

# The Savvy PMO's Guide to Resource Planning

The right people doing the right work,  
at the right time



The ability to respond to new market and customer/stakeholder demands with agility and speed is critical to making your organization's strategy sustainable. Yet, people are under increasing pressure to deliver more in less time with limited resources.

A lack of agility and prioritization in resource management can lead to lost productivity, long delays, and higher delivery costs. This can come in the form of:

- Committed plans that do not account for resource capacity management
- An inability to see and communicate resource gaps, dependencies, and bottlenecks as they emerge
- Teams taking on too much work, with committed requests exceeding capacity

The resulting stress and low morale can increase employee turnover, further impacting your ability to deliver.

Improving resource management – even with different ways and methods of working – is therefore mission-critical.

The Savvy PMO consistently ensures the organization's resources are working to their highest potential and on the most strategic efforts. By following the five guidelines presented here, PMOs at every level can enhance resource capacity planning and management to accelerate business growth.



*"A strategy cannot be successfully implemented without sufficient resources. Yet only 20% of executives are confident in the resources allocated for implementation, according to research developed Economist Impact and commissioned by Planview."<sup>1</sup>*

– Bridging the Gap: Turning Strategy Into Reality



Effective resource capacity planning is optimized when combined with defined prioritization and demand management processes. Check out the interactive checklist at the end of this guide to improve resource planning and be well on your way to becoming a Savvy PMO.

**Now let's get savvy with resource planning!**

<sup>1</sup>Bridging the gap: turning strategy into reality. The survey, developed by Economist Impact and commissioned by Planview, was fielded across seven countries (Australia, France, Germany, New Zealand, Singapore, United States and the United Kingdom) and six industries (business & professional services, financial services, healthcare & life sciences, IT/technology, manufacturing, retail & FMCG) in April and May 2023. Most surveyed companies have annual revenues above US\$1 billion



# 1 Focus on the Right Mix of Skills, Teams, and Execution Methods

Many organizations struggle with an inability to see where resources are allocated and aren't using or able to access the right data to help them make resourcing decisions. Bottlenecks emerge from under- and over-resource utilization – resulting in unhappy staff and often, delayed delivery from unforeseen constraints and dependencies.

The savvy PMO understands the importance of getting the right people on the right projects at the right time – otherwise known as optimizing resource utilization. Optimizing resource utilization means that you have the right mix of skills and teams on a project at any given time, and can lead to lower burnout, lower attrition, higher productivity, and less frustration.

## Action Items

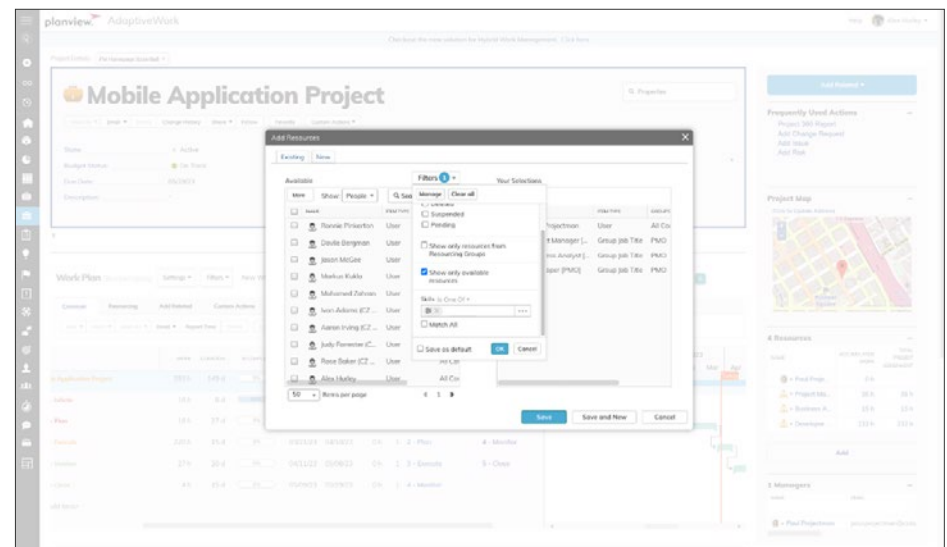
Consider who impacts your strategic work and financials and assign them to teams. By starting with an initial set of resources, you can get up and running with your first set of projects and work, try out processes and strategies, and add more resources later as needed.

