TIME TRACKING SYSTEM NEEDS ASSESSMENT GUIDE

HOW TO SHOP FOR A TIME TRACKING SYSTEM

Large and small organizations track time for a number of reasons: for payroll, to invoice customers or clients, to track R&D or project costs, or to report against grants or funders. In fact, in one form or another, **time tracking systems are found in nearly every company**. And the market has responded with a diversity of tools offered by an incredible variety of vendors. How do you approach the task of selecting the right timesheet tool? What are the right questions to ask? What does a suitable budget look like?

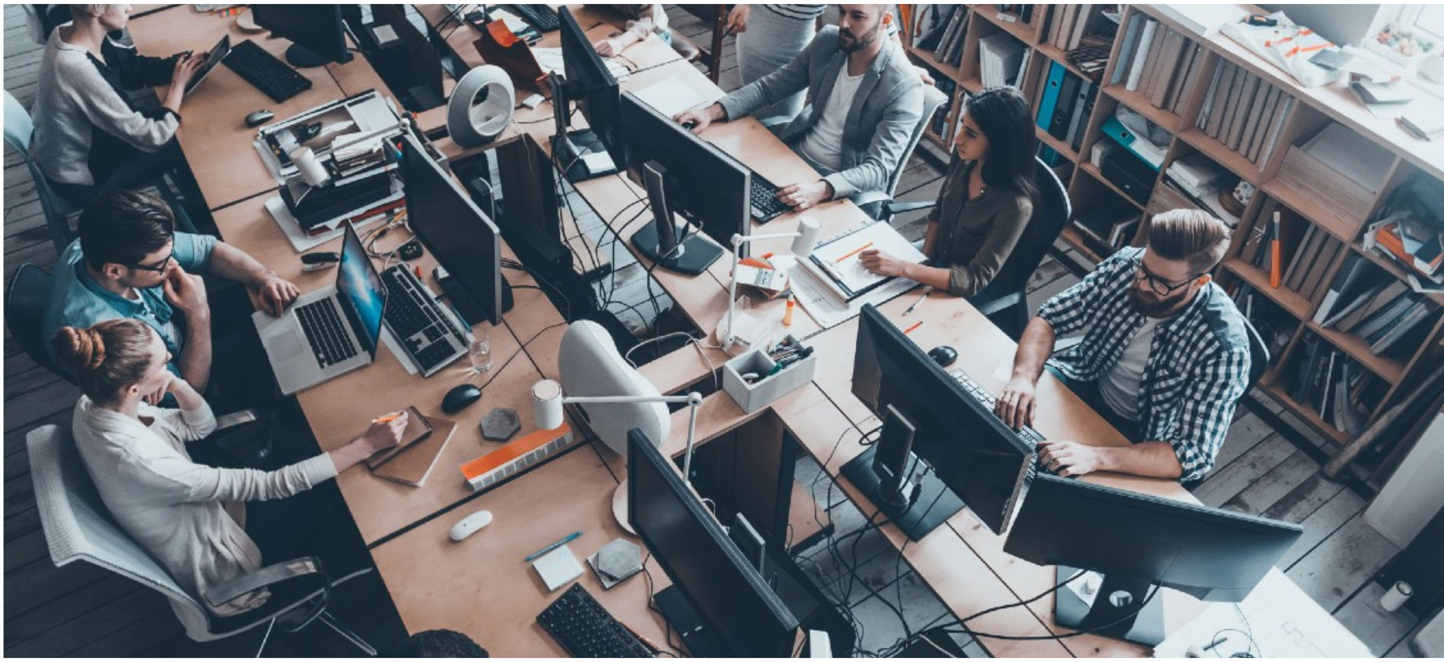
Facing the shopping process starts with a **solid needs analysis**. When you understand the uses for such a system in your company, you'll better understand the specific needs and feature requirements you're seeking. You can also measure your expected return on investment: are you saving hours of manual entry and tedium, or is the benefit more strategic, allowing you to allocate your resources and further optimize your profitability?

