

Professional Services Automation

Optimizing Project & Service
Oriented Organizations

Time Management Chapter

Time Management Goes Beyond Traditional
Time Capture Typically used to Feed
Attendance and Payroll Systems

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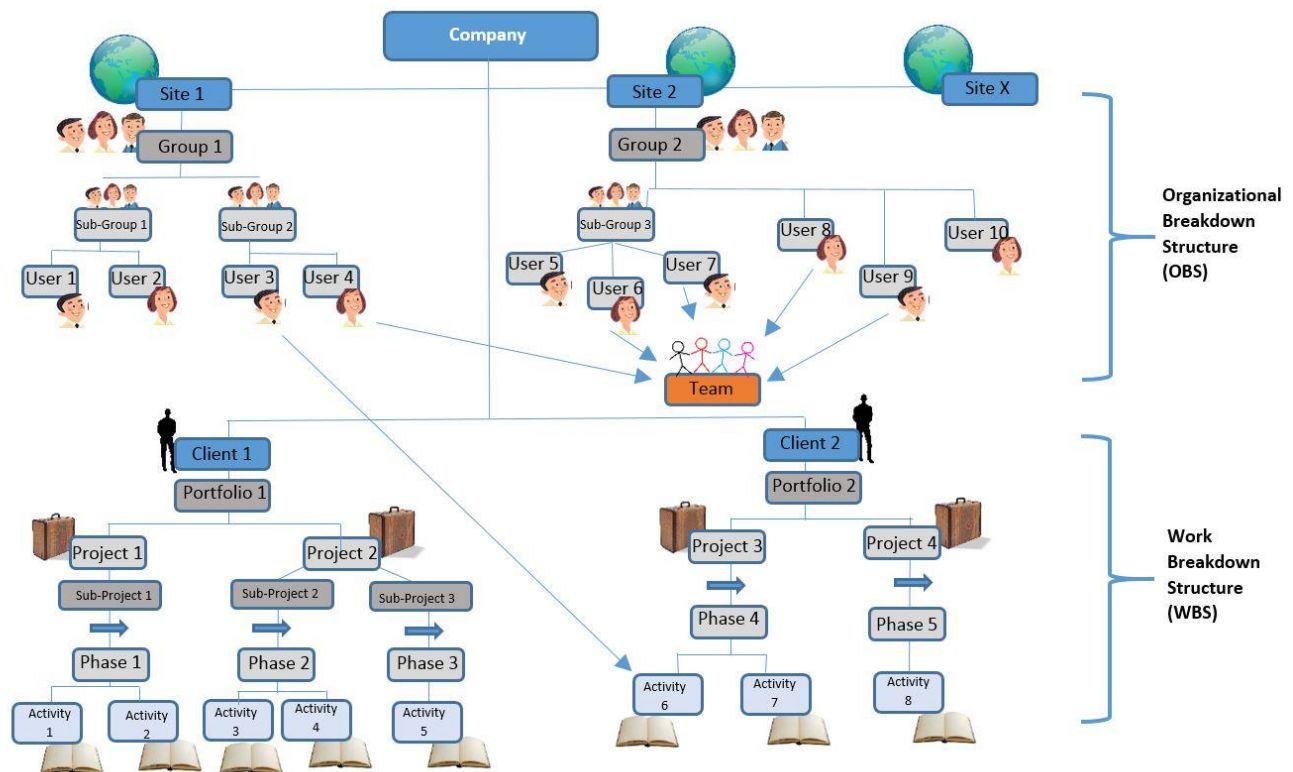
One of the most crucial yet neglected areas within PSA solutions is that of Timesheet management. Most PSA solutions simply offer generic or basic functionality within this category - offering primitive and simple workflows for time or expense entry and approval. However, it will be those vendors that have developed sophisticated functionality within this area that will ensure a greater ROI for their customers. PSA solutions that offer sophisticated functionality for timesheet management will not only significantly streamline the processes for immediate efficiencies, but also enable enhanced analysis, improved financial liquidity and compliance with business rules. The submission of Timesheet Reports for work accomplished or billable time provide the necessary information for effective project analysis. Functionality should include the following: validation and approvals, compliance reporting, multiple timesheet and expense views, supervisory controls, multiple notes, document attachments and work assignment, regional holidays, multi-currency, overtime and administrative tasks processing, constraints, adjustments, status indicators, mass updates, auto time entry, compliance for regulation settings for governmental and regional guidelines, expense markups and document/receipt attachments, thresholds, foreign currency conversions, compare actual to planned time, multiple sites & scoping, seamless integration with payroll, accounting and project management applications.