Set up your roles based on whatever your organization calls them – common examples include Project Manager, Architect, and Business Analyst. Remember, each can have differing internal and billable rates that aid in estimating costs when the roles are assigned to a project. This helps to streamline the process when it comes time to staff a role.

The Savvy PMO also thinks about assigning resource skills profiles. This allows you to record special training or capabilities, making it easier to perform resource staffing and planning. A higher maturity step to better resource management is to set up special skill profiles that help identify opportunities for your people to grow their capabilities and proficiency, making their contributions more valuable for your company.

*“Organizations unable to manage resources properly experience many problems that affect their day-to-day operations and their long-term strategies, as well as financial standing.”*

**– The Cost of Poor Resource Management**



Search for and fill staffing requests with people best aligned to the work based on a flexible set of criteria, including skills, roles, availability, group membership, location, and more.

## 2 Maintain Flexibility in Planning and Allocation

The Savvy PMO knows there's no one "right" way to allocate projects and resources, because it all depends on the resources you have at your disposal and how your team prefers to work together.

Teams have flexibility in execution methods – such as waterfall, Agile, and hybrid – so that completed work is aligned and contributes to the portfolio. Supporting a variety of execution methods results in happy, productive teams doing work that impacts portfolio objectives.

As such, the Savvy PMO uses a hybrid approach and stays flexible in how they choose to plan and assign resources, with flexibility regarding work execution methods. This enables you to deftly manage different types of projects, work efforts, and staffing needs.

### Action Items

Explore these steps to get you there quickly:

- Planning Work
- Representing Work Effort
- Assigning the Work

### Planning Work

It's a good idea to have multiple resource planning modes in your arsenal that you can set when you create a project and make adjustments when necessary. You can use top-down, project-level planning for some projects and bottom-up, task-level planning for others. Consider each planning approach as you select which methods work best to suit your organization's needs:

#### Choose High-level Planning When...

- You might not know who will work on the project, but are likely to know what kind of roles will need to be filled
- Role and resource allocations need to be in place at the project level for further analysis and approval
- Others in the organization complete staffing or staffing approvals
- Demand needs to be represented before having detailed project task work breakdown structures

#### Choose Bottom-Up, Task-Level Planning When...

- You need low-level planning
- You have detailed task work breakdown structures and need to build demand off this information
- You already have approval, or don't need to go through an approval process for allocating your resources
- You have a detailed task plan and you want to schedule resources to those tasks

## Representing Work Effort

Once you've determined the best planning approach for your work, the next step is to decide how to represent the work effort. Sometimes, some Savvy PMOs choose to express demand in hours for certain projects. For others, it may make more sense to assign based on headcount. Choose what works best for your organization.

### Express Demand in Headcount if:

- You prefer to represent allocation as a percentage of the time the resource will be working. Example: a resource could be assigned to work half-time or 50 percent on a project when allocated as ".5 headcount"
- Some applications support profiling of effort at lower levels of granularity to account for different workloads across the life of the project

### Express Demand in Time if:

- Representing all your project resource work is more meaningful for your organization. Example: a resource could be allocated to work 80 hours on a project, so you know exactly how much of their time is spent on that work



Keep in mind your project calendar's working hours and events, as these will impact allocations. Non-work, as it's called, must be taken into account even though it is not necessarily time being spent on a particular project or task. For example, you should account for an administrator's time spent on admin work or special projects. Savvy PMOs handle this in a number of ways, such as:

- Having admin entries on timesheets
- Charging time to an "overhead" project
- Simply specifying a resource capacity multiplier to represent that a person is only available 80 percent of their total time