This **Buyers Guide** will help you understand the specific features you're seeking, the benefits you'll expect to enjoy, so you can decide what investment makes sense for your organization. You'll also be very well equipped to speak with vendors and be able to clearly express your needs, in order to arrive at a rapid and successful conclusion.

YOUR NEEDS ASSESSMENT

The primary goal of performing an assessment is to **set priorities and outline steps towards achieving your goal**. Using a generic example of a company that is suffering from a lack of insight into its own day-to-day operations, we can outline what this process might look like for you. Let's call our example Company X. Company X is a small firm with about 20 full-time, salaried employees, and three executive members. They are not currently using time tracking, and there is a gap between their projected productivity and their actual productivity.

Let's start our needs assessment.

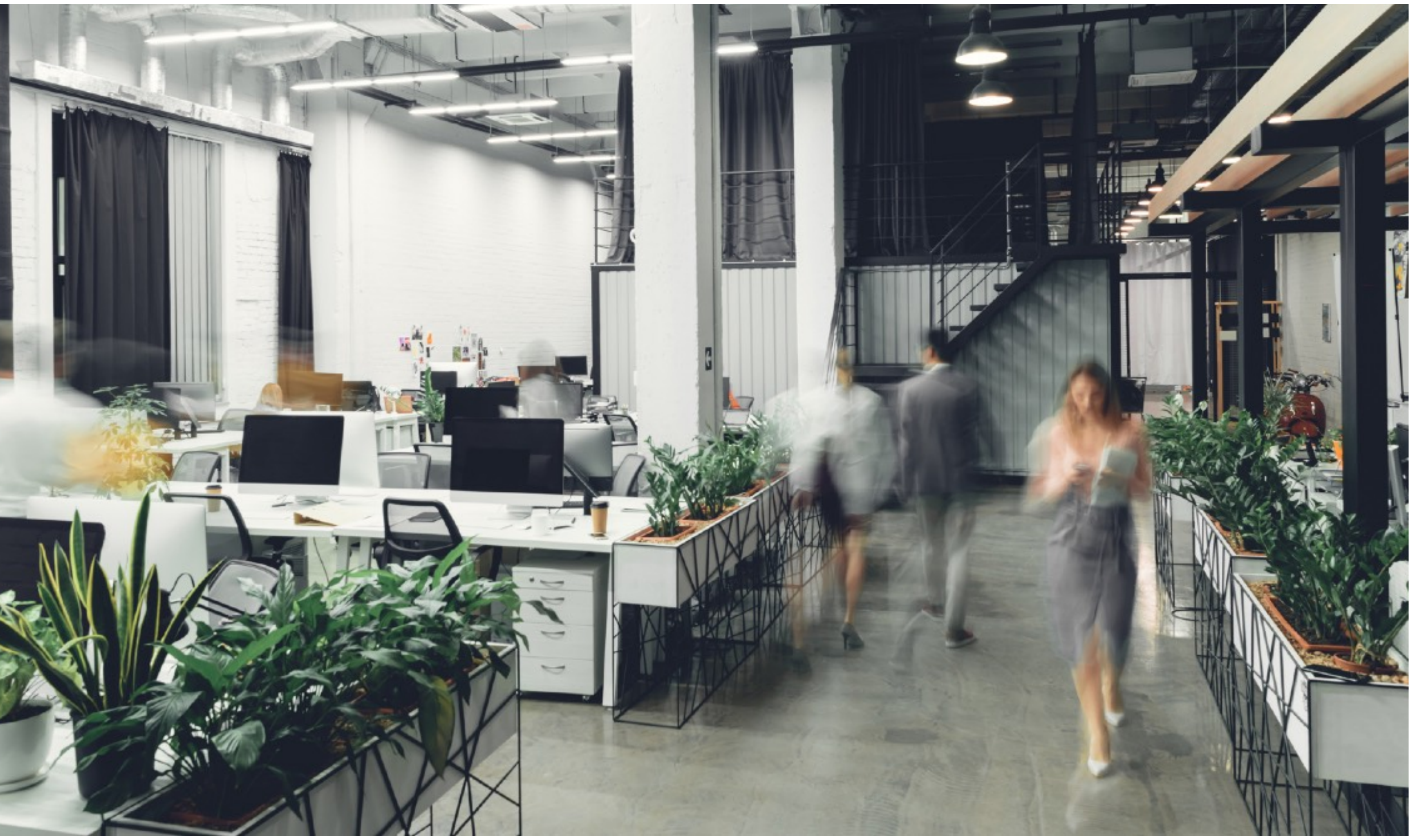


PHASE 1: "PRESENT" STATE

In analyzing the present state, we have to identify **pain points** in the current workflow. Since each employee has multiple ongoing projects, one particular pain point for Company X is that they don't have accurate data for how much time is being spent on which projects and when. Additionally, projects are not being completed on time and management is having trouble identifying the cause—

- Is there not enough staffing?
- Is time being misused or mismanaged?
- Do priorities need shifting?

Employees have started putting in overtime to get projects completed on time, but are worried that they won't be compensated properly according to state or federal guidelines. There is a general sense of concern that things are not operating smoothly, and many people point to a lack of insight regarding time usage as the culprit.



PHASE 2: “DESIRED” STATE

Looking at the data they have, Company X is faced with a question: **what would happen to their company if nothing changes?**