Time Management (TM) goes beyond simple traditional time capture that is typically used to feed attendance and payroll systems. When applied properly and facilitated by an appropriate mechanized system, it provides the means to ensure that projects are accurately tracked, costed, and delivered on time and within budget. Project oriented organizations can therefore experience tremendous benefits by capturing accurate and relevant information in a timely and efficient manner using the latest User Interface (UI) and input devices. This will drastically reduce dreadful administrative tasks and paper intensive procedures as well as avoid the heavy training costs of using antiquated systems designed a generation ago providing all the necessary information for crisp and accurate billing. TM is a best of breed alternative to single vendor software applications whose expertise lie elsewhere as well as, limited functionality usually found in custom built in-house systems (of which few enterprises actually have!).

TM requires more information than simple Time and Attendance Management (TAM) systems can provide, however, TAM systems are necessary first steps. They serve to decrease data entry errors using poorly designed systems, inaccurate charges and excessive payroll and billing times. In short they are a necessary part of the solution.

Project-oriented organizations traditionally face challenges managing worker productivity, for example minimizing bench time, as well as actually managing the revenue generating projects they are assigned to. Many of the difficulties are caused by the necessary information for making decisions not collected, collected but available at the wrong level of detail, poorly cataloged in the database(s), or out of date information – or all of the above. Managers for each department need direct and real time access to their group's timesheets and expense reports in order to track internal costs and calculate client-billing information. It is for these

In essence, PSORGs need to identify, track, analyze and manage all their internal information using the OBS and their partners, suppliers and customers using the WBS. Any PTM must be capable of addressing these issues as well as the ability to provide a means to incorporate other important best practices detailed in this document.



Best Practices

TM should be designed and include templates based on best practices. Best practices are practical techniques gained from experience that have been shown to produce best results.

Activity Based Costing (ABC)

Activity Based Costing (ABC) is really the essence of a TM solution. ABC tracks work at the activity level providing the lowest level of detail necessary to capture all the necessary information about the work being performed. A TM solution should allow simple association of generic work (also known as tasks) to projects (also known as accounts) to create unique activities (also known as jobs).

The major challenge in using this functionality is to balance the excellent details that such a setup can provide with the administrative overhead that it entails. Too many levels of detail will create an administrative nightmare far outweighing ABC benefits, whereas depending on the organizational requirements not enough detail will mean that important information is not being captured and will be lost forever.

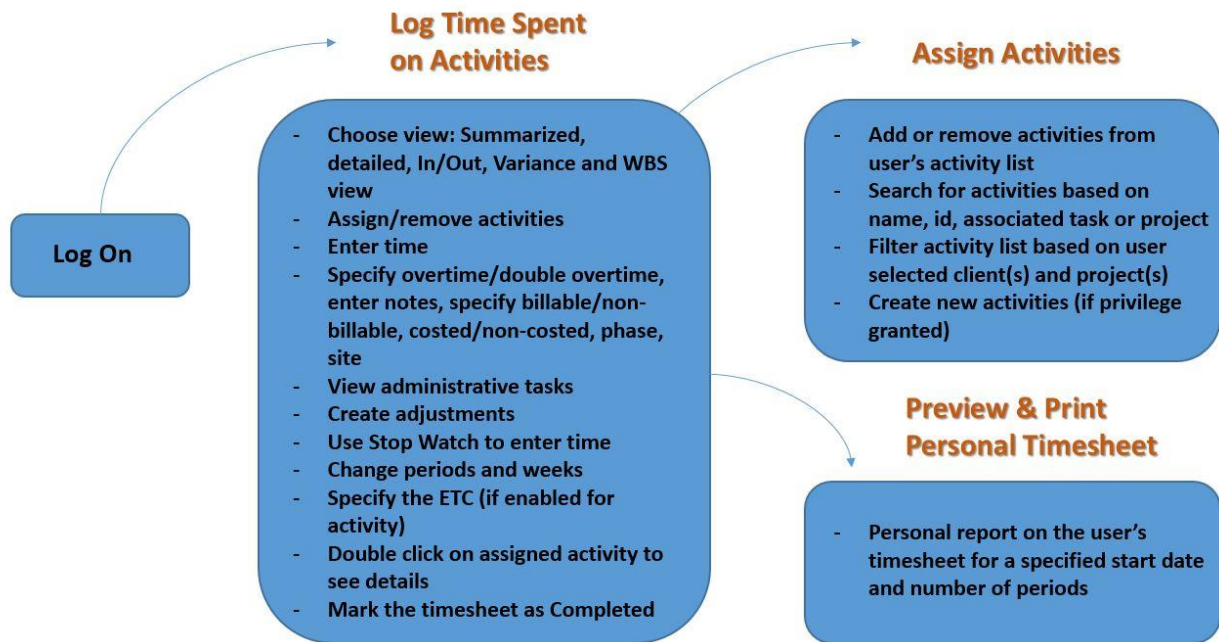
A good design should allow organizations to use a tree structure to define their entire hierarchical organization (OBS) and work structure (WBS) while having the flexibility to adjust the level of detail necessary for each project so that necessary changes can be made along the way.

