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What is Resource Planning Software?

Here are the most frequently asked questions about resource planning software.

What is a Resource?

Let's take a step back. A resource is anything you need to use to complete a task. This resource can be a person, material, facility, or more. Typically, for creative and professional services teams, the most important resource is people — full time employees, freelancers, subcontractors. Utilizing resources effectively requires strategic planning.

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What is Resource Planning?

Resources are limited, so you must plan their use. You can only put each person in one place, at one time, working on one task, matched to his or her unique skill set.

Effective resource planning helps you deliver projects on time regardless of shifting deadlines, changing priorities, and common project evolutions. Resource planning keeps utilization rates at a profitable level, reducing the non-billable time your resources spend on projects. When your software works well for your people, your profit margins reflect this.

So What is Resource Planning Software?

Software tools help companies effectively plan resources. Software has included everything from spreadsheets and homegrown applications to commercial-off-the-shelf (COTS)

products.

Spreadsheets require manual data updates, so teams who start on spreadsheets tend to look for more powerful software later on. More powerful software may include collaboration, information-sharing, reporting, and utilization tools that become bulky and time-consuming in spreadsheets. Spreadsheet updates also include greater risk of human error, redundant work, file overwrites, multiple versioning, and more.

Some companies build proprietary solutions to plan resources. These are great for teams who want exact control over resource-planning preferences. However, they come with some downsides. Proprietary solutions may cost more to maintain, as well as to build custom integrations with other software solutions. After development, homegrown applications must be maintained, enhanced, hosted, and eventually replaced. Many creative and professional services organizations are not equipped or inclined to build software themselves. For them, a COTS solution may be best.

COTS resource planning software is widely available in many forms. It can be traditional software (i.e., installed locally or hosted on a server) or it can be subscription based (often referred to as Software as a Service or SaaS) and live in the cloud. SaaS resource planning software is growing in popularity for several reasons, including lower upfront costs, less maintenance, and regular software updates.

Common resource planning software capabilities include these:

- Resource Planning (by individual or role)
- Resource Scheduling (at the project or task level)
- Utilization Reporting
- Resource Availability Forecasting
- Resource Auditing
- Resource Discovery

Who Uses Resource Planning

Software?

Companies of all sizes do resource planning. This includes anyone managing a team of employees, contractors, or a combination thereof. When you need talented individuals to come together as a team to complete tasks, you can benefit from resource planning software.

SMALL COMPANIES

For very small companies, resource planning can be accomplished without software through regular team meetings and by using a whiteboard. Once companies reach a certain size, more formal tools are required to avoid resource shortages and maintain utilization.

MID-SIZED COMPANIES

For creative and professional services businesses, resource planning software becomes valuable once the team reaches 15–20 people. At this size, maintaining high utilization and margins becomes difficult to juggle without technology. Many firms

initially use homegrown solutions like spreadsheets before adopting a more integrated solution.

LARGER ORGANIZATIONS

The benefits of resource planning software correlate with company size. Since larger organizations have more resources to manage and clients to satisfy, the impact of improved forecasting and allocation are magnified. Larger companies are also often more metric-driven, and may be expected to maintain specific utilization and financial targets. Companies focused on improving billability and profit margins stand to benefit most from a professional resource planning solution.

What are the Advantages of Resource Planning Software?

Resource planning software solves the specific challenge of knowing your people are deployed in the right places to meet client needs and achieve business objectives. It helps you gauge utilization, so you stop wondering if your team members have

enough, too much, or too little work. You can ensure they are completing that work on time, and you can re-allocate them when project timelines shift. In addition, resource planning software helps you scale predictably. When a project doubles in size or you win a new client, resource planning software shows where you can pull resources to achieve the necessary tasks. Some resource planning applications incorporate financial information or integrate with CRM and accounting solutions. This lets you see the cost-benefit of re-allocating resources to other tasks, as well as the overall financial health of your business.

Finally, resource planning software offers a central workspace for your teams to collaborate. Your executives can see who is working on what and when, as well as the financial impacts. And reporting tools let you adapt — based on data-driven decisions — in real time. When properly used, resource planning software takes the pain and guesswork out of getting the most out of your team.

What are the Disadvantages of Resource Planning Software?

As with many business technologies, resource planning software requires a tradeoff between customizability and affordability. Homegrown solutions are highly customizable, yet costly to maintain. Traditional COTS software is costly to install and upgrade. SaaS resource planning software is often much more affordable, but at the cost of limited flexibility. Some companies do a better job of tailoring the software to your needs than others.

One of the biggest barriers to adopting dedicated resource planning software are the costly integrations necessary to gain the anticipated benefits. You can mitigate this risk by choosing resource planning software that is part of a suite of applications, and/or one that integrates with your preferred accounting and project management software off the shelf.

Using resource planning software instead of spreadsheets will also require training (and potentially business process

reengineering) to succeed. The user experience varies drastically between different solutions, and it is critical to choose one with a user interface your team will use. For this reason, it's important to choose a software provider who demonstrates both a user interface and sufficient customer service offerings that meets your standards. Good places to start looking for the software that meets your needs are [GetApp](#), [Capterra](#), and [Merchant Maverick](#).

Start the Conversation

Ready to evaluate resource planning software? Schedule your call with one of Mavenlink's representatives to discuss your options by using this [this form](#). You can also [compare Mavenlink plans and pricing](#) to see what resource planning features are available. If you have any questions, we're available to answer them 24/7 by clicking the Live Chat button on the right. We look forward to working with you!

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