



# The Best Use of Time:

## How Technology is Transforming the World of Scheduling and Time and Attendance

Think activities like scheduling and time and attendance are only tactical? **Think again.** Leading companies are using technology to transform these tasks into strategic functions. The results: **better decision making, increased productivity** and **hard-dollar savings to the bottom line.** Here's a look at how it's done.

BY ADRIENNE HEDGER

**WHEN ESTABLISHING WORK SCHEDULES FOR ITS NURSES,** Martin Memorial Health Systems was like many healthcare organizations: It was using disparate, partially manual methods. Located in Stuart, Florida, Martin Memorial includes two hospitals, three MediCenters, and numerous centers and clinics. The nursing schedules across these locations followed complex shift patterns within a round-the-clock operation.

By 2007, the usual way of scheduling was taking its toll, and the organization decided to tap into the power of technology. It was a major turning point.

Today, the scheduling process is completely automated with Kronos technology, with every nursing unit using a single workforce management system. Schedules are automatically balanced and adjusted according to patient volume, and compliance guidelines are built in, so Martin Memorial greatly reduces its risk of exposure.

Within a year of implementation, the organization saved \$600,000 in overtime costs and achieved a return on its investment.

"Companies are realizing that scheduling and time and attendance activities are the 'next frontier' in automation," says Jim Kizielewicz, senior vice president and chief marketing officer at Kronos Incorporated, a global leader in workforce management solutions. "They see that they can dramatically improve operations and reduce labor costs by modernizing these processes."

Comprehensive automation—across hiring, time and attendance, scheduling, payroll and more—can deliver powerful benefits in a short amount of time. But even small, targeted levels of automation can deliver compelling benefits without major capital expenditures. No matter what level of automation is implemented, companies experience three key benefits: Controlled labor costs, less compliance risk and increased productivity.

### Lower Labor Costs

When companies automate scheduling and time and attendance, they typically see cost savings on two levels. First, they are able to capture “low-hanging fruit” by automating inefficient manual processes. Simply replacing these activities with a streamlined, automated system saves time and money.

In addition to this, companies find that they can collect and analyze data at a whole new level—and this leads to even greater cost savings over the long term.

For example, at Southwest General Health Center in Ohio, the HR staff was looking for ways to reduce staffing costs. It used technology to examine its operations and identify which cost centers had the highest variances between actual versus budgeted costs.

At the top of the list: the Emergency Department, which was exceeding its staffing budget every pay period. “The problem was that the department was basing its staffing needs on historical data about patient volume,” says Kizielewicz. “But the data was no longer accurate.”

After identifying this issue, the organization used Kronos scheduling software to accurately forecast patient volumes and produce a new schedule aligned with that forecast. This reduced the Emergency Department’s budget overage by \$23,000 per pay period—with no negative impact on the quality of patient care. In all, Southwest General was able to bring total labor costs down by more than 10 percent, which represents a \$10 million annual labor cost reduction.

The same forecasting methods used by Southwest General can be employed in retail, manufacturing, education and more. With the right technology, companies can use powerful algorithms to analyze business patterns and determine the best staffing levels for any given time. This helps avoid the costs of over-scheduling as well as the risks of under-scheduling.

Software provides other cost benefits as well. Managers can use technology to see where labor spend is at all times, which allows them to forecast and plan effectively. If labor costs are climbing too high—due to excessive overtime, unplanned absences or other issues—they can be alerted instantly, instead of receiving reports at the end of a pay period. This way, problems can be addressed early on, before they become major headaches.

“You have good information, and this helps you make smart decisions,” says Kizielewicz. “Once the data is being tracked, it’s easy to find opportunities for cost reduction.”

## I need to control labor costs in these tough times.

- A Yes.
- B Control costs? Hell, we’re waiting on a government bailout.

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### Less Compliance Risk

Technology can also make a dramatic impact in the way companies manage compliance. From wage and hour laws to the Family Medical Leave Act (FMLA), it can take significant time and energy to track, manage and address labor-related regulations.

For instance, if an FMLA case is brought against a company, that company needs to produce detailed documentation to defend its position. With fragmented reports, multiple systems and manual steps, it can be hard to produce the right information at all, let alone quickly.

