

## Overview: Resource Capacity Planning

### THE CAPACITY QUADRANT: FOUR KEYS TO IMPROVED RESOURCE PLANNING

Organizations often cite resource management as their most overwhelming challenge. Despite the best-laid plans, they just can't get a handle on getting the right people available at the right time. The key questions they typically ask are:

- How do we staff all this work we've just approved, and what else will it impact?
- With things changing so frequently and our daily firefights daily, how can we commit resources with any level of confidence?
- How do we shift gears when priorities do change?
- What happens when projects run late, tying up our most vital resources?
- Can we really deliver on our product roadmap?

Because of this, organizations sometimes resist taking on new projects for fear of the ability to deliver. Thus they become less aggressive – and less competitive – in the marketplace. Or worse, they do the opposite and, with blinders on, take on unlimited demand, managing as if they have infinite capacity. As an analogy, consider how you treat your checkbook. If you don't know what's in your account at any one time, or when automatic bill payments will hit, you either become timid about writing checks, or you write them anyway and hope for the best. Meanwhile, the kids need new shoes.

Similarly, you need a clear picture of resource availability to confidently take on new projects and react to sudden market opportunities. Otherwise, valuable resources are wasted or misused. While there's no silver bullet for capacity planning and resource management, there are four distinct dynamics that can greatly improve success and help an organization become proactive instead of reactive. Together, these dynamics make up what we can call *The Capacity Quadrant*. The four components that make up this framework are:



#### Visibility

This includes improving visibility across three lenses: the **Demand** lens (including strategic projects, regular projects, services, and other planned work), the **Capacity** lens (i.e. resource calendars minus vacations, holidays, and any unplanned work that can be estimated on a standard percentage basis), and the **System** lens (i.e. using a systems thinking approach to identify the many variables that can impact resource workload, efficiency, and productivity).



#### Prioritization

This involves understanding organizational goals and priorities, creating flexible scoring mechanisms that can encompass all discretionary work, and understanding the linkages between projects and products on the overall roadmap.



#### Optimization

Here you can maximize your resources by focusing them on the most critical work; limiting the volume of primary demand objectives; tightening the resources on secondary objectives; and addressing efficiency issues identified during the **whole system analysis** (as part of the **Visibility** component). During this phase, alternate staffing strategies can be assessed as well.



#### Iteration

This involves planning capacity and demand at varying levels of detail at different points in the planning horizon. For instance, early on, top-down high level plans are appropriate, with more detailed planning occurring as the work approaches. The two views should be reconciled during each planning iteration. Like all planning, demand and capacity planning is not a one-time activity.

Planview Enterprise® can help you shed light on the these four key dynamics that impact capacity planning to demystify resource management, make more informed decisions, and optimize your resources toward high value activities. Learn how at [www.planview.com](http://www.planview.com) today.