

Q&A: Improving Performance With Dynamic Capacity Management

Phil Wolf, SVP, Enterprise and OnDemand Product Sales, PDWare

Decreasing cost and improving efficiency are always front-of-mind concerns for manufacturers. Phil Wolf of Portfolio Decisionware (PDWare) spoke with *Food Manufacturing* about how project managers and resource planners can best manage resources to maximize productivity.

Q: What are the most common performance problems that lead to failed projects in manufacturing facilities?

A: PDWare believes the number one reason that projects fail is because they are staffed with people who are not really available to do the work they are assigned. These people get assigned to projects anyway because there is no working mechanism for alerting the organization that it is making poor staffing decisions.

Q: What are the typical causes of these performance issues?

A: These resource staffing problems are caused by a lack of visibility by decision-makers into three key areas:

1. The true availability of people resources in each required skill area
2. What projects and other work to which they are assigned
3. What work they are truly able to accomplish given the up-to-date assumptions of schedule and priority

Q: How can these performance issues be prevented before they become a problem?

A: We have established that decision-makers need visibility into the problem at the time of decision-making. These decision-makers need to have a good understanding of available supply (people), put in place a forecasting process that provides credible assignment data for the next 6-9 months and establish an active reporting process that alerts decision-makers when people are over-utilized or projects are staffed with unavailable people. The combination of capacity management, demand management and oversight processes can move an organization in this direction with reasonable effort.

Q: What is Dynamic Capacity Management, and how does it work?

A: DCM is the concept of proactively managing resource supply (people) to maximize productivity across departments and across project portfolios. Through a series of lenses into the skills, profiles and utilization of active personnel,

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organizations can adjust their staff to better support the needs and cost models of the organization. When the right combination of people exists to support company objectives, the deployment or allocation of those people should approach 100 percent of capacity. This puts the organization into a theoretical “high performance state.” Once in that high performance state, a company can optimize the profile, type and geography of its staff to reduce costs as well.

Q: What advice can you give manufacturers looking to increase their efficiency while decreasing cost?

A: To compete efficiently in today’s market, companies should pay close attention to their staffing mix and utilization. Many organizations are not able to support all of their requirements and are at less than 100 percent utilization of their people. It is important to partner with a company with the processes and tools to help companies deploy DCM processes along with demand management and portfolio oversight processes. There is no excuse for operating without visibility or understanding of staffing issues. Small improvements in the employee mix and their utilization can pay huge dividends in performance and cost of operations.

Interview By Lindsey Coblenz, Associate Editor, [Food Manufacturing](#) [1]

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