

A photograph of a team of people in a red raft navigating white water rapids. The rafters are wearing bright green shirts and are captured in a dynamic, synchronized rowing motion, splashing water. The background is a blurred natural setting with green foliage.

# Enabling flexible resourcing

Bringing new levels of agility to  
managing employee utilization



Let's start with some maths. A newly qualified lawyer at a top London firm earns on average \$94,000 a year. The firm charges her out at \$460 an hour, so based on a conservative target of 1,500 billable hours a year<sup>1</sup>, she makes \$690,000 for the company – a decent return on the wage bill.

But now consider that target a bit more closely. 1,500 hours is equivalent to 200 seven-and-a-half-hour days: minus weekends and 30 days' holiday, there are 231 working days per year, or 1,732.5 hours. That means our lawyer needs to bill for 86.58% of her total working hours – essentially six and a half hours a day, leaving an hour to general admin, internal meetings and the like.

If she could bill just 15 minutes more per day, the company would see an extra \$26,565 per year in income, per newly qualified lawyer. At no extra cost.

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“ *Increasing employee utilization rates would make a significant difference to both income and profit.* ”

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<sup>1</sup> "Within the top firms, lawyers below the partnership level are generally expected to reach a target of between 1,500 and 1,750 billable hours each year" – FT, 19/4/08  
[www.ft.com/cms/s/0/174d2cea-0d9d-11dd-b90a-0000779fd2ac.html](http://www.ft.com/cms/s/0/174d2cea-0d9d-11dd-b90a-0000779fd2ac.html)

## Increase utilization, increase income, increase profit

The numbers differ, but the same fundamental story could be told in any professional services organization. Increasing employee utilization rates would make a significant difference to both income and profit.

Professionals themselves would welcome it: few would even blink at a target of an extra 15 minutes of chargeable time a day: after all, our calculations above were based on a 7.5 hour day, a rare – and frankly unexpected – luxury for most in the professional sector.

So why have chargeability targets remained broadly unchanged for so many years? Quite simply, because organizations don't have the ability to adjust when the work staff are scheduled to do fails to transpire. They have to build in a copious allowance for 'unplanned' downtime.

## It's all about agility

When projects are going to plan, chargeability isn't an issue. Resources – ie your staff – are allocated to a particular job, or range of jobs, and depending on your business model, they either know how many hours they have been allotted to complete those tasks, or can simply rack up billable time as needed.

If everything stayed this way, chargeability targets well in excess of 90% would be easily met. But when there's a delay, things get more complex.

Project plans mean teams are booked in at a set time at specific points in the process. For example, a software testing team will be scheduled to work once development has reached a certain stage. But if development is delayed, the testing team is left in limbo. Do they charge this time back to the project? Or just use it to tidy up their desks? A day like this is ok, but when it stretches to two or three days, frustration grows. The development team racks up extra hours and the testing team is then under pressure to claw back the time lost.

Meanwhile, the project manager, his budget and schedules in disarray, can do precious little about it.



## At a glance

- The more working hours you can bill for, the more profitable a professional services organization is
- But billable hours targets have been largely unchanged for years
- They include a generous allowance for delays and unforeseen problems
- Few organizations have the ability to reallocate staff when such problems occur
- If they could, they would increase project success rates, drive staff and client satisfaction and minimize bench time
- KeyedIn™ Projects provides the knowledge and visibility needed to reallocate resources flexibly and improve employee utilization



## If reallocation was possible...

Imagine then, a different scenario, in which a potential delay is spotted early. The project manager alerts the testing team, and his colleagues elsewhere in the business. A different software application is running ahead of schedule, so some testers can be reallocated to that. Another project team has a developer standing idle; he can reinforce the team on the overrunning project, helping minimize the delay.

Costs are contained; timelines protected; employees across the business better utilized.

Imagine too being able to do this not just once, but time and again, constantly readjusting resource allocation to fit the fluctuating needs of your entire project portfolio. The same principle could apply to a legal team, being able to call in experts around specific issues in a timely way, that ensures existing cases or projects aren't disrupted. Those barriers to increasing chargeability are eliminated; the allowance the business makes for unplanned downtime can reduce.

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## Making flexible resourcing possible

But to achieve this requires knowledge, about the exact status of every task on every project, about which resources are allocated to which jobs and when. You even need to know what skills those individuals have, so you can work out who is best redeployed where.

KeyedIn™ Projects gives you all of this knowledge and visibility. It not only provides project managers with a single view of their entire project, but also offers a portfolio or organization-wide view of resources – driving not just increased employee utilization, but smarter utilization.