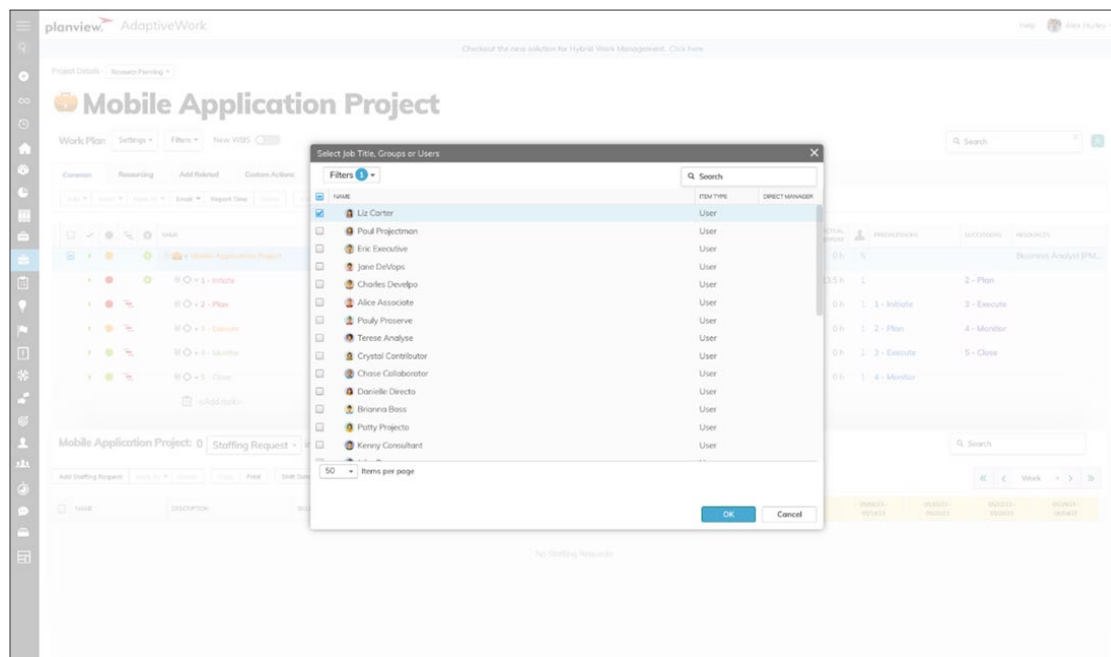
Savvy PMOs stay consistent in using hours/time versus headcount, at least within the same group or organizational units, or within a logical set of projects. Attempting to mix them may impact your cross-project viewing, if that is needed for your work. Some project portfolio management (PPM) tools differ in methods where all assignments are based on effort, with options to change the displayed granularity. This allows end-users to plan based on granularity desired (such as hours, weeks, or full-time equivalents).



## Assigning the Work

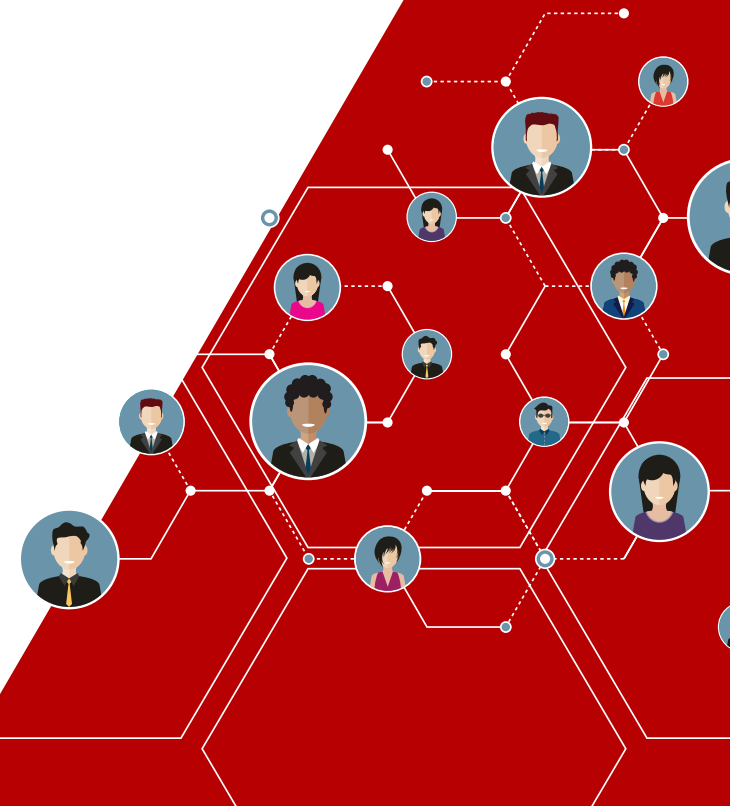
Next, choose your staffing strategy when assigning the work. There are various approaches for who does the resource staffing and how they do it. These include:

