Work and Resource Management

Five Ways to Increase Efficiency and Innovate Faster

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Better Manage Work and Resources

As the pace of business innovation has picked up, many organizations have found it harder to keep up. Studies show that *fewer than half of organizations have accurate project plans* and *only one-quarter can compare actuals to plans* within three business days. If that sounds familiar, your competition is gaining on you and you need a better way to manage work and resources.

Work and resource management is a systematic approach to prioritizing work and optimizing resources. It uses an integrated set of dedicated applications designed to continuously monitor and streamline processes and activities in ways traditional spreadsheets and project management systems simply cannot.

Making an effective business case for adopting such software requires aligning the investment to critical objectives such as optimizing the customer experience and digitizing business processes. Improvement starts with identifying steps to unify processes and applications that manage work and resources. Incremental changes that are part of a continuous improvement cycle can save both time and money in terms of the use of human and material resources. But to benefit from work and resource management, organizations need to be willing to change their current approach.

A Unified Approach Optimizes Efficiency

Ventana Research defines work and resource management as a unified process to define, document and execute the right work using the best resources. The variety of resources needed can be complicated to manage, as they include people, assets, technologies, facilities and real estate. Each category has unique characteristics, so how they are used for work must be carefully planned.

> Work and resource management defines, documents and executes the right work using the best resources.

Work and resource management combines formal and informal ways of working in a framework that the organization uses to manage its resources optimally. Conventional project management software can't accommodate the flexibility needed here because it is rigidly structured and not able to adapt to how people actually work. In contrast, modern work and resource management applications can respond to change efficiently and help increase the effectiveness of the organization.
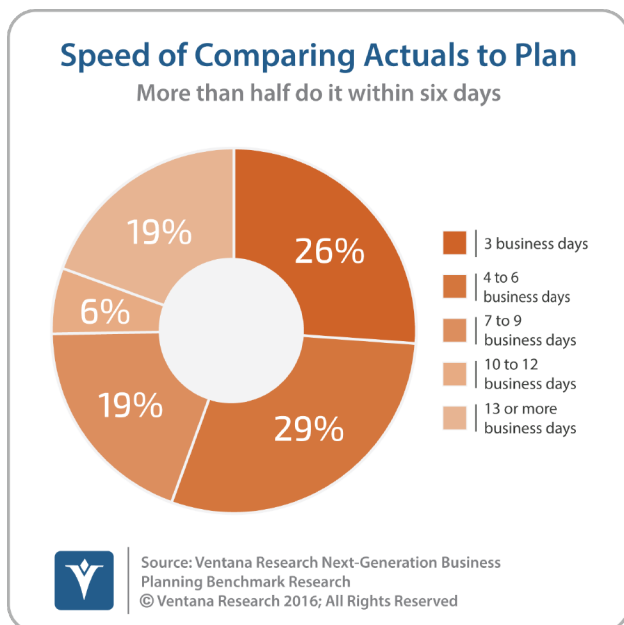
A unified set of processes and applications to manage work and resources can help managers communicate strategies and objectives related to plans. Our benchmark research on next-generation business planning finds that fewer than

half (45%) of executives do this well or very well. In addition, most don't communicate in a timely fashion. Organizations that communicate about plans only annually rather than quarterly or monthly cannot respond to changing circumstances as quickly, which undercuts the productivity of the workforce. Work and resource management also helps workers focus on the important parts of their jobs and apply their skills fully to projects and activities. It thus enables organizations to be more agile and can help them gain advantages over less nimble competitors.

Such an approach can empower and guide managers and workers to make wise choices about planning and assigning work – choices that achieve organizational goals. They are able to identify changes in work patterns and priorities that are needed to attain optimal performance. *Only about one-fourth (28%) of organizations in our research reported that they are able to review project plan details during meetings or immediately afterward; the balance take longer to do so.* Similarly, only about one in four (26%) are able to compare actuals to the plan within three business days. To do effective planning, the ability to compare actuals vs. plan should be available at any time – it should not take longer than three days, but that is the situation for almost three-quarters (74%) of organizations. Systematically improving the ability to compare actuals to plans can have a significant impact on when and how actions and promote continuous optimization of the work and resources being utilized.

Speed of Comparing Actuals to Plan
More than half do it within six days

- 26% — 3 business days
- 29% — 4 to 6 business days
- 19% — 7 to 9 business days
- 6% — 10 to 12 business days
- 19% — 13 or more business days

