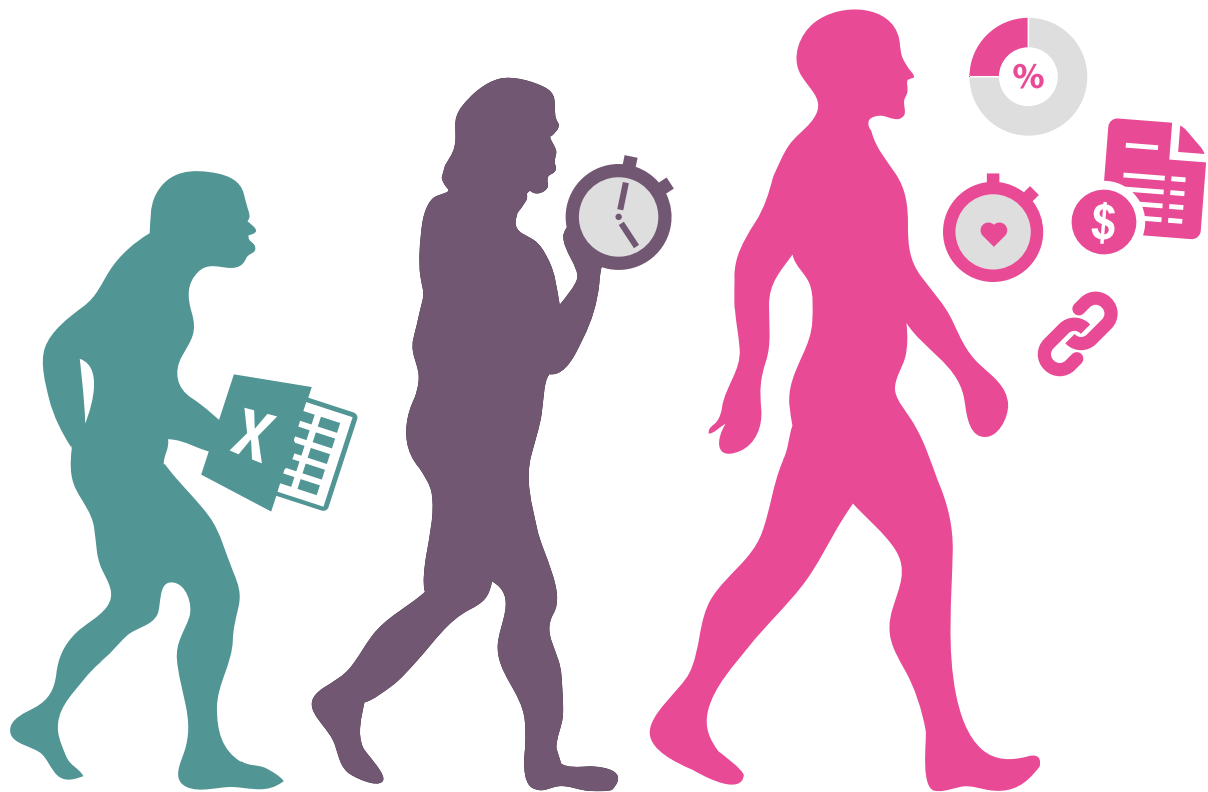# TimeLog
Value your time...

5 things you should ask

— when selecting the right time tracking system

Are too many hours in your company not invoiced? Are you in doubt if some projects are profitable, and do you miss a tool to measure all points? Do you miss the full overview of the total project finances?

Then it sounds like your company needs an efficient system for time tracking. But which one?

Before you invest in a system, there are 5 important questions you should ask yourself and the supplier of the system.

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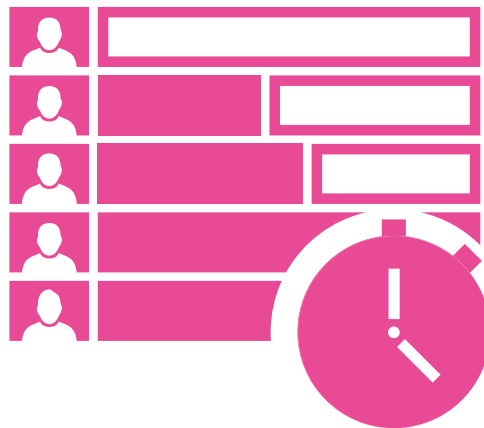
1 Do I need an advanced solution?

