SIX STEPS TO
BUILDING AN EFFECTIVE SKILLS TRACKING
AND RESOURCE MANAGEMENT PROGRAM

TABLE OF CONTENTS

SIX STEPS TO BUILDING AN EFFECTIVE SKILLS TRACKING AND RESOURCE MANAGEMENT PROGRAM

For professional services executives, resource optimization is key to the success of their business. Placing the right consultant onto the right project at the right time is essential to the success of client engagements and client satisfaction, and leads to greater business benefits—from improving billable utilization to reducing the need for subcontractors. The better your visibility into the resource management process, the greater its chances of success.

But leveraging skills-based staffing—which is integral to optimizing resource allocation—means that organizations need far more than a spreadsheet and good intentions. It means finding a way to parse through increasingly complex skills hierarchies to quickly find the best candidate for the project, and to determine if that consultant will be available once the project is under way.

Key Point

Leveraging skills-based staffing—which is integral to optimizing resource allocation—means that organizations need far more than a spreadsheet and good intentions.

While accurate skills tracking may sound simple enough, reality and experience continue to prove otherwise. This white paper outlines six recommended steps to building an effective skills tracking program, and how services organizations of all shapes and sizes can ensure that they are tracking resource skills information accurately to compete, succeed and increase client satisfaction.

To help illustrate how each firm's skills tracking requirements are unique, this paper references two fictional organizations, each with unique business offerings and resource requirements and profiles:

Traditional Management Consulting, Inc. (TMC)

TMC is a traditional management consulting firm based in the United States. With an international clientele and project delivery portfolio, typical projects for TMC include strategy development, operational improvement services, advisement of industry best practices and research.

ERP Implementers, Inc. (ERPI)

ERPI is a technical software implementation consulting firm, specializing in implementation of ERP systems. ERPI is focused on North American clients. Typical projects include ERP and similar system implementations, assistance with software selection processes, and ongoing system maintenance, development and upgrades.

Step **1**

DEVELOP A SKILLS MATRIX TO FIT THE ORGANIZATION'S BUSINESS

The first thing to understand before building a matrix of consultants' skills is that it isn't a one-size-fits-all exercise. This is not a function the HR manager can perform by drawing from résumés and internal interviews. For a professional services organization, skills tracking means looking at multiple intersecting dimensions; the dimensions you choose will have everything to do with the organizations' business goals, capabilities, clients, target industries and needs. Furthermore, skills tracking requires an active interpretation of how all those criteria should fit together.

At a high level, skills assessments should be about categories and qualifications. Categories are for functional skills such as technologies and products, while qualifications show levels of expertise within those technical areas.

If your clients need code development, technical skills could include Java, C++ or other programming languages, as well as server hardware, database expertise or other architecture subjects. Similarly, knowledge of specific products may be necessary. A client that manufactures highly specialized tools

Key Point

The first thing to understand before building a matrix of consultants' skills is that it isn't a one-size-fits-all exercise.

may have very specific technical demands for any consultant on its project team. If your client operates retail stores, the more retail experience your consulting team has, the better. In the case of TMC and ERPI, the skills assessment information gathered would be very different. The charts in the next section provide examples of how skills information may be gathered and presented.

ASSESS QUALIFICATIONS AND THEIR VALUE

Within the top-most categories, skills qualifications typically involve certifications on specific technologies—a networking consultant might be a Cisco Certified Architect, for instance, or a database consultant an Oracle Database Administrator. A consultant specializing in the financial services industry might need a Chartered Financial Analyst (CFA) designation. Within these certifications are further details that may be critical to the project: What level is the certification? When does it expire?

Experiential skills are also typically important. A specific client may be expanding globally, first opening an office in Spain. A consultant can add value if, in addition to knowing the client's products and business, he or she speaks Spanish, and more specifically, business-level Spanish as opposed to conversational Spanish. Then again, a client's

need may be more temporary—a one-time press conference in Madrid, for instance. In this case, a Spanish-speaking consultant may be appropriate, but one with less language expertise, thus allowing the flexibility to choose from a wider group of candidates to send to the press conference.

