Time tracking in TimeLog

Get an overview of how we use TimeLog Project for time tracking and strategy development.

Introduction

This white paper describes how we at TimeLog use our own time tracking system as an operational and strategic tool to meet short-term as well as long-term company goals.

The purpose of this white paper is to inspire you to steer your company toward greater profitability, stronger data and improved responsiveness in a volatile market.

In order to use time tracking for business management, it is important that all working hours are tracked precisely, including in-house hours. Only then will it be possible to achieve a realistic view of the company's activities and the return on these.

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1. edition
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1 Time tracking as business management tool

For many organisations, investing in a time tracking system can be a difficult decision to make. Usually, the time tracking process affects every employee, which requires that nearly everyone be heard and that a lot of interests be considered. For the same reason, perhaps, one or more employees provide negative examples, in which the implementation of the time tracking system has failed.

1.1 Time tracking integrated with resource management

We are often asked how we ourselves have structured and implemented our time tracking processes, and what we use the resulting data for.

We also experience a rising trend in our customers no longer being satisfied with only using time tracking for cost allocation or invoicing. Instead, they want time tracking incorporated into project management, resource management and, in the most ambitious of cases, a substantial part of the company's database, thereby empowering the company to make strategic decisions and follow up on them. We consider this a healthy development and work actively to support it. However, it is also an ambition in need of considerable persistence.

1.2 Consistent time data collection

The prerequisite for being able to use time tracking for business management is of course that the process surrounding a strict and consistent collection of working hours – including in-house hours – is in place and well-functioning. This is where most companies have problems. We often see that companies focus mostly on billable time, since it is the basis of invoicing customers. However, we believe that it is just as important to be able to manage in-house time for your business to grow stronger and prosper.

1.3 Taking our own medicine

Most people will find that we take our own medicine and in quite a serious manner, and that we probably track our time in a more detailed manner than most of our customers. Being a product company, and not a consultancy firm, about 90% of our time is in-house working hours.

As such, we view accurate time tracking of in-house hours as a necessity in order to develop and fully utilise the potential of TimeLog in the short and the long run.

We hope this white paper will inspire you and inform you how to track your time accurately and efficiently.

2 TimeLog's new time tracking strategy

''If the employees did not support this more detailed time tracking procedure, the data would be useless''

As TimeLog Project has grown over the years, so has our maturity in project management and time tracking. As a result, in 2009 we implemented a strategy for our time tracking procedure, forcing us to set a goal for our time tracking. We used to track our time only to invoice customers and get an estimate of in-house resources as well as manage holidays and absence – and not because time tracking was part of our company strategy.

2.1 Support of the employees

For the new time tracking strategy to become a success, we needed all employees to understand the reason for the change, as well as the importance of the registered data for our company. If the employees did not support this more detailed time tracking procedure, the data would be useless and we would end up with disgruntled employees tired of wasting time tracking their hours – despite the fact that we sell time tracking systems for a living.

Although we work with time tracking, this is still a personal topic for every TimeLog employee. This is also true for whether an employee cares to track their time, and therefore it is important to deal with this situation through effective in-house communication.

2.2 Implementation

To make it easy for our employees to adopt the new time tracking procedures, we prepared a printed guide to creating projects including an explanation of the various dimensions.

We did this to ensure that all projects were set up correctly in accordance with the analytical requirements for our data. In addition, we created simple project templates for each type of project (implementation project – time & material; implementation project – fixed price; development project, release project, etc.), so that we could minimise time consumption and potential errors in creating standard projects. Basically, it was up to the project manager to give the project a name, select a customer and choose a template. The template contained the rest of the information, including all project categorisations, sub-events, default rates and default resource groups.

