

Stop Revenue Leakage

with Better Time Tracking



SUMMARY

In the midst of a recession—when business leaders must scrap to get every dollar of revenue and reduce expenses as much as possible—tracking time is a quintessential capability. If your business is using outdated systems or not precisely tracking certain elements of its finances, you could be letting potential revenue slip away.

This report explains how you can utilize a better time tracking solution with your enterprise resource planning (ERP) system to gain valuable insights into where your organization is spending time and money, so you can make smarter, more informed decisions.



Revenue leakage is when your company loses money, either unintentionally or without noticing, and it is a major silent killer of profitability. A large part of revenue leakage can be linked to errors in billing—whether it is from under-billing your clients, unpaid or overdue invoices, data entry errors, incorrect project cost accounting, or various other things.

In addition to leaving your company vulnerable to costly billing and payroll errors, manually reviewing employee timesheets can be a very time-consuming and frustrating process. Payroll preparation time is often delayed by late timesheet submissions, wrong job codes, and after-the-fact administrative adjustments. By using an automated timesheet solution, you can reduce this process by 80%.

In the current global economic environment, business leaders are forced to make difficult choices and cut back on expenses wherever possible just to keep their companies up and running. But rather than get rid of valuable employees and programs in order to cut costs, why not implement strategic changes that will increase project productivity and streamline payroll and other processes?

If you have slow, error-prone processes that irritate customers and employees, then you simply cannot afford to ignore the tools available to you that provide an easy fix to these problems. With an enterprise time tracking software, you can gain valuable insights into where your business is spending time and money so you can make smarter, more informed decisions.

WHAT CAN YOU DO TO STOP REVENUE LEAKAGE?

Automated time tracking systems eliminate errors by creating accountability and transparency. The right solution will reduce labor time spent on the payroll process and help avoid costly overpayments. Many solutions provide payroll validation tools and robust reporting to make your job even easier, and they help create a reliable audit trail to simplify compliance tasks in the future. Let's examine the impact automation has on the hidden costs of your business, and the ways a time tracking solution can improve productivity and plug up areas of potential revenue leakage.

Centralize Timesheets

Managing timesheets in a centralized system can help you streamline the way your team enters their time and expenses, especially if you can set up automated reminders when timesheets are due and follow up reminders if they aren't submitted on time. This helps make sure that time is tracked to the correct task or project, further alleviating any discrepancies that may arise.

A cloud-based time tracking solution will provide you with a single source of truth for employee time and expense data. You should also consider a solution that includes a mobile app—so your workforce can easily enter their time while on the job without having to log into a desktop—which automatically syncs mobile timesheet data with the central system for even greater accuracy.

Focus on Accurate Client Billing

A study by the Aberdeen Group, which surveyed approximately 150 industry executives and managers to gain insight on invoice reconciliation and payment processes, found that manual billing has error rates of 12% to 15%. This demonstrates that inefficient, manual processes will directly cause revenue leakage.

Not only is there the obvious higher risk of error in manual processes, but those error-prone, manual also cause delays in sending invoices to customers, which in turn creates gaps in cash flow. A typical payment cycle for many professional services organizations may be 30 or 90 days after the invoice is delivered. Even a two-week delay on the invoice delivery may push out receipt of payment by another 30 days or more.

Managers must be able to monitor and validate in a timely manner how much time their team is spending on billable projects versus non-billable work, so they can catch discrepancies early in the cycle. Setting up a workflow that can automatically request and capture management approval of employee timesheets will ensure better accuracy and timeliness. It also gives your accounting staff the confidence to send invoices to customers as soon as possible.

Optimize Labor Resources

Without centralized access to labor hours and employee time off requests, managers lack visibility into how effectively they are utilizing their workforce. That's why a dynamic, customizable time tracking system is essential to maximize productivity and resource use. A centralized time tracking solution makes it easier to manage employee time entries and provides quick access to real-time data, so managers are better equipped to monitor the status of their projects and allocate future resources.

If you have clearer insights into resource allocation, you can avoid overbooking underutilizing your labor resources. By eliminating unnecessary overtime costs that would otherwise result from an unbalanced distribution of work, you can drastically reduce payroll costs.

Improve Project Cost Accounting

With robust timesheet reporting capabilities and easy access to historical data, your organization is in a much better position to forecast project costs and resource availability. Managers can examine the time spent on similar projects in the past, and they can make better predictions about how many hours will be required for future jobs or tasks, or how many employees need to be assigned to a project.

Certain time tracking solutions will allow you to monitor availability and capacity across your entire resource pool. Those solutions give you the tools to confidently assign the right personnel to the right work by more accurately tracking productivity and performance.

Automate, Automate, Automate

Many organizations rely on spreadsheets to manage projects and time tracking for their employees. This manual process can be extremely cumbersome, creating a significant amount of administrative work to ensure that timesheets are filled out correctly and submitted on time. On top of having to review and approve those manual time entries—and correct any errors found along the way—the data must then be migrated into an accounting system before sending invoices to the customer or processing payroll.

The American Payroll Association estimates that manual timesheet entry and processing mistakes can account for 1% to 7% of total payroll costs. That's why it's important to implement an efficient time tracking system with data validation tools that prevent timesheet errors. The right system can help you substantially increase payroll efficiency, which will make a positive impact on your bottom line.

Automated, cloud-based time tracking systems dramatically reduce the time it takes to fill out, submit, and approve timesheets. If the solution is cloud-based and information is stored in a central location, there's no need waste time on consolidating information from multiple timesheets and performing the manual data entry required by that process.

Automated reporting further reduces the administrative burden involved in processing payroll and billing by eliminating the need to export data into a separate reporting software or create reports from scratch. All these factors add up to huge productivity gains in any organization.

Companies need a comprehensive time tracking solution that can accurately synthesize all their important workforce

data into a single source of truth to inform their pricing strategies and identify opportunities for margin improvement.

All workforce time data should be easily and securely accessible from the cloud, so that managers are equipped with the information they need to work efficiently and achieve labor or contract compliance across their organization.

When it comes to boosting productivity and increasing return on investment (ROI), moving away from manual time tracking is the sensible first step for organizations of all sizes. Automated, cloud-based business systems pay for themselves within a few months, and they will provide considerable savings on an ongoing basis by eliminating manual errors, compliance violations, and other time-related issues that cause revenue leakage.

ABOUT JOURNYX

Journyx is a premier time tracking software that streamlines the collection and processing of employee timesheets, helping thousands of companies worldwide to reduce payroll time, grow client billings, and increase project/account profitability.

Journyx time tracking software allows you to get a clearer picture of where time and money is being spent, establish a baseline for labor time and expenses, and identify areas of improvement across your organization. Journyx integrates with most other core business systems – including Microsoft Dynamics ERP, Microsoft Project, Sage Intacct, NetSuite, QuickBooks, and other ERP/accounting and HRM systems – to make your job easier.

We offer two core products that enable customers reach their maximum level of profitability: Journyx JX Time Tracking Software – for project or activity-based time and expense tracking – and Journyx PX Resource Management Software – for a complete picture of project and budget status, employee time, and resource availability.

Learn more about Journyx time tracking solutions at www.journyx.com.