Beyond these can come additional detail, such as the roles that consultants are capable of taking on. Can the consultant function as a project manager? As a trainer? This can be a critical qualification for a given project. Other information can include consultant's passport status, visa status and even certain preferences

Using our fictional companies, skills assessments may appear in a database format similar to those in Figure 1 and Figure 2, or may be more or less complex.

SWK TECHNOLOGIES

Figure 1: A Sample Skills Tracking Grid for TMC

Skill Type	Examples	Qualification	Experience/Details
Industry Experience	• Financial services • Automotive • Retail • Government • Health care	• Beginner • Intermediate • Expert	• 1-5 years • 5-10 years • 10-15 years • More than 15 years
Industry Certifications	• Financial services • Health care • Energy/utilities	(Financial services) • Series 6 • Series 7 • CFA	• Expiration dates
Consulting Expertise	• Data analysis • Organizational change • Strategy • Best practices expertise • BPM	• Contributor • Project manager • Executive lead	• 1-5 years • 5-10 years • 10-15 years • More than 15 years
Languages Spoken	• English • French • Spanish • Chinese • Japanese	• Beginner • Conversational • Business level • Native speaker	• 1-5 years • 5-10 years • 10-15 years • More than 15 years
Education	• AS/AA • BA/BS • MBA • MA/MS • PhD • MD • JD	• Business • Political Science • Biology • English • Chemistry	• Graduation year(s)
Security Clearance (Government)	• Unclassified • Restricted • Confidential • Secret • Top secret	• US • Canada • UK • Japan • Australia	• Expiration dates

Figure 2: A Sample Skills Tracking Grid for ERPI

Skill Type	Examples	Qualification	Experience/Details
Technical Skills	• Java • C++ • Oracle DBA • SAP developer • Perl	• Beginner • Intermediate • Expert	• 1-5 years • 5-10 years • 10-15 years • More than 15 years
Vendor Expertise	• Oracle • NetSuite • Microsoft • Salesforce	• Level of certification	• Expiration dates
Approved Project Role(s)	• Developer • Project manager • Trainer	N/A	• 1-5 years • 5-10 years • 10-15 years • More than 15 years
Languages Spoken	• English • French • Spanish • Chinese • Japanese • Arabic	• Beginner • Conversational • Business level • Native speaker	• 1-5 years • 5-10 years • 10-15 years • More than 15 years
Education	• AS/AA • BA/BS • MBA • MA/MS • PhD • Certificate	• Business • Political Science • Biology • English • Chemistry	• Graduation year(s)
Security Clearance (Government)	• Unclassified • Restricted • Confidential • Secret • Top secret	• US • Canada • UK • Japan • Australia	• Expiration dates

Step **3**

LOOK BEYOND CERTIFICATIONS TO IMPROVE RETENTION AND ADD A HUMAN FACTOR

The less tangible aspects of a resource's skills profile are often overlooked, but these important details can have significant impact. From preferred projects and requested training to travel restrictions and preferences, the less tangible details can add up to a more complete picture of a resource's skills and provide details that contribute to higher than average retention rates.

What is recorded in this portion of a skills assessment will depend on the organization. Is the ability to (and desire to) work for extended amounts of time in a foreign country important for your resources to possess, or is your business only in one country? Has a particular employee expressed a desire to travel to a specific region, or alternatively, to limit travel? Does the employee have the associated visa?

On more personal topics, an organization may opt to track information that isn't necessarily valuable on a project level, but goes a long way toward improving overall employee

Key Point

The less tangible aspects of a resource's skills profile are often overlooked, but these important details can have significant impact.

satisfaction and retention. For example, does the employee have a favorite sport or team, or enjoy the opera? This allows managers to potentially reward the employee with tickets from the corporate seats.