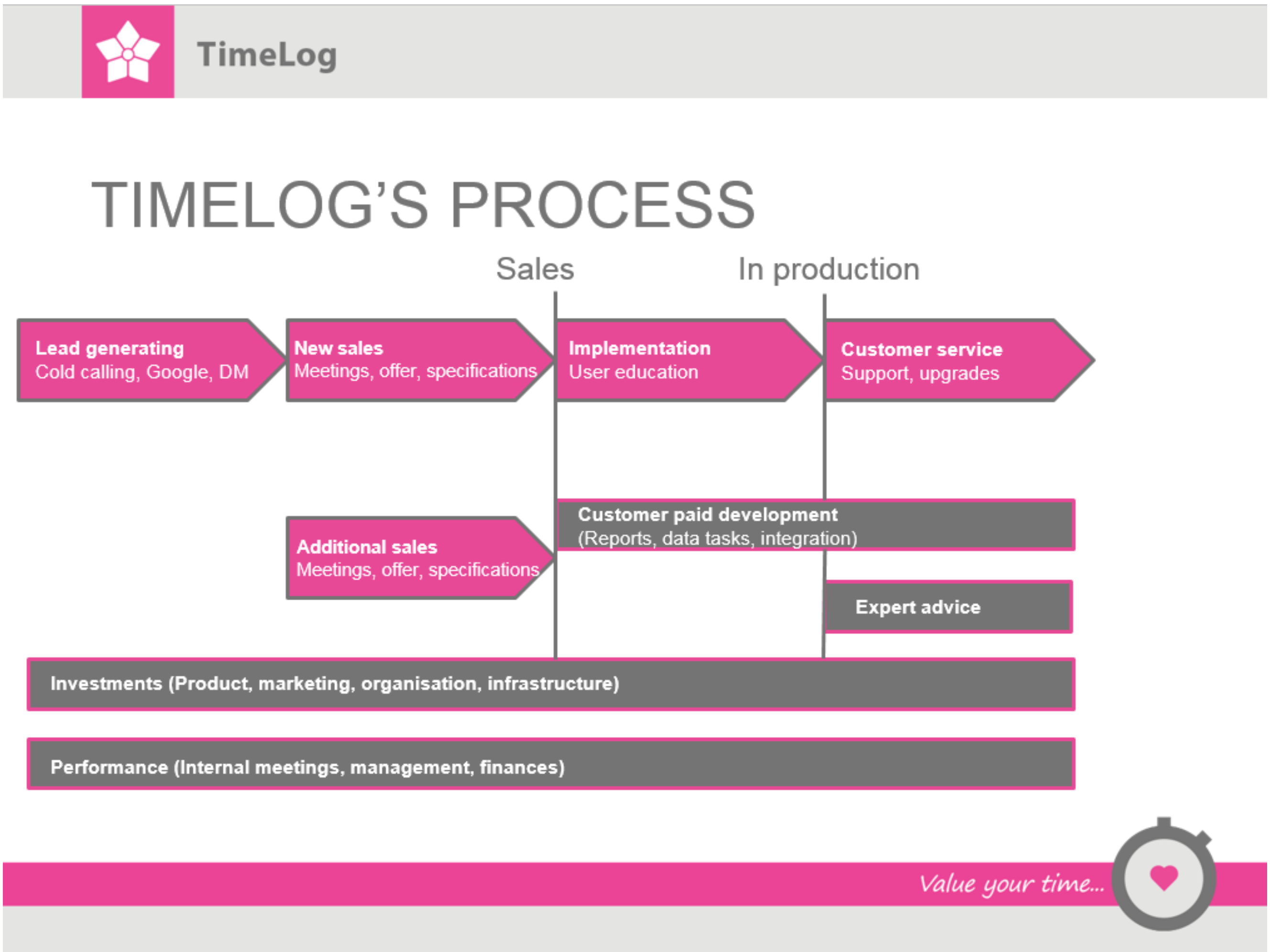
2.3 Finding the right structure

A prerequisite for effective time tracking is a proper project and event structure. This calls for planning. At TimeLog, the preliminary stages consisted of three management workshops, no small amount of homework and a final system setup. The latter was the easy part.

During the process, we initially uncovered the majority of our resource expenditures, which can be divided into the following nine process areas:

Figure 1

Overview of in-house processes at TimeLog:



Based on the above structure, we formulated three main questions and six sub-questions to which our time registrations should give us the answer.

