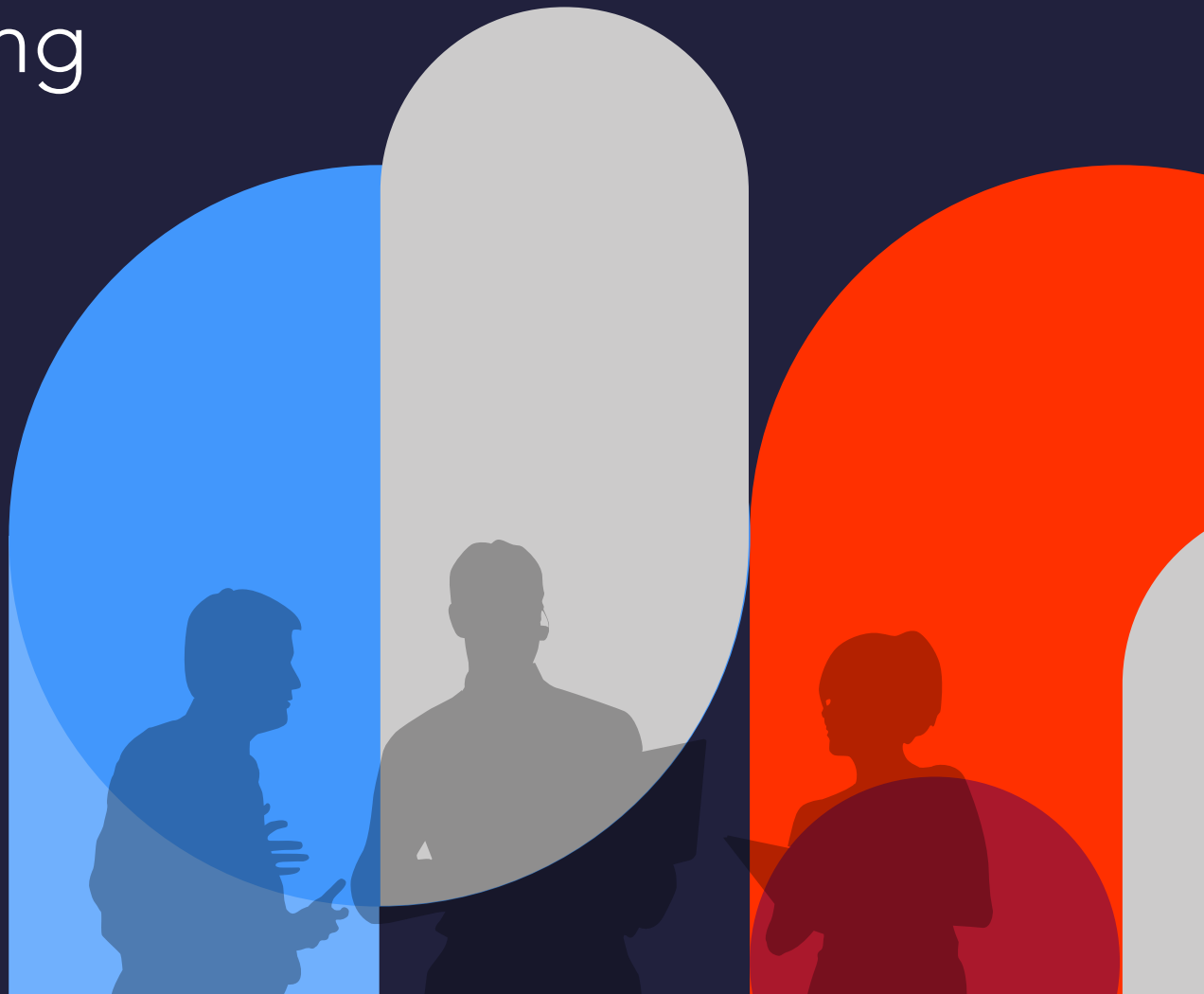
Top 5 Challenges of Modernizing Resource Capacity Planning

Your top-of-mind questions answered!



