Resource Management: The Keystone of PPM and Project Management

A Project Management Article by Gus Cicala

Organizations are beginning to recognize the comprehensive power that Resource Management has for addressing how to manage projects and project portfolios.

To put it simply, the daily operations of an organization revolve around executing initiatives to achieve the corporate vision. There are two criteria for meeting that end: doing the right projects and doing the projects right. Doing the right projects is the goal of Project Portfolio Management (PPM), and doing the projects right is the goal of Project Management. These two entities, then, are the foundational basis for accomplishing the mission of your organization.

What makes Resource Management so powerful is that it lies at the heart of both PPM and Project Management.

I often think of Resource Management in terms of an airline planning its flight schedule for the day. Deciding the specs of where the planes should go and at what times and with how many passengers is analogous to Portfolio Management. Resource Management is at the core of this planning and optimizing process because you would have to know how many planes are available at what time, how many pilots are scheduled to work that day, and so forth.

Likewise, managing the project itself—getting the plane to its specified destination efficiently and on time—is also centered around Resource Management. The right combination of pilots, flight attendants, gasoline, and so on are all required for the project to take off. They all need to be available at just the right time, for the full duration of the project with variables (eg: due to an employee's illness or a plane's maintenance) tracked and accounted for. All of these considerations fall under the purview of Resource Management.

This analogy oversimplifies things, of course. But if we look at a 6-step methodology for each process, we will see that they parallel each other, and that Resource Management serves to bridge the gaps at each of those parallels (or at least at Steps Two through Five; the first and final steps are not much of Resource Management considerations).

Step 2 of PPM: *Business Case Management*

- Review initial request
- Develop business case
- Present business case

Step 2 of Project Management: *Project Scoping*

- How much?
- How long?
- High-level resources required?

Obviously, the question of what high-level resources are required is answered through Resource Management. This question is also crucial to the business case presentation found in the PPM domain. Surely a business case will be woefully incomplete without a high-level consideration of what resources it will take and whether or not those resources are available.

Step 3 of PPM: *Initiative Review/Rating/Evaluation*

- Business rationale/justification
- Cost Benefit Assessment
- Reviews and Rating

Step 3 of Project Management: *Scope Adjustment/Initial Requirements*

- Project plan modifications
- Refinement of resource requirements
- Enhancement of business requirements

Just as the high-level consideration of resource requirements happens via Resource Management, so does the refinement of those requirements. Half of the equation for Cost Benefit Analyses (CBAs) comes through these refined measurements of what resources are required.

Step 4 of PPM: *Selection and Approval*

- Evaluation of alignment with business objectives
- Prioritization, selection and elimination
- Approval of funding

Step 4 of Project Management: *Project Planning and Scheduling*

- Detailed project planning and scheduling
- Named resource commitments
- Capture project baseline for evaluation of variances to plan

Project selection goes beyond simple prioritization; resource availability also drives what initiatives can be done in a given time period. For example, if each of the top ten projects are IT initiatives, optimal resource assignment will determine how many of those projects can be done and at what point during that time period there will be the availability to carry out the different initiatives.

This process is parallel with Project Planning and Scheduling, since resource commitments to projects outside of the project manager's purview may severely impact how the project ought to be planned. Unfortunately, a manager cannot get this information simply by looking at the Gantt Chart, so a more rigorous form of Resource Management is key.

Step 5 of PPM: *Measure and Respond*

- Review and audit
- Report and evaluate
- Escalate and respond

Step 5 of Project Management: *Execution and Control*

- Track actuals
- Analyze Variances
- Report status

Portfolio management isn't completed after the projects are selected. On-going governance and adjustment of scope, schedule and resource ensures that initiatives aren't executed based on out-dated information. So as project managers are tracking actuals to see what aspects of the Triple Constraint might need to be adjusted, portfolio management continues to adapt the project objectives—going as far as to cancel failing projects.

Resource Management marries these parallel activities by tracking what has been invested in the past, recognizing what is available now, and planning what should be invested in the future.

Conclusion

PPM and Project Management are the basis for accomplishing the mission of your organization. Resource Management serves as a keystone at each of the activities that are at the core of PPM and project management. The facilitation of those two foundational components makes Resource Management the Holy Grail of corporate strategy and execution.

About the Author

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Mr. Augustus (Gus) Cicala is the President, CEO, and founder of Project Assistants, Inc. Mr. Cicala started Project Assistants in 1996 as a successful, full-service project management consulting firm that provides consulting services, custom development, education and products that form the foundation of enterprise project management solutions. He is an expert in Project & Portfolio management with extensive executive leadership and consulting experience and has worked with a broad range of clients throughout the US and Western Europe.

Mr. Cicala has 25+ years of project management experience and 30 years of information technology development and consulting background. Mr. Cicala graduated Cum Laude from The Wharton Business School of the University of Pennsylvania, with dual majors in Management and Operations Research.

Mr. Cicala is also a popular speaker and writer on Project & Portfolio Management and the use of Microsoft Project as an enterprise project management technology platform. He is a published author of many popular articles and books on the subject of project management, including contributions to several editions of Macmillan's popular Que book series: Special Edition: Using Microsoft Project. He is also a contributing author to the third edition of Expediting Drug and Biologics Development and is a member of Microsoft's product advisory council

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Note: this article reflects the viewpoint of the author, Gus Cicala, and does not necessarily represent the views of PMIWDC. If you disagree with or object to the views expressed here, please let us know

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