36 questions to help you discover what you need

THE ULTIMATE CHECKLIST

How to select the optimal time tracking system for professional services organisations

36 questions to help you discover what you need

Checklist for consultancies looking for a system for time tracking, project management and invoicing.

We know there's no shortage of project management platforms and time tracking software in the market. It's difficult to get a complete overview of your options.

We wish we could provide that overview for you, but the truth is, we don't even have one. Every day, new players come in and old players leave the market.

TimeLog has existed since 2001. We daily give advice to multiple companies looking for a business system supporting processes such as time tracking, invoicing, project management and reporting.

That's why we have collected the most frequently asked questions in this checklist.

Our goal is that the questions will help you discover what you need from your ideal platform. In the end, it might not be TimeLog you're looking for. But even if it's not, we hope this checklist will help you find what you need.

Best regards,

Per-Henrik Nielsen
CEO at TimeLog

Read all about it

[SECTION 01]

TIME TRACKING

Time tracking adapted to your needs

Your needs regarding time tracking systems (often) depend on which type of company you are working in.

- Do you need to invoice customers?
- Do you only need to register internal projects and tasks?
- Do you need to analyse time consumption, profitability or e.g. workload per employee?

If you do not clarify your needs before investing in a solution, there is a risk that you either invest in a way too heavy system compared to your needs from which you will not exploit the full potential, or that you end up with a solution which is easy to use, but cannot grow together with your business.

The questions on the next page are intersection points in relation to time tracking:

If you answer 'no' to most of them, you could probably look for a simple solution for time tracking, maybe Excel is enough to cover your needs.

However, if you answer most of them with 'yes', you should continue with the checklist; You may learn more about how time tracking play a part in relation to project management, invoicing and resource management.

Enjoy!

		Yes	No
#01	Should the employees register time, expenses or mileage via their smartphones?	☐	☐
#02	Do you need an approval process, when the employees report their time and expenses?	☐	☐
#03	Will you track both non-billable *and* billable hours?	☐	☐

Do you need a time tracking app?
If you have colleagues who are on the road a lot, it may be difficult for them to push time registration into a scheme, especially if the timesheets are Excel sheets.

In that case, it is a good idea to make sure your time registration can take place across smartphones and desktops.

Why should you (also) track bench time?

If you track internal as well as external hours, you'll gain invaluable insight into the distribution between internal and external tasks for your employees. You also gain insight into your employees' bench time.

If your employees only register external or billable hours, it becomes difficult to determine if hours have been tracked correctly. And it also becomes harder for you to tell if everybody has done their time tracking.

That's why we recommend that you always register *all* the time - regardless of the distribution.

#04

Do you need to manage salary time, such as flex, part time, vacation and absence?

Yes ☐ No ☐

#05

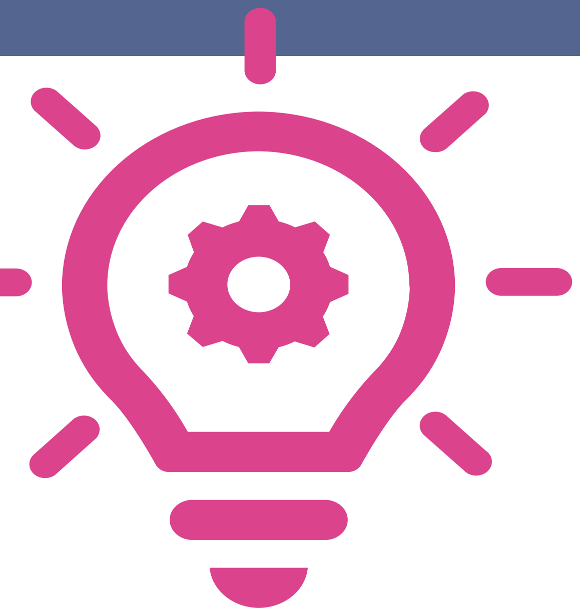
Is Outlook an integrated part of your workday, where you plan your own time on different projects and meetings?

Yes ☐ No ☐

#06

Do you work on a big variation of tasks and projects during the day?

Yes ☐ No ☐



Time tracking should adapt to the way your company works – your data quality depends on it!

The more work methods you have in your company, the more important it is that your future solution is flexible compared to the ways you can track your time on.

The easier it is for your colleagues and employees to track time, the **better data quality** you **will experience**.

Different ways to track time:

- Time tracking apps
- Timesheet gives you overview of all tasks, hours and projects
- Online stopwatch
- Time tracking integrated with your calender, e.g. Outlook

[SECTION 02]

PROJECT MANAGEMENT

Create profitable projects

To the professional services organisations, there's a close link between time tracking and project management.

- How many hours are estimated for a project?
- How many hours are registered on a project (or task)?
- How do you handle different contract types?
- Are you secured an overview of deadlines and milestones?

