Introducing a better staffing model for the future

By [Nick Durrant](#)   5 Oct 2020

When embarking on a new web development project, businesses need to find the most cost effective model that will deliver the best results for capacity planning as well as project management planning. There are normally two common models to choose from, fixed cost or time and materials. However, there is another often overlooked approach, the Full-Time Equivalent (FTE) model.

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Selecting and allocating resources for a project could be challenging, one needs to consider the final product that needs to be delivered, the budget and how to achieve the best ROI while making the best use of time. FTE is the best way to manage the time and cost of project resources.

In human resources, FTE is used as a unit of measure, and is often used to convert the hours worked by a number of part-time employees into the hours worked by full-time employees. It gives an indication of how many full-time employees a company or a project requires.

FTE is a useful tool to determine potential labour costs, especially when embarking on a major web development project. It helps companies understand how many full-time workers they would require to accomplish a certain task, and also the estimated salaries.

It can be used to measure the staff requirement and projected hours. By defining the required FTE, one can measure the scope of the project and also identify the number of required people. This helps solve the confusion around hours and headcount.

Clear forecasting

In project management, FTE is a fantastic measure for long-term projects, it provides clearer forecasting plans. It's a measuring stick to calculate hours to be worked, it focuses purely on the scope of the project and then breaks it down into smaller tasks. It calculates how many hours and what skills are required to get the job done.

Because one person doesn't always have the skills to perform every task, each role is broken down into parts. Specific resources are then allocated to each part for the amount of time it takes to complete the specific task. Management can then forecast the hours required for an entire project and diversify their resource allocation based on their needs.

By considering all milestones, tasks and deliverables for an entire project, one could determine the hours required to complete the job. This then could be broken down into tasks and the hours that need to be allocated and then allocate FTE hours to each.

Adjustable

Also, when project priorities change, one can easily adjust the resources accordingly. FTE provides insight into the shifting priorities and the consequences of responding to them. This will help determine whether or not one needs to hire more resources when the number of FTE doesn't correspond.

FTE enables project managers to engage specialised resources so that they don't waste a full-time resource for a specific set of skills. It also offers transparency when one needs to hire part-time resources for short-term projects.

FTE may be the best option when facing a project where one requires extra resources for a set time and price. This model minimises risk because resources are contracted for specific tasks. Businesses can now streamline budgets by using resources for specific tasks and only for as long as it takes to get the job done.

ABOUT NICK DURRANT

Nick Durrant is MD at Bluegrass Digital, a digital solutions company with offices in Cape Town, Johannesburg and London. We are experts in crafting web and mobile products and platforms. After spending 17 years in working the tech industry in the UK and setting up the Bluegrass in London in 1999, Nicholas now runs the company from Cape Town, developing the business into Africa and Europe offering world class digital solutions.
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