

## HOW CAN A TIMESHEET SYSTEM HELP YOUR BUSINESS?

Running a small business is challenging. We are constantly required to perform a wide variety of tasks. For many of us, we could probably define our job descriptions as: do everything! Unfortunately, a portion of the everything that we do doesn't contribute directly to the income of the business. However, sometimes by adding a little extra administration we can actually improve our productivity. In this article we are going to take a brief look at timesheet systems, and determine if and how they may help us improve our cash flow.

If you are reading this, than chances are that you have already seen a need to implement some kind of time tracking system. If you are already using timesheets in your business, you should be aware that some systems are better than others, and it is worth taking the time to investigate whether the system you are using is providing you with the maximum benefit.

Businesses that bill clients for their time will need some method for keeping tabs on the jobs they work on, in many regions this is a legal requirement. While other businesses types may not see any obvious reason to implement a timesheet system, there are a lot of good reasons to consider using one.

If your business employs staff, than a timesheet system presents an excellent way of keeping track of what your human resources actually do. You may be surprised as to how much time staff spend doing work that is not related to your core business objectives. As an example, you may think that by not upgrading your computers and software this year it is going to save you money. However, your timesheets may tell you that your staffs are spending a lot of time dealing with computer-related issues that are not income generating, resulting in lower productivity than one might expect. A timesheet system is an extremely powerful tool for identifying and being able to help you quantify the costs associated with these types of issues.

If you run a project-based business, where you may bid for jobs with fixed-price quotations, implementing a time tracking system in your business can save you money. In today's competitive business climate, there can be a thin line between getting the job or losing it to a competitor. Quote high and your competitor may beat you based on price. Quote low and you may just get the job, but lose a significant amount of money doing it. If you have experienced these types of problems in the past, than it may be time for you to consider a timesheet system. When you are formulating a new quote on a job similar to one that you have completed previously, look to your timesheet system to get an understanding of the actual length of time the job took to complete. You may be surprised to see which sub-projects are taking most of the time. Lets examine two scenarios; In the first scenario, the manager reports "we feel that project X came in on budget but we need to budget for a little more time to complete project Y in future quotations", which is useful information that you can act upon. However, in our second scenario the business is using a timesheet system, and the manager reports "project X was completed at 23% below budget and project Y came in 279% over budget, resulting in the overall project being 160% over budget". We will inevitably all make mistakes when we estimate the time it takes to complete a project, however the business that uses a timesheet system can quantify their mistakes, learn from them, and produce better quotes in the future.

Few would argue that a timesheet system is not an essential tool for tracking and analyzing business performance and productivity. If you have a small business with one or a few employees, and a few projects or clients, you can certainly use a manual written timesheet system to good effect. Start by creating a list of projects that you wish to categorize your time by. You may wish to further break down your projects into sub-projects, so you can get more detailed information about what has been done. Don't forget to include projects for both internal (i.e. accounting, administration etc) and external (i.e. client job) purposes. Once you have done this, create a timesheet with spaces for putting time against each project, and a space to put the employee name and date, and distribute it to staff.

Once you have more than a few staff, or if your projects start to get more complicated, it is worth taking a look at the software packages that are available to make the process a whole lot easier. Some companies choose to start off using a spreadsheet program such as excel, but my experience with these type of systems is that they can require a lot of work and can be error prone, probably costing many times more than an inexpensive off-the-shelf timesheet software package. Most of the major time tracking software packages will have everything you need, including support for multiple staff and users on the move, central company project and client lists, and detailed reports of the work done by all of your staff. Most will also link to third party applications such as accounting and project management software. As most software applications tend to work differently, sometimes these links can be more of a hindrance than help, although at times they can also be genuinely useful. One software package called Spherical Timesheet also tracks computer based work to help staff fill in their timesheets, see <http://www.sphericaltech.com> for more information. In addition to automatically filling in timesheets, this software also links to major accounting and project management packages, has a number of useful reports that provides profit amounts for each and every project worked on, and can be evaluated for 30-days free. In all cases, I recommend that you download a demonstration copy of the time tracking software application that you wish to buy and try all relevant features before committing to it.

Once you have introduced your timesheet system, you will be well on your way to discovering more about your business. Timesheet systems give you information to help you make better business decisions, increase productivity, and can give you an edge over your competition. Best of all, you can make your timesheet system grow with your business, allowing you to continually fine-tune your processes to maximize the financial reward.