



Strategic time tracking

Manage your time and stay ahead!

When time is money...

Eliminate the guesswork and generate better results

This whitepaper details how to fully optimise your business activities now and in the future employing strategic time tracking every day.

This whitepaper will furthermore prepare you for tracking your time efficiently – and provide you with plenty of examples on how to fully utilise your time throughout the company.

Once specific data replace guesswork in everything from growth plans to project estimates, precise and focused time tracking improves not only your bottom line but your decision-making and adaptability procedures as well.





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1. edition
Written by Sascha Skydsgaard

TimeLog A/S
Alhambravej 5
1826 Frederiksberg
Denmark
Phone +45 70 200 645

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www.timelog.com
info@timelog.com





1 Using time tracking strategically

Every type of organisation can benefit strategically from tracking their time. The type of benefit depends on the organisation's stage of development. Some need an overview of project costs, others are ready to build continuous learning loops with self-managing employees and a close adherence to company strategy.

Time tracking is a strategic tool for use across most industries and business models. Your organisation consists of resources for meeting specific objectives, and time registration is a management tool which helps you do just that.

When someone says time tracking, the usual thoughts are on control and monitoring, finances and cost control – or invoicing, because the working hours are the very foundation of that. However, non-billable time might not be tracked.

But if you implement time tracking in all aspects of your business, you get a management tool which answers strategic questions based on solid data rather than a gut feeling. This is a benefit for Board, Executive Management and employees alike – and the results are evident on the bottom line.

Read the white paper and get inspiration for your strategy work.

2 Optimising operations, business and strategy development

Time tracking applies to all levels of the company. The level of detail and accuracy of time tracking determines what you can do with the data.

In the following, we examine:

- Strategy development, investment and scalability: what does the company spend its time on – and is it effective?
- Forecasting and optimisation in real time: insight into current project statuses and intervention, if needed.
- Optimising business: invoicing basis, contribution margin and improved estimation of time and projects.
- Simplifying staff management: hourly/case management, flex time payments and absence analyses.





2.1 Strategy development, investment and scalability

Are we spending our time on the right things?

All companies want to spend their time doing what they do best and what generates a profit in the short and long term. But it can be difficult to assess whether your employees' efforts actually bear fruit – or whether they might be better off "watering other trees".

With time tracking, the company is given the opportunity to analyse whether their time spent is profitable enough when looking at specific project types and activities – or across your business.

- Are we spending enough time on sales? Is there a correlation between the amount of actual time spent on sales and the time we think we spend?
- Which part of sales is the most profitable to focus on?
- Which activities provide maximum contribution per hour spent – and is there room for extra time? Can we sell more of these services?

How much do we invest – and in what?

When measuring all hours spent, not just billable time, you get an insight into how much you invest in product development and similar activities for which revenue does not correspond fully with the time spent.

This helps management assess whether the company's priorities are right. Are you spending too much money on product development? Or should you devote more time to it?

What is our degree of scalability?

When the company grows, being able to predict delivery costs when the customer base is doubled becomes a crucial factor. When optimising your workflows based on time registration, you eliminate guesswork from your growth strategy.

Time registrations provide a basis for consolidating experience across employees and projects to estimate the development of future employees' performance.

2.2 Forecasting and optimisation in real time

Combined with the resource planning features of a modern online system, time tracking will help you monitor work load and level of completion in real time.

The company is able to constantly adjust scheduling in case certain projects require additional resources, or if other projects are completed ahead of time.

”The company is able to constantly adjust scheduling in case certain projects require additional resources”





Static or dynamic resource management?

For many companies, moving from static and manual scheduling to dynamic and automated resource allocation is a huge step forward.

Once registered working hours are included in real-time scheduling, project management offers an always updated overview of your projects and whether company resources really are available for all projects.

If an employee does not complete their work as scheduled, they "owe" working hours in the resource management system, and their work load will increase in the near future.

This lets you assess whether project resources are sufficient and immediately follow up on projects that need additional resources.

2.3 Optimising business

Simple consultancy invoicing

Most companies adopt a time tracking system to count billable hours, effectively making time tracking an indispensable business tool. For projects invoiced on time spent, the time registrations themselves are the basis for invoicing. For fixed-price projects, time registrations offer the opportunity to follow up on employees and enter into a dialogue with the customer if the project starts slipping.

