

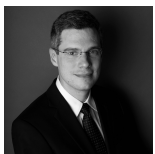
## HOW TO MANAGE ITS RESOURCES IN TIMES OF UNCERTAINTY?



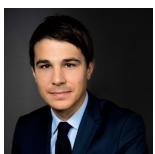
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The COVID-19 crisis has made it more difficult for companies to manage their resources.

This involves in particular a more variable and volatile customer demand and therefore a more delicate workload plan to build. The main difficulties encountered are:

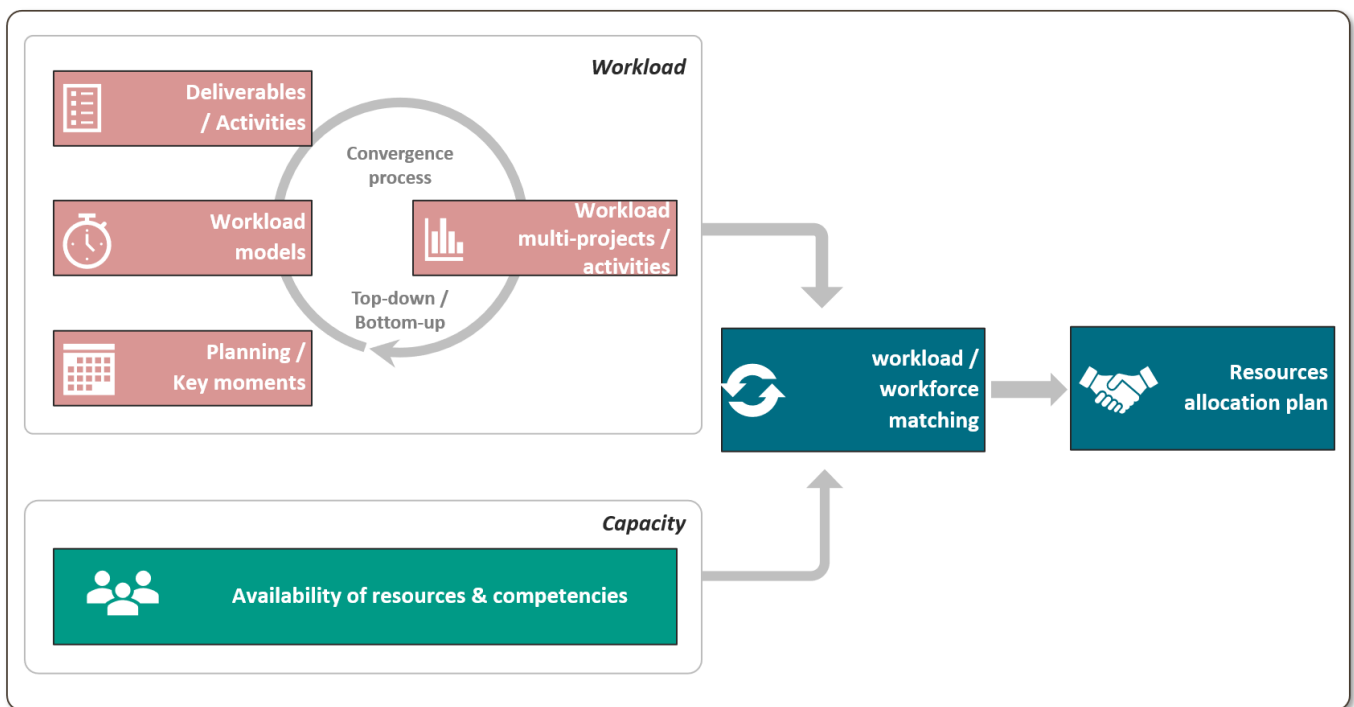
- A feeling of 'permanent' over workload
- A lack of visibility on the global workload plan in the medium/long term
- Customer commitments made with little certainty about the 'ability to do' within the allotted time
- Validated decisions/arbitrations with little factual data

Today, more than ever, companies need to reinforce their actions to estimate the workload "as accurately as possible" in order to anticipate the need for resources and associated skills.

We have observed at our clients, that at each level, the process is the same and must lead to the best compromise between the estimated workload and the available capacity to meet it.



### Illustration #1: Resource management process



Resource management is first and foremost an arbitration process that takes on board all the functions of the firm. Many challenges and questions that are raised when we work with our clients are the following:

- What is the granularity to evaluate the workload?
- Which model should be used?
- How to manage workload peaks?
- What governance practices will strengthen decision making?
- How can transparency be ensured? What allocation mode would be preferred: single or multi-project?

We are convinced that this atypical period should allow us to rethink, strengthen, simplify or adapt the management of resources. We can address this issue around 3 key elements with our clients.

