

Measuring Utilization

- [Measuring Utilization - Ginsu Report](#)
- [Measuring Utilization - Utilization Report](#)
- [Measuring Utilization - Variance Report](#)
- [FTEs REs and Headcount](#)



Additional Resources

The [Topic of the Day: Utilization](#) webinar is a great resource to learn about managing and measuring resource utilization with Projector.

Overview

Utilization reporting in Projector is governed by two principles:

1. Provide consistent reporting across the organization. When discussing utilization it is important to have measured utilization with the same formula.
2. Enable power users to understand utilization measured in different ways.

Utilization is calculated as a number of hours "worked" divided by a number of hours "supposed to have been worked". In Projector, the computation of the denominator (the "supposed to have been worked") is governed by a reporting system setting known as "Calculate RDC Basis as". RDC stands for Resource Direct Cost. The setting is named as it is because it tells Projector how resource direct cost rates are calculated (more on this later). The possible settings are:

1. = Normal Working Hours (generally a set number of hours per work day, such as 8 or 7.5)
2. = Normal Working Hours - Holiday Hours
3. = Normal Working Hours - Holiday Hours - Timeoff Hours

The third setting, Normal Working Hours - Holiday Hours - Timeoff Hours, is the "kindler, gentler" setting. If a person works all of his/her normal working hours, but doesn't work on holidays or during time off, then his utilization will be 100%. The first setting, Normal Working Hours, provides a better way to compare utilization across organizations that have different holiday and timeoff policies.

Utilization is reported in three types of Projector reports. In all three the denominator is always computed using the RDC basis setting (as modified by the calculation method you choose - see below). If you want to see what the utilization would be using a different formula then you can either:

1. Change the formula temporarily, or
2. Run a report to get the raw numbers (Normal Working Hours, Holiday Hours, and Timeoff Hours) and manually insert your own formula into the report spreadsheet.

The three reports types that show utilization data are listed below, along with a rough guide as to when to use each one:

Report Type	When to Use
Utilization	Best for looking at pre-defined types of utilization (e.g., billable, non-billable, training, sales pitch, ...) side-by-side at the resource level. Provides the most consistent measurement because users cannot filter out projects to change the numerator.
Ginsu	Best for looking at the projects, holidays, and time off that contribute to the utilization. Provides the ability to customize the numerator by filtering out projects, task codes, or roles based on various criteria. This report is the power-user's tool for understanding utilization.
Variance	Best for comparing scheduled utilization vs. actual utilization.

Click on the report names above for more detailed information about utilization reporting in each one.

Utilization Calculation Method

In each report you can calculate utilization either for yield or capacity. Yield shows how much work is done relative to what you are paying for each resource. Capacity shows how much work is done relative to how much each resource could work. The utilization denominator is affected by the calculation method. The denominator is driven by formula defined in your [system settings](#). The options are:

Basis Formula	Salaried Pay Category	Hourly Pay Category	Salaried with Overtime Pay Category
Normal Work Hours	Normal Work Hours	Actual Work Hours	(Normal Work Hours + Overtime Hours)
Normal Working Hours - Holiday Hours	(Normal Working Hours - Holiday Hours)	Actual Work Hours	(Normal Working Hours - Holiday Hours + Overtime Hours)
Normal Working Hours - Holiday Hours - Timeoff Hours	(Normal Working Hours - Holiday Hours - Timeoff Hours)	Actual Work Hours	(Normal Working Hours - Holiday Hours - Timeoff Hours + Overtime Hours)

RDC Basis and Whole Resource Cost

In addition to determining the denominator in the utilization calculation the RDC Basis setting is used to compute whole ("true") resource cost (and therefore whole resource profitability). Period (e.g., day, week, month) resource cost for in the Utilization report is computed by multiplying the hourly resource cost by the number of RDC basis hours in the period. Therefore the RDC Basis setting must be taken into consideration when computing the resource direct cost rates. Note that the resource cost is not a function of hours worked on projects. Rather it is a function of the RDC basis hours and the resource's pay category. The following table shows how the resource costs are computed.

Basis Formula	Salaried Pay Category	Hourly Pay Category	Salaried with Overtime Pay Category
Normal Work Hours	Normal Work Hours * RDC Rate	Actual Work Hours * RDC Rate	(Normal Work Hours + Overtime Hours) * RDC Rate
Normal Working Hours - Holiday Hours	(Normal Working Hours - Holiday Hours) * RDC Rate	Actual Work Hours * RDC Rate	(Normal Work Hours - Holiday Hours + Overtime Hours) * RDC Rate
Normal Working Hours - Holiday Hours - Timeoff Hours	(Normal Working Hours - Holiday Hours - Timeoff Hours) * RDC Rate	Actual Work Hours * RDC Rate	(Normal Work Hours - Holiday Hours - Timeoff Hours + Overtime Hours) * RDC Rate

The preceding discussion applies to the utilization report. Other reports (e.g., Ginsu, Engagement, Engagement Portfolio) normally compute resource cost as work hours times hourly cost rate. So a resource working 10 hours on an 8 hour day costs the project 10 hours times his cost rate, even though he might be paid only for 8 hours on a salaried basis. To force these other reports to compute resource cost in the same manner as the Utilization report you need to check the box labeled "Whole Day RDC" on the reports' parameter tabs. The obvious danger with this measurement is that it provides project managers with incentive to overwork employees as the project will not be charge with any of the overtime.