Since under their current model they are struggling to remain profitable, there could be further negative impact to their profitability and efficiency. And so the “guiding star,” so to speak, of their desired state is identified: Company X wants to run more efficiently than they currently do, and return to a higher profit margin.

With their desires outlined as such, every decision that they make will be informed by these goals.

PHASE 3: TAKE ACTION

Now that the present and desired states have been identified, the final step in the needs assessment for Company X is to **determine the course of action** that can take them from one state to the other.

They can start by identifying a potential solution: Time Tracking software. A system that allows employees to easily log how much time they spend on specific projects could create internal visibility and identify where time is best used.

For **projects with billable hours** it can help the executive side of Company X update its billing to better reflect the hours being put in for a specific client. If time is being used effectively but the team is still struggling to meet deadlines, then new staff can be hired, or fewer new projects taken on.

Effective and accurate overtime logging in a software system that calculates overtime rates based on wages and salaries means team members no longer have to worry about their time being recognized. These are just a few of the ways that Company X would benefit from using a Time Tracking system.

With this potential solution identified and proposed, they can now create a timeline for implementing it.

CONSIDERATIONS AND NEEDS

Now, your company is not Company X. Maybe your present state looks a little different; maybe your goals are entirely different. Most likely both are a good deal more complex than the broad strokes used here for illustration purposes. But if there's even a bit of overlap between your needs assessment and the example above, then a Time Tracking system will be a boon to your business.

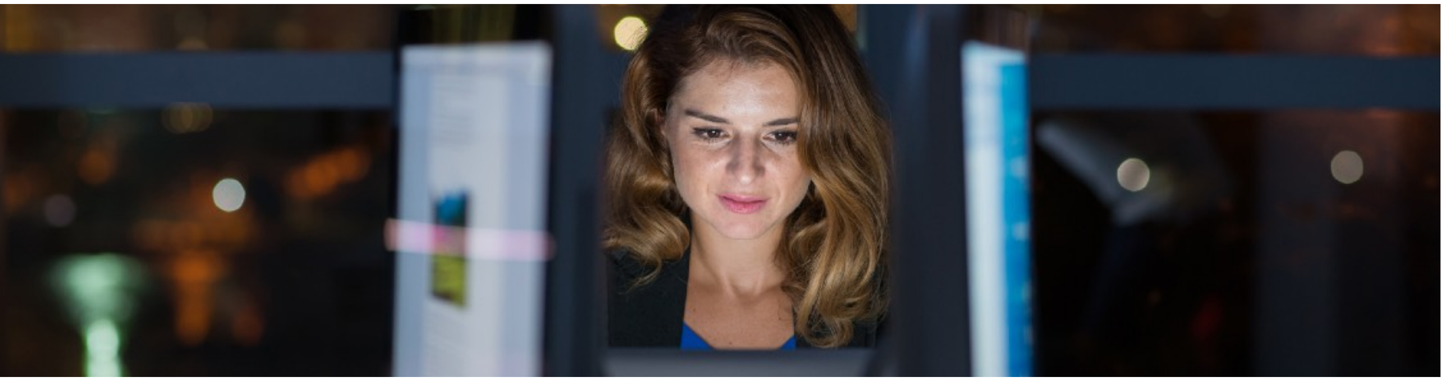
Let's take a look at some things to keep in mind while shopping for one.

