

# **Resource Allocation**

## **Meaning of Resource Allocation**

Resource Allocation is a central management activity that allows for strategy execution. The real value of any resource allocation program lies in the resulting accomplishment of the organization's objective.

A number of factors prohibit effective resource allocation, including an over-protection of resources, too great an emphasis on short-run financial criteria, organizational politics, vague strategy targets, a reluctance to take risks and a lack of sufficient knowledge.

Successful strategic management involves ensuring that all company resources perform effectively. By learning how to manage competing priorities, successful business professionals enable employees to balance job tasks, schedule work efficiently and ensure that work flows smoothly from one process to the next.

Today's dynamic, global environment poses challenges for company executives and project managers. By establishing a comprehensive strategic plan for allocating workers and supplies, you avoid costly mistakes that lead to overruns and delays.

## **Why You Need Effective Resource Allocation**

### **1. Flexible for all size:**

Large organizations might be dealing with multiple projects. Effective allocation of resources helps project managers to plan to assign resources to project and manage them effectively.

So whether it is about 1 project or 10 projects, if you are allocating resources properly, then you can handle them all without any hassle.

### **2. Save money:**

Effective resource allocation leads to no waste of money. It lets you know the performance of team members in a project. Hence it can be easier for you to assign tasks to the resource according to their skills.

### **3. Boost productivity:**

It is the first and foremost reason to choose resource allocation.

If you have finished a project or task before the deadline without compromising the quality, then definitely it will enhance your business productivity. No more time loss, no more extra efforts, and no more extra labor charge.

Resource allocation helps you to know who is overloaded and who is free at that instant. So you can assign tasks to the available resource without much workload.

### **4. Improve time management:**

To run a project efficiently, it is important to know how long it takes the resources to complete the projects or tasks. Sometimes resources lag actual time. But this deficiency can make a large difference. Proper allocation of resources can set the actual estimate hours to complete the tasks.

### **5. Improve staff morale:**

By allocating resources wisely, you can see who is leading and who is lagging.

In most cases, project managers can't be able to figure out which team member is putting his/her best effort.

But if you are allocating your resources wisely, then you can identify who is doing what, who is lagging or leading, who is taking more time to complete a project as compared to the estimated hour(s). By filtering these factors, you can easily get the most deserving.

So without harming their self-confidence, you can encourage them to work better.

### **6. Predict the future project plan:**

Proper resource allocation can help you to identify the presence of the team member(s) or employee(s) in a particular task and it makes easier for you to assign tasks as per their availability.

Seeing the project requirement and deadline, sometimes one resource can be assigned to multiple tasks. By allocating resources, employees can prioritize their tasks and execute them based on their priorities.

The project can be completed without much hassle and the future planning of the project can be done flawlessly.

### **7. Strategic planning:**

When a company sets its vision and goal, resource allocation plays a vital role. Proper allocation of resources can help to achieve and fulfill project needs. So ultimately vision and strategic goals can be done effectively by eliminating existing risks.

### **8. Manage team workload:**

Let a project is running over schedule and you need to adjust the team's workload to deliver the project on time without any obstacle.

Here, resource allocation can help you in managing team workload. It can help you to check the task list of team members and let you know who is overloaded with tasks and whose schedule has more capacity.

Now you can rearrange the task to balance the workload and no one will get overloaded. As a result, it increases the team's effectiveness and later it leads to successful project completion.

### **9. Maintain accurate time log:**

Knowing exactly how long it takes team members to complete a task is a vital part in running project efficiently. Sometimes team members run-out actual working hour(s). In those cases, business growth suffers a big loss.

By allocating resources you can draw an accurate picture of actual time taken by the team members to complete the project.

#### **10. Eliminate risk:**

Identifying the potential risks beforehand can definitely bring amazing results to the project. By taking preventive actions, you can eliminate all the risks and complete projects on time.

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