If you occasionally ride your bike to the grocery shop, you do not need to invest in the full Tour de France equipment and a racing bike at a price of 30,000 euros (even though it might be tempting). In the same way, it is a good idea to discover the true needs when buying a time tracking system, so you do not buy more or less than you need.

Some systems have modules and add-on solutions so you can customise the system to match your company's needs. Roughly speaking, there are **3 overall ways** to get an overview of time spent in the company, and which method you should use depends on your company's needs.
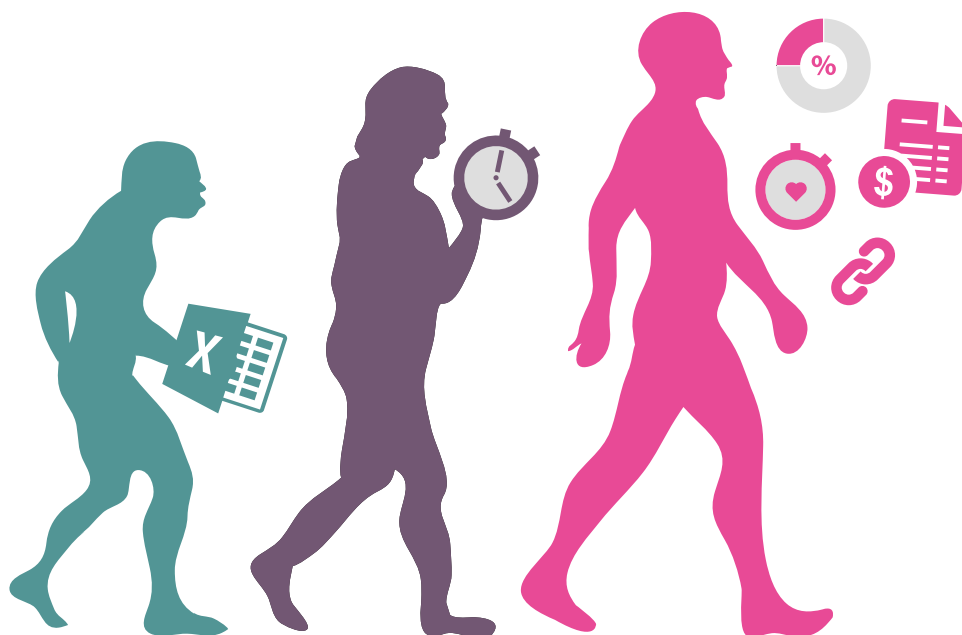
3 methods providing an overview of time spent

1. The Excel sheet

*This is the solution most companies start out with.
You can use it for pure time collection and light project management, where you only need to gain insights into hours spent.*

✓ You can create sheets with projects and subtasks, and the employees can enter their work time. When the project is completed, the hours can be summed up. Simple and – not least – free.

÷ The downside of this manual time tracking is that it is difficult for the employees to keep track of their time. Therefore it can never be more than an estimate; you never get the exact picture of the real time consumption on a task.

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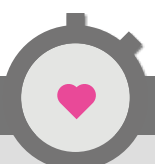
2. Online time tracking

*An advanced stop watch. You can use it, if you want an overview of time spent, project progress and "available" employees, and if you do not run financial project management.*

✓ In this type of electronic time tracking programmes, you can create projects and subtasks where the employees track their time while they are working. The stop watch runs until you stop it, if you e.g. have to work on a different task or go out for lunch.

✓ As a rule, you can mark if the time consumption is billable or not.

÷ There is typically no opportunity to run the system together with a different software, e.g. your financial system. So here you have to supplement with manual work; compare the salary systems, contracts, invoices and similar to get the full picture of the finances in a project.

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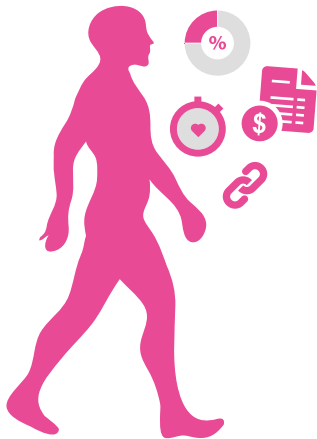
3. Time tracking + Project management

Here time turns into money. The employees' electronical time tracking is linked to financial project management, e.g. value estimation on the time consumption and calendar and contract management.