As well, the work must be tracked at the activity level but reporting has to be possible on both the generic task and detailed work levels. The ability to roll up this information across various tasks and activities is also powerful and necessary.

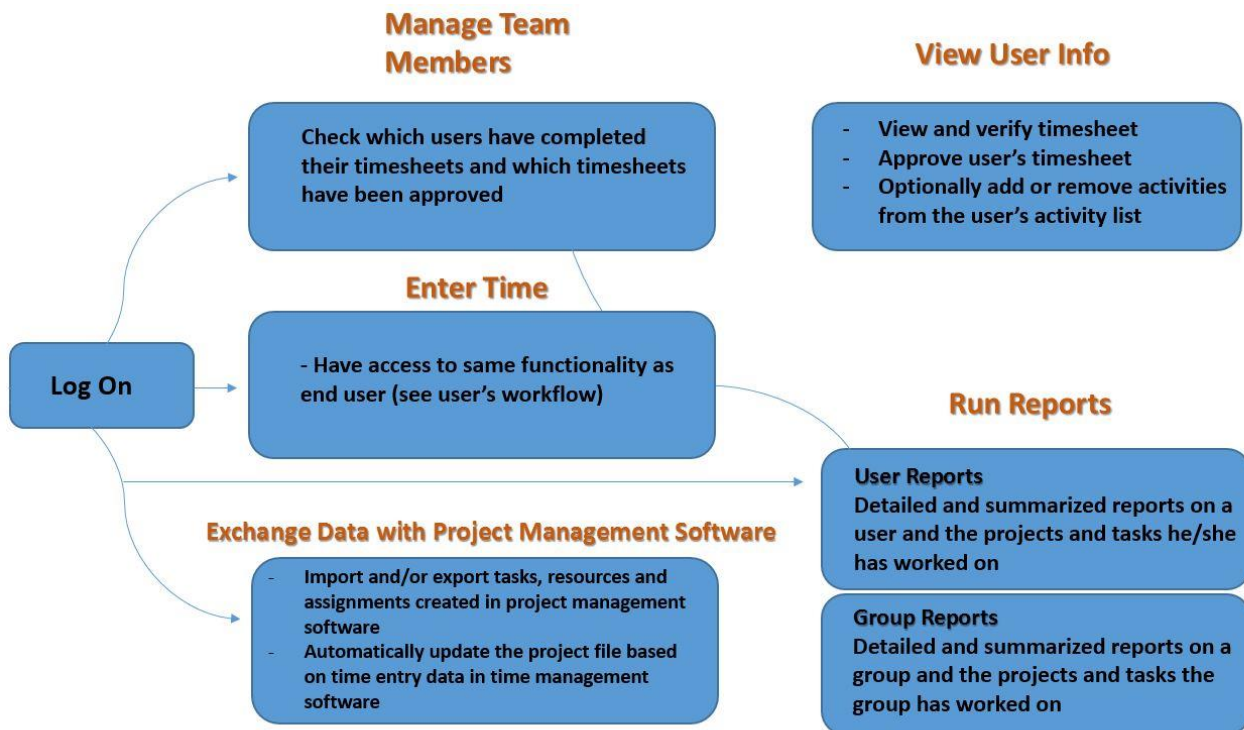
Customizable Workflows: Sophisticated workgroup computing applications allow you to define different workflows for different types of jobs

A workflow is defined as a series of tasks within an organization to produce a final outcome. Sophisticated workgroup computing applications allow you to define different workflows for different types of jobs. For example, in a PSORG, a timesheet might be automatically routed from an employee to their project manager for approval prior to being posted to payroll, billed to a client or updated in the project schedule. At each stage in the workflow, one individual or group is responsible for a specific task. Once the task is complete, the workflow software ensures that the individuals responsible for the next tasks are notified and receive the data required to execute their stage of the process. PTMs with a customizable workflow approach for each user type (such as: Administrator, Manager and Standard User) offer the flexibility to setup the necessary processes for any PSORG. A component-based security system should also be available to limit and define the access type (read, create, modify or delete) for the various states and functions.

