

# Full Time Equivalent (FTE)

Use existing IT Staff, hire Project Managers or outsourcing LAN/WAN project management



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# Using Full Time Equivalent (FTE) to determine if projects should be outsourced.

**Full-time equivalent (FTE)** is an accounting concept that indicates the workload of an employed person in a way that makes workloads comparable across various contexts. FTE is often used to measure a worker's involvement in a project. In this paper, we will use it as a tool to determine if outsourcing a project, hiring project managers, using existing resources or a combination of all is the best use of company expenses.

An **FTE** is the hours worked by one employee on a full-time basis. The concept is used to convert the hours worked by several part-time employees into the hours worked by full-time employees. On an annual basis, an **FTE** is considered to be 2,080 hours, which is calculated as: 8 hours per day. x 5 work days per

There are not many mid-sized companies that have a position solely dedicated to the project management of LAN and WAN installations, let alone an IT Project Management in general. The responsible person that gets tasked to manage the install is usually someone who is already on the IT team. Oftentimes, this task gets tacked on with many other tasks of the primary job functions burdening the employee of completing multiple jobs. This can lead to suboptimal results, corners being cut to meet deadlines and putting unnecessary risk on the company.

We see a companies embracing the Project Management Methodology, rather than putting all the work on a few "Jack of All Trades" IT staff, employing Project Managers in the IT department, specifically in our larger enterprise customers.

Companies that do not have a full time need, but that do value Project Management methodology are outsourcing the management of their LAN and WAN installations to professional project management companies (Like Nationwide SCS, Inc), enabling them to take advantage of the experience and expertise the companies specializing in LAN project management have to offer while not "over clocking" their personnel.

Because technology is constantly evolving, it's easy to fall behind on industry standards if you're stuck staying up-to-date on the ins and outs of daily work. When LAN and WAN installations become the burden of an IT staff employee, you need to ensure that not only are they trained in correct installation procedures, but that they are also maintaining the skills they've learned. When you outsource installations to a project management group, you have much less to worry about how efficient, skilled or professional they'll be — they are trained for this.

## **Hours Managing LAN Projects can vary greatly**

Using the regularly recognized assumption that there are 2080 working hours per employee, per year, I give an example of FTE for small projects below. The 2080 hours I use for this example does NOT account for holidays, vacation time, or sick time. The actual number of hours worked per employee is estimated closer to 1700 hours per year, but I did not calculate those numbers based on the variables and benefit packages being widely different, company to company. Keeping in mind, this is an example of a small project that goes smooth, perfect scenario. Adding complexities, such as longer schedules, permit applications, document preparation, executive meeting minutes, business outage approvals, etc. can easily double this estimate.

ASSUMPTION: Average LAN project under \$25,000.00.

Total project timeframe: Under 60 days / 20 - 25 Project Management Hours

- Scope Development: 7-10 Days
- Approval Process: 7-10 Days
- Installation: 7-10 Days
- Knowledge Transfer: 3 Days
- Closing / Payments: 30 Days

Scope Development Hours: Ten (10) Project Management Hours

- Initial Project Team Meeting / Conference Call
- Stakeholder Identification (GC, Building Management, Influencers, SMEs, etc)
- Project Requirements (Insurance, Licensing, Specifications, Permits)
- Initial Scope Narrative
- Setup Site Survey
- Site Survey
- Review Site Environment (Lifts, Common Space, Keyed Access Needs)
- Obtain Material Pricing
- Scope Approval
- Budget / Quote

Approval Process: Three (3) Project Management Hours

- Submit quotes / budgets
- Request Purchase Orders
- Receive Approvals

Installation: Five (5) Project Management Hours

- Project Kickoff Meeting (Schedules, Deliverables, Safety, Updates)
- Vendor Management (Accounts Payable)
- Validate Subcontractor G/L Insurance
- Validate Subcontractor WC Insurance
- Validate Subcontractor Licensing
- Place Material Orders
- Obtain copies of permits from subcontractors
- Schedule work
- Manage installation
- Provide project updates
- Manage Changes (Schedule, Cost, Approvals)
- Validate installation scope completed

