

### Model to calculate Baseline Utilization Target

Often resource managers are asked the question if a Full Time Employee (FTE) is allocated 100% to the project. What does 100% allocation really mean? Are we talking about Total Chargeable hours for the project?

To help develop resource forecast and allocation, I have derived a utilization model from one of the Big 4 consulting company to calculate and allocate baseline utilization target that can be adjusted as deemed fit, based on your HR policies 😊.

Below is an example of how you can allocate time to achieve minimum baseline utilization target while taking all of holidays and vacation, attending training and spending time reinvesting in the firm.

	Individual Contributor	People Manager
<b>“Standard” Work Hours in Year</b>	2,080	2,080
- Holidays <i>(not included in utilization calculation)</i>	(80)	(80)
<b>Total Hours to Calculate Utilization</b>	<b>2,000</b>	<b>2,000</b>
- Vacation	(160)	(160)
- Training	(60)	(60)
- Other Non-Chargeable*	(280)	(840)
“Standard” Chargeable Hours	1,500	940
+ Chargeable Hours Over “Standard”	168 😊	168 😊
<b>Total Chargeable Project Hours</b>	<b>1,668 😊</b>	<b>1,108 😊</b>
Total Hours for Year (“Standard” Work Hours in Year + Chargeable Hours Over Standard)	2,248	2,248
<b>Baseline Utilization Target</b>	<b>74.2%</b>	<b>49.2%</b>
** <i>(Total Chargeable/Total Hours to Calculate Utilization)</i>		

\* Other Non-Chargeable hours including reinvesting in the firm / continuous improvement, 1:1, Team Meetings, Skip Levels, All Hands & Leadership Meetings, Performance reviews, Goal Setting, Interviews, general email, Coaching, Expense Reports, administrative assistant time, timesheet submission/approval, travel, Team Building .etc.