Intelligent Workforce Solutions : using time management to control your budgets and combat fraud
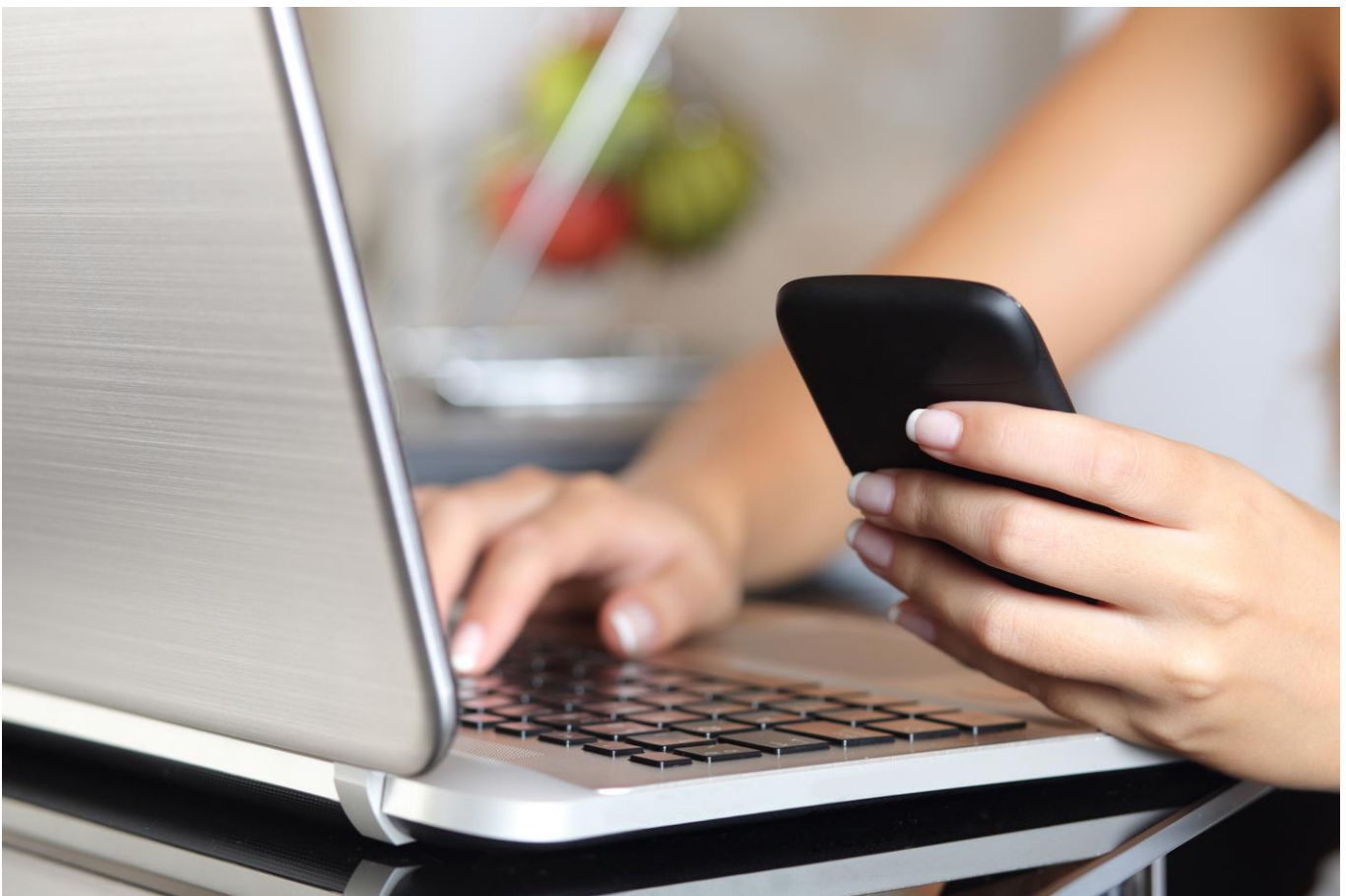
Introduction

Most organisations invest significant time and effort in producing good, robust, detailed plans for their projects and programmes. Many also monitor and control progress, cost and quality as the plans are delivered. But how many use timesheets to drive this progress reporting ?