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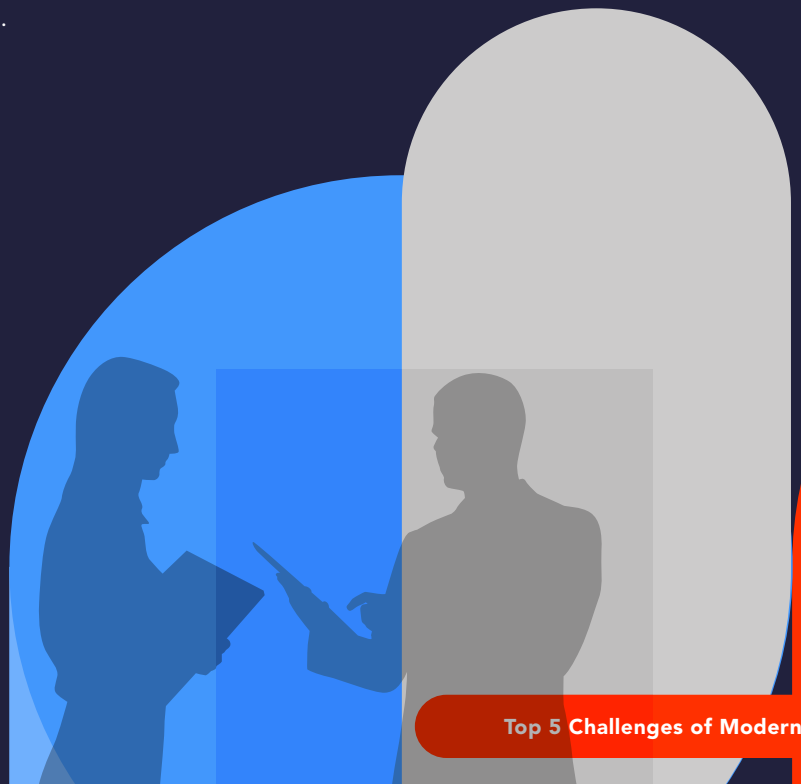
Modernizing your approach to resource capacity planning isn't all smooth sailing. While the end results are certainly worth the effort, you will experience some rough seas along the way. Anticipating and planning for these challenges will help your organization through the process with greater ease and speed.

During the recent Planview webinar, "Modern PPM: 5 Practices to Drive Flexibility in Resource Planning," Planview experts discussed how organizations could modernize and improve their approach to resource capacity planning.

During the Q&A portion of the presentation, viewers facing real-world challenges asked several questions which have been consolidated and documented here to help you on your journey to modern resource planning.

Read on to find out.



1 What are the biggest obstacles when transitioning from traditional to modern PPM?

No two organizations are exactly alike, so the transition process may be quite different from one company to the next. However, there are four rather large obstacles that the majority will encounter.

A. Lacking the right teams

Your teams were created to operate in a traditional PPM environment. As that environment evolves, team structures must also evolve to facilitate newly modernized processes.

Prepare for this by anticipating what the new environment will require. Walk through a variety of project scenarios to identify ways your teams should be altered or completely reconstructed to better support the new system. The outcome will likely be smaller, product focused teams.

Keep in mind that your current operational structure didn't happen overnight. It's the result of needs that arose over time. The same will be true moving forward. You'll need to **continuously reevaluate the needs of the organization and its projects, and regularly alter teams to meet those needs**.

