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How to Clear the Most Common Hurdles of Time Tracking

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For professional services consultants and project managers, understanding how their pros' time is used for each client account is critical to optimizing resources, maximizing time management, and, ultimately, growing revenue. Everyone agrees time tracking is needed to successfully measure how many hours are spent by any given employee on customer accounts. Yet not everyone can feel confident that all their employees are accurately calculating the time spent on each client project.

That's where time tracking tools become critical to a successful professional services strategy. Without them—and sometimes even with them—project managers won't have a handle on the actual resources they are using to help guide and inform project planning, forecasting, and budgeting efforts. In addition, without accurate time tracking businesses are at risk of leaving money on the table as actual time spent serving client accounts goes unaccounted—and unbilled—for. A new approach is needed.

Here is a look at some critical, and all-too-common, hurdles to effective time-tracking as well as some easy-to-adopt solutions to clearing those hurdles.

The Value of Time Tracking

There's tangible value in time tracking. Time tracking is a must-do in order to capture information needed to bill clients. If time spent on projects is not tracked, that time cannot be billed accurately to clients. That represents a direct business loss.

But there is value beyond this very basic need.

In addition to allowing for the accurate billing of time spent serving client accounts, effective time tracking provides key information to aid in resource planning. As managers are called upon to budget for the fiscal year, or explain budget overruns each reporting period, accurate time data can help quantify what might otherwise be very emotional situations as they vie for limited resources. By better understanding the real costs of doing business, data can take some of the emotion out of tough decisions.

Most Common Hurdles to Effective Time Tracking

Reason number one, and the biggest hurdle of all: **employees simply hate to track their time. Why?** For a variety of reasons. Chief among them: they feel it's too "big brotherish," they feel like they're being micromanaged, and they feel like their managers don't trust them.

1 Tracking Time Takes Time

Tracking time also can, quite frankly, be time-consuming. Often, employees put the task off until the end of the work week when they attempt to frantically retrace their steps and recall exactly what they spent their time on during the week. They're generally wrong. And they're usually wrong in ways that threaten the reliability of the data being

collected on resource allocation and being used to bill clients—usually under-reporting the time they actually spent working on projects.

Dinvy research and research from other sources indicates that **the amount charged to clients** will be about **30% less accurate** when recalled and entered at the end of the week. Looking at this another way, businesses could bill clients **30% more** if time was entered at specific points in time throughout the week.

2 Employees Don't Understand the Value

In most situations, employees are asked to track their time, but they're not explicitly told why or what value time tracking can bring to the organization—or to them. They don't know, for instance, that accurately tracking their time **could help them build a business case for the need of an additional employee,** or added resources, to help with their workload. Or, time tracking could be leveraged to document the demands that may be impacting their overall performance.

3 Many Time Tracking Systems are Difficult to Use

Finally, most time-tracking processes are clumsy and cumbersome. They're not intuitive to use. They demand that employees stop what they're doing, shift gears, and recall login information and the details of using systems that are often low on the user experience spectrum and high on the frustration meter.

The bottom line: to get accurate and reliable time tracking data, project managers have to rely on human beings who don't want to do the task to begin with. Then they have to remember to do it, they have to remember how to do it—and they have to remember how much time to enter. It's not intuitive and, in fact, it's often counterproductive. The time spent attempting to recall and enter time could be spent on other billable tasks.

Even employees in organizations that have sophisticated time tracking systems can face these hurdles. Most systems, despite their sophistication and lots of bells and whistles, fail to address one foundational issue that can help address all of these hurdles—proactive outreach to employees, prompting them to enter their time throughout the work week.

Best Practices

Employees won't forget to enter their time if they're prompted to do so—not just once per week but throughout the week, and at critical times during the day when they're most likely to be actively engaged in a project. When reliable systems are in place to do this, not only will project managers have confidence that employees are accurately entering their time, but they will also avoid the need to have other employees spend a significant part of their time reminding staff and others to do their time tracking.

Here are some important best practices that can help project managers get the most of their time tracking efforts:

1 Choose a Solution That Will Actually be Used

Apps and software solutions that aren't put to use represent money wasted—on top of the money already lost through ineffective time tracking. Time tracking solutions must be user-friendly, intuitive and, most importantly, they should be built with technology that can automatically generate prompts and reminders to employees at specific points in time. For instance:

"Hey, so far today you've only entered 60% of your time—do you have more time to enter?"

"Hey, great job—you hit your goal for the day."

"We don't see any of your time allocated to these four projects to which you're assigned. Would you like to enter that time now?"

The more seamless, and painless, the process, the greater the likelihood that employees will actually use it—and accurately track how their time is being spent.

2 KISS—Keep It Sweet and Simple

While prompts are an important element of a time keeping system that will actually be used, and used reliably, once prompted the process of entering time must be super simple.

For instance, the system prompts an employee with a message asking: "Do you have any time to enter for these projects assigned to you?" The employee clicks on each project button and enters their time. **That's it. Quick. Intuitive. Timely.**

3 Clearly Convey Value—to the Company and Employees

In addition to educating employees, up front, on the value of accurately tracking time, project managers must share examples of how the data is used and how it's helping the organization make good business decisions.

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- **For instance:** "We were able to justify the addition of another full-time project manager, based on data showing that we were quickly approaching maximum capacity with existing staff."
- **Or:** "Using our time tracking data we saw that we could shift some work from Employee A to allow them to take on a more challenging project with a bigger client."
- **Or:** "Our analysis of Client Z shows that we're actually upside down with them—we're spending more to service their account than we're bringing in. We're going to have to either renegotiate with them or, perhaps, help them find another solution."

There are myriad ways that accurate time keeping data could help a business. Project managers should share these and other examples with their employees to really drive home the value of tracking time effectively.

4 Make it a Natural Part of the Workday, not an Add-on

This is really key and foundational to a fully functioning system that employees will use.

Time tracking technology that doesn't expect employees to remember to log their hours is the ideal tool for companies with many consultants serving multiple clients. Imagine time tracking software that speaks to employees where they talk most: collaboration platforms such as Slack MSTeams and Zoom.

Using a proactive push technology to log activity via your already-used communications platforms can more accurately measure and document the time spent on client projects for better billing, improved resources management and, ultimately, more business revenue.

For project managers, the ability to effectively plan and optimize the use of finite resource begins and ends with accurate, timely time entry. Businesses can lay the foundation for capturing data that can make a difference— for employees, customers, and ultimately the bottom line.