- Allowing project managers to staff directly
- Having resource managers perform staffing responsibilities
- Employing a centralized management team with a formal request process
- Using a hybrid approach: a mix of two or more of the approaches above



*Allow resource managers the ability to directly assign people to work*

The Savvy PMO communicates clearly and sets processes in place when choosing direct staffing. In addition, it is possible to have different processes based on different resources. For example, a cross-functional role in high demand may require a more formal approval process to ensure work is properly assigned and prioritized.



## Choose Direct Staffing When...

- There is no formal resource management process where project and resource managers can staff as desired, or when there are no dedicated staffers
- You are just starting your resource management journey

## Benefits

- Immediate staffing and requires no special configurations other than basic staffing permissions

## Challenges

- A user could staff inappropriately or without a resource/project manager's knowledge, and without considering capacity and priorities in other areas or teams

## Choose Managed Staffing When...

- Some or all project managers can request resource staffing for the role demands of their projects, with the option of requesting specific resources
- Resource staffing requests are routed to the appropriate resource managers based on your organization's resource staffing approval needs
- You are using project-level resource planning to manage staffing requests

## Benefits

- Visibility into requests that are in process as well as having access to metrics such as the time it takes to fulfill staffing requests and documented workflow history
- This form of staffing means more accurate and controlled resource management

## Challenges

- You need dedicated staffers/schedulers, with non-staffers/schedulers relinquishing control
- The staffing process may take longer
- You will also need to have permissions and routing options in place, which will require a PPM software solution
- Care should be taken to find the appropriate level of granularity as approvals may only be needed at relatively high levels

The screenshot displays the Planview software interface. On the left, a 'Skills' table lists 17 skills with columns for Name, Skill Category, Description, and Skill Members. The 'Java' skill is highlighted. On the right, a 'Task' list shows 4 tasks requiring the 'Java' skill, with columns for Name, Due Date, and Owner. The tasks are: 'Provide price' (Due Date: 12/1/21, Owner: Laura Fox), 'Prepare test s...' (Due Date: 04/15/21, Owner: Jeff Peters), 'System requir...' (Due Date: 10/25/20, Owner: Theo Green), and 'Task 1' (Due Date: 05/21/21, Owner: Aaron Fisher).

*Staff resources based on the needs of the work*

### 3. Understand the Financials and Take Early Corrective Action

Next, the Savvy PMO performs some basic analytics on all that data to ensure alignment of resources to strategic projects. The Savvy PMO has visibility into progress and expenses/costs (otherwise known as project and cost management). They understand:

- CapEx/OpEx and resource spend using accurate financial forecasts and actuals
- The mix of FTE/contracts and financial impacts
- How to spend the budget efficiently on necessary work – optimizing delivery costs and reducing project cost overruns

#### Action Items

Now that you know what your resources are doing, you can see how the work is tracking towards your organization's goals and needs.

With the ability to pull reports based on this data, you can diligently track your resources as well as what projects are the most important to your organization, and then continuously align them. Project portfolio management tools can help with the heavy lifting, keeping data consistent, reliable, and up to date.

One of the primary benefits of resource management is the capture and inclusion of the cost of people for financial tracking. Both the planned and actual time tracked can be "costed" based on the appropriate rates for that work, resource, or resource role. Because of the flexibility around defining rates by resource, attribute, and/or project, PPM software can enable Savvy PMOs to easily calculate the costs associated with planned and actual time automatically.



