Time-Tracking: Best Practices to Gain Time and Drive Revenue

If "time is money" then it follows that "tracking time is as important as tracking money".

However, whilst every organization pays close attention to their finances, both in terms of revenue and expenditure, there is often a lack of dedicated resources for monitoring the time spent on managing operations. In fact, untracked hours in the region of 50 million[1] are costing the U.S. economy a staggering $7.4 billion in productivity. Every day.

From the very first mechanical time recorder invented by W H Bundy in the 1880s, through punch cards and timesheets, to today's cloud-based applications, time-tracking in various forms has been used to measure the duration of work undertaken by a company's employees. But how effective has such timekeeping been in driving productivity, and ultimately, revenue, for the business?

The focus of time-tracking should not be to compel employees to carry out their job quicker, but to make sure the time they spend on each task is more productive, and more meaningful, while cutting out as much of the 'wasted' time as possible. It is easy to assume that more billable hours equal more profit, but in reality, it is important to foster quality as well as quantity.
In short, time-tracking ensures the optimum ratio of both.

[1] HBR – Workers are bad at filling out timesheets and it costs billions a day

The benefits of time-tracking

There are many benefits to modern-day time-tracking – including staff motivation and empowerment, as well as real-time analytics that provide insights for optimization – all of which inevitably result in driving revenue for the business. In this whitepaper, we explore the best practices which have helped our clients fully leverage their time-tracking processes and systems. We also provide examples of how business teams can use the various features of tracking tools to their advantage, saving time, energy and cost.

Which companies benefit the most from time-tracking?

In recent decades, time-tracking strategies have commonly been employed by those who follow an agency business model, i.e. billing their clients on an hourly or project basis. However, **in a world where working patterns and cultures have evolved to encourage more remote working** (with almost three-quarters of agencies (73%[2]) now offering flexible working as standard), **the ability for remote teams to report into managers and log their time via a centralized platform has become increasingly important across every sector.** In a bid to gain real-time visibility into staff projects, the majority of agencies (86%) now use project management or time-tracking software (compared to just over half (53%) in 2013)[3], with other sectors likely to reach a similar level of usage before long.

73 % **Agencies now offering flexible working**

86 % **Agencies using project management or time-tracking software**

[2] Brian Tracy – Plan Ahead And Increase Productivity

[3] Timely – Admin costs us tons in lost work productivity

Best practices for time-tracking

1. Get the team invested

Before investing in a time-tracking tool, it is important to get the team on-board. After all, they will be the ones undertaking the work, while also feeding through the data. Managers will need to ensure that teams are:

a) happy to log their activities

b) confident inputting the data correctly.

Transparency is key to successful time-tracking. Part of the conversation should include what type of data is being collected, the relevance of the data in calculating profitability, and who will be able to access it and for what purpose.

When introducing a time-tracking strategy, it may be that some members of staff are wary of the reasons behind it, potentially perceiving it as a way for managers to control team activity and to micromanage individuals based on performance and/or speed. However, successful motivation of the team can be achieved in two steps.

Firstly, quash any notion that staff are being scrutinized, or that the new process will involve slow, painstaking data entry that will overshadow primary tasks. As part of this process, team leaders should start the ball rolling by logging their own hours – demonstrating how quick, and straight-forward, it is to categorize each task – while allowing the team access to all activity reports.

Secondly, and perhaps most importantly, take the time to educate staff on both the personal and corporate benefits of time-tracking in the long term.

2. Educate to optimize

Once the team is on board, demonstrate how the process can spark individual and collective awareness of how each team member goes about carrying out their daily activities, what makes them more productive, which times of the day are least productive, and for what reasons. When asked which tasks are most profitable for the business, most employees are not able to give a clear answer. However, by raising the level of consciousness of daily workflow, staff will automatically begin to consider how they can plan, prioritize, and optimize various tasks during the day to improve their productivity levels, while preventing the periods of procrastination that occur in between tasks. By **using their own data** to make more informed decisions about the goals they are setting for themselves and the wider team, they are much more likely to adopt a more structured plan before carrying out each task.

As training and development specialist, Brian Tracy, explains, every minute spent in planning saves 10 minutes[4] in carrying out the task. Therefore, **spending 12 minutes of conscious, structured planning at the beginning of each work session could save employees two hours throughout the day**. Of course, procrastination should not be confused with downtime, i.e., intentional breaks from work which are actively encouraged in order to increase productivity throughout the session. As we all know, working solidly through the day to maximize hours spent on tasks does nothing to boost productivity, and **actually costs a company** dearly in terms of high-quality, billable work.

Spending 12 minutes of conscious, structured planning at the beginning of each work session could save employees two hours throughout the day.