TIMESHEET PERIOD AND PAY PERIOD ALIGNMENT

Any Time Tracking solution that you are considering for your business should be flexible in its ability to support any of these models in its timesheets. If not, you may be creating more problems than you're solving.

Not every company follows the same pay periods — they can be:

- weekly (52 paychecks/year)
- bi-weekly (26 paychecks/year)
- semi-monthly (24 paychecks/year)
- monthly (12 paychecks/year)



OVERTIME

Properly tracking employee overtime is absolutely essential. There can be **serious repercussions** for not paying overtime as set out by the Department of Labor (or similar governing body if you're outside of the United States).

However, it's not simply enough for your timesheets to track overtime; some employees are exempt from overtime based on salary or position. An effective Time Tracking platform allows you to customize each employee's overtime settings so that additional pay is calculated accurately and automatically per each employee.

Your solution should also support diverse overtime models. For example, if you are based in the United States, it should cover federal overtime at the very least, but also California overtime if you're based in the Golden State, have an office there, or even just remote employees in that area. Does it support custom rules? Overtime exemptions for salaried workers? The 7th Day consecutive rule? Does it make adhering to pay codes a walk in the park?

These are the questions you should be asking.

DIVERSE OVERTIME MODELS

- Federal Overtime
- California Overtime
- Custom Rules
- 7th Day Consecutive Rule
- Pay Codes

PAYROLL INTEGRATION

Does your company use a specific software like **QuickBooks** to manage payroll? A timesheet that integrates seamlessly with the software solutions you're already using is the best way to go. If data such as time spent on specific jobs, billing rates, time off, and expense data is easily accessible across platforms, you'll save time and energy balancing your books.

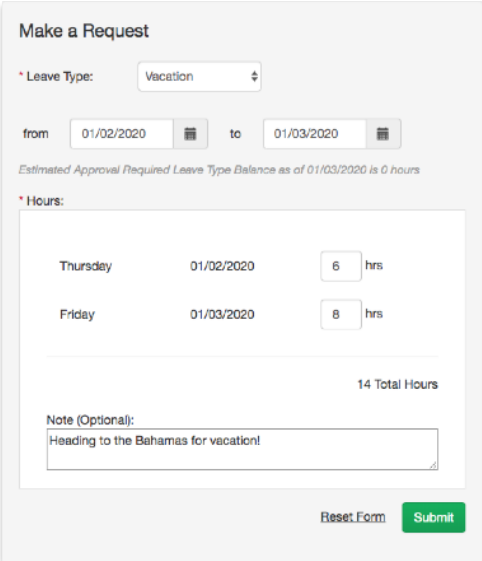
REPORTING

Reports are the best way to disseminate summarized business data within your organization. If you're already developing timesheet-driven reports for your business, be ready to show **samples of the reports** you know you'll need, and expect your vendor to have a solution for your most urgently needed reports. Are you an Excel whiz who frequently develops custom or ad-hoc reports? You should demand custom reporting tools in your timesheet solution.

TIME OFF

While it's not an essential feature, having a Time Tracking system that helps manage time off (**both paid and unpaid**) can make your job much easier. Consider looking for a system that allows employees to request time off and managers to approve time off directly.

As an added bonus, automated accrual for sick leave, vacation time, and personal days helps employees keep track of how many of each they've used versus how many they have left, which can be a major benefit for them. And since the time off requests were made through the Time Tracking platform, it will already have accounted for it when producing time sheets so you don't have to.