Use flexible reporting and analytics to understand the resource and assignment metrics that are most valuable to your organization



**Do you know what projects and programs are impacted by regulatory and compliance factors?**



## 4 Analyze Capacity and Demand

Most organizations lack basic resourcing capacity and demand planning abilities, and therefore plans are often approved before resource capacity is evaluated. This results in missed objectives and employee burnout due to overutilization.

Savvy PMOs can effectively “do more with less,” and promote productivity through better resource capacity and demand planning because they are able to:

- Gain visibility into which projects and tasks need staffing attention
- Accurately forecast true resource demand
- Account for future resource needs
- Facilitate headcount and hiring decisions
- Gain insight into existing or future resource gaps

## Action Items

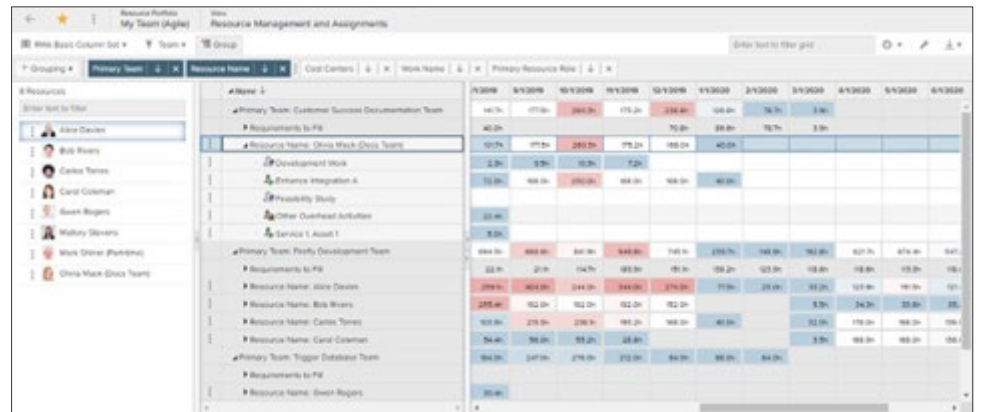
Once your roles and resources are in your PPM system and work assignments to them are underway, you can use capacity and demand planning to get real-time visibility into resource workload to efficiently assign work or plan for future projects. With role-based planning, you can understand what resources you need and when, even if you don't know which specific resource will be assigned to the upcoming work.

The ability to generate views and basic reports will enable you to see the demand from projects and tasks, as well as your resource capacity.



*"We finally have a handle on our resource capacity and demand. We can now say with confidence what our resources are working on and when we need to start supplementing with additional resources to keep projects on schedule."*

- Senior Director of PMO at a major retailer after implementing a resource management and capacity planning solution



Bring together capacity and demand in a single, flexible location to resolve both over and under-utilized teams and people

## 5 Reprioritize Quickly as Business Needs Arise

We began this eBook discussing how the ability to respond to new market and customer/stakeholder demands with agility and speed is critical to making your organization's strategy sustainable. More specifically, planning agility – the ability to rapidly adapt, communicate, and implement revised plans based on internal and external changes – is a core competency of the Savvy PMO.

The savviest of PMOs are able to reprioritize plans quickly based on visibility into new demands and inflight work as priorities change and new opportunities come up. This way, they can be confident that teams are working on the most valuable work; that work is started and completed consistently; and that they can run detailed scenarios and easily shift funding and resources to new work or make changes to existing work.

This results in optimized delivery costs – with no wasted time on lower value work. Budgets are spent effectively, funding is allocated properly, and organizations can take advantage of high-value opportunities – projects that drive strategic value.

### Action Items

To stay one step ahead, try out different scenarios for rebalancing and optimizing assignments to projects and work. You can accomplish this by using a PPM solution that allows you to perform “What-If” type analyses and scenario planning with ease.