Using timesheets can often be seen as overly bureaucratic, old-fashioned, 'big-brother' like and boring. However, businesses that use timesheets intelligently have clear, integrated and 'real time' visibility of how employees and contractors are spending their time and the organisation's money.

This white paper describes the benefits that a professional timesheeting system (like our own **PM3time** product) can offer businesses, including :
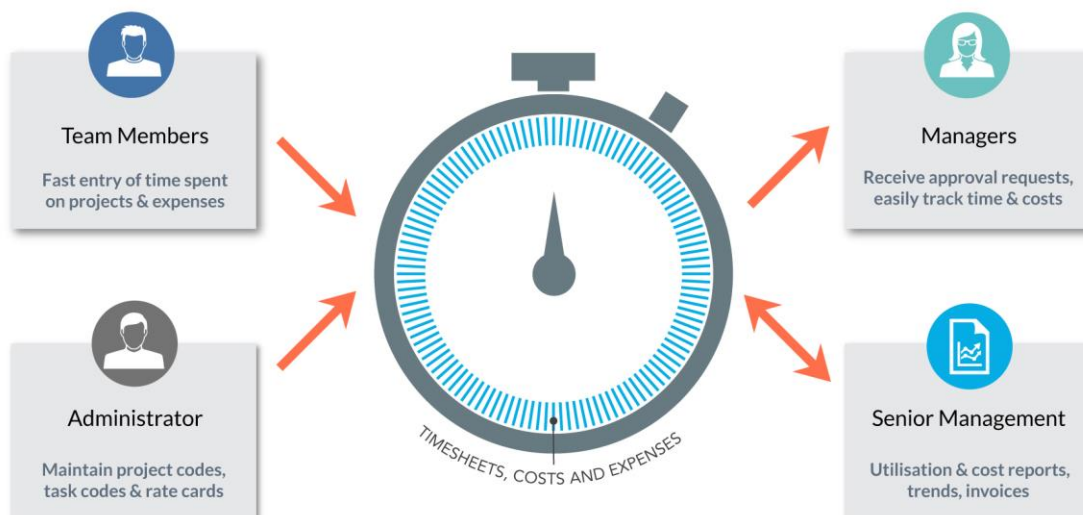
- ✓ greater visibility and accuracy of progress
- ✓ stronger cost control
- ✓ increased utilisation of staff and contractors
- ✓ reduced timesheet fraud
- ✓ increased profitability
- ✓ improved estimating accuracy

Workforce solutions – timesheets

There are typically four types of people who use timesheet systems :

1. Staff and contractors (team members), who record time spent on tasks
2. Managers, who approve the timesheets for their teams
3. Administrators, who configure the system to ensure people can book only against authorised tasks
4. Senior Management, who use the reports to exploit the data

Team Members
Fast entry of time spent on projects & expenses

Administrator
Maintain project codes, task codes & rate cards

TIMESHEETS, COSTS AND EXPENSES

Managers
Receive approval requests, easily track time & costs

Senior Management
Utilisation & cost reports, trends, invoices

Timesheeting solutions – the Change Management dimension

If you are going to get your staff and contractors to complete timesheets then they have to be very easy to fill in. Staff who are not accustomed to completing timesheets usually need persuading of the value, to them personally, of doing this. The most compelling argument is usually "it means you will get paid, and quicker", but some of the other benefits are described below.

The timesheet system must also be easy for managers to approve timesheets from one or many staff members. Managers who are often on the move can find it a pain to log on to a timesheet system and approve timesheets or expenses, so being able to do this on-the-move (e.g. from within an email) is important.

Ease-of-use is essential for Administrators. They need to be able to quickly set up new people, projects and codes, and remove leavers without any unnecessary administrative burden. However, a thorough audit trail of all changes should be available at the touch of a button.