Contribution margin and average hourly rate per client/project/consultant

Peter Drucker once wrote: "What gets measured gets managed." By measuring business performance based on customers, projects and individual employees, the company can follow up on performance lags – and celebrate periods of high performance. This constitutes a highly effective management tool.

Improved estimates on fixed-price projects

The company becomes more and more experienced in time consumption at certain tasks throughout various project types and thus gains a stronger basis for estimating similar projects in the future.

This, in turn, provides valuable insight if estimates and actual time consumption are always related at a certain ratio. So it might be a good idea to generally adjust estimates towards actual time spent.





2.4 Simplifying staff management

Holiday scheduling

With a central online resource plan, holidays are no surprises, as you are given a clear overview of resource availability at all times. Coordination of minimum staffing during holiday periods is simple, fast and transparent to all.

Flex time management

When employees can flex their working hours, keeping track of flex time using a time tracking system becomes easy. In this way, the flex-hour balance is never up for debate.

Reducing sickness absence

When employees track their sickness absence, you can immediately identify and follow up on increased absence for persons and departments – or in case of frequent instances of "Monday sickness" etc.

3 How we doubled sales resources at TimeLog

We thought we were spending 20% of our resources on sales.

At the time, we numbered 15 people. Two full-time salespeople, half a person on marketing and a CEO as a part-time salesperson. This totalled three people working with sales out of 15.

By tracking our time accurately, we discovered that only 11% of our time was spent on sales or lead generation. 89% of our time was spent doing other things, such as customer support and administration, while 45% went to product development. Only a tiny bit was spent on business development.

The Board had been saying for a while that we needed to develop our business, but now all of a sudden we had a concrete basis on which to address the issue. We wanted to shift our focus from product to market.

So we set a strategic target: 50% of the time and 50% of our payroll needed to go to market-oriented activities: sales, marketing or customer support.





3.1 From 11% to 20% market-gearred time

We have achieved our payroll target. Time is still slightly less than 50%, as we employ a group of Malaysian developers with a lower hourly rate than Danish vendors.

Today, 25% of our time is spent on product development. We have not devalued our product, however, but have grown in the market, achieving our targeted balance.

To meet our targets, we did a number of things:

- We tried converting time to increase our market focus.
- New employees had to be market-oriented.

Today, sales and lead generation constitute 20% of our time consumption, a 9% increase. At Board meetings, we discuss whether our sales efforts were lacking and how to better utilise our time.

"What gets measured gets managed."

FACTS 1: Practical implementation

TimeLog has made a sales project structure which is detailed yet simple. Clearly defined employee activities are essential.

TimeLog's sales consultants can choose between:

- Preparing meeting bookings
- Booking meetings with potential customers (cold canvas)
- Phone leads who have downloaded the demo
- Preparation for meetings
- Meeting – online
- Meeting – on site
- Travel time
- Prepare quotes and contracts

For salespeople, time tracking is usually performed on a mobile device via our app in between meetings or during transport to avoid taking up working time.





FACTS 2: The S index

Our salespeople use a so-called S index as a performance target in terms of booking meetings. TimeLog works strategically to increase the S index for salespeople based on their time registrations and results.

A salesperson's target productivity may be a weekly 10 points in the S index. Booking a meeting is worth 3 points based on cold calls. Booking a meeting on an "inbound" lead, i.e. a prospect who contacted a salesperson, is worth 1 point. At our in-house sales meetings, we evaluate effectiveness by calculating the S index hourly for every seller.

The S index acts as a catalyst for an open and constructive discussion about an otherwise difficult topic. With performances ranging from 0.6 to 1.6, discussing methods and experiences in order to raise overall performance becomes possible.

This benefits both individual salespeople, the team and the company as a whole.

4 Level of maturity determines the strategic benefits

How you can utilise time registrations strategically depends on the organisation's experience and workflow maturity. To illustrate this, we use SPI Research's Professional Services Maturity Model, which consists of five levels of organisation maturity: Heroic, Functional Excellence, Project Excellence, Portfolio Excellence and Collaborative.

Companies can use time tracking to move up the maturity scale and increase scalability.

Try to assess where your business is located on the scale.

Level 1: Heroic

At this level, simply implementing a time tracking system is everything. The company typically implements a time tracking system to create a basis for invoicing.





15% of all organisations are at this level – and nearly every single one starts here.

OPPORTUNITY: Make money

The company may increase the project invoicing percentage and reduce depreciations. In other words, make money!

