5 Reasons You Should be Tracking Your Time.

one.
Time is a precious commodity, and an expensive resource to waste.

Many know the old adage, 'a stitch in time saves nine', but surprisingly few know just how many stitches are loose in their company wardrobe. The man known as the founder of modern management, Peter F. Drucker, said it best when he noted, "Time is the scarcest resource and unless it is managed, nothing else can be managed" [1]. Time is everything to a small or medium sized business (SMB). It's what you charge your clients, it's how you measure productivity, it's how you pay employees, and it's whether you're stuck at the office all night or at home with friends and family. Time gets spent, so shouldn't it be the first thing you track? According to the American Payroll Association (APA), employee "time theft" averages out to

> ## "Time is the scarcest resource and unless it is managed, nothing else can be managed."
> -Peter F. Drucker

at least ten minutes per employee, per day [2]. That's not the employee maliciously stealing hours to cross their overtime threshold either, it's just human nature to round to nearest whole numbers, typically favoring the employee. When you get right down to it, there are only 24 hours in a day, do you know where you (and your employees) really spend them?

two.
Payroll is taking too long, perpetuating your problem.

If time is your most valuable resource, and you're spending more of it processing payroll than your employees spent working it, you've got a problem. Maybe you're processing the hours, or maybe your accountant is, either way it spells out headache. Referring back to the APA's study, **it takes an estimated 5 or 6 minutes just to add and audit one timecard for one employee** [2]; run payroll every two weeks? That's 10 to 12 minutes for that employee alone. As good as you are with numbers, chances

are you're prone to error as well (back to that human nature concept we mentioned earlier). In that same APA study they found that **between computation errors, swapped numbers, and just not being able to read the handwriting on the timecard, manual time computation errors can account for anywhere from 1% to 8% of payroll costs** [2]. Yikes! All of that risk of error, not including the risk of an audit - or worse.

three.
You're at Risk for Being Audited

Nobody likes audits. And chances are good if you have hourly employees, you've noticed the recent spike in Fair Labor Standards Act (FLSA) wage and labor lawsuits. Since 2004, there has actually been a 77% rise in such disputes [3], and with more employee rights acts (such as the recent changes in California state Sick Pay and Washington state minimum wage) being passed across the country, we will likely keep seeing these statistics rise.

Since 2004, there has been a 77% rise in wage and labor disputes

four.
You want to move to value billing, better job costing, or more accurate invoices.

No matter how you bill your time, you need to be tracking it. For accurate invoices, read: getting paid for all the time you worked, you need to be tracking your time. And for business insight that will actually help you project labor costs and revenue, it's no question that you should be tracking your time down to the second. But what about value billing? As many know, what gets tracked gets measured.

If you know the exact time for a project, that means you can outbid your competition (and still know you'll make a comfortable profit) as well as delegate your resources appropriately, to ensure the highest payoff with the least amount of internal stress for your employees. The only way to get real time costs for your business activity is by tracking time with an automated system [4].

five.

Why stop at automation? Invest in a complete time tracking system like TSheets to save more.

You already know that you'll immediately save 2% on payroll costs according to the APA, in addition to the other savings listed above. So if you can save money by automating your time tracking, why would you need a full fledged system like TSheets? Because TSheets delivers savings in even more ways. As opposed to an in-house time clock, a cloud-based time tracking system, like TSheets, is proven to multiply your ROI by 1.7 times. This is due to reduced consulting time, support time and the low barrier to entry not to mention continually updated features [5]. It's of course those features which provide you even greater savings. Detailed reports and custom overtime settings per employee make it easier to track employees across state lines, and to see employee time worked versus contractor time worked. Overtime alerts give you the ability to pre-empt overtime before it happens, and the approvals process takes the auditing and adding phase of processing payroll down from five minutes, to a minute per employee (if that). If that still isn't enough, PTO accruals are accommodated and tracked automatically, as are PTO deductions when they are submitted by employees.

TSheets is proven to multiply your ROI by 1.7 times.

TSHEETS
We ❤ Employees

TSheets.com | 888.836.2720

Sources
[1]. The Best Of Peter Drucker. July 14, 2014. http://www.forbes.com/sites/stevedenning/2014/07/29/the-best-of-peter-drucker/
[2]. Lee, M. December 22, 2003. Stop wasting time with paper; create an attendance system - Washington Business Journal. http://www.bizjournals.com/washington/stories/2003/12/22/smallb10.html
[3]. Ed, D. March 8, 2010. FLSA Wage and Hour Lawsuits Are On the Rise | Underwood Law. http://www.uwlaw.com/flsa-wage-and-hour-lawsuits-are-on-the-rise/
[4]. Finch, C. 2007. All your money won't another minute buy: Valuing time as a business resource. Austin, TX: Journyx.
[5]. Nucleus Research | Cloud Applications Multiply ROI by 1.7 Times Over On-Premise Solutions. September 18, 2012. http://nucleusresearch.com/press/cloud-applications-multiply-roi-by-1-7-times-over-on-premise-solutions/
[6]. Wing, Kennard, Hager, Mark A., Rooney, Patrick, Pollak, Thomas H. December 3, 2004. Special Issues in Nonprofit Financial Reporting: A Guide for Financial Professionals.