Senior Management usually need no encouragement to look at dashboards and reports on progress, utilisation and costs. After all, these are the life-blood of informed decision making. It is therefore critical that accurate, up-to-date timesheet information can be obtained quickly and easily, and that is can be presented in a suitable format and layout for senior management.

The (sometimes hidden) value of time management systems

Let's look at some of the benefits that organisations realize from their investment in (boring) time management solutions.

Greater visibility and accuracy of progress

It may seem obvious, but if you know what your people are spending their time on then you can easily see if you are achieving your plans or not. These can be operational jobs and/or project tasks, but both have planned effort, duration and costs.

People often ask "do I need to account for every minute I spend during the day ?" and the answer is always "it depends on your organisation's policy". In our experience there is usually little value in booking time in less than one hour chunks, and often half a day is sufficient, but this does depend on the nature of your business (for example, in a professional services firm or agency the invoices are based on time booked).

Also, manual timesheets or excel spreadsheets are prone to error because people can book time to the wrong job or project. In contrast, professional time management solutions avoid these problems because of central control of codes and rates.

Stronger cost control

We all know that "time is money" so the ability to track time booked against the correct jobs and at the correct rates is critical. This helps not only with controlling progress against actual cost/effort but also for forecasting more accurately the outturn for the job. Incorrect booking of time (e.g. against the wrong codes or rates) can lead to potential cash management issues.

This affects savings as well as costs, because if the costs are 'out of control' then the financial justification for the job or project can become invalid.

Increased utilisation of staff and contractors

Consultants and chargeable staff usually have utilisation targets, and achievement against these targets is a fundamental measure of the effectiveness of an organisation. Increased utilisation can lead to increased profitability and performance. In particular, the ability to adjust the target utilisation of contractors can bring significant financial and time benefits to the client.

✓ Reduced timesheet fraud

Fraud is a notoriously hard crime to uncover and this type of crime is on the increase. Many fraud detection systems rely on scanning data for anomalies as these can be an indicator of fraud.

For example, there are many of examples of people getting good utilisation figures by booking time to jobs they are not actually working on. These situations are difficult to pick up manually.

✓ Increased profitability

Any reduction in administration effort (and therefore cost) is a good thing, even in a not-for-profit environment. For example, if you have more than 15 staff booking time through a manual system the administration effort can start to become burdensome when chasing timesheets, correcting errors and producing reports.

✓ Improved estimating accuracy

How accurate are your estimates ? Do your projects come in within 10% ? Within 50% ? Within 100% ?

By accurately tracking the time actually spent on jobs it allows estimates of future jobs and projects to be based on reality rather than just hysterical wishful thinking.

Many organisations hold Lessons Learned workshops at the end of projects and programmes, but few hold pre-engagement meetings at the start of new ones to ensure that the lessons that have been learned are actually harnessed when starting the new initiative. Good timesheeting data can provide valuable input into these processes.

Caution - timesheet data is probably personal data

If your timesheet system contains personal data (and it probably does) then you must conform to the Data Protection Act (DPA) (1998) which sets out the rules and processes that must be followed when processing information about individuals. Breaches of the Data Protection Act are criminal offences and, in some cases, the officers or directors of an organisation could be personally liable.

Personal data is defined by The Information Commissioner's Office as data which relates to a living individual who can be identified from those data, or from those data and other information which is in the possession of, or is likely to come into the possession of, the data controller, and includes any expression of opinion about the individual and any indication of the intentions of the data controller or any other person in respect of the individual.

It is highly likely, therefore, that the data stored on a person's timesheet is able to identify them as a person and so is personal data. Under the DPA, transfers of personal data to countries outside the European Economic Area (EEA) are prohibited unless the destination country has adequate data protection rules and regulations. Currently, very few countries outside the EEA are determined to have adequate provision.

So the simple word of warning is : if your organisation is in the European Economic Area make sure your data is stored in the EEA and / or conforms to EEA data protection regulations.

Conclusion

Using a timesheeting system may appear quite dull. However, the benefits that you can realise from intelligent harvesting of the time data that is collected are significant and can have a direct impact on your costs, margin and profits.

For further information on intelligent workforce solutions and PM3time please contact info@bestoutcome.com