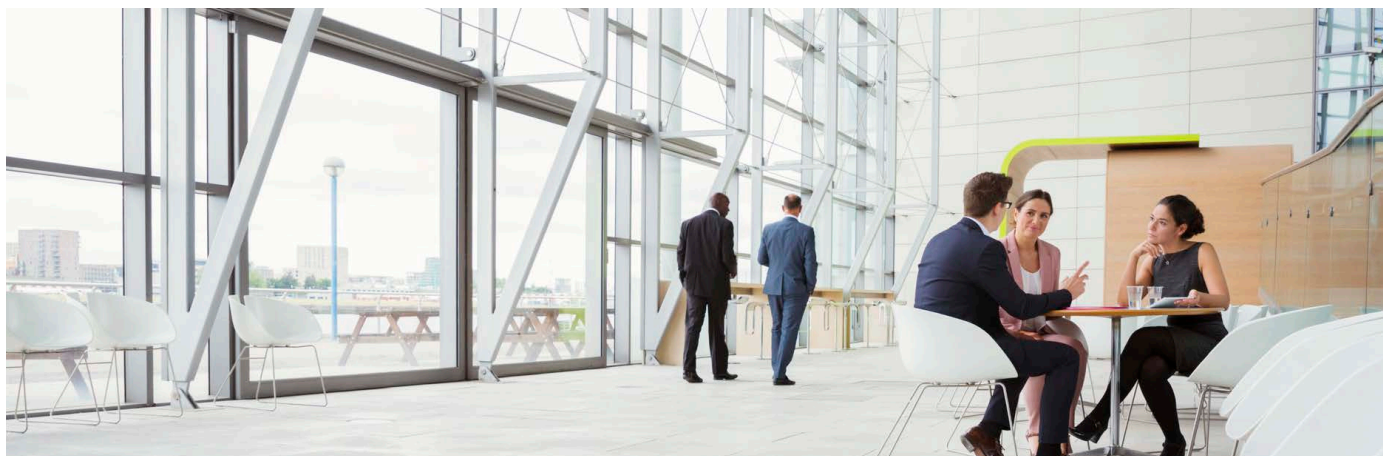
- Should all staffing be centralized with one person? Or should the staffing decisions be delegated to a team?
- Should project managers have dedicated resources, thereby eliminating the need to request for resources?
- Who is involved in the resource staffing process?
- Who has executive authority to schedule resources to work on projects?

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“Not having to worry if the data is correct has freed us up to focus on higher strategic values such as how to efficiently manage a project, forecasting and revenue recognition.” Software AG

## Nine Resource Management Leading Practices

1. For more accurate forecasting, allocate resources to projects as far out as you can without losing accuracy. Forward looking staffing data feeds into financial forecasts and demand-planning reports, so while inputting data for future months will help forecasting, inaccurate data will make the forecasts worthless.
2. To keep data relevant, update staffing plans weekly or semi-monthly, but create new bookings/allocations as necessary. Updating staffing plans daily provides limited upside but places a significant burden on your company.
3. Only track what truly matters to staffing decisions. For example, if every resource has a particular skill, it may not make sense to track it. Maintaining the “skills database” can be cumbersome if many categories are irrelevant. Often most clients only need five to eight categories to successfully manage resource skills and experience. It allows for more fluid tracking and can be easily updated over time.
4. For increased accuracy, update resource’s skills every six months coinciding with professional development and year-end reviews, that way initiatives can be aligned.
5. Updating more frequently provides little benefit, while updating less frequently increases the risk that the data is outdated and will not be trusted by the team.
6. For companies using contractors, store key contractor data in the skills database, including contact information and reviews from past work.
7. Institute the right levels of approvals. An approval workflow for staffing decisions may be burdensome to some companies, so carefully consider the company size, culture and existing staffing process before implementing a PSA solution.
8. As the company grows, delegate staffing decisions by department or level. It is impossible for one person to maintain an accurate view of utilization across companies with more than 100 resources. A PSA solution can help to delegate the staffing decision authority while still following a controlled process.
9. For companies that require an implicit staffing approval process, consider having project managers request generic resources. In this instance, project managers request levels or roles of people to be staffed, thereby eliminating their tendency to request their favorite resources and allowing the resource/staffing manager to determine the best resources for each request.



## PSA Is Not Enough

While a robust PSA solution, such as NetSuite OpenAir or SuiteProjects, will help to automate staffing and resource management processes. Without a solid process and approach to resource management, the organization will fail to achieve all of the benefits of adopting a PSA tool.

Whatever staffing or resource process the company uses, it is a critical input to the management of the project and ultimately the business. When coupled with a robust PSA solution, a company can experience tremendous benefits, including higher customer satisfaction, improved employee retention, and increase revenues and profits by eliminating gaps in staffing.

The most effective staffing decisions, and thus the most successful projects, are those that consider the interests of all involved. The traditional “spreadsheet” resource management methods simply do not provide the level of insight and visibility necessary to ensure that the right resources are working on the right projects for the right clients. By defining the best resource management process for the organization and putting it into action through a robust PSA tool, firms can eliminate the spreadsheet and put the organization on the road to successful resource management.

## About NetSuite Professional Services Automation Solutions

With NetSuite a lot goes into delivering successful projects—staffing, scheduling, budget tracking and billing. NetSuite automates all these functions making it easier to manage projects and resources all while maintaining favorable client satisfaction. NetSuite Professional Services Automation solutions give organizations the tools they need to grow their businesses quickly and profitably. Providing functionality for businesses of all sizes.

By eliminating the spreadsheet, the company will realize higher employee satisfaction and improved employee retention by allowing employees to communicate preferences on work type, location and goals. They will also enhance client satisfaction by ensuring the most qualified teams are staffed on each project.

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“NetSuite has given us a lot more transparency and a more structured way to do business with clients in terms of milestones and project and resource management while capturing the time and expense we incur.”

Jardine Lloyd Thompson Australia