# 1

The workload/capacity adequacy exercise is carried out on 3 levels with a specific horizon, a specific granularity and specific update frequency for each level

## Illustration #2: 3 levels of governance for resource management

Level of governance	Granularity	Horizon	Objective / Example of decision
<b>Strategic</b> 1 to 2x p/year	Semester / year Portfolio	1 to 5 years	<ul style="list-style-type: none"><li>▶ Resources &amp; budget alignment</li><li>▶ Validation of the priorities</li><li>▶ Competencies management (recruitment, training, ...)</li><li>▶ Sub-contracting policy</li></ul>
<b>Tactical</b> 4 to 6x p/year	Month / Trimester Multi-projects	3 to 18 months	<ul style="list-style-type: none"><li>▶ Validation of portfolio entries vs. resources</li><li>▶ Prioritization of projects / activities</li><li>▶ Anticipation of load peaks including need of subcontracting</li></ul>
<b>Operational</b> 1 to 4x p/month	Week / Month Project / Work package	2 to 8 weeks	<ul style="list-style-type: none"><li>▶ Individual staffing / work plan</li><li>▶ Resource's re-allocation according to variations &amp; individual reprioritization</li><li>▶ Blocking points management</li></ul>

**1 - The Operational level** focuses on individual staffing with a horizon of a few days / weeks ("who works on what and until when"). Managers allocate resources according to priorities and contingencies. In times of crisis, this translates into very short-term decisions made to deal with and manage the crisis (e.g., part-time unemployment, management of late deliveries, change of priority, etc.).

**2 - The objective of the Tactical level** is to reflect the workload every trimester over an horizon of several months (3 to 18 months depending on the industry). The 'peaks' of overload can then be highlighted in order to facilitate the decision-making (e.g., call for sub-contracting, spreading the load or project re-prioritization).

**3 - The Strategic level** exercise is carried out every six months. It aims to be projected over several years and therefore should be aligned with key workload assumptions (e.g., what will be the customer demand per product family? which new projects will we launch and what will be the associated workload?). This exercise allows the company to define a budget for the following years and to validate the needs for recruitment and training. In the context of the current crisis, this level allows to define the best horizon to position the nominal operating mode.

**At each level, a meeting is set up in order to make decisions and therefore ensure that the resources are available to the necessary projects.**

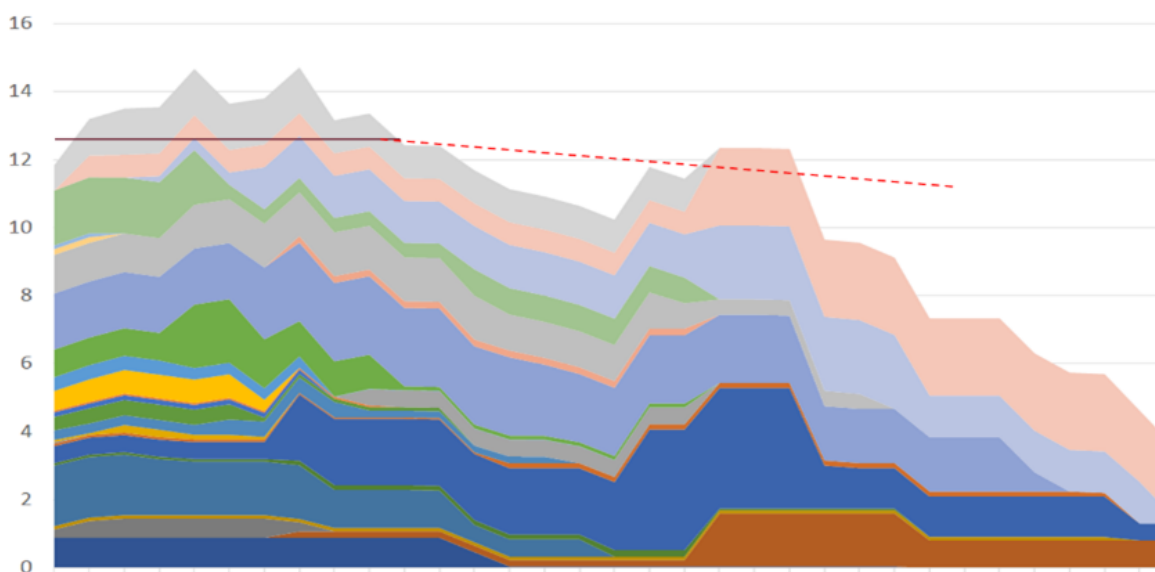
# 2

## Adapted tools and processes are built to express demand in a factual way and to facilitate decision making

- **At the Strategic and Tactical level,** models are built to factualize the workload. Projects are classified according to different criteria as simple, intermediate or complex. For each category, workload standards are defined. This makes it possible then to associate a workload for each current project with each new candidate.
- **A visual management is set up at the operational level** to factualize the deliverables to be achieved by the various team members. The weekly management review allows to anticipate the tasks to be carried out, to identify overloads and to align the team with short-term priorities.