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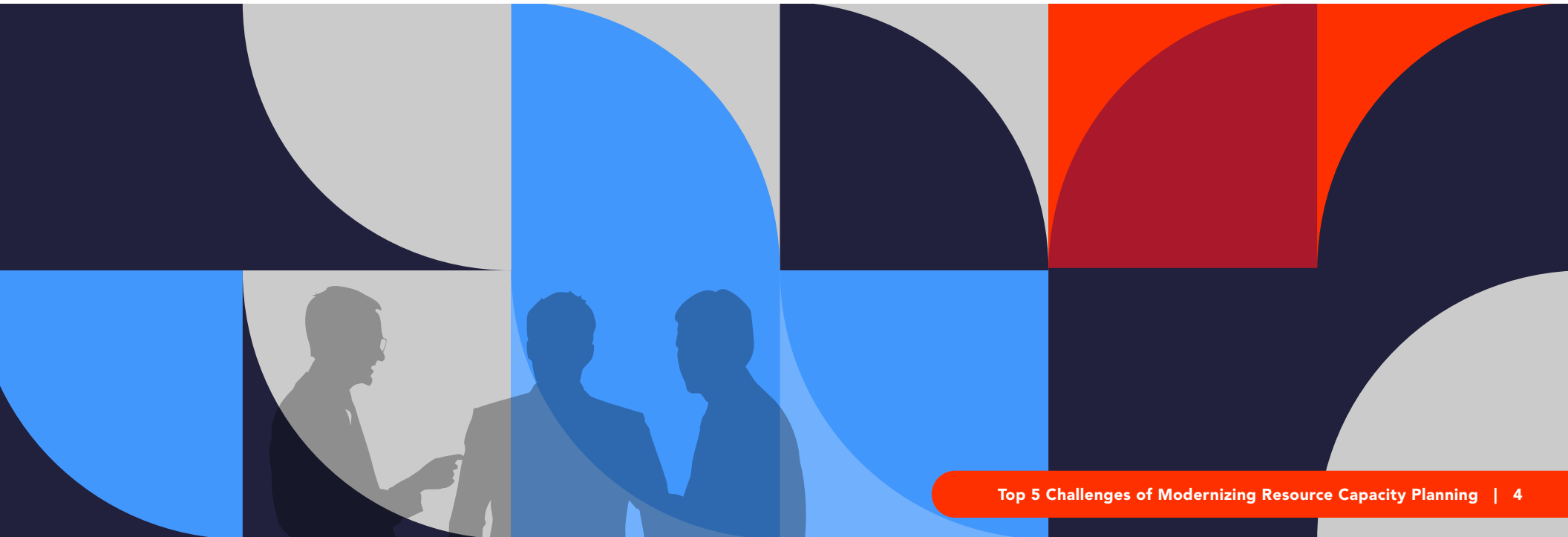
B. Lacking the right resources / skillsets

Within your teams, you may lack the necessary skillsets to deliver the required outcomes. This is a common problem, especially with specific skillsets that are in high demand. To address this, you must **compare the skillsets that are required for the project against those your teams currently possess**. That will help you to identify areas where you're likely to be spread too thin.

Rather than sharing resources across teams – which will create bottlenecks – keep your teams fully dedicated to optimizing work execution that delivers value. Build out a dedicated team comprised of those with the skillsets in highest demand for the work you are committing to within your planning cycle. You can also bring together skillsets to create a community of practice that can share their knowledge. Or, you can recruit systems teams to support dedicated teams.

As these groups impart their knowledge to other teams, it strengthens the skillsets required for future projects. Note: Placement in these dynamic groups will be fluid and may change depending on what skills are required for each quarter's initiatives, features, and deliverables.