Time registrations offer a basis for invoicing for you to consider. If you have a contractual basis for it, you can invoice time spent on customer projects. Or you can revise your contract with the customer.

Level 2: Functional Excellence

At this level, time tracking is in effect and the company is accumulating a statistical basis for estimating future projects. You are free to budget projects and easily follow up on them. Some workflows are optimised, but not all workflows adhere to company best practices.

25% of all organisations are at this level.

OPPORTUNITY: Optimise workflows

Individual project finances are often opaque. By evaluating time registrations, the company can start optimising existing workflows and improving company efficiency and profitability.

Level 3: Project Excellence

At this level, all processes are standardised, and time tracking is implemented across all functions. You can schedule alongside project management and time tracking.

25% of all organisations are at this level.

OPPORTUNITY: Secure estimation

At this level, the organisation can perform accurate estimations of project time consumption. Projects depreciations are minimal.

Level 4: Portfolio Excellence

At this level, the company has an automated resource management plan. This means that the company is able to plan in detail and perform according to that plan – but also react to changes and adapt the plan accordingly. This requires, however, that all time registrations are processed in real time, and that project planning and resource allocations are integrated with the registrations.





15% of all organisations are at this level.

OPPORTUNITY: Immediate follow-ups and scalability

Resource management on current projects can be adjusted based on level of completion. With the link between resource management and time tracking, this adjustment is possible through a simple and smooth workflow, offering both management and employees a real-time overview of projects and finances. In turn, this unlocks an active decision on how to spend your time on fixed-price projects. This overview and the effective resource management feature makes the company much more scalable than at the lower maturity levels.

FACTS 3: Resource management

Time tracking in TimeLog Project provides real-time feedback on resource management. In this way, you can monitor projects and bring them back on track, if needed. At the moment the employees start tracking their time, you will be able to see work that has been done and work that needs doing.

This makes project management in TimeLog Project an illustration of the company's current status. Many companies manage resources using a single spreadsheet, project plans in another file and time registrations in a separate system – or in even more spreadsheets.

When implementing TimeLog Project for new customers, we often see that their resource plans quickly become obsolete, as they do not take into account the actual time registrations. TimeLog Project links project plans, resource plans and actual time consumption.

23-02-15 – 22-03-15 View: Hours Percent Workdays Estimated revenue [Add projects...](#) [Save](#)

Name	Work in period (h.)				Workload	Weeks			
	Avail.	NPW	Calc.	Booked		9	10	11	12
<ul style="list-style-type: none"> <ul style="list-style-type: none"> GOS (Gordon Sumner) <ul style="list-style-type: none"> Seminar <ul style="list-style-type: none"> Website PES (Peter Olsen) <ul style="list-style-type: none"> Seminar <ul style="list-style-type: none"> Website TLJ (Tommy Ljunggren) <ul style="list-style-type: none"> Website TSG (Thomas Grant) <ul style="list-style-type: none"> AIT - Sales Flow <ul style="list-style-type: none"> ATC - e-store <ul style="list-style-type: none"> ITC - E store 	148,00			114,00	77%	81%	73%	30%	124%
				32,00	22%	27%	41%	5%	14%
				82,00	55%	54%	32%	24%	111%
	148,00		105,00	40,00	98%	142%	142%	54%	54%
			90,00		61%	122%	122%		
			15,00	40,00	37%	20%	20%	54%	54%
	148,00	20,00		147,00	113%	108%	95%	95%	100%
		20,00		147,00	113%	108%	95%	95%	100%
	148,00	31,00		165,00	132%	108%	114%	103%	122%
				80,00	54%	54%	54%	54%	54%
		31,00		25,00	38%	14%	19%	8%	27%
				60,00	41%	41%	41%	41%	41%
Total	592,00	51,00	105,00	466,00	105%	110%	106%	70%	100%
Workload (h.)						162,50	156,50	104,00	148,00
Available hours (h.)						148,00	148,00	148,00	148,00





Level 5: Collaborative

At level 5, the company is constantly optimising its workflows in an integrated learning loop. They are using time registrations to change their behaviour and, as a separate objective, continuously improve their workflows. They benchmark to continuously monitor performance and improve workflows.

5% of all organisations are at this top level.

OPPORTUNITY: Behavioural changes

The company has grown immensely from guessing time consumption and developing basic services for sharing know-how and improving well-functioning services. Employees work independently and self-manage without compromising the company's strategy and objectives.

Employees can change their behaviour during various workflows based on the knowledge gained from the time registrations.

