Output from the Tactical and Strategic Workshop – Friday 16 January

Question 1: Common terminology & sourcing options

1. What do organisations consider to be 'strategic' & 'tactical' resources? Is it possible to put a definition on these terms?
2. What are the typical pools of 'tactical' resources?

The group formed the following definitions of tactical and strategic resources:

Definition: Strategic Resources

"Strategic resource are not defined by their employment status (i.e. contract, consultant, strategic partner or perm) but by their seniority, knowledge, objective of the work and the type of work they undertake

Definition: Tactical Resources

"Tactical resources can be defined by their speed and impact of deployment and the ability to adjust numbers/headcount quickly. Generally these resources are more energetic and have a higher work rate."

Typical pools of tactical resources
- Daily rate contractors
- Consultancies
- Strategic Partners - resourcing only
- Strategic Partners (outsource arrangement)
- Temps
- Interns
- Work placements (undergraduates)
- Internal Secondments
- Internal consultancies

Attributes of Tactical Resources

- Tactical resources can be based offshore if they are used to solve a short-term problem as part of a strategic partner situation.
- Lower risk tasks performed
- Length of service is lower and scales up and down easily
- Time of service may be limited
- Less business specific knowledge (but maybe more industry wide knowledge or useful knowledge from other industries
- Funding could be treated differently to permanent resource
  - Tactical funding means there is no long term view of the resource
  - Typically funded directly from projects (these have shorter term forecasts and can be altered quickly)

- Tactical resource may be used for more mundane and repetitive tasks
- Less interaction with the business (place in operational or back office functions)
- Tightly defined tasks with clear scope, timelines and objectives
- Supplemental to a core team but performs the same tasks as the longer term strategic resources
- Quick learning curves and rapid transfer of knowledge

Attributes of Strategic Resources

- Could be graduates on a longer-term succession plan. Other resources identified as long term future leaders of an organisation
- Consistency in the treatment of strategic resources
- Commitment is higher from employer and employee (regardless of employment status)
- Behaviors and embedded values are more important than skills and knowledge which can be trained and learned
  - Cultural fit and ways of working are important (non FS businesses tended to regard this as a the critical factor)
- Benefits to the organisation are higher (from strategic resources)
- Continuous improvement of resources and values
- The type of project (higher profile and more important in terms of risk and business benefit)
  - Higher risk work areas (for company/employer) e.g. regulates areas
- Highly visible customer functions tend to be strategic resources (from a BA perspective - not call center staff)
- Contract resources tend to become strategic overtime - due to a build-up of knowledge and essential company IP
  - High degree of knowledge about the business or client
  - IP likely to be retained in permanent strategic staff
- Longevity of resource (e.g. at the planning stage contract resource could be planned in for up to 2 years)
- Continuity of resource (achieving business continuity - longer term view)
- Scarcity of resource - how easy would it be to replace the specific skill sets and how long would the notice period need to be?
- Recruitment that is based on a specific skills criteria
- Expectations of strategic resources tends to be greater
- The way that the resource is appointed - probationary periods, recruitment
- Full time permanent staff
- Strategic partners who are engaged on a medium to long-term basis. Their importance increases over time as they become more deeply integrated
- Resources that are engaged in business critical activities and may be part of essential BAU functions
- Alignment to corporate or business unit strategy
- Training and investment in resources is higher in strategic resources

Question 2: Deployment of Tactical Resources

1. What situations would you consider most appropriate to use tactical options?
2. What are the pros and cons of tactical and strategic resources.
3. Is there an optimum blend?

Deployment of Tactical Resources

- Last minute requests – frequently unexpected demand driven resulting in 'any resource to deliver' responses
- Specific skills – previous experience of particular subjects, methods, experience where there is a lack of in-house knowledge. Examples: technical (web or data), particular experience of method, eg Agile, Market/economic/political drivers, eg, Govt push for Digital
- New projects – some companies actively move resource to avoid putting tactical resource on new projects.
- Distinct deliverables or particular organisational model of an organisation – managed service to a third party partner to deliver specific projects or areas of work which can be ring-fenced.
- Regulatory changes – tactical resource assigned where there are tight deadlines or additional, knowledgeable resource required.
- Where there is a lack of in-house capability – mix tactical resource with Jnr BAs to enable them to learn and develop.
- Can help to manage headcount constraints – above & below the headcount line (consultants often not counted within headcount limits)
- Backfill for long term absence – maternity, shared parental, long-term sick
- Difficult projects
- During restructures – bring in interim resource
- 'Perceived' credibility of consultants – brought in for specific projects/work
- HR Projects – specialist skills / knowledge, often used with sensitive projects which may have organisational impacts / job / role implications
- Early discovery phases of projects up to a point of business decision – possible move to different resource mix once decision made to continue past a certain stage.

