Resource Management Across IT
How Better Resource Management Enables Better IT Execution
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IT leaders and their teams carry out critical operational tasks such as incident, problem, and change management daily. They also respond constantly to demands for planned projects, such as development of new applications. In order to be successful, they must be able to assess and allocate the resources necessary to complete these tasks on time and within budget. However, numerous challenges, many of which stem from limitations of current tools and processes, make success elusive.

Fortunately, it is possible to improve the success rate of IT by expanding the information gathered about resource capacities, availabilities, and utilizations. Once IT achieves consistent success with resource management, improved tools and processes can then extend similar benefits across the enterprise.

What's Wrong with Resource Management?

The ability of IT teams to execute projects successfully and to deliver services effectively is constrained by the availability of resources such as people, materials, and physical or non-physical capital assets. Among these, people are usually the most expensive of all the resources necessary for IT success. In fact, when IT leaders use the term "resource management," they are usually referring to human resources. And yet, those human resources are typically the IT resource that is the most inconsistently managed or understood.

This is because most IT teams have limited or inconsistent visibility into the capacity, allocations, and availability of the people they need. This results in poor resource allocation, distribution, and project delays and budget overruns.

Clearly, IT needs tools and processes that give them a clear, complete, and accurate view of their most critical resources, and enable them to always have the right people working on the right activities at the right times. To achieve these goals, IT needs comprehensive, real-time insight into all relevant resource information – across all IT work, both day-to-day operations and specific project activities.
The combined shortcomings of current tools and processes make it extremely difficult for resource managers to assess availability accurately, or to allocate resources efficiently.

**The Scope of the Problem**

As shown in Figure 1, resource management attempts to answer two basic questions: are sufficient resources available, and are all resources allocated appropriately. While these questions are straightforward, consistently answering them correctly in a timely fashion can be challenging.

![Figure 1: The key challenges of IT resource management](image)

IT staff are rarely dedicated entirely to specific resource requesters such as project or change managers. Instead, most staff members have day-to-day, operational responsibilities that need to be performed, along with project work. Resource managers must take these operational responsibilities into account when allocating resources in response to each request. Typically, resource managers respond to this challenge by arbitrarily adopting an “80/20” approach, allocating 80 percent of each staffer’s time to operational tasks. While this assumption may assure that operational needs are taken into account, it rarely reflects actual operational requirements accurately. Such blanket allocations put at risk the ability to complete desired or needed projects successfully.

In addition, IT management bases its forecasts of future resource requirements on historical work and resource utilization patterns. Unfortunately, IT often relies upon manually created time cards to capture the information on which these forecasts are based. These time cards are subject to errors and omissions, due to being both manual and onerous to IT managers and staff alike. This means that resource requirement forecasts are often based on incomplete and inaccurate information.

The combined shortcomings of current tools and processes make it extremely difficult for resource managers to assess availability accurately, or to allocate resources efficiently. Instead, those managers often respond to multiple, simultaneous resource requests by spreading requested hours across each staffer’s resource calendar. However, this results in some staff reporting utilization rates of greater than 100 percent (as shown in Figure 2) when resource managers attempt to calculate resource utilization. Consequentially, resource plans with inaccurate over-allocations get approved – and the issue is perpetuated.

![Figure 2: Over-allocation of resources results in inaccurately reported utilization rates](image)
All of this combines to have negative effects on IT’s bottom line. Planned costs, calculated by multiplying planned hours by labor pay rates, are inaccurate, because planned hours are based on unreliable historical information. Allocated costs are inaccurate, because allocations are often arbitrary, rather than based on actual, accurate resource utilization data. And reported actual costs are wrong, because they are based in part on erroneous or incomplete time card data.

The Inadequacy of Current Alternatives
As the above shortcomings illustrate, current resource management products and processes are inconsistent at best for meeting the needs of resource and project managers. Incumbent resource management products are largely separate from the tools used to manage and deliver operational work. This hampers the ability of resource managers to gain complete, accurate views of the information they need to make accurate allocations. Adding to this problem are the typical processes by which resource (and project) requests are submitted – e-mails, phone calls, and in-person conversations. These are also disconnected from resource management products, making it difficult to track resource requests.

Often, resource managers are so frustrated by their tools that they revert to the things they used before those tools were acquired – spreadsheets and manual processes. But these are also inadequate. Those spreadsheets must be frequently updated, synchronized for version control, and often contain inaccurate resource information. And manual processes are as difficult to track and analyze for useful insights as those by which requests are submitted.

The Solution: Consolidation and Integration of Resource and Project Management
To address all of the above challenges, IT needs accurate, timely, and consolidated resource capacity, allocation, and utilization information. And that information must be closely integrated with the tools and processes used to manage IT operational tasks, IT projects, and project portfolios.

The consolidation and rationalization of resource management with operations and project management offers many significant benefits. It gets IT much closer to a comprehensive, accurate view of resource capacities and availabilities. And that improves allocations, which directly reduces costs and inaccurate project budgets, while helping to keep projects on schedule.

Greater consolidation and integration of resource management products can also provide the foundation for a single resource management system for all IT work. This can help to make resource management processes more consistent, effective, and automated. For example, updates to resource information can automatically update records of the tasks involving those resources.

Resource management consolidation and integration can also provide a foundation for extending successful resource management beyond human resources. For example, the same tools and processes used to manage human resources effectively can be extended to capital resources requested by users or project managers.

A Call to Action
IT needs to improve its ability to deliver services to the enterprise consistently, effectively, and economically. IT also has the opportunity to improve how it is perceived by the rest of the enterprise. Improving resource management in ways that make IT operations and projects more consistent and successful is something that can contribute significantly to both of these goals.
ServiceNow customers speak to the benefits of consolidated resource management. One such customer, a large provider of healthcare services, is using ServiceNow Resource Management in conjunction with ServiceNow Project Portfolio Management to consolidate and integrate these critical tasks. The customer reports that IT now has accurate, real-time visibility into resource availability. They have seen improvements in relevant processes, greater alignment of resources with business priorities, and a positive cultural change within IT as these benefits grow.

Effective tools and processes for improved resource management within IT can also help IT to become the model for – and a powerful enabler of – more effective service delivery and service relationship management, right across the enterprise. For example, IT could quickly and easily extend its successes with resource management directly to other resource-intensive groups in the company, to make them more consistently effective across the entire organization. These potential benefits provide compelling incentive for IT to improve the tools and processes it uses for resource management.