You can see the internal cost price on employees compared to the external sales price.

✓ As a rule, this type of system has add-on modules, so you can build on top of the basic system.

✓ This is a good system, if you have many projects for different customers, and if you have several employees.

✓ Especially if you want to see what is invoiced, booked as revenue and written down, get the details on work in progress and e.g. pull key figure reports.

✓ This system meets the needs of the project manager, project worker, CFO, head of administration and CEO.

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A Financial System with Time Tracking

There are also financial systems with integrated time tracking, e.g. ERP systems (Enterprise Resource Planning).

Here only account managers can see the data log and time tracking is not in focus.

Therefore a heavy ERP system should not stand over consultants, if you company needs an overview of e.g. project finances, contribution ratio distributed on consultants or the share of billable time.

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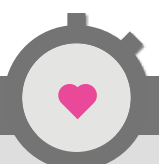
2 Can the time tracking system provide an overview of the full project finances?

How do you get an overview of whether a given project generates profit or deficit today? In many companies, you first get this overview when the project is completed and all items are invoiced. How would it impact your company, if you could have this overview during the project?

One thing is tracking work hours. But what about the project tasks, budget management and contracts? And the invoicing?

There are many good reasons to examine if the time tracking systems you are considering support connection of all parts of the project finances. Especially if you want to invoice your customers on fixed price, prepaid hours, service contracts and similar contracts.

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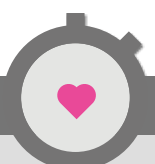
Overview when you need it

First of all: You get an overview so you are able to adjust immediately if the budget or the time schedule is overrun or if different employees should enter the project.

You quickly see if you have the necessary available resources to take on new projects, or if you are fully booked.

Second of all: You clearly see which projects make their money back. Which customers are profitable? How is the invoicing percentage for each employee?

See how employees spend their time

The employees' time consumption on tasks is one of the most important aspects of a financial analysis.

This is especially true for consultancies and other companies that invoice their employees' time.

But it is also useful for other types of companies to gain insights on what the employees spend their time on, and if it is profitable. Here there are no doubt: You have it in writing.

Save your time

Third of all: You save time when you do not need to search for data in other places to settle the project finances. When you need to gather information in an Excel sheet, check Outlook and pull figures from the financial system, you

have already spent a lot of your precious time.

It puts your mind to rest when you have the full overview of all factors in the project finances.

Good project management is good financial management.

Value your time...

3 Can the time tracking system prevent time consumers in the contract management and customer agreements?

Do you know this situation? You work for dear life to reach a deadline. Suddenly a customer calls or an e-mail ticks in. "Hi Peter, I just want to ask, if you could give a status on the project? I need it for a meeting later today."

Then you need time to find data and write it in an e-mail, and maybe you need to search for old invoices. It is administrative waste time, where the time is not spent productively.

If you can nod in agreement to the above, your time tracking system should be able to document in reports and make detailed invoices, which you can extract during and after a projec.
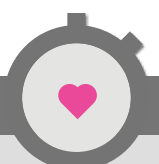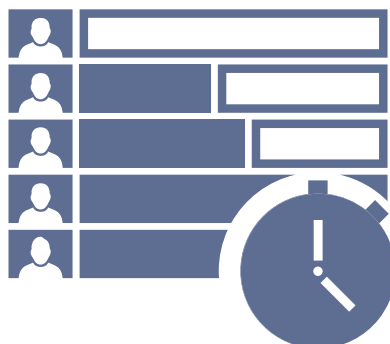
Let the customer do the work

Sometimes the world would be an easier place to live if the customers could follow the project progress themselves. This will not only make it easier for you, but also for the customers, as they do not need to wait for you having the time to answer their request.

Some systems do have this functionality, where you select which information the customers should have access to so they can find the information they need themselves. Time saved.

Cooperate with the CRM system

To save even more time, the time tracking system needs to integrate with your customer database, maybe even with your CRM system.

Then you get an overview of the total activity and history on each customer, and the project work can easily be linked to marketing activities or the sales process.

Do you need to follow up with a related offer? And what effect does it have? You can measure all this and save time both in the marketing and sales departments.

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4 Does the time tracking system integrate with other systems we use?

