

Maconomy White Paper



Five fatal flaws of capacity and resource planning implementation

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The ultimate payoff of good capacity and resource planning (CRP) is a greater overview of and control over your business, but to reach that you first need a strong foundation for truly effective project planning and resource management.

This white paper maps out for you what not to do when you implement a CRP tool. It is useful to read if your firm decides that it needs to establish more sound and realistic planning throughout departments and project groups, and therefore, you purchase, or plan to purchase, a suitable solution.

Introduction: What is CRP?

CRP is a term that encompasses several concepts:

Capacity planning refers to high-level, long-term planning that focuses on the combination and number of employees your firm needs, and will need, in the future. Capacity planning will help you see, for example, if you have the number of art directors, project managers, engineers or copy writers you need for the coming year. Essentially, it helps you see if you should hire more people or let some current employees go.

Resource planning is short-term planning for optimal utilisation of current employees. It focuses on how to best use your current employees for current projects. It's outlook is over weeks, not years. It divides employees up among projects, pinpoints the need for free-lancers, or, the opposite, highlights under-utilisation.

Project planning also falls under CRP, and obviously concerns itself with the progress of a project, that it runs on time and within budget, without double booking of employees and with a reasonable amount of predictability.

In the context of this paper, CRP refers both to a business software application, and the above processes that it facilitates.

There is no such thing as a worry-free business software implementation, but if you can avoid these mistakes then you will certainly find the implementation to be more straight-forward, predictable and manageable. Good luck!

- = Maconomy recommendation
- = Planning is too detailed

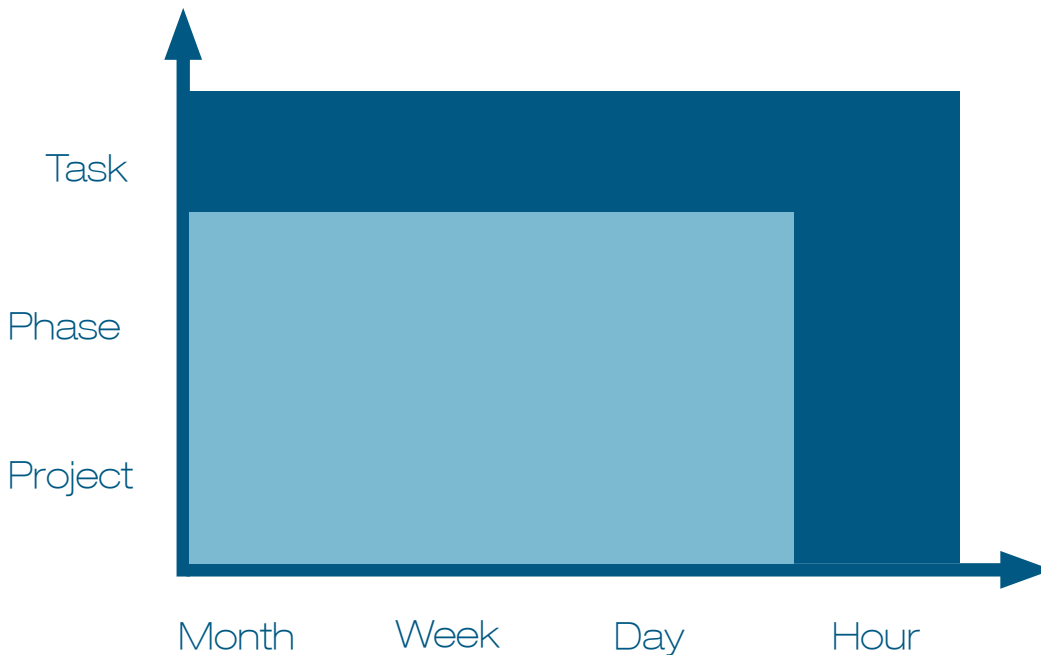


Figure 1. A graph that illustrates the ideal level of planning for most people. However, there will always be employees that can and should plan on a detailed level.

Five fatal flaws of CRP implementation

1. Top management is not championing the solution

When employees are faced with impending change in their work, and work culture, they look to strong leadership for reassurance and a plan and direction through the potential disruption.