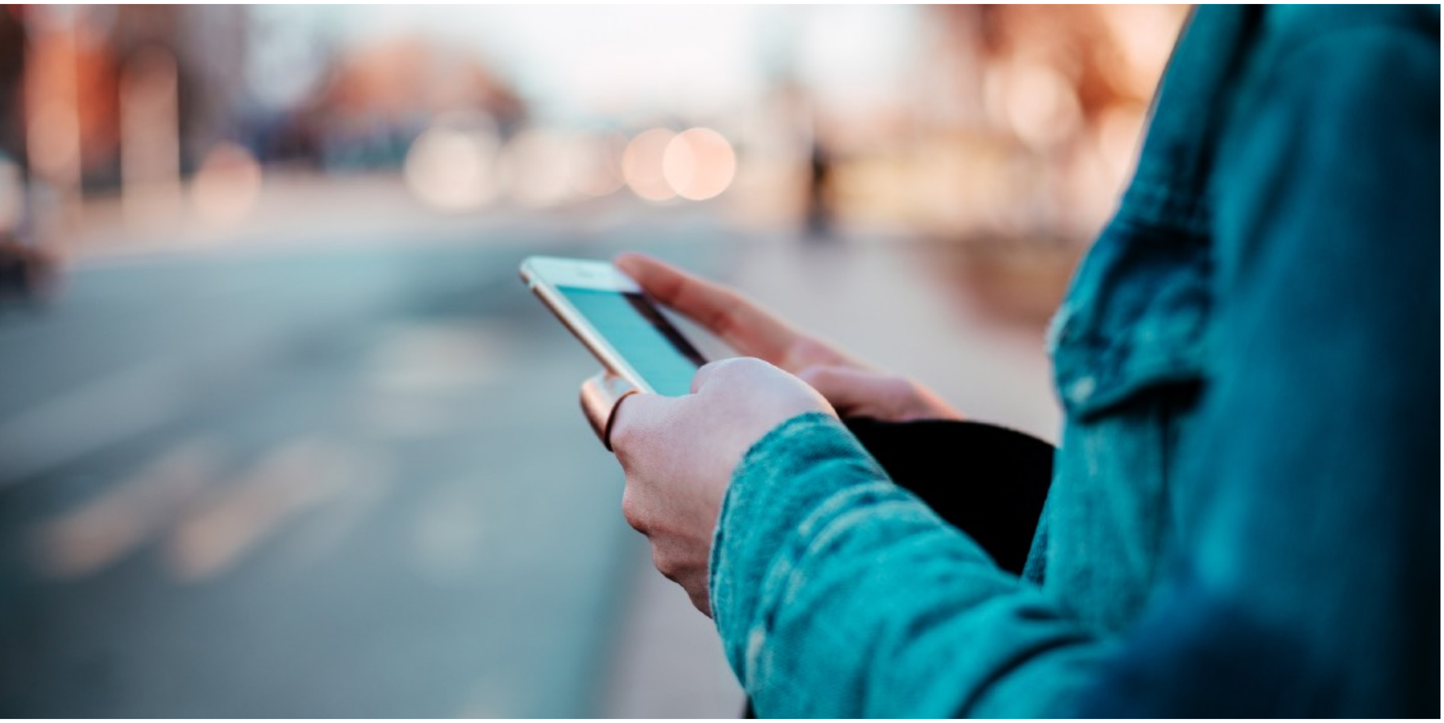
An integrated request and approval system can help streamline the time off management process.

BILLING RATES

Billable hours can be a headache to calculate, but they don't need to be. Using a platform that supports flexible and dynamic billing rates, you can easily track how many billable hours are being dedicated to each client or project and then calculate accurate invoices that give you and your clients peace of mind that they are being charged correctly. As a side-effect this also makes it easier to compare time and budget estimates against actual figures and measure costs effectively.