The main questions were how many full-time equivalents were used for:

- Retaining existing customers, in particular the increase of this figure in proportion to the number of customers
- Investing in the future (product, business and process development)
- Interacting with the market (sales, marketing and consulting hours)

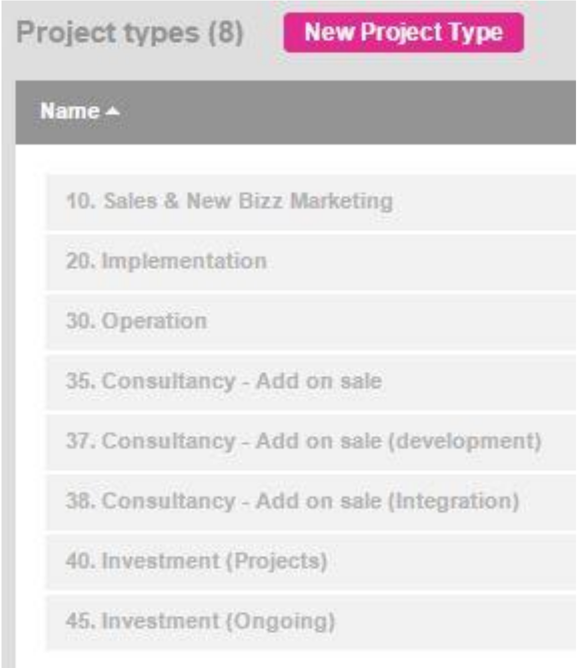
The sub-questions covered the amount of time we spent (per cent/total) on:

- Winning new customers (sales and new biz marketing)
- Implementing new customers
- Providing additional consulting services to existing customers
- Delivering paid customer development for existing and new customers
- Servicing existing customers (customer service, server management, support, accounting)
- Our different areas of investment (in particular the scope of product development)

The result was the following formation of project types, categories and names:

Figure 2

Overview of TimeLog's project types and categories.



Generally, the project types follow the process areas described in Figure 1.

The project categories require some explanation. At TimeLog, we focus on our scalability as a company, i.e. the amount of time spent on jobs that lead to new ones as we win more customers, and the amount of time spent on jobs that are independent of the number of customers.

Based on this information, we are able to calculate the percentage of our salary costs are related to the number of customers and the amount of time needed for regular maintenance of our 600 existing customers, i.e. our baseline cost.

Examples of **Fixed cost** projects:

- Server maintenance
- Investment projects (product development, business development, etc.)
- Tenancy
- Internal training

Examples of **Variable cost** projects:

- Sales
- Customer service
- Support
- Consultant assistance

In addition, we use task types to analyse how time is distributed into project management, documentation, customer service, etc. across all TimeLog projects.

2.4 Project name as a dimension

In order to create the best overview and separate in-house projects from external ones, we chose to use prefixes for project names. Our structure has the advantage of always placing all in-house projects at the top of the drop-down menu, leaving no one in doubt about which projects are in-house or external. In addition, external projects can have the same name but belong to different customers. By using the first three letters of the customer's name as a prefix, we eliminate the potential 15 projects with the same name in the drop-down menu.

We have three different prefixes depending on the type of project:

In-house operating projects:	_TIM – PROJECT NAME Example: "_TIM – Accounting"
In-house investment projects:	_TIM(AREA) – PROJECT NAME Example: "_TIM(M) – New website"
Customer projects:	BAS – PROJECT NAME (BAS are the first three letters of the customer's name) Example: "BAS – implementation"

For in-house investment projects, we use the following business area abbreviations in the project name:

- _TIM(O) Organisation and processes
- _TIM(M) Marketing
- _TIM(S) Sales
- _TIM(I) Infrastructure
- _TIM(P) Product
- _TIM(B) Business development

These business area abbreviations are used as an extra dimension for extracting data to be used in Excel for grouping investment projects by business area.

