

Revenue Growth Difficulties: Hiring New People VS Leveraging the Power of Existing Teams



When the number of projects grows, the need for more capacity also increases. But have you ever thought that it takes one-third of yearly salary to onboard a new employee? And if there's a need to hire more than 5? Despite a couple of new initiatives, your revenue will hardly grow quickly and in such a volume as you may be expecting.

And the most significant question is: *Are you sure that your existing teams are working to their full potential and can't do more without being overloaded?* Read further to learn more about the pros and cons of hiring new people vs leveraging your current resources' potential and how to understand if you have enough resources for the planned scope of work.



Hiring new people VS using existing resources: Peculiarities to keep in mind in terms of 'Time', 'Money', and 'Output' dimensions

Time



Hiring new people

When you decide you need some more resources to fulfill the demand, it will take pretty much time to find the right ones. During that time, your current resources are getting overloaded, or your projects are inactive, waiting for proper staffing.

Managing your existing resources

You have your resources who are familiar with the environment, have necessary skills and experience, and are ready to do the work you assign to them. The key to success is proper resource management.

Money



Hiring new people is not only time-consuming but also requires investment. Besides, getting new resources on board is always risky: you can't be sure they will perfectly fit and do their work flawlessly. There's a probability that they won't cope with their assignments and moreover they can become a bottleneck that will lead your projects to failure.

You pay monthly salaries to your people regardless of the amount of work they do. If they haven't been assigned any tasks, they're idle, but still get paid. So, your resources' capacity should be used to the full if you pay them for their working hours, not for the scope of work they do for you. Training your current resources to do the job of overloaded employees is faster and cheaper than hiring new ones.

Output



When you hire new people, it always takes some time to train them. So, at the beginning, the output will drop because your most valuable resources will work on onboarding the new team members. During this time, it's critically important not to make ad-hoc decisions but to examine the output change further. It's impossible to predict the output manually but a resource management solution supporting predictive analytics can do that in a matter of minutes.

On the other hand, your people shouldn't be overloaded, otherwise, the output will drop. Not to overwhelm your resources and let them bring the required results, you should allocate them properly. Overload always leads to decreased output. This happens not only in the overloaded group but also in groups further along the process because of dependencies between projects.

In both cases (when hiring new resources or when resource management is improper) you won't be able to grow your revenue: your project due dates will be moved and your cost will only increase.

So, what is the solution?

The answer is **Efficient Resource Management**.

How can I deliver more projects without hiring anyone else if my people are heavily overloaded?

If your resources are overloaded, it doesn't necessarily mean that there is too much work and your projects are understaffed. It may be the sign of bad resource allocation, absence of clear priorities, or wrong risk and uncertainty management. Besides, you can't check if everyone is loaded enough: it may happen that some people are overwhelmed while others are idle. Idleness is much more difficult to notice than overload, because idle employees won't ever tell you they have nothing to do.

Look at the infographic below to understand the causality.



As we can see, there's no chance for revenue growth under these conditions. So, what should you do to avoid cost overrun and increase your profitability by leveraging your current resources?

1 **Prioritize tasks** across your project environment taking into account dependencies between them and with regard to all existing constraints. It will help project team members stay focused as they work on one assignment at a time and prevent them from being overloaded.

2 **Allocate your resources** based on their capacity, experience, and competence levels.

3 **Track your employees' performance** and check real-time data.

4 As soon as you notice idle resources in one group while the other group is overloaded, you can **train people from the idle group** to help the overwhelmed team. This will save your cost and time and ensure smooth flow of your projects.

How an AI-driven multi-project resource management solution can help grow your revenue by leveraging your teams' capacity

Sometimes hiring new resources is a must, but this decision should be based on data analysis, not your own third sense. So, what do you need to understand the real potential of your teams and plan your teams' capacity?

- Clear project requirements;
- Demand for resources;
- Resources' skills and capacity;
- Possible risks;
- Lessons learned;
- Execution plan.

Then you will need to access and track real-time information about project workflow and teams' performance to make sure that your demand and supply are bridged. Too much information to keep in mind, isn't it? To take everything into account and check if your current teams are capable of coping with this amount of work, you need some help. A resource management solution can transform the data into information that you can further use for your business decisions.

An AI-driven resource management solution can measure employees' workload and detect overload and idleness in a few seconds as well as help you prevent it in the future. All you should do is to input correct data into the system, namely you need an execution plan and let the solution know your scope of work, the project team members' competence and capacity data, and your constraints.



Here's a small list of insights that you can get as soon as an AI-driven RM solution processes your data:

It will discover existing problems and suggest ways to resolve them in a few minutes after the data input.

It will show you the demand level and the workload of your resources far in the future, so you can detect potential problems early on.

It will provide you with a prioritized list of tasks based on critical milestones and project dependencies.

It can offer you the most optimal ways to allocate your resources in such a way that their capacity will be used to the full but they won't be overwhelmed thanks to smart multi-project task prioritization.

It will keep you up-to-date regarding your teams' progress: you will have real-time information about your teams and projects as well as historical information about your teams' output that you can use for your further project decisions.

AI-driven scenario analysis can answer your question regarding the necessity of hiring new people. You can try out as many changes to your project environment as needed to get satisfied results. You can reallocate people and change milestones to try different scenarios. If this doesn't work and you still see that a bottleneck is going to appear, you have to make a decision about hiring extra resources.

Therefore, instead of hiring new people, it's more reasonable to invest in the right resource management solution that will help you make flawless project and resource management decisions and leverage the true power of your teams.



If you'd like to learn more about
our approach and AI-driven resource management,
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