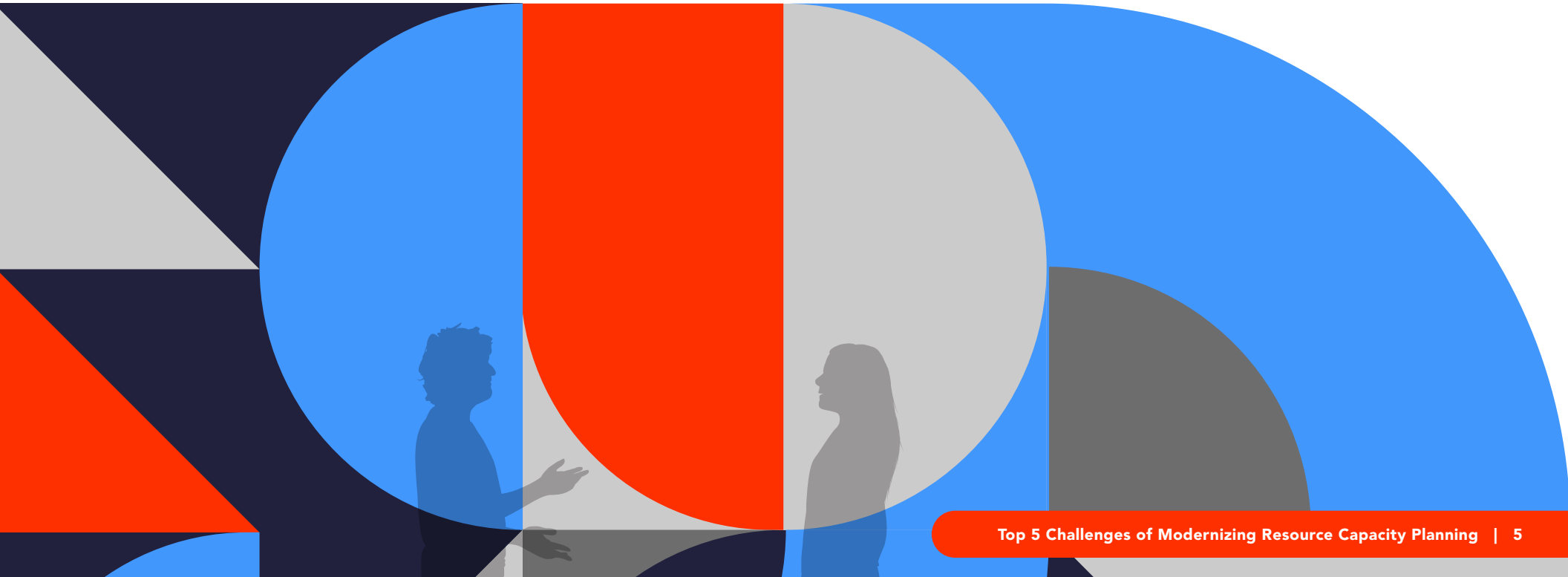
C. Inaccurate capacity and velocity

When ascertaining resource capacity and forecasting velocity, avoid counting open roles that you intend to hire as available resources. Your new hires may or may not have the skillsets you need for the work you've committed to delivering in a certain planning cycle.

Even if they do, it takes new employees time to obtain the product knowledge necessary to keep up with the pace of the team. If the capacity doesn't already exist somewhere within the organization, only commit to what can be delivered without it.

Many teams — especially new ones — try to fill up 80 to 100 percent of their capacity during a planning cycle. But aiming for an arbitrary number can cause problems such as overplanning. Plus, people will have different opinions on what defines the "right" quantitative measure.

Instead of defining the measure and then working to plan for it, It's more important for new teams to discuss what capacity means for them during a certain planning cycle, and then assign a percentage. Over time, Agile development cycles will help stabilize and improve a team's velocity.



D. Planning for disruption

Even with the most effective planning, unforeseen issues will cause disruption. As you initiate new procedures, alter old ones, build new teams, and add new skillsets, you'll experience interruptions and interdependencies that may threaten deadlines and potentially derail projects. Take this into consideration in your quarterly planning and understand that you will not be running at full capacity until the kinks are ironed out.

Alleviate some potential for disruption by streamlining governance. Remember that in organizations with overly complex governance there is no such thing as failing fast, there is only failing in an extremely painful and costly way. Remove process heavy procedures where simple changes that could keep your projects on track require multiple forms to be submitted and approved.

Additionally, **give autonomy to teams with specific parameters** (like cost thresholds and strategic alignment) in terms of what they have the power to approve without further oversight.

2 How do you effectively manage capacity when facing several uncontrollable variables?

Managing capacity requires some juggling when SMEs (Subject Matter Experts) are working on multiple simultaneous projects. Additional factors like customer approvals and unanticipated starts and stops can make it seem nearly impossible. But it's not.

To be efficient at resource management, first ensure you have an accurate picture of the resources at your disposal. Then identify the requirements of the scheduled work and the skillsets needed to deliver it. If they correlate, you're in good shape.

To adapt to changing and uncontrollable variables more easily, **create multiple, small, dedicated product-centric teams**. This can offer more flexibility when situations change and can also act to increase product line capacity as needed. Avoid multi-teaming where shared resources work on projects across teams. Multi-teaming links the fate of otherwise independent projects together – if one project stalls, then all of them can be put at risk.