User interaction model with a TM solution

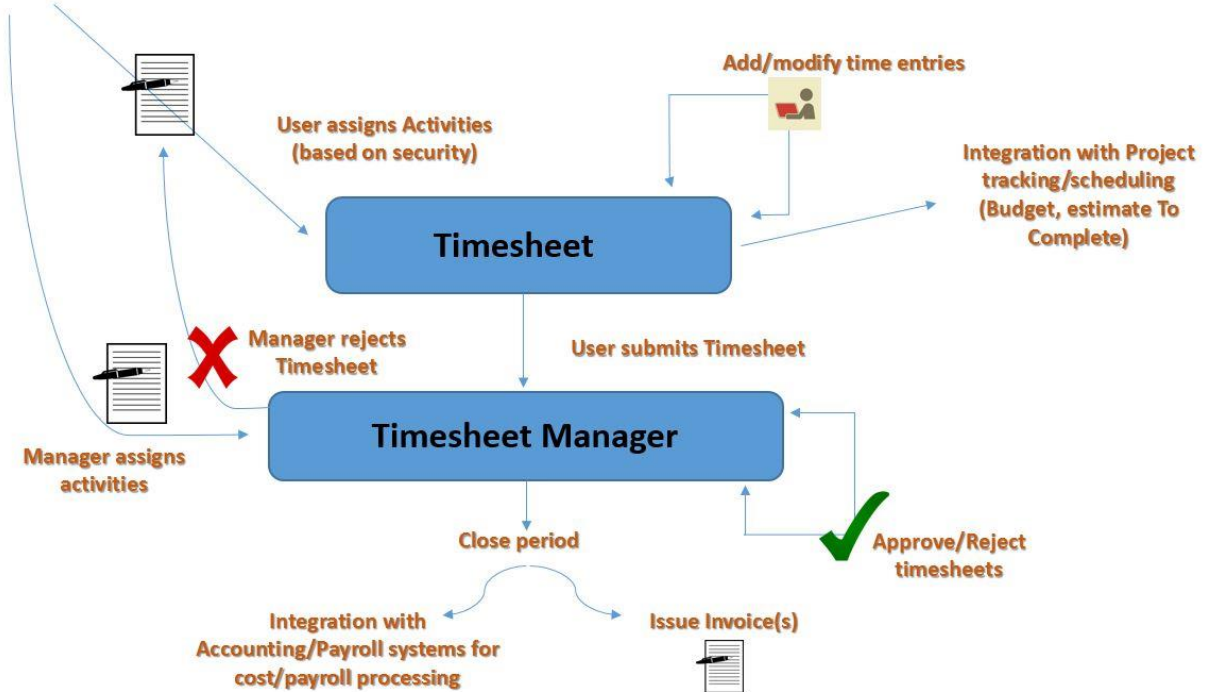


Manager interaction model with a TM solution



Work submission and approval

Assign Activities



Administration interaction model with a TM solution



The Ideal TM Solution

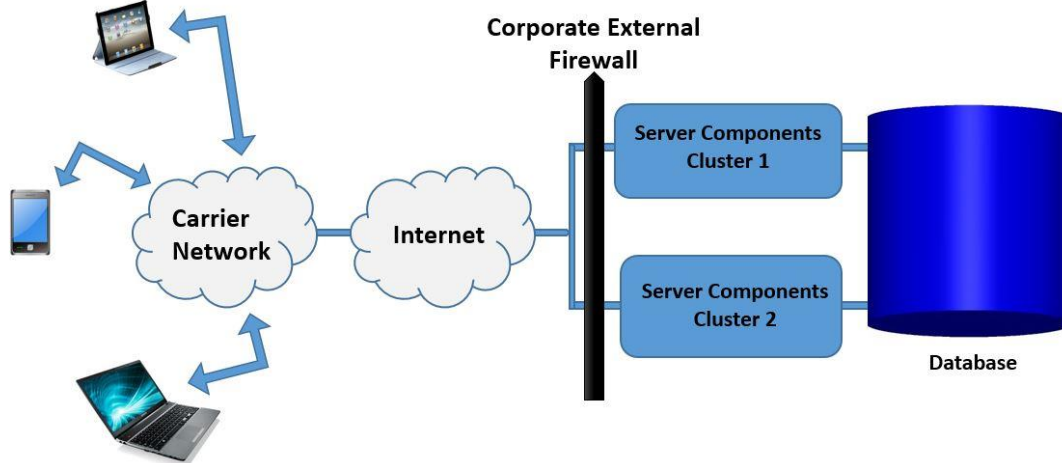
Implementing a complete best of breed workforce optimization and project accounting solution is an important business activity that is often overlooked and underestimated. A complete TM solution must include most or all of the features listed in the accompanying table to deliver a good return on investment.