According to one study, the optimum work:break ratio[5] is 52 minutes active working to 17 minutes conscious downtime. **Meanwhile, Buffer Co-founder, Leo Widrich, asserts that the human brain can concentrate for approximately 90 minutes[6] before needing a break, in line with the ultradian rhythm that occurs in both our sleeping and waking cycles.**

Whether following the 52-minute or 90-minute principle, **conscious time-tracking is an effective way of keeping on track**, as well as taking the optimum number of breaks at the optimum intervals. Moreover, using an automated timer saves repeatedly checking the time and thus becoming distracted from the task in hand.

[4] Brian Tracy – Plan Ahead And Increase Productivity

[5] The Muse – The Rule of 52 and 17: It's Random, But it Ups Your Productivity

[6] Fast Company – Why You Need To Unplug Every 90 Minutes

3. Appoint a CTO (Chief Time Officer)

Just as companies employ a CFO or other financial operative to oversee the tracking of income and expenditure, allocating dedicated resources to tracking time is equally as important. “Chief Time Officer” is a term we have affectionately coined at Scoro. However, in reality, it simply refers to appointing one person – be it an executive assistant or member of the existing team – who **takes on responsibility within their job role for monitoring collective time spent on various activities**, and ensures team members are optimizing tasks sufficiently, and in the right ways, to reduce (and ultimately eliminate) the need for constant fire-fighting.

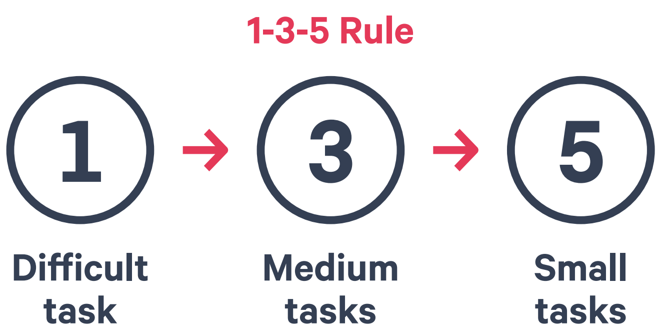
4. Be realistic

Time-tracking can help business teams in several areas, but it is important not to expect the process to solve all time-management issues, or increase revenue, overnight. Compiling a masterplan – i.e. an overview of the team’s goals for each client or project over the coming month, or year – is a great start.

There are no magic tools that boost a team’s productivity by 100%. To achieve this, aside from the motivation, education and planning already mentioned, teams also need to be realistic when it comes to setting long-term goals.

But the number of tasks which should be completed in any given day should be achievable. Otherwise, teams are simply setting themselves up to fail. Many companies implement the 1-3-5 rule[7], aiming to accomplish one difficult task first, then three medium tasks, then five small tasks before the day is over.

It is important not to become fixated on either the overall plan or the daily tasks in isolation, but to strike a balance in which the team can confidently switch between the two with ease – via a central time-tracking platform if available – to ensure individual tasks are on course, or where they need to be adjusted or abandoned altogether.



5. Automate to expedite (and accumulate accurate data)

For centuries, businesses have used timesheets to log employee attendance and/or activities. Suffice to say, in today's digital world, paper timesheets are fast becoming obsolete for a number of reasons: the time it takes to complete them; the propensity to lose them (which also poses a data security risk if they end up in the wrong hands); the time it takes to post them

[7] The Muse – A Better To-Do List: The 1-3-5 Rule

(i.e. for them to reach the relevant person); the risk of unintelligible, unreliable data; the time it takes to manually input the data into a CRM, payroll or billing software; the responsibility of storing and archiving them for the required length of time; the list goes on.

For those who are considering time-tracking for the first time, it can be tempting to start with manual, static spreadsheets such as Excel. However, even with these digital methods, staff can easily forget to log their hours and/or activities at the right time or in the right way, or become frustrated with the amount of time they need to take out of their day to log everything in this way, as well as the time it takes for the data to reach head office/payroll etc. In addition, the sheer volume and disparity of multiple emails and csv or other files causes a headache for those tasked with accumulating and aggregating the data to produce meaningful, actionable reports for future decision-making and strategy.

Using automated tools for time-tracking eliminates all of these obstacles in one fell swoop, enabling centralization and collaboration. However, for teams who do decide to make the move towards automating time-tracking, it is important that software is both cloud-based, and optimized for mobile, enabling instant access and monitoring by all relevant teams, wherever they are based and whatever device they are using. Otherwise, the efficiencies of automation cannot be fully realized.

Using automated tools for time-tracking eliminates all of these obstacles in one fell swoop, enabling centralization and collaboration.