So whether your target is increasing the billable proportion of your fee-earners' working hours, or simply reducing the costs and frustrations of bench time, KeyedIn Projects can help you put your people to better use.



## Product focus: Five ways KeyedIn™ Projects helps you improve employee utilization

KeyedIn Projects is a fully integrated suite of business applications designed to support professional services organizations at every stage of project and program management. Available via SaaS, it gives you the ability to allocate resources more effectively to every project and respond rapidly to changes in workload to maximize employee utilization. That means you increase your billable hours without increasing headcount – or stress.

With KeyedIn Projects, you can:

### 1. Plan around existing commitments and previous experience

Effective resource utilization starts with effective planning. KeyedIn Projects enables project managers to draw on two vital knowledge streams when building teams and schedules: detailed knowledge about exactly who is committed to what jobs and when, and detailed knowledge about previous projects. Together, these mean projects are based on realistic expectations and timelines: you don't just avoid double-bookings, you can also factor in insights like the fact that all previous projects for a certain client have over-run – so you can assume that anyone engaged on that client is unlikely to be available on time. You can then either find an alternative resource, plan around the delay or identify who best to approach regarding reallocation.

### 2. Monitor employee utilization and project costs

In professional services, people costs are the single largest part of project costs. Even if you don't bill by the hour, your budgets will be based on assumptions of how long people will take to complete a job. KeyedIn Projects makes it simple to keep track of exactly how much time each individual has spent on your project. It features user-friendly time recording capabilities – so the right data is entered – and then at-a-glance budget management functionality, enables project managers to spot whether particular teams, tasks or individuals are above or below budget.

### 3. Keep the whole team updated on project progress

Project plans change all the time, for all manner of reasons, from client requests to late responses to unexpected problems. But when you're fighting fires, there's no time to think about how this might affect other parts of the team – so they only discover there's a delay at the last minute, giving them no time to rethink their

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workload. With KeyedIn™ Projects, that needn't be the case. Because all project documentation and plans are linked, you can update the information once – for example, moving a stage deadline in the core project plan – and all related documents are updated. Teams can see changes in their own calendars, and make plans accordingly.

#### 4. Take an organization-wide view to redeploying staff

In every professional services organization, there are certain skills in short supply. So if a specialist in a particular field has some free time, then there is likely to be a rush to redeploy him or her. KeyedIn Projects not only gives you the management capabilities to reallocate staff quickly, it also helps you do so intelligently. Instead of simply putting them on the free market, portfolio managers can select the most strategically important project, the one that most needs an injection of expert knowledge, or simply the one that is easiest to access in terms of geography. In other words, resources are used to best effect by the organization as a whole, not by individual project managers feeling the pressure.

#### 5. Drive employee satisfaction

Under-utilized staff aren't just an opportunity missed in financial terms. Bored, frustrated and demotivated, they're also a drain on your organization in many other ways. KeyedIn Projects helps you minimize this risk, by ensuring no member of the team is left too long on the bench. And for organizations where reward is directly linked to billable time, that's even more important.

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*KeyedIn Projects can also underpin more effective strategic resource management. Read our paper Rational Resourcing to find out how.*



### Discover how

Could you benefit from being fifteen minutes richer – per employee, per day? Then rethink your employee utilization with KeyedIn Projects. Talk to KeyedIn today: because of our SaaS delivery model, you could be up and running with KeyedIn Projects in just 2 weeks. Contact us on 888-960-5472 to find out more.



Put us to the test: visit [www.keyedinpso.com](http://www.keyedinpso.com) to sign up for a free, no-obligation 15-day trial.



## About KeyedIn™ Solutions

KeyedIn Solutions is focused on helping organizations simplify processes, improve performance and drive results. The company's Cloud-based software systems not only offer greater flexibility, but effectively scale as business needs dictate and can be implemented quickly, delivering a measurable ROI months, or even years ahead of on-premise systems. And KeyedIn offers a true SaaS model, making its solutions affordable for every budget.

KeyedIn Manufacturing is an ERP system that helps custom manufacturers work smarter so they can increase productivity and bring new products to market quickly, for a distinct competitive advantage. KeyedIn Projects, the company's project management suite, helps businesses and professional services organizations improve everything from project initiation to execution by managing programs based on top-line strategy and delivering profitable projects to the bottom line. And when new solutions need to be developed quickly, KeyedIn clients turn to KeyedIn Flex, the company's rapid application development (RAD) platform for affordable applications designed just for them.

When businesses need results fast, they look to the Cloud – and turn to KeyedIn Solutions. You should too. Keep up with us at [www.keyedin.com](http://www.keyedin.com)



Part of the KeyedIn Solutions Business Portfolio



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