

Getting the Most Out of Scarce Production Resources

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Resource constraints are a fact of life for every firm. From large Fortune 500 companies to small, single-location organizations, there's a limit to how much capital can be deployed on new projects. Besides the obvious constraints — cash, limited capital, cost of hiring — there are nonfinancial issues as well.

Resource optimization software can not only help to adapt more efficiently to these resource constraints, but it can also minimize idle time, anticipate parts shortages, free up labor and equipment to be shifted among tasks, and otherwise get the most out of your labor and capital. In addition, it lets you perform what-if analyses to identify dependencies and make mid-course corrections when you have multiple projects underway at the same time.

Benefits

Traditional, standalone project management software is a good start, but a resource optimization program that takes data directly from your enterprise resource planning (ERP) system can coordinate projects across your company. A system that knows where every worker, tool, and machine is at any given time can pay off in many ways:

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- Projects can be completed sooner than initially projected, because the software can automatically adjust schedules when another project releases a required resource (for example, a worker or machine) or when a company increases available labor, machines, or tools.
- Resources can effectively be reassigned (cross-teamed) so idle time is minimized.
- Multiple simultaneous projects can be more efficiently executed when resource usage is optimized.
- The number of people or machines you need to add can be evaluated through what-if analyses based on different projects' deadlines, priorities, and resource requirements.

Resource optimization software helps project managers make smarter decisions by giving them more complete information on what resources are doing at a given time. It also provides them with more flexibility, because resources can be deployed based on the exact amounts of time and work they are required to perform or the individual activities within a project.

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