Our budget includes only customer and investment projects. We have chosen not to include operating projects, as they mostly deal with collecting working hours for analysis purposes.

3 How we track our time

TimeLog Project offers several different time tracking solutions. At TimeLog, we have opted to track all of our time using our TimeLog Tracker desktop/smartphone application.

There are several reasons for this:

- Time is tracked immediately, not later in the day or week when you can no longer remember the work you performed.
- It is more accurate than tracking whole or half hours.
- We have so many projects that the weekly timesheet becomes confusing, making it bothersome to find the right task on which to track one's time.
- Searching all projects and events is faster than in timesheet or weekly timesheet mode.

Holidays and absence are time tracked, however, and our support department also records time spent on individual cases using TimeLog Help Desk. As for holiday registrations, we have chosen to adjust that salary code every year, counting down from the accumulated number of holiday hours. This allows each employee to keep track of how much holiday is left.

''TimeLog Tracker is a quick and easy application to use, and there is no need for summarising at the end of the day''

We have an in-house policy stating that timesheets must be closed every Monday at 10 a.m. to inform the project managers that their projects are up to date and eliminate any suddenly missing time registrations at the end of the month, causing project budgets to slip.

For some, TimeLog Tracker is too detailed for simply tracking in-house working hours, but it is a quick and easy application to use, and there is no need for summarising at the end of the day. Additionally, using TimeLog Tracker is a more proactive way to track your time, because you do so while working. This lets employees actively consider how their time is spent. It may sound taxing to some, and we are often asked whether we also have a project for drinking coffee, toilet breaks, etc. – to which the answer is no; we are not that detail-oriented. However, we do want a true picture of our current situation, and the only way to get that is to track our time accurately and honestly, i.e. with as much detail as possible.

We do not aim for 100% accuracy, which is impossible, but we would like to get as close to it as possible.

3.1 Reactions to the new time tracking structure

All new things take some getting used to, and at TimeLog we were no exception. For most of us, the increased level of detail in our daily time tracking took some getting used to, but at a certain point it becomes second nature.

We would be lying if we said that everyone loved the new way of tracking their time. Some of our employees think it is too detailed, while others enjoy the personal view of how they spend their time, so they can see if any tasks are being neglected. In general, people have very different views on time tracking. It also depends on whether you have a creative personality and prefer to work freely and without too much framework, or whether you thrive in a structured work environment.

We try to include everyone, but must recognise that even we can have a hard time getting our colleagues to track their time on time. For new employees, our time tracking procedures may seem daunting if they have no experience in time tracking. However, it soon becomes second nature and part of the TimeLog work day like getting coffee or scheduling everyday tasks.

3.2 Project names and employee allocation

We have approximately 100 (active) in-house projects. Employees are allocated only to those that are relevant to their work to prevent information overload in the TimeLog Tracker projects list. For projects with multiple stages, we allocate employees to each task, since not all of them are relevant to everyone. Otherwise, we use the "Time registration allowed for everyone in the resource group" project setting.

For tasks entitled "Misc." or something similar, our rule of thumb is that registrations made here must be followed by a comment to avoid the task becoming a "catch-all" category. For some, the "Misc." task is the quick fix when tracking their time. A few times a year, project managers skim the "Misc." registrations to decide whether to create new tasks for recurring assignments.

3.3 Practical management of time registrations

Once employees have closed their weekly timesheets, the department heads in question approve them. If we find that time has been registered to the wrong projects or tasks, we use the Redistribute time feature for moving a time registration to another task or project, even though the weekly timesheet and/or project has been closed. In this way, we do not need to bother employees with minor corrections. Sometimes we use the same interface to split time registrations into two different tasks.