**Illustration #3: Example of strategic load/capacity modelling with a 30-month horizon**

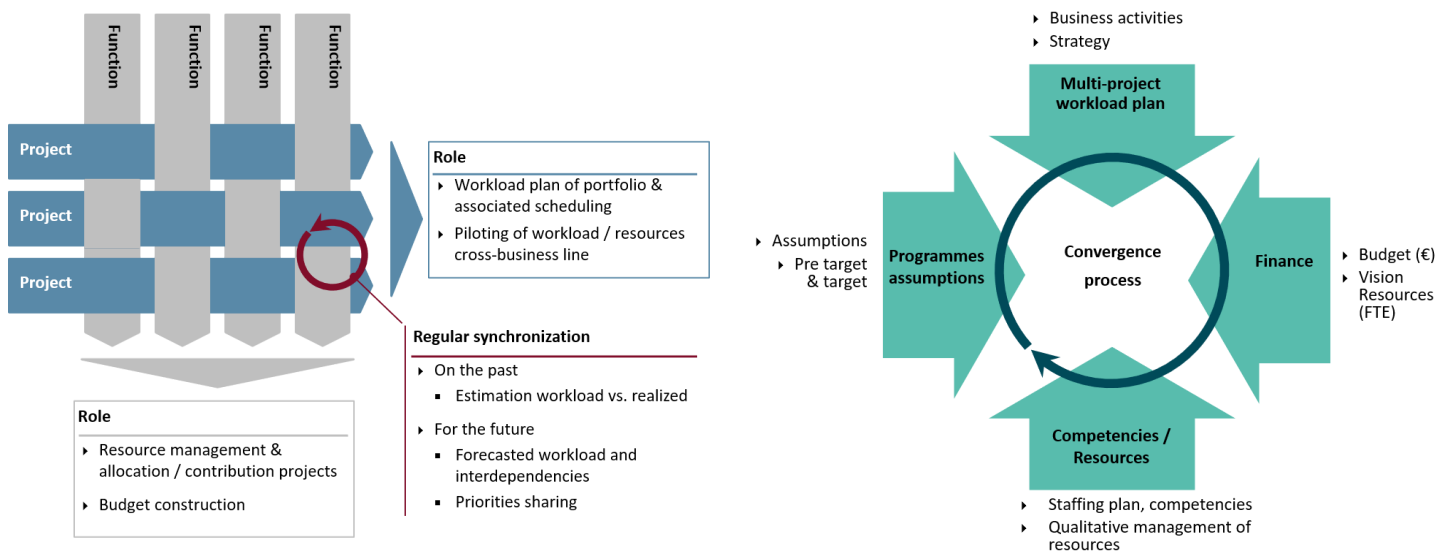


# 3

A governance allows to embark on all levels of the organization. Each function has a specific stake and decisions must be made on the 'best compromise'

A regular synchronization between projects and functions allows for the best possible allocation of resources to the current projects. This alignment must be done in coherence with the constraints of Programs, Finance and Human Resources.

## Illustration #4: Stakeholders alignment. Example in the case of a matrix organization



When these 3 key elements are put in place and integrated, we used to see many benefits:

- A **capacity allocation as precisely as possible** based on factual elements
- **Realistic commitments** (e.g. towards customers but also internally)
- Identification of **critical skills** and implementation of adapted recruitment/training plans
- A better **involvement/accountability** of all functions
- A **permanent alignment** on the priorities

The set-up of standards to model the workload (the company will thus enter in a logic of continuous improvement by trying to increase efficiency and as a consequence decrease the value of the standards).

However, based on our experience with several clients, the implementation of this type of practice requires many prerequisites, for example:

- A **culture of planning** with regular up-to-date workload plans/schedules,
- A **referential** of resources and associated skills
- Clear and **shared roles and responsibilities** among stakeholders (e.g. business vs. project).
- A **culture of commitment** and respect for deadlines
- A **balanced portfolio** and robust project management

If you wish to strengthen your resource management process, several questions can help to guide you:

- Can you model the workload in the short/medium/long term and 'play' on the scenarios?
- Are you in a position to respond appropriately to the requests of customers within the dedicated timeframe?
- On what basis do you prioritize your projects?
- What are your critical resources?



**The CYLAD Consulting teams support its industrial clients in all these issues within the framework of numerous projects.**

**Do not hesitate to contact us to learn more.**

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