Give teams the autonomy to pull from prioritized backlogs when a project, feature, or deliverable stalls — or when the team determines that work must be abandoned — so teams can deliver value. Employ gate-based incremental program funding and adaptable governance to increase agility in planning and delivery.

3 How can we best manage the use of different methodologies and tools across the organization?

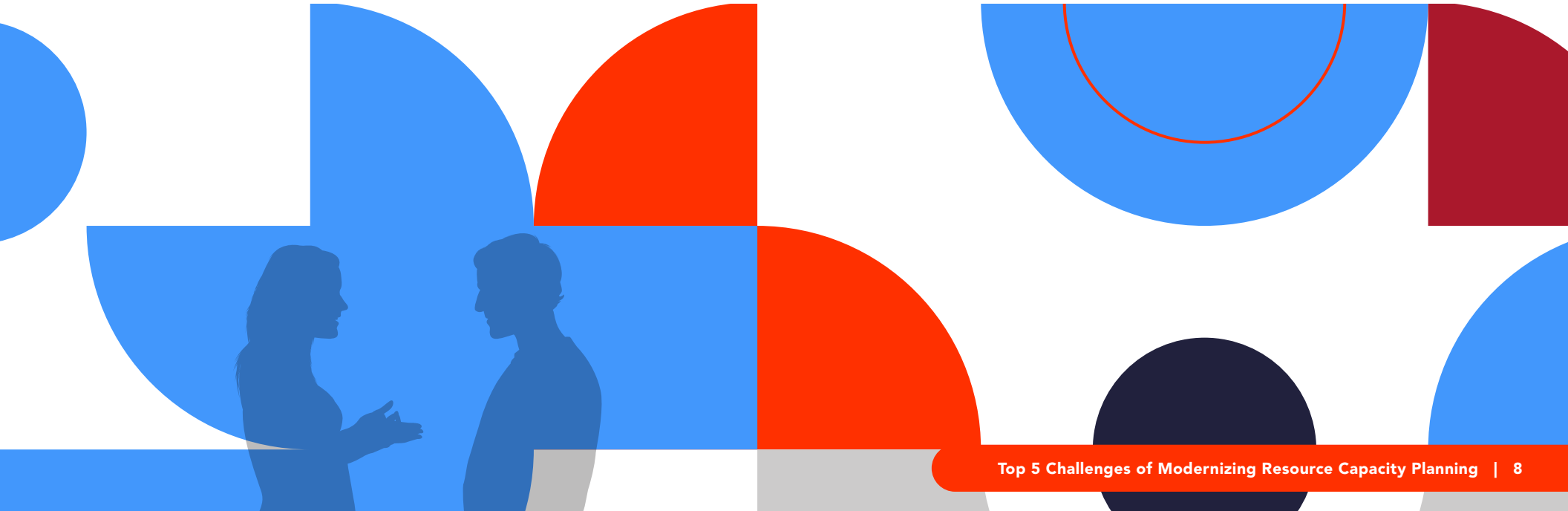
Some teams prefer Waterfall, others Agile, others Scrum, and others Lean. Teams adopt different approaches and methodologies because they're better suited to meet their project management and team needs for execution.

What's more, many teams have embraced a hybrid approach. Rather than instituting a one-size-fits-all methodology, **empower your teams to work the way they work best.**

Technology can be a powerful way to help teams — especially hybrid teams — deliver their best work. Instead of consolidating team tools, focus on integrating them into one connected ecosystem. In this way, information flows from one system to the next and provides transparency through reporting and analytics.

Create a single source of truth that enables full visibility for project, product, and program managers into how teams are being utilized (or under-utilized), how they're performing against budget, and how they're delivering on strategic initiatives.

This helps optimize execution of work for current project and program needs, as well as inform for future utilization and capacity planning.



4 How do you prioritize projects if there are no obvious answers?

Organizations leverage various scoring mechanisms that consider strategic alignment, value to customers, and risk. The models are designed to generate a score for guiding decisions on project prioritization. In the same way, the scores generated by these models are just that – a guide, not a stick-to-it roadmap.