If you work in a project oriented company, it will save you time and resources, if you find a solution that – besides time tracking – is also tailored to give the project manager the tools he or she needs to create profitable projects.

This also means that the potential of a new system is not just to save time or hassle. The potential that lies in implementing a coherent business system is that **it actually helps you establish a foundation that will enable you to continually:**

- Improve your ability to estimate and keep deadlines
- Estimate hours in upcoming projects
- Keep your customers happy – as well as your colleagues
- Create profitable projects

But how many project management tools do you need in your future solution? That's what the questions in the next section will help you determine.

Enjoy!

#07

Do you need project templates as some of the company's projects and/or task types are identical?

Yes ☐ No ☐

What is the advantage of project templates?

If you work based on a specific project model or often solve the same task types for the customers, project templates can save you time and reduce the risk of human errors.

#08

Should everyone in your organisation be able to see and track time on all projects?

Yes ☐ No ☐

How detailed should your time tracking be?

If you have many different projects or tasks in the company, it may quickly get confusing for the individual employee, if (s)he can track time on EVERYTHING; and it hurts your data quality.

As a rule of thumb, there is no need to make time registration more detailed than what is needed for your own customer documentation or for generating project or company reports.

		Yes	No
#09	Do you index your hourly rates – e.g. once a year?	☐	☐
#10	Do you work with milestones in your projects?	☐	☐
#11	Do you have different cost prices per employee?	☐	☐
#12	Is it important with a quick overview of appreciations and depreciations in the project invoicing?	☐	☐

Have you estimated the hours on the project correctly?

Have you used too many (or too few) hours on the project? Are we keeping the deadlines and are we on budget? Those are just some of the project manager's many tasks.

If you are part of a project-oriented company, it is a good idea to investigate how easy it is for the project manager to follow project status and get an overview of time consumption – also in relation to the original estimate.

With a view of appreciations and depreciations, it is easy to see on which parts of a project you spend more hours than estimated.

The project manager can thereby early on catch problems from erroneous estimations and make the necessary adjustments of budgets and expectations.

#13

Do you need to calculate work in process?

Yes No

Work in process & revenue recognition

The opportunities with TimeLog's revenue recognition:

- Separate invoiced values and value booked as revenue
- Automated calculation of work in process
- Know your company's outstanding amounts in detail
- Estimate your projects' completion stages
- Distribute fixed price project values to consultants

How to calculate current project assignments correctly

[SECTION 03]

RESOURCE MANAGEMENT

Meet all your deadlines

When we in TimeLog ask new customers what they wished they knew more about before they chose a new system, there is one answer which is often repeated:

Resource management!

When we ask the customers who have been with us for a longer period of time, what they will take into use in TimeLog next, the answer too is:

Resource management!

Resource management is what employees long after, when they miss overview of future tasks, projects and customers.

Resource management is also requested by CXOs or the board, when they would like to know more about the company's revenue potential, possible bottlenecks and strategic direction.

But resource management is also complex and demands both a lot of data and preparatory work.

On the next pages you can learn more about your need for resource management.

Go team!

		Yes	No
#14	Would you like to see the workload for each employee?	☐	☐
#15	Do you need to see, if employees are available for new projects?	☐	☐

Is resource management relevant for you?

It depends on the complexity of your projects, number of employees and number of customers or projects.

In most systems, resource management (which is basis for e.g. workload calculations) demands preparatory work.

If you have a super simple task structure or hardly experience overloaded employees or missed deadlines, resource management is probably not the first thing you should spend your time on.

But, if you have grown out of Excel and consider IT based resource management, **some of the advantages are** that you can:

- See the workload of the employees you allocate to a project in the entire project duration as soon as you create the project
- Edit or re-distribute hours for each employee with just a few clicks
- See the total workload per employee and for the organisation
- Assess the financial value of the hours for the coming period
- See if employees are available for new projects

Want to skill up on resource management? Read our guide: [Resource Management - 4 things you need to get right first]

#16

Would you like to see expected revenue (revenue forecast) based on already planned projects?

Yes No

Revenue forecast is an automatic calculation showing the financial value of planned hours.

This not only gives you a better outlook but can also be leveraged as a way to increase focus to keep the time and task estimates, since additional urgent tasks can entail revenue losses in near future.

Determine if you need to see revenue forecast in:

- hours *or*
- hours **and** monetary value

#17

Would you like to add resources to your project based on competences?

Yes No

Search for competences across teams, offices and borders

In larger companies or companies where the employees are distributed across several offices or borders, it may be a challenge to know the competences for all employees.

In these cases, it will make your resource management simpler, if you can add employees to a project based on their competences.

What is a resource plan?

It is part of the resource planning and you generate it (in the system) for e.g. the period's time plans, future tasks, project budgets and deadlines.