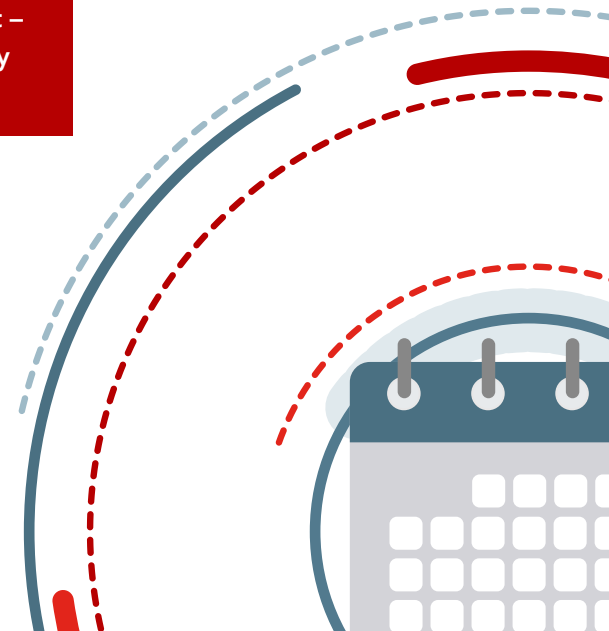
What-If analyses and scenario planning can be executed at different levels of maturity and complexity. If you are just starting out, try What-If analyses for the tactical analysis, and predictive analyses for a more strategic viewpoint – this is the sweet spot of the Savvy PMO.



**If you have been doing this with ease and are looking for a next-level capability – first and foremost – BRAVO! Now try focusing on the higher, strategic levels and perform resource demand and capacity analysis at the aggregate levels, such as by role, cost center, and/or custom attributes.**

What-If scenario planning enables you to create a resource plan based on the scenario you create, understand the impact of potential changes before they occur, and plan your resources based on available data. For example, leverage What-If scenario planning to:

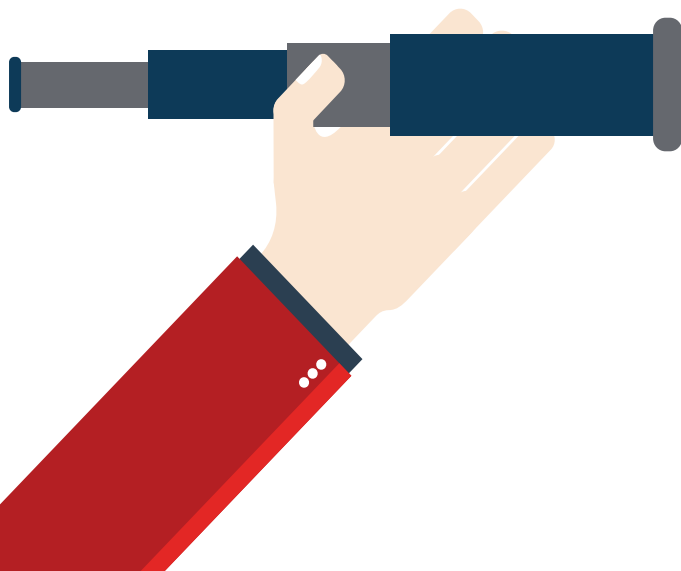
- Understand the impact of unplanned work on the portfolio and projects
- Toggle resource, portfolio, and projects scenarios without impacting production data
- Instantly access information for forward-looking resource scenario planning and resource optimization by portfolio, project, role, or individual (depending on the breadth of your PPM tool)



If you don't have a PPM solution, think about moving some demand and capacity around and play with the scenario by shifting project dates and excluding projects and/or roles. This, of course, depends on your goals and key restraints, but by looking at it from a few different angles, you may find more capacity to take on that extra strategic project.