While scores are a useful tool to direct conversations about priorities, they don't always give you a complete picture. The remaining elements of project prioritization are often missing, like understanding your resource capacity and knowing which skillsets are needed to deliver the outcomes.

When your scoring systems don't give you a clear answer, turn to your teams for their input and expertise. Perform Program Increment (PI) planning on a quarterly basis to communicate how the work that needs to be prioritized maps to the strategic plan.

Start by gathering requirements and get an understanding of what stakeholders deem important. Then, give your teams the autonomy to identify:

- **who** (the teams that will do the work)
- **what** (the outcomes and key results teams will pursue)
- **how** (the ways in which teams will break down work into smaller increments, as well as identify interdependencies and technology needs)
- **when** (the teams' timelines and their delivery to commit)

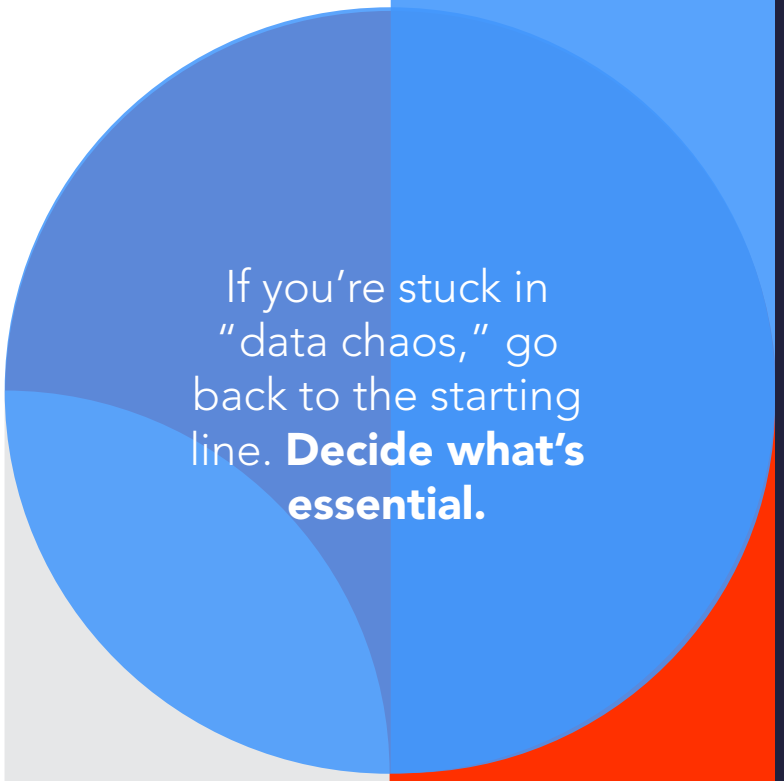
Check in with other dedicated and systems teams to align shared resources, time, and prioritization, as well as to mitigate risks. When all parties agree, your teams can commit and get to work.

5 What can we do to scale down our data requirements in the PPM planning process?

Many companies collect data just because they can. This isn't a good reason. Others believe that the more data collected, the more likely they'll be able to accurately answer future questions that aren't yet being asked.

To simplify data collection, **start by identifying the core strategic questions you need the data to answer**. That's it – nothing above and beyond. If, down the road, there are additional questions you believe data can provide the answers to, you can begin to collect it. But in general, if the data cannot answer questions that relate back to the company strategy, the deliverables, and the outcomes, gathering it will simply bloat datasets and obscure the answers you really need.

If you find yourself in a state of data chaos, don't try to solve the problem by instituting additional governance and checkpoints designed to double check what the data is telling you. This will lead to even more data that further clouds visibility. Go back to the starting line and decide what's essential.

