



Resource Management – a solution to a complex problem

KPMG's 2010 Project Management Survey identified resource competition as the second highest reason for project failure (at 36%) after scope changes (40%). This is consistent with the findings of the Centre of Business Practices' *Project Management: the state of the industry* publication which states that the *biggest project management problems facing organisations today are:*

- (i) *inconsistent approaches to managing projects (in 24% of organisations);*
- (ii) *difficulties in allocating resources (20%);*
- (iii) *too many/not the right projects (17%)*

Even organisations with mature PMOs, resource management stands out as the most significant problem area according to PM Solutions' *The State of the PMO 2010*.

The root cause of this problem lies in the basic nature of projects themselves. Namely, because projects are by definition *temporary endeavours undertaken to create unique products, services or results** organisations have temporary resource requirements that need to be accommodated.

Organisations have the following options to address their temporary resource requirements:

- ☞ hire in contractors;
- ☞ maintain a dedicated project team; or
- ☞ divert resources from existing operational activities.

Hiring in the additional resources needed to undertake a project enables an organisation to:

- (i) continue with operational activities undisturbed;
- (ii) access expertise not normally in the business; &
- (iii) easily release resources when no longer required.

However, as good as this sounds it does have its down-sides. For example:

- (i) contractors do not have an in-depth understanding of the objectives and culture of the organisation;
- (ii) organisations are often left with a brand new capability, but minimal skills to maintain or update the capability;

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- (iii) given that projects inherently operate at the bleeding edge of technology, the availability of expertise is limited, costly and, in the case of many government organisations, timely due to the need to obtain security clearances; and
- (iv) contractors can not normally share their time between multiple clients and are therefore not inclined to be engaged on a part-time basis.

Maintaining a dedicated in-house project team addresses many of the negative factors of engaging contractors. That is they:

- (i) come at a lower direct cost;
- (ii) can provide greater transition services;
- (iii) are 'on-tap' to undertake any maintenance/upgrade activities;
- (iv) can be shared between projects; and
- (v) have a greater connection with the organisations objectives and culture.

However, a dedicated in-house project team does have its own disadvantages. Namely these are associated with the indirect costs associated with maintaining the project team when there are no active projects.

Diverting resources from existing operational or 'business as usual' activities provides the greatest level of connectivity between project teams and the organisation's objectives and culture. It also significantly reduces the possibility of a project 'tossing a dead cat over the fence' to the operational team. Operational team members participating in projects will ensure that the solution designed and developed will be supportable and easy to maintain.

This option does have its own disadvantage. Namely, project managers can not be confident that they will have exclusive access and/or control over the resources. Often in these resource sharing arrangements, resources are often 'called back' to address operational problems leaving the project stranded without prior notice.

Whilst some organisations try to address this situation by implementing centralised and typically



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expensive resource management and control systems with varying degrees of success, this paper presents an alternative approach that is pragmatic, practical, flexible and inexpensive.

The cornerstone of this alternative approach is treat availability of resources is risk to be managed rather than a risk to be eliminated. Said another way, organisations should not expend inordinate amounts to implement systems and process to control the uncontrollable. It would be more effective, and realistic, for organisations to accept that resource conflicts will occur. Organisations could then spend time to:

- (i) reduce the likelihood of occurrence;
- (ii) reducing the consequence of occurrence; and
- (iii) have agreed procedures for dealing with instances where it does occur.

Reducing Likelihood

The key strategy for reducing the likelihood of resource conflicts occurring is to require:

- (i) all project plans include the specific listing of all resources (not just human) required to complete the project and when they will be required;
- (ii) all owners of resources (human, system and infrastructure) to endorse each project plan; and
- (iii) all resource owners to acknowledge that their failure to provide the specific resources for the specified time to undertake specified activities could result in the delay or possible failure of the project.

By requiring resource owners to personally commit to providing resources and to acknowledge the impact of their failure to do so will provide bring resource availability and usage into stark relief.

As a side-effect it is likely that resource owners will:

- (i) establish their own localised resource management practices; and
- (ii) be able to identify resource needs well in advance of when they are required thereby reducing the gap between resource need and resource availability.

Reducing Consequence

Again, requiring resource owners to acknowledge that their failure to release the specified resources, for specified times to undertake specified activities

(or produce specified deliverables) will bring resource management into stark relief for those resource owners.

When resource owners personally commit to the provision of resources and acknowledge that the failure to do so will 'come home to roost with them' will mean that resource owners will do their utmost to reduce not only the likelihood but also the impact (or consequence) of resource contention on the projects they have given personal commitment to.

Agreed Procedures

Just as an issue is an eventuated risk, resource contentions should be dealt with in the same manner as project issues. That is they should:

- (i) be communicated to the project's steering committee as soon as they occur;
- (ii) have resolution option explored with the resource owner. Options include (a) providing alternative resources; (b) providing additional resources at a later date to bring the project back on track; and (c) accepting the delay;
- (iii) have their preferred resolution accepted by the steering committee and the project plan amended accordingly.

Again, the fact there is a set procedure for escalating resource conflicts to a steering or executive committee will ensure that resource owners will only make realistic commitments for the releasing of resources to projects.

All of the above can be achieved without an investment of a centralised resource management toll or an attempt to control the uncontrollable.