You and your fellow colleagues in senior management must have clear goals for what you want to achieve with CRP. A clear set of goals gives employees something concrete to look and work towards. You need to tell your employees why you are implementing a CRP solution and how they will benefit from the change.

Effective championing also involves informative and consistent communication, which continues on well after your organisation is using the CRP solution. It can occur via regular and ongoing company meetings, internal e-newsletters and alerts, department-specific training workshops and so on.

2. You choose a solution that encourages users to plan on too detailed a level

Successful planning requires relinquishing minor control in exchange for greater overall control and overview of projects and resources. Planning down to what every person on a project shall do with every hour is counter-productive. This type of planning isn't scalable; it would be cumbersome to do for a handful of employees – imagine trying to make it work for a project that involves hundreds, or even thousands, of employees and deliverables.

Choose a solution that encourages higher-level, and therefore, more resilient and flexible planning. People should be encouraged to plan on a level where it can be expected they will submit accurate information – deadlines, figures and so on, that they can stick to. It should still be a solution that allows for long-term planning and drill-down options but even the latter should be kept at a certain overview level. For example, options to plan by month, week or day, but not by hour (See Figure 1).



Value added

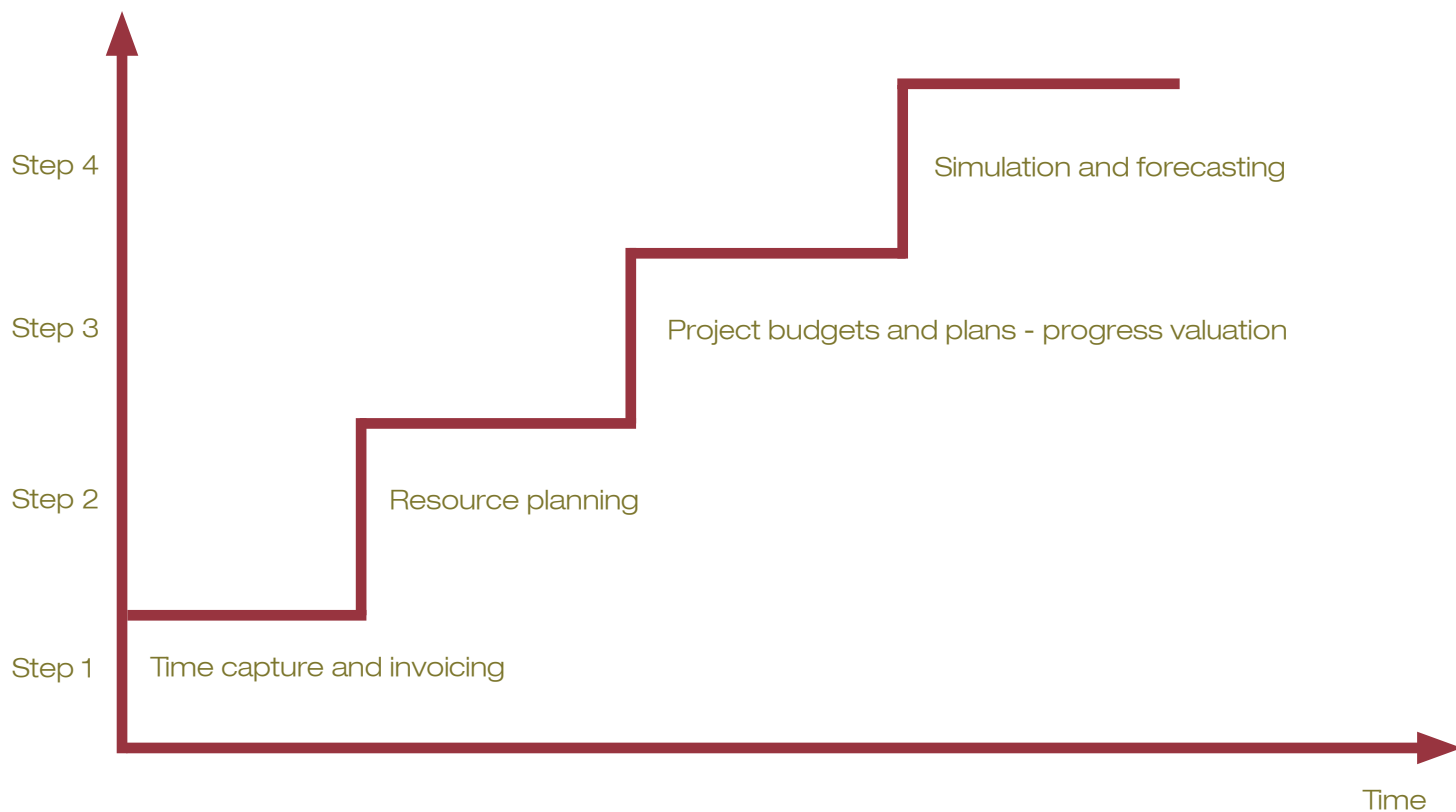


Figure 2. This graph illustrates the concept of staggering your employees' learning of CRP. Each new level adds additional value to your business.

3. The solution is implemented at once throughout the entire organisation

A staggered implementation can actually give you a faster and stronger ROI than that of a one-time implementation (See Figure 2).

A CRP solution, because it is heavily based in projects, will already yield results with one or two departments or project groups. Two departments using the solution correctly and producing strong results looks much better than 20 departments using it incorrectly, with poor results.

A "big bang" implementation, whereby the whole company is brought online at once, is not necessary and could easily delay and complicate the implementation.

4. You try to implement all functionality at once

The CRP solution is a means, not an end, to better planning in your firm, and is only as good as the "weakest link" in your organisation. Overall, there needs to be a culture in your firm that values

accurate information being submitted on time; a culture that supports, with training and follow-up, the decentralization of tasks, such as giving project managers more control and responsibility over finances.