Pros and Cons of Tactical Resource

Pros	Cons
Overhead of high perm numbers reduced.	Lack of performance management and therefore potential lack of quality output Contractor mentality – do what asked, not necessarily what's right.
Can validate best practice, bring new approaches, ability to benchmark against other orgs.	2 Year tenure due to IR35 – some organisations wish to retain longer, continuity issues (would suggest being used more strategically)
Often seen as having higher capability / skills / experience from existing team	Contractors seen as a threat by permanent resources – reduces opportunity for perm staff
Perms develop from seeing something new done and learn from it – don't know what good looks like until you see it	Lack of knowledge share, tactical resource exits with IP and knowledge – often lack incentives to do so
Knowledge share / experience transfer	Demand drives poor quality as less experienced BA's opt to go contracting – buoyant market
Flexibility	Time to impart knowledge to contractors to get them up to speed on a project
Can focus on delivery as less management overhead – 100% Utilisation	Cost
Can freshen team with new ideas and approaches	Consultants – Big 4 often looking to increase their foothold in an organisation
Managed Service / Partners – reduces risk to the organisation	Regulatory requirement drive which methods are used – consultancies have their own methods which can result in duplication of effort.
Bring in suppliers to bring material / tools / models to help – use suppliers to up-skill perms	Need to protect IP (intellectual Property)

Optimum / Balanced Blend of Tactical and Strategic Resource

- Typically   80 : 20 split, perm to tactical   }
               OR   } *Split is about control & where this lies in the org*
               60 : 40 split   }
- Fixed end dates to contracts / assignments with tactical resource
- Fixed price activities/pieces of work – job and finish
- Capacity challenge – often headcount limits, consultants can come in outside of the total count
- Use of exit strategies
    o 2 year limit
    o Monitoring of non-perm projects / duration
    o Transition of knowledge between suppliers
- One delegate currently looking at breakeven point and when to switch to permanent resource – pay, benefits, etc.
- Some organisations mix third parties to validate the work of the other - prevent third parties marking their own homework.

Question 3: Strategic Resources

- How do you build, motivate, and retain strategic resources?
- Should certain 'services'/types of work be reserved for strategic resources. If so why? What are the benefits?

Build, build motivate & retain strategic resources

(working assumption is definitions of strategic and tactical resources are 'permanent' and 'tactical', respectively)

Retention:

- Some had issues with retention while others did not
- Clear career progression was evident in some organisations with multiple (up to 5) layers of BA seniority (apprentice, BA, senior BA, BA team lead, BA practice manager). Layers complimented with clear salary bandings.
- Some used SFIA framework
- Align permanent resource to the 'interesting' work
- Overall package is important in retaining good people. Not just salary.
- Common theme across various organisations is that good permanent people are 'lost' to the contract market due to the lure of earnings potential.
- One organisation claimed that the complex/silo'd org design contributed to people leaving to secure bigger/better roles.
- Working environment is important - both location as well as actual office environment. Companies working outside major cities found it harder to recruit people.

Motivate:
- Make the individual feel valued
- Regular feedback
- Recognise work with awards/achievements
- Encourage professional achievements (BCS BA diploma, CBAP, Expert BA….)
- Recognise that some BAs wish to build deep SME knowledge, other BAs would rather take a broader approach and be involved in various initiatives casting a wider net across the organisation
- Offer line management responsibilities
- Provide training/personal development opportunities

Build:
- Cost constraints are an issue
- BA's must be seen to be adding value . "Value" can be defined as increasing success of a project and/or clear and demonstrable cost savings

- Recognise different BAs bring different mix of skills. When building a team be cognisant of individuals unique skills to ensure the overall skills mix of the BA team is where it needs to be

Build, build motivate & retain strategic resources

(working assumption is definitions of strategic and tactical resources are those aligned to strategic and tactical initiatives, regardless of employment status)

Find & align people based on expertise & chosen career specialism

Allow people to work towards 'expert' badges/recognition

Create 'internal consultant' roles to focus on strategic problems

Where company size permits recognise and develop specialisms, e.g.
- 6 Sigma
- Op Model Design
- Business Architects
- Business domain experts
- System domain experts

Motivate people by providing autonomy

Leverage analysts past experience and find people to fill specific roles, i.e. recruit people for their specialism as this is what will motivate them to do a good job

Should certain type of work be reserved for strategic resources?

When assigning lead BA roles think about
- Importance of IP retention
- work profile and benefits of having a permanent person who can build a longer term relationship

Consider giving permanent BAs short/sharp projects to provide opportunity for recognised contribution. Can also build confidence in newer BAs or those that have a recent period of under-performance

Importance of strong, long lasting stakeholder relationships is a key consideration when aligning permanent BA resources. Do stakeholders value consistency in BAs?

Avoid (where possible!!) situations where resource alignment simply looks at who is free and does not take into account the individuals unique skills and/or career aspirations

Pressing deadlines can drive consultant recruitment – ensure forward planning is as accurate as it can be to avoid immediate resource shortfalls

Consider use of contract resources when needing specific skills that are not worth hiring full time.

Question 4: Reaping the rewards

1. How can organisations seek to leverage/maximise tactical resources/get more out of the engagement? How do organisations leverage value for money?
2. What are the knowledge transfer & exit strategies for 'tactical' resources?