Source: Ventana Research Next-Generation Business Planning Benchmark Research
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Plans today cannot be static project documents; to be effective they must be dynamic and flexible and involve teams assembled across lines of business to yield outcomes that address the organization's goals. For example, plans developed and shared flexibly across marketing, sales and customer service departments can increase efficiency in anticipating customer needs and ensuring customer satisfaction. Having such plans can enable the organization to adapt better to the realities of work today.
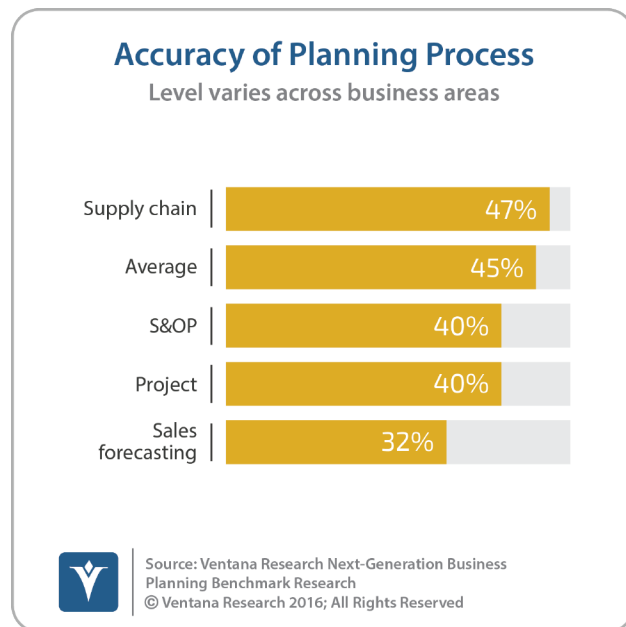
Integrating work and resource plans across lines of business is easier when all use a common framework. Here, also, most organizations can improve their performance. In our research one-third or fewer said that they integrate project plans well or very well with those created in the lines of business, while larger percentages said they do this just adequately. Managing work and resources efficiently is critical to providing high levels of customer service for the company's products and services.

Plan to Overcome Impediments

To maximize value for both their customers and themselves, businesses need to make their processes as efficient as possible. To do so they must make it a priority to plan the best uses of their workers and resources. Failing to do so can limit their ability to compete.

Doing such planning well can be difficult. In our benchmark research on next-generation business planning, *fewer than half (40%) of organizations said that their project plans are accurate.* That is less than the overall average (47%) of accuracy across all types of planning. The research also finds significant variances in the accuracy of particular types of planning. In this regard, work and resource project planning can be more challenging than most as work and resources have more varied dependencies and characteristics.

Accuracy of Planning Process
Level varies across business areas

Supply chain 47%
Average 45%
S&OP 40%
Project 40%
Sales forecasting 32%

Source: Ventana Research Next-Generation Business Planning Benchmark Research
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Work often can involve repetitive tasks that individuals are expected to perform without much support from technology. In fact, some applications can undermine productivity. For example, a constant flow of email messages, phone calls and instant messages can distract workers from the tasks at hand. The omnipresence of smartphones and tablets adds to the turmoil. Businesses must explore how to adapt to the rhythms and issues of work today, which include interruptions caused by text messages, social media notifications and calls.

Many organizations don't manage work and resources systematically; they have an array of disparate processes and applications that undercut productivity and create barriers to serving customers well. For example, organizations that do task management via email, use spreadsheets for timeline management and have a separate reporting tool for measuring achievement continually waste substantial time in attempting to integrate these disparate systems and the data they contain.

To eliminate these impediments to effective work and productivity, organizations should examine how they can unify planning processes and utilize resources better. They should develop more effective capabilities to plan and define activities and tasks and they should ensure that they know the available capacities of their resources. Then business units as well as IT will be able to define and execute work as their schedules demand and make full use of assigned resources.

A systematic approach to work and resource planning also makes it possible for planners to assess progress whenever needed. This is a capability that organizations should have and not many do: Our research shows that *only one in four currently review project plans as needed* and only one in five review them monthly, while nearly half (44%) review less frequently.

Using the Right Applications

To unify work and resources, organizations should adopt an application that provides an integrated view of all activities and supports the use of other available job-specific tools. Such tools help define the variety of available people and material resources and track their utilization.

Dedicated work and resource management software enables a range of key capabilities. These are among the most useful:

- Define and manage initiatives and projects independently or as part of a portfolio.
- Define and track to completion tasks and activities across resources.
- Define and adjust budgets for projects and activities that are combined into portfolios.
- Assess the actual vs. plan costs of work and resources and determine the financial impacts of changes.
- Perform scenario and trade-off planning to optimize work and resources.

Our research finds that fewer than 10 percent of organizations perform any of these work and resources management tasks very well. The value of a dedicated application is underscored when considering these potential shortcomings and the advantages of overcoming them.

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Fewer than 10 percent of organizations perform work and resource management tasks very well.