Figure 3

Using the **Redistribute time** feature, moving time registrations from one project to another is easy:

Time Registrations for MNI (16)

Current Project / Task				New Project / Task		Registration		
Date	Project no.	Project name	Task name	Project name	Task name	Actual (h.)		
For all selected				Select project	Select task			
17-02-2015	P09.0260	_TIM - Internal meetings	95. Preparation for meetings	_TIM - Globase c	Trigger automati	0,25		
17-02-2015	P11.0341	_TIM - Marketing administration	Interne status møder	Select project	Select task	0,62		
17-02-2015	P11.0341	_TIM - Marketing administration	Rapportering » Demo-analyser SE	Select project	Select task	1,15		
17-02-2015	P11.0341	_TIM - Marketing administration	Rapportering » Rapportering - Andet	Select project	Select task	0,45		
17-02-2015	P12.0157	_TIM - SEO	Social media	Select project	Select task	0,33		
17-02-2015	P12.0157	_TIM - SEO	iværkst.dk	Select project	Select task	0,40		
17-02-2015	P12.0280	_TIM - Umbraco drift	Text, corrections	Select project	Select task	0,08		
17-02-2015	P12.0280	_TIM - Umbraco drift	Text, corrections	Select project	Select task	2,00		

3.4 API and online dashboard

At TimeLog, we use the TimeLog Project reporting API to extract and visualise time registrations on a screen in the office.

Among other data, an extract from the Accuracy in time tracking report is displayed, showing the timeliness of employee time registrations. If an employee has not tracked their time for a week, time registrations naturally become more inaccurate than if recorded on a daily basis. Avoiding the "bottom five" is a fun motivator for our employees.

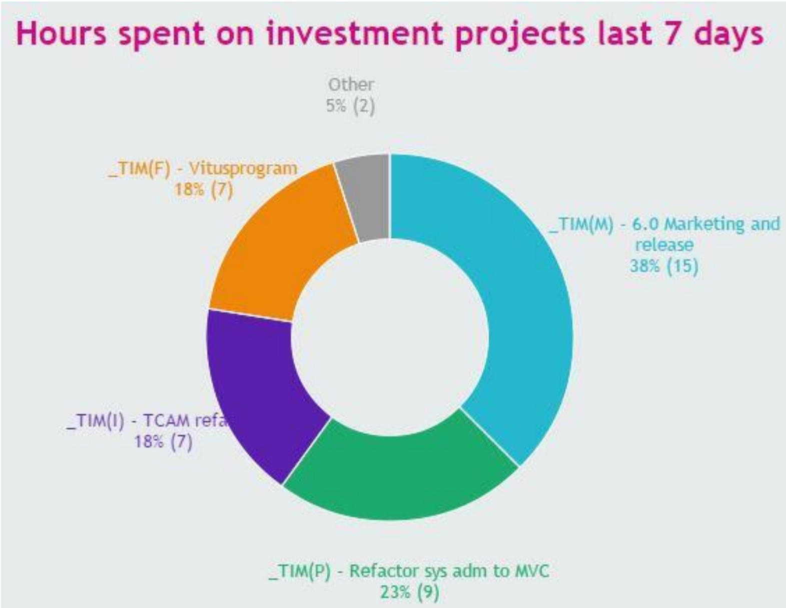
Here is a sample of our dashboard:

Figure 4
This is a sample of our dashboard, showing who is behind on their time tracking.

In addition, we have a shared overview of which investment projects (based on our project types setup) have taken up most of our time during the past week. This gives the entire organisation an overview of where to invest our efforts. The number in parentheses is the number of hours.

Figure 5

We use the TimeLog Project reporting API to display time registrations on our in-house dashboard.



4 Coaching based on employee time tracking

We feel it is important to use time registrations proactively in employee appraisals and monthly interviews with immediate supervisors. The aim is not to breathe down someone's neck but to learn which projects have been the most important ones lately, and whether new projects have pushed the deadlines for other projects. This is a good opportunity for discussing the distribution of workload across various assignments. Employees are often surprised by their own time profile in discovering that they spend their time differently than they think. This leads to increased focus and a better prioritisation of the most important assignments.

An employee's time registrations can also indicate a potential change in job position because the person in question has begun to handle assignments outside their profile. This provides the foundation for developing one's position in the company.

