Investing in Resource Management Software?

Making a successful business case

Managers have always had to justify their investment in software tools, but with the current economic climate likely to remain for some time, financial benefits must be more clearly articulated for the business case is to succeed.

For resource management software, the operational benefits are easier to describe than the financial ones; as an operational tool, you will be well aware of the current issues, before embarking on the search for suitable software.

Resource Management Software – operational benefits

1. **Accountability.** Internal departments, such as IT, often need to improve their accountability to the business on how their resources are being used. Reports from your Resource Management Software will show how the staff are deployed across all client projects and internal work.

2. **Demand Management**. You can respond to requests for new work with a detailed explanation of why sufficient skills may not be available on the required dates. This avoids over commitment to your clients and subsequent disappointment when delivery dates are not met.

3. **Assess alternatives**. Scenario analysis enables you to work with clients in rescheduling their demands to fit within your skills capacity to deliver.

4. **Performance measurement**. Integrating Resource Management Software with timesheets provides comparison of planned with actual work and performance measurement, project by project. If the data can be organised as estimating metrics, the quality of future estimates will improve, enhancing client satisfaction as the number of delivery dates being met increases.

5. **Communication.** The move from spreadsheets to Resource Management Software that has on demand reporting, will effectively communicate skills bottlenecks as they emerge and the corrective action that is being taken. Automated emails alert staff when a change in plan affects them.

These operational benefits can lead to substantial efficiency improvements throughout the work cycle. It is such efficiencies that provide the financial justification for the software investment, as even a modest increase will more than cover the cost of Resource Management Software.

For example, if you have a resource pool of 100, with an average loaded cost of £40,000 per year, the cost to the business is four million pounds.

If the operational benefits of resource management software can improve staff utilization by just 2%, this will save the business £80,000 per year. With acquisition and implementation costs unlikely to exceed half of this, a payback period of less than 6 months is very likely.

As evidence, take a look at the [Welcom Software case study.](#)

About the Author

Gordon Petitt is a senior sales executive with Innate Management Systems Ltd., the Resource Management Software company. You can see more details about Innate's products and services at www.innate-management.com