### Closing: Three (3) Project Management Hours

- Obtain / Verify Deliverables (Test Results, Pictures, As-Builds)
- Obtain Subcontractor Invoices
- Validate Costs / Change Orders / Approvals
- Knowledge Transfer
- Manage Accounts Receivables

### Result:

A minimum of 20 hours of project management time is required to manage a small LAN installation project correctly assuming everything goes perfect and your employee fully understands the requirements needed. That is 6.5% of the employees allocated time over 60 days.

As stated earlier, if problems arise, the project is larger, there are additional trades involved, there are more communication requirements or permitting issues, or construction delays this time can easily be doubled or tripled. Can your departments daily duties continue to run losing 6.5% of production? Probably. Can it lose 13% or 19%? Maybe. Anything more than that and priority decisions from management probably need to be made – daily, weekly tasks or installation project deadlines to the business.

The bottom line is LAN install projects usually take more of an employee's time that we allot...which can cause accordion issues.

## **Remove the burden from your team – Give your business a great experience.**

To avoid overburdening an already understaffed team, hire a contracted professional team to install your cables for you. Today the cable installation process is surprisingly more in-depth than it used to be.

Besides having a team professionally trained in the management of cable installation, you can also rely on them for timeliness. When you refrain from outsourcing and put the task of cable installation on your employees, your business potentially will be more dissatisfied than they would be with a professional installation. Rather than having your business units complain about their experience, give them the satisfaction of knowing their time is valued and that meeting their needs is at the top of your priorities.

When cable installation is just another part of your employee's day, the task becomes another check on the docket. Since outsourced project management professionals are contracted, they put more specialized care into their installations because it's their task for the day and they know they need to get in and out and move on to the next task. They have a professional and polished system, and they maximize the time they spend installing to ensure that everything runs smoothly for the clients.

Professionals that don't work for your organization are more likely to shed light on potential risks that may be involved with installations that you otherwise might not hear about. Mitigating risks is a large part of how we plan projects at Nationwide SCS. We don't want to misunderstand requirements or skip a step to avoid more work. Delayed projects place unnecessary stress on your business. Having to backtrack or redo part of an installation because of an unforeseen or looked-over risk is what we work to avoid so that the installation or all installations is seamless and frustration-free for all parties.

Staying ahead of your competition is just one more benefit of outsourcing project management. Rather than spending time training your employees in standard cable installation procedures, you can offset that to a company who does it as their focus of work. Instead, take this extra time — and money — to concentrate on the essential functions your company performs and expand on those. You'll quickly surpass any competition because you've brought in professionals to carry out work your employees would have had to otherwise find time to complete.

## How Nationwide SCS Helps

Structured Cabling & LAN Installations Demand Effective Project Management.

We have the skills necessary to pick up where you need us. Our key to success lies in our method: initiating collaboration, planning the project, executing the project with efficiency, tact and monitoring the success of the project as it moves toward completion.

Quality is a crucial part of the work we do; since our inception, we've completed 10,000+ installations. Outsourcing LAN Project Management could save hours of FTE for your business and allow your employees to maintain their primary responsibilities while adding value to the business. When your employees have the time and bandwidth to focus on their primary tasks, they spend less time rushing through day-to-day jobs to get the work done and the quality of work your employees produce will reflect positively on your business, just as we will do for the LAN project.

Save time and money by outsourcing LAN project management tasks, open your company to new ideas, form a more effective streamlined workflow and offer your customers better service.

We are continuously learning and adjusting to make our process better based on lessons we learn each day. If your company wants to save valuable time, avoid frustration and get an immediate ROI on LAN cabling installations using our expertise please [contact me](#).

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