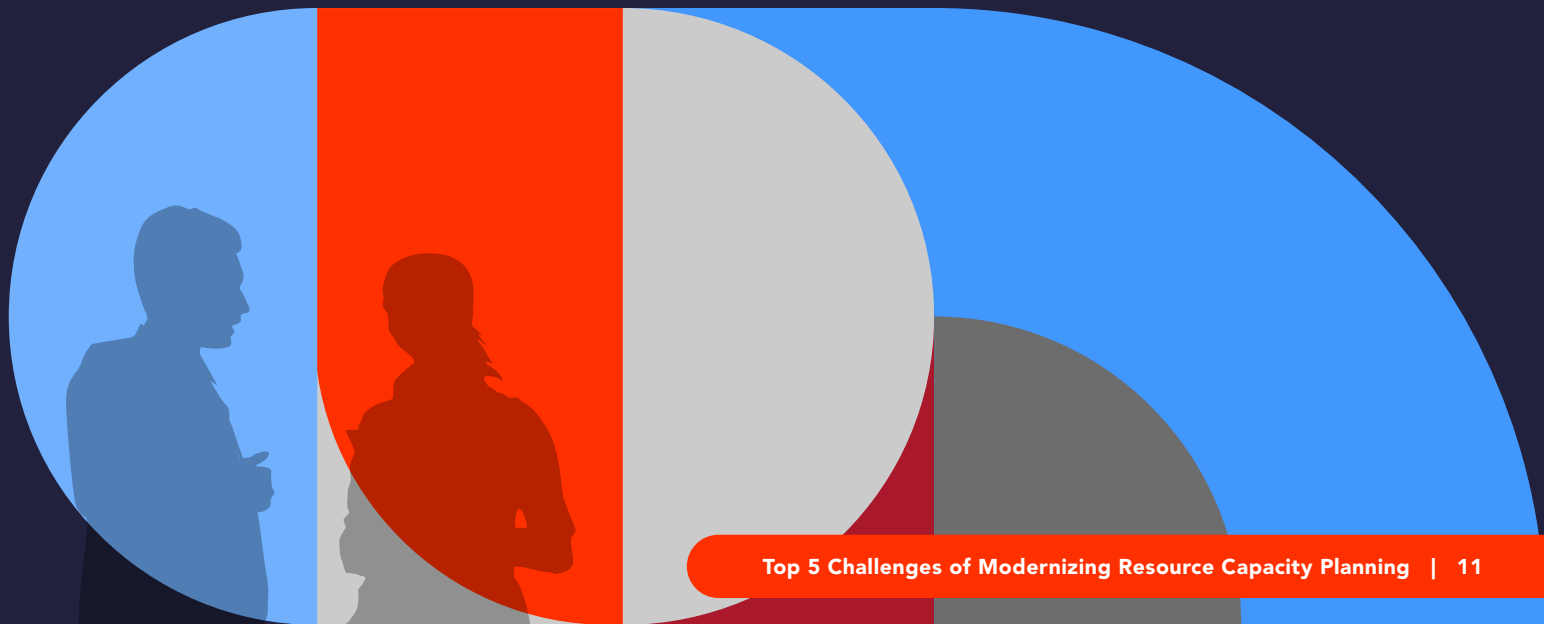


Transparency will help ensure a smooth transition to flexible resource capacity planning. A key component in modernizing your approach to resource capacity planning is to ensure your teams fully understand the corporate strategy and how their projects tie into it.

They must understand what they're being asked to do and why. Moreover, they must understand that while the assignments they're working on might seem inconsequential, they have a direct impact on the organization's overall ability to deliver on its strategy.

In a rapidly changing world, Planview's platform helps organizations connect strategy to delivery in ways that improve agility, speed time to market, and fuel innovation.

For a demonstration on how Planview helps increase organizational responsiveness and accelerate agility in planning and delivery, watch our demo video, "Solution Demonstration: Connecting Strategy to Delivery for Digital Speed."



About Planview

Planview® has one mission: to build the future of connected work. Our solutions enable organizations to connect the business from ideas to impact, empowering companies to accelerate the achievement of what matters most.

Planview's full spectrum of Portfolio Management and Work Management solutions create an organizational focus on the strategic outcomes that matter and empower teams to deliver their best work, no matter how they work. The comprehensive Planview platform and enterprise success model enables customers to deliver innovative, competitive products, services, and customer experiences.

Headquartered in Austin, Texas, with locations around the world, Planview has more than 1,000 employees supporting 4,000 customers and 2.4 million users worldwide. For more information, visit www.planview.com.

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