Feature	Description
<i>Resource time tracking</i>	Multiple timesheet views with validation at the time entry level. Timesheet approval with multiple levels, including line item, client and alternate with automatic routing. As well as regional holiday, overtime and administrative tasks processing, constraints, validations and usage rules with full compliance for various government regulations such as DCAA (Defense Contract Audit Agency timekeeping guidelines)
<i>Expense reporting</i>	Multiple expense sheet views. Expense sheet approval with multiple levels, including line item, client and alternate with automatic routing. Managing travel and entertainment (T&E) related expenses. Support for various expense categories, mileage reimbursements, markups and business rules for expense entry with foreign currency conversion and automatic tax considerations
<i>Cost and revenue accounting</i>	Support for rate dependencies and history (defined for general conditions and overridden for special cases). Rate rules for fixed, hourly, daily, and custom rates defined at various WBS and OBS levels
<i>Budgets and ETC</i>	Budgets and ETC (estimates to complete) to be set at various levels (project, activity or assignment) and in various amounts (time, cost or billing) with automatic suspension based on set thresholds and notification
<i>Skill Match</i>	Skills, expertise assessment and matching resources to specific projects
<i>Resource Planning</i>	Resource allocation, search, scheduling, leveling, forecasting and availability
<i>Invoicing</i>	For professional service organizations who need to charge for their time and expenses. Include user notes, select currency, apply tax jurisdiction and billing information. Issue invoice and maintain invoicing history. Export to accounting system.
<i>R&D (Research and Development) tracking and claim management</i>	Identify, track and process all R&D related work by specifying the projects, phases, activities, time, expense and adjustment entries which qualify

Feature	Description
<i>OLAP</i>	Advanced and sophisticated multi-dimensional enterprise reporting. Adding business intelligence to your data for enterprise optimization, change, project management as well as customer and decision support. Anyone with the proper access rights can drill up/down and gain significant insight about the organization's operational efficiencies and weaknesses
<i>Adjustments entries</i>	Making positive or negative changes to users' data. These modifications should be in time, cost or billing amount with the ability to flag these entries
<i>Site and scoping</i>	Maintain a central database and track work by location but allow users, managers and administrators of each site (or within a virtual site) to only have access to site-specific information
<i>Project phases</i>	Tracking of projects based on a stage. For example, a project can be in Research, Analysis, Development or Maintenance phase
<i>Mass Update</i>	Make massive changes to data for past periods changing the status of the submission over time
<i>Note entries</i>	Various types of notes to be used for reporting and included in R&D claims, client invoice, project status updates, etc.
<i>Document attachment</i>	Attach to Clients, Projects, Activities, Users, Timesheets, Time entries, Expense Reports, Expense entries with keyword based search capabilities
<i>Status indicators</i>	To mark any time or expense entries status, such as R&D, funded, as costed and billable
<i>Email notifications</i>	Event triggered notifications such as incomplete and rejected timesheets, expenses reports, budget overruns and evaluation dates
<i>Tree format</i>	To setup hierarchies and a better representation of the organizational and work breakdown structures. Support for search/find and drag/drop
<i>Suspend/decommission</i>	To manage users, projects and activities temporary not being used or deactivated permanently
<i>Adapt default terminology</i>	Modify and adapt the existing terminology on any window or report to match your organizations requirements
<i>Software Development Kit (SDK)</i>	To develop enhancements and extensions or extract and manipulate data from a local or remote database
<i>Import/Export</i>	Built in wizard to export data to leading project management software (Microsoft Project, Primavera) as well as other payroll and/or accounting systems
<i>General Ledger (GL) numbers</i>	To be associated to various items within the PTM with complete history being kept in case of GL changes
<i>Audit Trails</i>	A complete log of users access to the system and any entry modifications

Date Exchange Options to Consider

Access to data via web, wireless, email, Windows and other devices delivers a far more flexible solution to cater to various types of users that need to interact with the TM database.



TM and Other Enterprise Systems

Live bi-directional data synchronization with other ERP, CRM, Project Management (PM), Payroll and Accounting systems is vital for a best of breed solution.



Summary

A TM solution must deliver a comprehensive Web and wireless solution that streamlines timesheets, expense reports, cost and revenue accounting, billing and client invoicing. TM is ideal for project and service oriented organizations who wish to automate these aspects of their operational processes while allowing for the information collected to be seamlessly integrated to their accounting, payroll and project management applications.

Recent Resources on Time Management

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[Case Study:](#) Read how we help Eaton streamline their time tracking process and know exactly where their money is being spent

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