It is also an opportunity for employees to show their managers that they are in fact working with everything else than what was agreed, or that they may need to be screened against additional assignments or have their position redefined.

Using these data for appraisals provides a common understanding of everyday assignments and can facilitate achieving the optimum solution for employee and manager alike.

4.1 Useful employee reports

For appraisals, we prefer the following reports, depending on the position of the employee in the company:

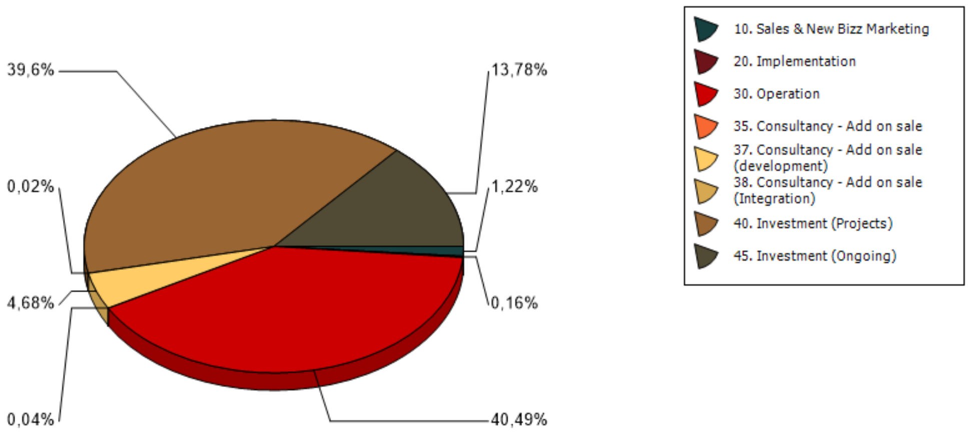
Internal/external analysis
This report is for employees who invoice working hours to customers. It shows how much time is spent on customers vs. in-house projects.

Pivot report
This report is ideal for making various time profile diagrams. Start with the big picture, then go in-depth with the various figures.

Booked vs. registered work
This report is mainly used by our development department for following up on production schedules on a daily and weekly basis. This provides insight into whether their time estimates for each assignment are realistic and whether there are too many new assignments coming in and pushing deadlines.

Figure 6

The pivot report contains a wealth of options to customise the display of data according to your specific needs. For example, here is the distribution of projects grouped by type and category.



5 Strategy support and Board reporting

At TimeLog, our time registrations indicate whether we adhere to the agreed business strategy. For example, we have decided that approximately 50% of our time must be market-oriented. If we only use 30% of our time on market-oriented activities, then the next person we hire is for a market-oriented position. This means that resources are available to everyone, including those less vocal. The business strategy and TimeLog's time tracking profile are the basis for finding future employees.

The data collected in TimeLog Project is also used for reports to the Board of Directors for gaining insight into TimeLog's progress. This provides a sound foundation for discussing TimeLog's current and future situation.

When the majority of our time is spent on in-house jobs, uncovering the real time consumers and shifting our focus to more profitable assignments makes more sense.

We also look at whether we spend time on projects that fall outside our core skills. It's a mantra we tell our customers, so we need to live by it ourselves. Far too often, minor in-house development projects have gotten out of hand, and sometime afterwards we have conceded that we should have bought the service externally.

In our sales department, we have a sales project with the following structure:

Figure 7

Our sales department uses this sales project to track their activities.

WBS	Name
1	Booking meetings (preparation)
1.1	Research
1.2	CRM management
2	Booking meetings
2.1	Target/cold call
2.2	Google
2.3	Old leads
2.4	Incoming calls
3	Meeting preparation
4	Holding of meetings
5	Holding of meetings (senior as...
6	Email follow-up
7	Phone follow-up
8	Quotes/contracts
9	Requirement spec.
10	Travel time

This lets us keep track of how much time is spent on offers and contracts. We assess whether it is possible to reduce the time spent on in-house administration and instead spend it on external sales activities. If we only had a single task called "sales work", we would not be able to adjust individual sub-elements, since it would be difficult to distinguish between how much time is spent on meeting activities vs. offer and contract preparations. Armed with this knowledge, we can focus our efforts on making everyday jobs easier for our employees.