6. Standardize staff activities

Although logging time spent on individual tasks is good for general time management, without a standardized method of labelling each activity, data sets will be disparate and therefore inscrutable when it comes to reporting and analysis. **For a PR or creative agency, for instance, team activities could be labelled as follows: visual content creation, social media management, blog post compilation, press release distribution, paid advertising, email marketing, client liaison, admin, team meeting, etc.**

The most effective way of establishing tags is to list all of the activities a team might carry out over the course of a client's tenure, or particular project, and agree upon the preferred labels for a task by removing any duplicate items. Once created, ensure the team is tagging each task correctly throughout the project.

7. Act on analytics

Once implemented, and accumulating activity data, a time-tracking tool shouldn't simply be used to present impressive bar graphs and pie charts to the board. Rather, it should be leveraged to inform future strategy and drive ROI. For instance, time-tracking data could be used to quickly identify resource gaps (where one member of the team may be overloaded, while another may have more capacity than normal), and therefore influence resource allocation.

> ***“Not everything that can be counted counts, and not everything that counts can be counted.” – William Bruce Cameron, Sociologist***

In order for data to be leveraged effectively, team leaders first need to identify their own company-specific KPIs so they can track activities across the optimum range of metrics. As sociologist William Bruce Cameron highlights: *“Not everything that can be counted counts, and not everything that counts can be counted.”*

Aside from financial KPIs – i.e. revenue and profit – relevant metrics could include: time logged per client or activity type; billable and non-billable hours per client or activity type; total billable ratio; billable ratio per client or activity type; total time utilization; time utilization per client or activity type. Only then can analytics be actioned in a meaningful way.

8. Visualize to validate

Data visualization tools have become an invaluable and integral part of the project management process in recent decades, as they enable business teams to better digest and comprehend data. Using a platform which can aggregate complex data sets and present them in a clear, concise and logical way, will help teams get the best of their time-tracking strategy without requiring any technical expertise.

Therefore, it is important to select a time-tracking tool with a user-friendly API, comprising the following visual aids as standard: **Color-coding** (to schedule activities with various color categories according to profitability, ROI etc.); **clear formatting** (to view project timelines, providing a complete overview); **user-friendly buttons** (to begin tracking time on any given task at the touch of a button – namely 'Start/Pause'); **filters** (to select team members or customize views to locate required information in seconds); **progress bar** (to check in on the status of any given project instantaneously, without the need for multiple clicks).

9. Opt for integral tools

Of course, there are several time-tracking tools on the market that can help track individual time or provide a team overview of time spent on each activity. However, the irony of adopting new tools for time-tracking is that it involves adding to a company's existing tech stack, increasing not only the number of systems being used in silos, but the time it takes teams to learn the very process of time-tracking. By using an end-to-end project management platform that already features a robust time-tracking application as standard, teams are able to save several manhours from the outset.

Moreover, **when integrated with other aspects of project management, time-tracking can be a key enabler in automating, and therefore streamlining, the end-to-end process**. For example, time-tracking applications can feed into existing billing applications – comparing estimated hours from client quotations with tasks completed (actual hours spent) – to facilitate the creation of instant, accurate invoices.

Time-tracking: the cycle of optimization

In summary, a robust **time management strategy** means having the capability to plan and use time more efficiently, coordinate an unlimited number of projects and tasks concurrently; schedule meetings in a shared team calendar; assign and delegate tasks within the team; set priorities and deadlines; and track both billable and non-billable hours.

Meanwhile, a robust **reporting strategy** means having the capability to make informed decisions based on accurate data rather than guesswork, while keeping an eye on KPIs – all via one centralized repository.

As more time-tracking is implemented, the team's time estimations will improve, as they will be able to better track where time is spent. This, in turn, means that teams become better at streamlining processes, prioritizing, resource planning, and crucially, managing client expectations, for example by adjusting deadlines, and setting realistic time frames in which to complete tasks.

Provision of more granular insight into problems that arise enable teams to intervene quickly and redeploy resource or adapt a standard process where necessary. This instils confidence in the client, and motivation in staff. And so the cycle of improved time efficiency and optimization continues.

As we embrace an era of automation, it is important at least to understand the best practices of time-tracking before shunning the static spreadsheet altogether. In doing so, **business teams can appreciate that tracking time is just as valuable as tracking the bottom line**.

About Scoro

Scoro was founded in 2013 with the simple idea – there's always a smarter way to get work done. We know you're using dozens of different apps to get work done, and the shuffling and fragmentation are killing your team's productivity.

Our dedicated team is focused on providing the most comprehensive solution for efficient business management. Finally, you can manage it all from a single place. Scoro has been listed in the Technology Fast 50 list by Deloitte, in the Inc. 5000 list, and has been selected as one of the top software companies in EMEA by G2. For more information, visit **www.scoro.com**.

Scoro

Business Management Software

www.scoro.com