With predictive analytics in your PPM software, you can:

- Automatically build the highest value project and application portfolio based on your resource and budget constraints
- Determine your optimal portfolio by accurately predicting what you can get done with the resources you have available
- Generate scenarios based on variables that are critical to your organization
- Re-plan your portfolio and projects when resource needs or availability changes
- Build and align the highest value project and application portfolios automatically based on existing constraints
- Avoid time-consuming manual analysis



*Use predictive analytics to automatically build the highest value project and application portfolio based on your resource and budget constraints*

# Resource Planning Checklist for the Savvy PMO

## 1. FOCUS ON THE RIGHT MIX OF SKILLS, TEAMS, AND EXECUTION METHODS

Gather your initial set of resources

Identify groups of roles and determine internal and billable rates

Assign resource skills profiles

## 2. MAINTAIN FLEXIBILITY IN PLANNING AND ALLOCATION

Choose:

### Planning Work

High-level Planning

Bottom-up, Task-level Planning

### Representing Work Effort

Express Demand in Headcount

Express Demand in Time

### Assigning the Work

Direct Staffing

Managed Staffing

## 3. UNDERSTAND THE FINANCIALS AND TAKE EARLY CORRECTIVE ACTION

Begin creating dashboards and reports to ensure how the work is tracking towards your organization's goals and needs

Cost planned and actual time based on the appropriate rates for that work, resource, or resource role (defining rates by resource, attribute, and/or project)

Categorize CAPEX vs. OPEX

Begin comparing past forecasts to actuals and adjust future work as necessary

## 4. ANALYZE CAPACITY AND DEMAND

Use capacity and demand planning to get real-time visibility into resource workload to efficiently assign work or plan for future projects.

Gain visibility into which projects and tasks need staffing attention

Accurately forecast true resource demand

Account for future resource needs

Facilitate headcount and hiring decisions

Gain insight into existing or future resource gaps

## 5. REPRIORITIZE QUICKLY AS BUSINESS NEEDS ARISE

Try out different scenarios for rebalancing and optimizing assignments to projects and work. Look for a PPM tool with capabilities that let you perform "What-If" type analyses and scenario planning with ease.

Capture impact of unplanned work on the portfolio

Toggle resource and portfolio scenarios without impacting production data

Determine your optimal portfolio with the resources you have available

Generate scenarios based on variables that are critical to your organization

Re-plan your portfolio when resource needs or availability changes

Build the highest value project and application portfolio based on your resource and budget constraints

# Partner with Planview and Be Savvy with Resource Planning and Management

By following the Savvy PMO's five steps, your organization can improve its resource management further than you've already taken it. Continue on your journey to consistently align your people to the highest value work, and rebalance roles, people, and team assignments across your strategic work as needed.

Like any great artist, craftsman, or manager, the Savvy PMO also relies on the right tools to do this. An effective portfolio management solution provides real-time, accurate visibility into the organization's resource status. You can make informed decisions about staffing priorities and reallocation.

With a holistic view into both resource capacity and incoming demand, you can accurately forecast true resource demand and identify gaps. Build scenarios that optimize funding and resource allocation across potential investments and initiatives, as well as compare trade-offs to drive better decisions. And finally, quantify the true cost of work and categorize labor costs as capital or non-capital.

With people consistently focused on the most strategic work, organizations can better achieve their business goals and objectives. They have the agility required to capitalize on opportunities, speed innovation, and deliver complex, high-quality products and services to market before the competition.

To learn more, check out these on-demand webinars...

- [Getting Capacity Planning Right](#)
- [Overcoming Resource Management Challenges](#)

...and read the next two Savvy PMO Guides in this series:

- [Savvy PMO's Guide to Demand Management](#)
- [Savvy PMO's Guide to Prioritization](#)

**One more thing:** With more than 30 years in the market, Planview has gained the knowledge and experience from working with thousands of PMOs who have been in your shoes. These Savvy PMOs integrate planning and delivery and confidently deliver high-value work that matters to their business. When you partner with Planview, you'll have access to best practices, guidance, frameworks, and support for your constantly improving organization, so you can connect strategy to delivery across the business.

Learn more about how you can elevate your position as a strategic guide for the business.

Visit [Planview.info/savvy-pmo](https://planview.info/savvy-pmo)

Prioritize what matters most, increase agility, and accelerate work delivery of all types with Planview's PPM solution.

[Watch the on-demand demo](#)