We all know that it takes time, money and training of the employees to implement a new system. You do not need to change other systems or buy expensive special solutions to integrate with the systems you already use.

It is extremely important that the new system can work together with the existing systems in the company. Otherwise the whole idea of time tracking is redundant. It is all about linking the time consumption to the rest of the business.

Maybe your company can benefit from having a time tracking system that integrates with some of these systems:

Calendar

Many people already use the calendar to plan their time distributed on meetings and projects. If the time tracking system integrates with the calendar, you only need to track time in one place.

File sharing

If you use web-based file sharing systems for information about projects and customers, it might be useful that they integrate with the time tracking system. In this way, all documents are always accessible directly from the system.

Salary system

It might be beneficial for you to transfer registrations on more than work time, e.g. vacation, illness, time off in lieu and other absence from the time tracking system to the salary system.

Especially if you have employees working on flex time, or you operate with in/out registration. Then your employees only need to track time in one place, and you avoid manual entries in the salary system.

Financial system

Invoice sharing is the central focal point here. An unproblematic transfer between the time tracking system and the financial system can e.g. ensure alignment of invoice numbers and you can pull an invoice status from the financial system to the time tracking system.

If you can also transfer and synchronise customer data and information about contacts between the two systems, you save an immense amount of time on manual entries.

If you use an ERP system for financial management, you can benefit even more by integrating to one of the more advanced time tracking systems.

When integrating the systems, you can pull financial project data, e.g. expenses, out to the time tracking system and in this way isolate the project finances. The project manager can focus on this part.

The rest of the company's central financial management is as before centralized at the accounts department, where they are the experts. This will presumable make both parties happy.

Extra bonus: You can save money on the licenses for the financial system.

5 Will we grow faster than the system?

If your company is in the growing stage, your needs may be different in a few years. Which poses a question: which demands will you have for time tracking then, and can the system live up to your demands; in other words, can it grow with you?

It may pay off to plan a little ahead. If you estimate that time tracking will be enough at the end of the day, also in a few years, there is no reason to invest in anything else right now.

If you already now believe that the need might change, it may be clever to invest in a solution that can do a bit more. Then you do not risk having to start from scratch when changing a system and lose valuable data in the process. Or; almost as bad; spend a lot of time transferring data manually with a higher risk of errors.

You can also end up in a situation where the system gets too heavy to use. It might be difficult to fetch data or you need to ask the bookkeeper each time. The company may develop in a direction, where you need more flexible solutions.

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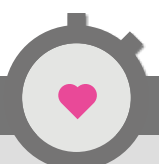
Can you imagine that your company might experience one of these changes within the foreseeable future?

More employees should be able to see data

It demands a user-friendly system which can be used by all types of employees also outside the accounts department. Can you do this? Can you buy extra solutions that fulfil the new needs?

More employees should be able to get an overview of data

Here you might need to visualise data so more employees in the company get a comprehensible overview in real time. It may e.g. be a dashboard or storyboard. Does the system integrate with these programmes?

Employees are often out of the house

Can they track their time anyway? The solution may be an app for your smartphone. Is it developed for your system?

The employees do not always have an internet connection

This may often be the case, if you have a lot of travel activity. Does the system offer the possibility to track time offline, either on PC or phone? And synchronise once it is online again?

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The company gets new business systems

E.g. for your finances. Does the time tracking system integrate with new programmes, and can you easily build individual solutions for the integration, if necessary?

More documentation is needed

If the company grows, a natural need for more documentation arises; the CFO e.g. wants to have status reports on the project's development. Or a status of work in progress per project. Does the time tracking system provide this?

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What now?

Hopefully, you feel inspired and know which questions you should ask when selecting the system that should support your company to keep track of time and projects. Maybe you already know more about which kind of time tracking system matches your needs.

Is Excel sufficient or do you need an electronic stop watch? Or do you need a more advanced solution that provides an exact picture of the finances in the projects?

Do you need to streamline the documentation on your projects, both externally for the customer and internally? And how many aspects of the company should the time tracking system be linked to?

And do you have a picture of which needs the system should support in two years?

If you want to know more or if you have a lot of questions, the consultants at TimeLog are ready to help you.

> **Give us a call at +45 70 200 645.**

More inspiration?

Case

Checklist for requirement specification

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