What are the benefits of a resource plan?

You can optimise the company's capacity and get an overview of the employees' workload and plan projects and deadlines.

How do you get started with the resource plan?

Map out whether your company

- Must include absence in your plan
- Wishes to add employees based on competences
- Must be able to analyse planned vs tracked hours

		Yes	No
#18	Do you need to evaluate planned hours vs tracked hours?	☐	☐
#19	Do you need to be able to quickly move tasks between employees?	☐	☐

[SECTION 04]

INVOICING

Smooth invoicing

Especially for consultancies, time tracking is closely linked to the invoicing.

If we take TimeLog as an example, the core in the system is the link between and the support of the work process from time tracking to project management and invoicing.

This specifically means that when you have made all registrations on the project, it is easy and quick to create invoices based on these registrations.

When it comes to invoicing, the companies' needs differ based on:

- If you need to invoice at all?
- If you have both internal and external time, which means both billable and non-billable time, and if you need to register both?
- The combination or complexity of the company's contract types
- If you need to invoice in several currencies?

See the clarifying questions you need to determine your needs regarding invoicing on the next pages.

Get started!

		Yes	No
#20	Do you mix different settlement types on the same project (e.g. fixed price and time & material)?	☐	☐
#21	Do you need to be able to manage prepaid hours?	☐	☐
#22	Do you need to manage service agreements (retainers) with your customers?	☐	☐
#23	Do you invoice in different currencies?	☐	☐

Customers or offices in multiple countries?
Then make sure you find a system that can manage several price lists for different markets, even if they are in foreign currencies.

Checklist for currency management

- ✓ The system can manage international projects and price lists
- ✓ The system can select the customers' currency for invoicing, offers and similar
- ✓ The system can divide hourly rates for each employee based on customer or industry

[How to manage multiple currencies in TimeLog]()

How do you invoice your customers?

It depends on your business *how* you invoice customers and some companies need to mix several contract types on the same project.

TimeLog provides a variety of contracts, including

- Time & material – Standard contract
- Time & material – On account with end-balancing
- Time & material – Prepaid hours
- Time & material – On account with periodic balancing
- Fixed price – Standard contract
- Fixed price – Continuous service contract
- Fixed price – Task-driven revenue
- Fixed price – Continuous item invoicing

Curious about the ways contract types and invoicing affect your consultancy? [Learn 4 ways to charge for your consultancy services]()

#24

Yes No

Do you have special workflows for invoice approval and invoicing?

#25

Yes No

Would you like to have an overview of scheduled payments?

Invoicing, forecasting and budgeting in professional services organisations

- How does the budget look compared to the forecast?
- Do you have an overview of future revenue?
- Are payments ready for invoicing or should they be postponed?

In professional services organisations, it is often the project managers who have an overview of when tasks can be invoiced.

For many consultancies, the workflows before the invoicing are easier when both the bookkeeper and the project managers have access to projects. Make sure you can update project payments and e.g. mark when a payment is ready for invoicing.

[SECTION 05]

REPORTING

We want to see you evolve your business

In knowledge enterprises, the "production machinery" consists of people. Therefore, your business knowledge is saved in the time your employees register.

For this type of companies, the strategic value of time tracking is not only

- that you keep track of how your hours are spent
- that you can see the distribution of internal and external time or
- that you can invoice the customers (even though it is here most companies start)

The strategic value of the time registration is partly in all the data you collect, and partly in **how you utilise the data**.

So in the ideal world, time tracking is not about keeping track of time, but optimising the company.

But it demands a company which is ready to analyse, report AND act on data.

Go team!

#26 Is it relevant to analyse the employees' percentage of billable hours?

Yes No

☐ ☐

#27 Does your company need to analyse where you spend your resources?

Yes No

☐ ☐

#28 Would you like to know which customers are most profitable?

Yes No

☐ ☐

Use KPIs to create coherence on all levels within the company

To achieve extraordinary results, you must be able to choose the most relevant KPIs in terms of the challenges facing your business or your company's goals, size and maturity level.

At the same time you must be able to utilise the same key figures on all levels within your company, visualise progress and be aware of unintentional sub optimisation.

> Get 8 useful KPI guidelines to strengthen your business

Yes No

#29 Would you like to know which business areas you have spent most time on? ☐ ☐

#30 Do you need reporting on both department and team level? ☐ ☐

#31 Do you need to extract data in Excel, Word, XML, Power BI or through an API? ☐ ☐

#32 Do you need to know which business areas create most value? ☐ ☐

Select KPIs in TimeLog

- ✓ **Invoicing percentage: In**dicates what share of the employees' time is invoiced
- ✓ **External % / Utilisation: I**ndicates what share of the employees' normal working time is spent on customer-related tasks
- ✓ **Deprecation:** Shows how much of the value created by the employee is depreciated
- ✓ **Registered/invoiced value:** Revenue on project, employee or department level
- ✓ **Illness %:** What share of the individual employee or department's normal working time illness accounts for
- ✓ **Invoicing timed:** How many days pass from a month's or project's completion to the invoice is send?
- ✓ **Events (CRM):** How many phone calls or offers the individual salesperson has made during the period

See the +80 reports you get with TimeLog now

[SECTION 06]

ORGANISATION

Create a bulletproof business

Congratulations! You have almost made it through the checklist.