At the same time we estimate how much time is being spent on e.g. meetings. This is where we see the direct cost of gathering the entire organisation at once. As a result, we have started to ask ourselves whether a particular meeting is really necessary.

At TimeLog, we want the most of our time, so every meeting must have an agenda, minutes and a decision-making process for it to have been a fruitful meeting worth the investment.

If no decisions were made during the meeting, the time might have been better spent doing something else. The old adage "time is money" helps us make the most of our time.

6 Collecting know-how from previous projects

Time registrations on our customer and investment projects provide a big picture of whether we stick to the budgets at project, task and employee level.

With these data, we can answer the following questions:

- Why did we exceed the budget?
- Do we always exceed the budget on the same tasks?
- Has the project paid for itself in other ways?
- Can we improve our estimation skills on specific project types?
- Are underestimates/overestimates always made by the same project managers?
- Are the same employees always spending more time than estimated?

By evaluating on the above questions, we can improve project management and uncover trends which we may be able to affect from multiple angles.

7 Handling customer projects

Many of our customer projects have similar structures, so to make it easy for ourselves, we have created project templates to help our consultants save time.

To follow up on project performance, we use project factors, contribution analyses and the full project report, which provides a big picture of key project figures. This allows us to follow up on project contribution ratios and again assess if contribution ratio on certain projects is too low to meet our general objectives.

Figure 8

You can use the project factor to compare both small and large projects and see which customers/projects are most profitable.

Projekter (7) DKK (Systemvaluta)

				Arbejde (DKK)				
Nr.	Navn	Kunde	PL	Kontrakt	Kostpris	Reg.	PF	
P09.0005	AIT - Process flow	Anrond IT	ASC	80.000	10.800	21.350	2,0	
P09.0010	AIT - Sales Flow	Anrond IT	CEE	150.000	4.602	9.826	2,1	
P11.0004	ATC - e-store	Autorolo consultants	TSG	202.000	7.200	21.600	3,0	
P11.0005	ATI - Web site	Anrond IT	CEE	110.000	800	2.400	3,0	
P12.0004	AIT - New Web Site	Anrond IT	TSG	148.000	40.000	63.500	1,6	
P12.0005	ATC - Expence report	Autorolo consultants	TSG		205.200	615.600	3,0	
P14.0007	Ny hjemmeside	United XP	GOS	0	10.200	30.600	3,0	
Total				690.000	278.802	764.876		

For our customer projects, if someone other than the consultant sold the project we specify who. This allows our sales team to keep track of earnings for the projects they have sold. If the project factor is consistently low, the salesperson may be struggling with estimating time consumption, e.g. when selling a project at a fixed price.

At month's end, our consultants create their own invoice drafts and book work in progress as revenue. If projects are completed, the project managers use the integrated close actions in TimeLog Project to ensure that the remaining value is invoiced and booked as revenue, and that project finances are correct.

8 Conclusion

We hope this white paper has inspired you to get started with strategic time tracking. Perhaps you have gotten some good ideas to implement in your work day?

To summarise this white paper, correct and accurate time tracking will grant you the following:

- Overview of your earnings and contribution ratio on customer projects
- Improved awareness and prioritisation of project assignments for employees
- Improved ability to estimate projects before they are initiated
- Significantly fewer projects where time might have been better spent
- Awareness of the fact that in-house projects have a cost, too
- Opportunity to optimise individual part processes of the company
- Improved and more rewarding appraisals with plans of action based on concrete facts
- A more critical and dedicated Board of Directors/management

Not every organisation needs the same level of detail as us. The most important thing is that we as an organisation know the purpose of time tracking. If you are already using a time tracking system, consider further leveraging your investment. On the other hand, if you are not already using a time tracking system, you should consider whether your investment could reveal what your time is actually spent doing, potentially leading to new opportunities and increased earnings.