How to maximise value from tactical resources

Key Challenges
- Getting visibility of what contractors do in detail on projects
- Contractors can be protective of their knowledge and not willing to share to protect their IP
- Currently hardly anyone puts explicit objectives or knowledge transfer requirements into contract
- Project pays for contractors time and project manager is reluctant to giving up contractor time for 'softer' things like project meetings or knowledge transfer sessions
- IR35 Inland Revenue guidelines can be restrictive as they state what contractors should and should not do and that if contractors are treated like permanent staff, they may have additional rights (like pensions etc) after a certain time. One way around that is to put a maximum time limit on how long contractors can be there e.g. 2 years.
- Externals can be very delivery focused and there is a 'culture complacency'
- Sometimes it can be a challenge to get contractors to do things differently if they 'have always done it this way' and they need to be flexible to adapt to the company's situation
- Very reliant on contractors with niche skills, cannot afford to lose them
- Currently you often see contractors come in, do the job, then leave – no performance review or knowledge transfer happens, no exit strategy
- Management overhead for spending a lot of time with contractors to the disadvantage of permanent staff, tricky balance, but need to put some time in to develop relationships and get more value out of tactical resource
- Consultants can 'swap out' key resource with less experienced resource at short notice, ensure there is something in the contract to controls this better and have suitable notice periods in place – although some believe that because their reputation is also at stake, it means not everything requires such strict controls, it is in their interest to demonstrate value add

What works well/should be done better
- Learning Lunches on specific topics (non-chargeable to project if lunchtime)
- Monthly presentations (deep dive analysis into a specific project area, presented by contractor)
- Run a regular BA forum where analysis topics are discussed to share project knowledge and best practice and get contractors involved
- It's best to make sure project does not get charged for knowledge transfer sessions and to try and secure a specific budget code for these activities (sensitive issue, expensive)
- Agree objectives for contractors and assess them against these – set expectations at outset
- Some put tight controls in place and have more regular 1:1s with tactical resources than with permanent staff as they pay them more and feel they need to be controlled tighter, but most others feel that more time should be spent with permanent resource

- Ask for feedback on contractors more regularly and formally, some even set objectives and do formal performance reviews with contractors – currently feedback on contractors is often only sought when there is a problem rather than part of a standard process.
- Make sure that contractors present their experience from the industry and other companies and demonstrate how this could benefit our company
- Appeal to contractors ego by asking them to help up-skill junior BA if they do not seem to be keen to share knowledge
- Get contractor/consultant to provide feedback on the company i.e. how can we do things better based on your experience in the industry? Get contractors to take a step back from project delivery and help understand the bigger picture better.
- Careful recruitment of contractors is key, quite often they are employed quickly because you think you can get rid of them quickly, but they can have a major impact on team dynamics, the soft skills are very important
- Recruitment agencies are not always honest (fee driven so want to close the deal) and can set wrong expectations with contractors, provide very strict screening criteria to those agencies – minimise wasted time on interviewing and dealing with contractors that are not suitable
- Prioritise needs of interests of permanents over externals (project work)
- Speak to other companies that have worked with that tactical resource before getting them on board (references, feedback)
- Manage poor performance of tactical resource better
- Involve contractors in team activities to help build relationships and transfer knowledge
- More frequent peer reviews of contractors documentation
- Make sure a supplier does not manage other suppliers as they will have other priorities and not be able to check company standards are followed etc…
- Work with procurement team to understand how the contract is structured and what implications this may have
- Work towards a collaborative agreement so it's a win/win situation rather than seeing externals as the enemy
- Put a time restriction on contracts (eg 2 years)
- Especially in the financial services industry, there seems to be a trend of permanents moving into contracting after a while, best to accept and work with that rather than fight it

Knowledge Transfer/Exit strategies

- Put a clear exit strategy in place (in writing)
- Buddy up with a BA for the transition period
- Make sure contractors deliver outputs and save them in project folders, not on their laptop
- Ensure final walkthrough with permanent, but this can be tricky at the end of the project, should be done throughout the project from the start by agreeing regular knowledge transfer meetings – put a plan in place for that so it's not an afterthought when the project/contract is completed
- Get contractors actively involved in continuous improvement initiatives (eg some have a log with topics to select, research and present on and contractors should be included)
- Keep a clear decision log and use it as a transition tool so once the contractor is gone, it is clearly visible which decision was made by whom

- Set expectations when they come on board, formally in contract or verbally
- Define deliverables for the tactical resource clearly at the start
- Highlight at the start that they are expected to contribute to team activities and share knowledge
- Ensure that contractor follows company standards and pair them up with a permanent BA works very well, agree this as part of contractor induction
- Have succession plan in place – in a couple of examples the senior team lead needs to understand enough about the work to parachute in
- Look at internal secondment instead of contractors to keep knowledge within the company
- Get contractors to move into permanent roles to keep knowledge
- Knowledge transfer is not only an issue from contractors, but also knowledgeable permanent staff that could leave at any time, need a strategy across both