”Entering and submitting time registrations takes an average of three minutes per day”

5 Implementing time tracking successfully

Entering and submitting time registrations takes an average of three minutes per day. Despite this, getting the employees on board is still a challenge.

Opposition to time tracking occurs when employees do not feel that time tracking is an important part of their daily work. In the following, we will provide a series of examples on how to motivate your employees.

The next step is to generate data of sufficient quality. This requires a continuous effort to optimise the structure and routines surrounding time tracking – but the benefits can be key to the company's development.

5.1 Make it fun – compete!

At TimeLog, we measure the amount of time it takes for the employee to perform their work and register it. This figure needs to be as low as possible to improve the quality of the time registrations, as it is very difficult to remember exactly how much time you spent on an assignment several days old.





We have a "reverse top 5" on our screen in the kitchen showing employees who are lagging behind in their time registrations. The quickest time trackers get a prize, motivating our employees to a good performance.



5.2 Show how much each employee makes for the company

Our consultants can see how much money they have earned for the company in one day, which is a highly motivating factor. They can view the revenue for the current month for fixed-price projects, Time & Material assignments, vouchers, etc., and they are aware of the monthly target.

Generating revenue is motivating for consultants, even if they are not on commission salaries.

5.3 All roads lead to Rome

Everyone can track their time in a multitude of ways: weekly and daily timesheets, our mobile app, online system, PC client, etc.

5.4 Well-defined options

There should be no doubt as to which project the employee should select for time tracking. However, this is easier said than done, and often you need to go through the list of activities a few times before you get the right headlines. It is demotivating,





though, and if employees are in doubt as to how a particular activity should be recorded, data quality suffers.

See an example of the salespeople's list in the case section.

5.5 Evaluate fixed-price projects

When employees are working on fixed-price projects or projects without time consumption invoicing, convincing employees to track their time can be difficult. A motivational factor is to use the time registrations to track the increasing value of the projects and when evaluating and improving workflows and discussing project profitability.

5.6 Track interruptions

When a customer calls, asking for last month's project; when a colleague asks for help on his own project; when the manager pops by to check on progress...

All these everyday contingencies might be time wasted. Most employees simply add these to the ongoing project, but you can organise them and get a more accurate view of where your time goes.

In particular, collecting feedback on other employees' projects to see how, for example, you can optimise know-how sharing in your organisation.

If tracking interruptions is a simple task, it may well succeed.





6 Additional information

How can you use time tracking strategically in your company? Which level are you at on the maturity scale? What are your opportunities for optimising resource management and project finances?

6.1 About maturity levels in service organisations

- <http://www.spiresearch.com/psmaturitymodel/>

6.2 Whitepaper: Time tracking in TimeLog (PDF)

- <http://help.timelog.com/media/1611/time-tracking-in-timelog-2015.pdf>

6.3 Processes that move you up the ladder

- <http://www.timelog.com/product/management-and-analysis/>
- <http://www.timelog.com/product/resource-management/>
- <http://www.timelog.com/product/project-management/>
- <http://www.timelog.com/product/timetracking/>





7 Four cases on time registration

7.1 Digital design agency earned EUR 134,000 on HelpDesk

The employees spent a great deal of time dealing with minor support inquiries. Previously, pinning these interruptions and the time spent on a specific customer was too unmanageable, but TimeLog HelpDesk made it all possible. The design agency earned EUR 134,000 the first year by accurately tracking time spent on support inquiries. The more assignments in a day, the more profitable the time tracking.

7.2 Consulting firm increased revenue by EUR 268,000

A management consultancy firm handling major projects did not use time tracking systematically, causing project finances to spin out of control. Management were unable to identify the problem. Once the time tracking system was introduced, successful consultants and projects were unveiled. It turned out that certain consultants were selling very large projects at a minimal price – projects the organisation was proud of. Ultimately, the company increased revenue by EUR 268,000 as early as the following financial year.

7.3 CMS company made time tracking fun

A medium-sized CMS company raised the quality of their time registrations by making them public. A dashboard screen on each floor of the building shows real-time time registrations, making time tracking a competitive sport. Based on this, the company has built up a steady empirical foundation for estimating customer projects.

7.4 Employee bonuses on fixed-price projects

A digital advertising agency is running fixed-price projects with bonus schemes for their employees. If project timing or finances start slipping, the agency uses a solidary calculation model which automatically distributes project results to assigned members in real time.