Adding intangibles to a skills database helps create a more complete picture of the resource and gives your organization a leg up on employee satisfaction and retention. The details recorded will be unique to each organization's global reach, financial resources and other firm-specific characteristics, but the results will have an equal impact across the board.

Step **4**

DON'T LIMIT SUCCESS WITH SPREADSHEETS

The ability of a resource manager to access and configure the skills database in a user-friendly fashion will drive the value that the database provides. This capability is where the skills database takes a giant leap over the capabilities of a skills tracking spreadsheet. A resource management system, such as one provided by professional services automation (PSA) software like Oracle NetSuite's OpenAir, can provide a rapid ROI if you chose the right technology.

For example, an organization might have developed a comprehensive skills spreadsheet for the business, for each industry or even for each consultant. The organization may be meticulous about keeping these spreadsheets up-to-date and relevant. But how quickly are project and resource managers able to search for unique skills and qualification combinations, plus combine that information with availability data? How long does it take to determine how many consultants have Java certification, can fill managerial roles, have lived in Europe and will be available for a new project by next week? And if there is more than one consultant who qualifies, how would the inquiring manager determine which consultant is the best fit among the qualifiers?

> **Key Point**
>
> A resource management system, such as one provided by professional services automation (PSA) software, can provide a rapid ROI if you chose the right technology.

With spreadsheets, the more skills detail, the greater the difficulty in accessing and making use of that information—especially when data is spread across multiple spreadsheets. Combine those challenges with the fact that spreadsheets aren't always easily distributed and updated by multiple resource managers. A spreadsheet is not designed to be collaborative. With a proper skills database powered by resource management-specific technology, not only can the best consultant be quickly identified, but that consultant can also update his or her profile to highlight skills that can benefit the business. If we explore what the use of spreadsheets versus a more scalable resource and skills tracking system can mean for our fictional companies, the impact will vary based on a number of factors.

For TMC, the global nature of the business will play an important factor in searching for the appropriate resource(s) for the job. Besides standard skills and qualifications, a combination of geographical and language factors, as well as visa and other work and citizenship status information, are important in selecting the best resources for non-native country projects. Add to that, any information about a consultant's travel restrictions or requests, plus additional personal factors of where the individual has lived in the past and willingness to stay the weekend for projects that are not a short travel time away from the consultant's home base. And last—but certainly not least—you'll need to match the parameters of the work required by the project—business expertise, years of experience, role the consultant will play, industry certifications and more.

With a North American business focus, the global factor is less of a concern for ERPI, except for some occasional U.S. or Canadian work permit requirements. What's important is a complex combination of technical skills and qualifications as many ERPI clients require integration among disparate systems. Take for example a client implementing NetSuite Financials in its Northeast U.S. division. The corporate headquarters may already be using Oracle for financials, Salesforce for CRM, and various legacy systems that also require integration and may require Java, Python and XML knowledge.

So what would the profile of the appropriate resource look like? They would need both NetSuite Financials and cloud architecture experience. In addition, familiarity with Oracle, Salesforce, legacy apps, Java, Python and XML would be needed. If corporate requires certifications or security clearance from consultants working on site, details would need to be assessed for each possible matching resource profile, and travel restrictions or preferences may come into play—especially if ERPI is not based near the client site.

In both fictional company scenarios, the requirements are extensive, with many interlinking factors and dependencies—and these basic examples have not accounted for availability or billing rate information. Needless to say, even the most up-to-date and well-built spreadsheet would be strained by these requirements.

Step **5**

INVEST IN CAPACITY PLANNING AND FORECASTING

Reporting and forecasting are where the real benefits of the skills tracking database take shape. By making the database part of an overall, integrated services resource planning (SRP) strategy, utilization reporting—both historical and future-based—can now be easily accomplished. Among the many items that historical reporting can provide is the ability to determine which project, and which consultants, have been most profitable. This is helpful when determining the types of engagements, regions or industries on which you should focus in the future.