ADVANCED BILLING RATE MODELS

- by Task with exceptions for certain Projects
- by Task with exceptions for certain People
- by Person with exceptions for certain Clients
- by Person with exceptions for certain Projects



MOBILE APPS

The more convenient time entry is, the more prompt and accurate your employees will be in their time reporting. Look for apps on both iOS and Android to give every user an effortless experience in accurately recording their time, wherever they might be.

PROJECT MANAGEMENT & COSTS

For groups of employees working on multiple projects simultaneously, it's vital to understand how costs should be allocated across projects and activities. Time Tracking gives you insight into how much time is being spent and on what, so you are empowered to direct your team to make the most of their time and yours.

Understanding how project expenses are being incurred and where work hours are being spent gives you control over your enterprise and visibility into your cost rates.

APIS AND INTEGRATIONS

More sophisticated users will expect to tie their systems together, using their technical staff to code against **product APIs**, or use "glue" applications such as Zapier or Azuqua to accomplish a similar result.

This is the best way to get the very most from your investment once you've taken the time and care to configure a system and your users have begun to enter time data.

You should find every way to exploit connections between your time tracking system and ERP, CRM, HR, or BI tools.

RESOURCE PLANNING

If you take all of the above and factor it into your choice of Time Tracking platform, you'll have selected a powerful tool for resource planning. By gaining visibility into how your employees spend their time, you're better able to understand exactly who is available to work on new projects. *By accounting for time off and leave in the very same tool*, you can see how resources need to be shifted around to make sure projects stay on track.

You can make more informed decisions before approving overtime—for example, is it better to pay Person A to stay late to complete a deliverable if Person B has the time in their schedule to help out without accruing overtime?

A Time Tracking system lets you perform resource planning with confidence and ease.

HOURS LEFT TO ALLOCATE		0.0 HRS	2.0 HRS	(6.0 HRS)	
		John Smith	Ryan Stevens	Kurt Phillips	Total
		Allocated	Allocated	Allocated	Allocated
ACME Inc. Administrative	$3,000	8.00	8.00	8.00	24.00
ACME Inc. Photo Editing		12.00	6.00	0.00	18.00
Initech Marketing Campaign	$3,700 / $12,000	20.00	40.00	40.00	100.00
Initech Brand Strategy	($7,150)	30.00	30.00	20.00	80.00
Initech Administrative	$3,700 / $12,000	5.00	10.00	0	15.00
Globotech Website Design	$3,700 / $12,000	5.00	8.00	4.00	17.00
Globotech Customer Research		5.00	5.00	0	10.00
Globotech Brand Strategy	($300)	20.00	5.00	0	25.00

Resource Planning allows businesses to plan employee hours, increase utilization, understand hiring needs, and maximize profitability.

VENDOR EXPECTATIONS

REPUTATION, SECURITY, UPTIME

In today's world of software startups, it's perfectly reasonable to question your vendor's likelihood of survival and continued performance in years to come. Seek out companies with a multi-year track record, high levels of continuous uptime, and the security and compliance features you'll need. Ask about financial stability and whether they are profitable or burning through their available cash.

Be sure your vendor is **GDPR compliant** (especially important for companies with any staff in Europe) and has an exemplary security record.

SERVICE AND SUPPORT

Each of us has had the experience of the product bought with high expectations, only to give way to disappointment and failed promises. When shopping for any software solution, bring clear and demanding expectations to your vendor:

What does the onboarding and training process consist of? Who will be conducting it? Can you speak with them in advance of the purchase process?

Is technical support available to every user, or just to named administrators?

If more extensive integration or data manipulation is required, does the vendor offer a Professional Services team who can facilitate the work?

CONCLUSION

Having considered this **Needs Assessment Guide**, you're now in an excellent position to start speaking to vendors and planning your implementation. You're armed with the terminology, concepts, and service expectations which will make you a savvy and informed customer.

Additional Resources

- Download a Time Tracking Features Comparison Worksheet
- Get a *personalized* Needs Assessment Demo for your industry

ClickTime makes it easy reduce costs, increase project visibility, and stay on budget — with easy timesheets. Sign up for your free trial today!