The last section aims at clarifying your needs depending on your organisation's size.

If you are e.g. in a global company, there may be specific challenges which can be solved with a time tracking system – and you can learn more about them now.

Full speed ahead, you have almost reached the finish line!

#33 Do you have multiple legal entities within the company?

Yes ☐ No ☐

What is legal entities?

By multiple legal entities, we mean if your company e.g. has offices in several countries or more companies being part of a larger concern.

It may give some challenges in relation to time tracking, invoicing or currency management. On the other hand – the right solution can also save you time and hassle.

Do you really need an ERP?

Enterprise Resource Planning (ERP) typically supports product planning, development, manufacturing, sales and marketing in a simple platform. Many companies that operate across borders consider investing in an ERP.

However, a challenge using ERP – especially for professional services organisations – is that an ERP is typically focused on products and may be rather generic. Add to this that an ERP is a considerable investment and the solution for time tracking is often less user-friendly.

What is the alternative to ERP?

For consultancies and other companies living on selling knowledge and expertise, Professional Services Automation (PSA) increasingly secures a foothold as an alternative to ERP. And it's not just for global or large companies.

A PSA system combines and integrates:

- ✓ Time tracking
- ✓ Project management
- ✓ Expense management
- ✓ Invoicing
- ✓ Reporting
- ✓ Resource management

And actually TimeLog is a PSA system – even though we're probably most know for time tracking and project management.

Learn more about the differences between ERP and PSA now

		Yes	No
#34	Would you like to divide the system into departments on more levels?	☐	☐
#35	Do you need an integration for other systems, e.g. finance or salary systems?	☐	☐
#36	Is it important to be able to see how different departments borrow or lend resources internally?	☐	☐

Checklist for companies with multiple legal entities

✓ Look for a flexible and online solution that can easily adjust to the different ways of working you have across borders, teams and offices

✓ Make sure you have access to financial figures and KPIs in real-time, so your reporting does not depend on other departments or countries

✓ Check if the solution has intercompany invoicing, so you can keep track of the hours different departments or countries ”buy” from each other

✓ Make sure you have currency management, so you can create projects, reports and invoices in multiple currencies

✓ Get the option to link legal entities
- Consolidate data from alle legal entities
- ”Share” an employee between departments – without tracking time in different systems
- Share information about customers, projects and employees

[Read about multiple legal entities at TimeLog website]

It's always hard to say goodbye

I hope that you have found this checklist helpful, and you feel well-equipped to navigate the jungle of solutions.

To conclude, I would like to offer you insights into our 5 plans, if you are interested in learning more about TimeLog

Starter

Try Starter

*No credit card needed

For teams that want a simple time & expense tracking tool and to get away from spreadsheets.

Selected features:

- Project planning features
- Time & expense tracking
- Support for time & material and fixed price invoicing

Growth

Try Growth

*No credit card needed

Ideal for businesses that start to run professional projects and manage their organisation.

Selected features:

- Salary administration
- Mileage and travel registration
- Billable/non-billable time tracking
- Integrations & API

Most popular

Professional

Try Professional

*No credit card needed

For evolving businesses that want to optimise project finances and automate internal administration.

Selected features:

- The project manager's toolbox
- Revenue recognition
- Support for prepaid hours/ retainers
- KPI reporting
- Invoice automation
- Advanced salary automation

Enterprise

Contact us

For mature businesses that want to bring branches together and optimise profitability in a single solution.

Selected features:

- Resource planner
- Multiple legal entities
- Support for continuous service contract invoicing
- Multi currency invoicing
- Advanced contract handling
- Sandbox for testing
- Hourly rates indexation

Time

Try Time

*No credit card needed

For individuals who want to keep track of the time, they spend on a few tasks. No option for invoicing.

TimeLog in Brief

TimeLog helps professional services organisations evolve

Founded in 2001 by two Danish entrepreneurs

+70 happy TimeLoggers

Our customers invoiced **1,081,000,000 €** in 2021 through TimeLog

Customers in **+15 countries**

More than **25,000** active users

Customer size: **1-1,700** users

If you have questions, comments or wish to know more about TimeLog, please contact us at +45 70 200 645 or info@timelog.com.

www.timelog.com

TimeLog Denmark
Vesterbrogade 149, bygn. 4, 1.
1620 København V