Within that framework, you can encourage effective use of a CRP system by teaching employees how to use it in stages (see Figure 2). Identify and prioritise in the implementation phase the key functionality employees need to learn; as they learn and master one area, train them on the next, and so on. This will entail a longer start up process, but ultimately, it will ensure your employees actually use the solution the way they *should* and enter correct and pertinent information on time. Without those criteria in place, you won't see any real benefits from your CRP solution.

A better resource and project overview, when multiplied throughout your organisation, will provide a virtual "neutral blackboard", which simply reflects your company's realities. In turn, this will make consequence calculation more accurate before a project starts. No project will run perfectly, but there will be less putting out of fires and overall,

more stability and calmness can be introduced into people's work.

5. You do not carry out a thorough pre-analysis before you implement, as well as a post-implementation status check.

This is a process you can perhaps do on your own or with a consultant. In the latter case, choose a solution provider that offers extensive consulting services, including pre and post-implementation review and support. Deep knowledge of and considerable experience with your industry is a prerequisite for any consultant. You know your business best, but with such a background, the consultants can lend valuable objective analysis to the map of how your firm does projects and achieves results, and how all these processes can improve with CRP. In addition to configuration support, they should offer:

- A) Analysis of your processes
- B) A guide for how you should proceed with implementation, for example, which

departments should be first-users

C) Training

D) Support for overall change management

Conclusion

The ideal CRP scenario is every manager and employee using it correctly, in a timely fashion and simultaneously, so that everyone plans with the most up-to-date information. You can attain this ideal if you start by building your CRP processes and solution use on a good foundation.

To read more about the steps to take for a successful CRP implementation, please see the paper, "How to effectively introduce people and project planning in your organisation".

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Maconomy business solutions enable consulting companies, marketing communications organizations, audit & tax consulting firms and research institutes to optimize project and resource management, manage costs and drive profitable behavior throughout their organization. ‘

Based on years of extensive experience our consultants have developed a unique, fast and cost-effective methodology for deploying our solutions, the Maconomy Implementation Method. Our many successful customer implementations prove that the Maconomy implementation approach works in practice - and that we deliver the functionality required.

Customers include Deloitte, Institute of Marine Research, KPMG Switzerland, Millward Brown, Norconsult Telematics, Norwegian Geotechnical Institute, Philips, Price Waterhouse Coopers, Ramboll, Research International, Technia, WM-data, and agencies within all of the global networks like Interpublic, Omnicom Group, Publicis Groupe and WPP.

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