Applications designed for other purposes – such as project and portfolio management (PPM), service resource planning (SRP) and professional services automation (PSA), not to mention enterprise resource planning (ERP) and sales force automation (SFA) – each have their own methods to define and execute work, so in effect they prevent resources from working together toward the desired outcomes. This is especially true of desktop spreadsheets, which undermine efficiency in managing work across departments and the enterprise. Our research shows that about two-thirds of organizations use spreadsheets for project planning alone (32%) or with other applications (30%). Yet 40 percent of those organizations admitted that spreadsheets make it difficult to manage their project planning process.
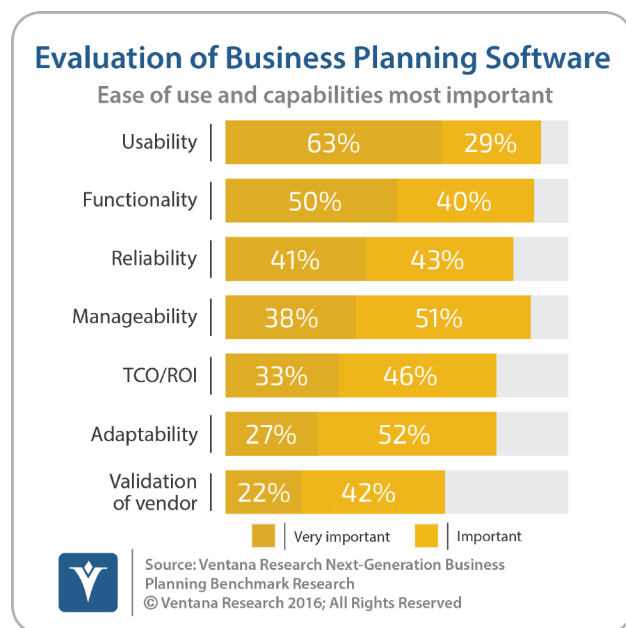
Advanced applications to manage work and resources efficiently also provide capabilities for collaboration and mobility that enable workers to engage them at any time and place. A large majority (85%) of research participants who said that they manage planning well also said that they collaborate effectively or very effectively. However, only half (49%) of all organizations reported that they can collaborate across all project plans.

Mobile technology is being used for business planning by 40 percent of organizations today; fewer than one-fourth (24%) said they won't use it. We recommend making mobile capabilities part of the organization's evaluation of software.

Capabilities for collaboration and mobility are part of the trend toward making business software as easy to use as the applications people rely on when not at work. We therefore recommend that usability be a key yardstick in evaluating products to be used for work and resource management. In our research nearly two out of three (63%) participants said usability is very important, choosing it more often than any other selection criterion. Also important is functionality (50%), a related factor. In both cases, software that uses rigid project management methodologies cannot support the flexibility needed for work and resource management.

Evaluation of Business Planning Software
Ease of use and capabilities most important

	Very important	Important
Usability	63%	29%
Functionality	50%	40%
Reliability	41%	43%
Manageability	38%	51%
TCO/ROI	33%	46%
Adaptability	27%	52%
Validation of vendor	22%	42%

Source: Ventana Research Next-Generation Business Planning Benchmark Research
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Make sure also that software being considered includes capabilities to collect, manage and analyze data. Bringing all of the data together is critical to get unified views of projects and determine the necessary work and resource elements. One-third of organizations depend very much on having accurate and timely data to ensure the accuracy of project plans. Once data is unified, sophisticated analytics can be applied. Business analytics is the technology category that organizations cited most often (70%) as critical for improving business planning.

Assess Current Capabilities

To assess the strategic value of managing work and resources systematically, identify financial, customer and product benefits. Among the most important benefits to assess are being able to:

- Maximize the utilization of all resources by prioritizing work appropriately and tracking it to completion.

- Improve the engagement of workers by increasing collaboration across teams and providing visibility into the impact of work completed.
- Increase the organization's responsiveness by being able to make changes as needed and assign appropriate responsibilities to workers and managers.
- Simplify management and execution of work to increase productivity.
- Improve potential outcomes in a timely manner through the ability to prioritize work.

> " **Work and resource management can help organizations minimize complexity and innovate faster.**

Even initially modest improvements to productivity and the ability to prioritize activities and tasks assigned to resources can justify the cost of investing in dedicated software. Combined, these steps can enable organizations to align work and resources across departmental boundaries to larger objectives. Then, for example, they can prepare to improve customer experiences and support their digital business objectives.

Managing projects plans effectively is the ultimate benefit of a dedicated approach. Fewer than one in six (14%) organizations said they do it very well, so this will likely be an advantage to those that can.

Five Steps to Get Started Now

Organizations are apt to put off the investments and priorities that appear more complex but are actually easier to achieve than they think. Getting started is easier than it may seem when following these five simple steps:

1. Assess all the ways your organization currently manages work and resources.
2. Identify the inefficiencies in current formal and informal planning approaches and prioritize the challenges.
3. Quantify the value that will be realized from eliminating the efficiencies and the value of improvement to the organization.
4. Evaluate choices for technological approaches to streamlining work processes that can meet both today's challenges and needs for the future.
5. Identify ways to maximize the potential of work and resources through unified processes and applications that use common data and analytics.

Work and resource management cannot be ignored. Organizations must minimize the costs and maximize the efficiency and effectiveness of work and resources. Once you understand the technology and applications available and assess your organization's capabilities you'll be able to minimize complexity and increase efficiency to be able to innovate faster.

About Ventana Research

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