With database-driven skills tracking in place, detailed information on consultants' skills, experience and preferences can help organize consultant assignments to optimize resources in long- and short-term assignments. That can help a services organization maximize profits while maintaining successful client relationships. By analyzing historical projects, the organization can determine, by skill profile, which consultants have been the most profitable. For future projects, it will be easier to match billing rates with project budgets by leveraging the right consultants. It will also demonstrate far more flexibility and professionalism to clients than spreadsheet-based competitors.

Key Point

By making the database part of an overall, integrated services resource planning (SRP) strategy, utilization reporting can now be easily accomplished.

Both TMC and ERPI might leverage reporting and forecasting information to determine which skill sets, individual consultants and projects are the most profitable. However, each company will use this information in different ways. TMC may use it to help select a location for its new European headquarters, based on consultant availability and the profitability of clients and projects in the area. The data may also indicate in which region hiring should be a priority, simply based on outsourcing and contractor usage that's cutting into profit margins. In contrast, ERPI may leverage this information to determine which software vendor partners represent the most—or least—profitable projects, and work to strengthen or limit their partnership relationships based on this data.

Step **6**

UPDATES, MAINTENANCE AND BEYOND

While much effort will go into the initial setup and information capture for a skills tracking database, once created, this valuable asset is a living, breathing thing that must be maintained. To preserve your investment in its initial setup, your organization must have an equal investment in ensuring that the database doesn't get stale. Fortunately, with the right system and access, the tasks associated with updating and maintaining the database can be distributed, lightening the load over the long term. However, ownership of these updates depends on the dynamics of a specific organization and should be assessed during initial database design and setup.

You might decide that management of standard skills and qualification updates— such as years of experience, education, expertise, qualifications and certifications, as well as travel, personal and logistical preferences—should be the responsibility of individual consultants. Incentivize updates by communicating to consultants that their projects and travel locations will be more applicable and desirable if their information is up to date. If your organization prefers—for structure or to govern access to the database—a resource

Key Point

A skills tracking database, once created, is a living, breathing thing that must be maintained.

manager or other manager may be responsible for approving updates or responsible for updates in their entirety. If your organization uses contractors, skills tracking for these contractors will be slightly more challenging than for internal resources, and therefore may require a manager or even a director to validate and update. Organizations involved in highly regulated industries such as government, financial services or biotechnology may require third-party validation for any and all updates.

For updates with a higher level impact on the business—such as bill rates for specific consultants, titles and seniority levels within the organization, and roles and responsibilities consultants are approved to fill within a project—the responsibility may fall to individual managers, or may be the responsibility of a director or head of operations.

Additional maintenance to consider is ongoing updates to reflect the organization's business strategy. For ERPI, this may mean that as forecasting data is analyzed, a specific technology partner might no longer be part of the portfolio of offerings for the company. Over time, the need to track skills, qualifications and details associated with that technology partner are no longer relevant, and may be archived or removed from the database. Likewise, if TMC expands its business portfolio to include business process management expertise, the corresponding skill sets and qualifications—as well as experience, certifications and expertise— will need to be added to the database and updated for each associated resource.

Key Point

Additional maintenance to consider is ongoing updates to reflect the organization's business strategy.

CONCLUSION

A skills tracking database, such as OpenAir, is a powerful, valuable and essential tool for any resource-driven services organization. From employee satisfaction to compliance with client requirements and managing the overall profitability and health of the organization, skills tracking is involved in virtually every aspect of a services business.

But as with any business initiative, the true worth of the end product is a result of the investment up front—investment of time, effort, planning and technology—as well as the investment over time to keep and maintain the value of the tool. With the right planning and the right tools and technology behind it, a skills tracking database can revolutionize the way you do business, interact with clients and retain valuable employees.

ORACLE®
NETSUITE

OpenAir

SWK
TECHNOLOGIES

120 Eagle Rock Ave, Suite 330
East Hanover, NJ 07936
877.979.5462
info@swktech.com

www.swktech.com/products/netsuite