Staying compliant with quality standards is also critical. Healthcare organizations, for example, need to ensure they have “sufficient qualified staff,” according to the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). During periodic on-site surveys, the accreditation group will ask staff members to talk about what happened on a given day and how those events determined the staffing plan. If a schedule was

changed, employees need to be able to retrace why, and explain the results.

After automating scheduling and time and attendance, companies have immediate access to detailed documentation. With a few keystrokes they can assemble the right data to defend their position or demonstrate their compliance with quality regulations.

“In a sense, having an automated system is like having an insurance policy,” says Kizielewicz. “You always know the information will be there—easily accessible—in case you ever need it.”

But it’s not only about documentation. For companies that are decentralized, policy interpretation is often left up to individual locations, and this increases the risk of non-compliance. With an automated system, companies are able to establish one central set of policies then easily enforce them locally.

By linking time and attendance software with scheduling software, companies can achieve even greater benefits. Before scheduling someone, the technology can check to see if that person is close to reaching overtime

### What About ERP?

Many ERP vendors have a time and labor module, and often it seems like a good idea to implement that module. But before you move ahead, make sure it will really deliver the benefits you expect. Consider these three points:

1. **The real costs.** ERP modules are difficult to customize and configure—and this can increase the cost of implementation. In fact, customizing the system could cost several times more than implementing a workforce management solution that is precisely configured to your company’s pay rules, scheduling rules, and more.
2. **Batch vs. real time.** While a best-of-breed workforce management solution will deliver information in real time, ERP is designed to deliver time and labor data in batches. This can delay decision making and reduce your ability to proactively respond to issues.
3. **“Ease of use” factor.** Because time and labor tracking are not core to what ERP’s do, ERP systems are typically less user-friendly and require more work to navigate compared to workforce management software. For instance, simple things like finding and correcting punches can take 3 to 4 times as long to do, wasting a supervisor’s time.

The City of Santa Clara, CA, is one organization that decided to forego the rudimentary time and labor products offered by ERP vendors. “We’d rather focus our energy on serving our public efficiently than worry about software customization, which is both expensive and time consuming,” says Steve Conrad, fiscal systems manager for the county.

hours. “If you’re wondering who to call in to cover a shift, the technology can help you make the right decision and avoid compliance issues,” says Kizielewicz.

### Increased Productivity

One of the most immediate benefits of automation is increased productivity. When laborious manual tasks are eliminated, employees have more time to focus on strategic, value-added work.

One example: At the Salvation Army Chicago Metropolitan Division, employees were relying on manual systems for tracking time and attendance. The manual data entry was consuming roughly 70 percent of the internal administrative staff.

By automating time and attendance with Kronos, the company reduced payroll processing time by 62.5 percent—and this enabled employees to work projects that delivered more strategic value.

“What began as a project to help us

manage significant seasonal ebbs and flows in the size of our workforce has resulted in tangible, year-round benefits,” says Sibyl Johnson, payroll and pension manager, Salvation Army Chicago Metropolitan Division. “Our team can focus on strategic functions knowing that data entry is being done efficiently and accurately.”

Similarly, automated scheduling software helps ensure that shifts are covered by the right person with the right skills at the right time. It is easy for the HR staff to take a broad look at who has called in sick or who is absent, then make rapid decisions about who can cover those shifts.

Once tasks are automated, companies can begin tracking and analyzing data—and this leads to even greater productivity. They can find areas where they can reduce overtime, uncover time-clock abuse, and identify underperforming departments. They can also identify high-performing departments and share best practices across the organization.

### A new strategic advantage

Automation is not new to HR, but companies often focus on applicant tracking systems, ERP implementations (see sidebar) and other large technology initiatives. Activities such as scheduling and time and attendance have primarily been viewed as tactical, and are often deferred in lieu of other projects when it comes to automation.

This is changing, however, as companies realize the potential they can unlock by automating these operations. In a difficult economic climate, this automation is one way to trim labor costs and greatly improve operational efficiency. From cost reduction to compliance to productivity, the benefits are tangible and often near-term.

“There’s no better time than now to implement solutions that improve efficiencies,” notes Kizielewicz. “Even if you start small, the benefits will quickly become apparent.” ■

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## I need a no-frills time and attendance solution that will grow if we need it to.

- A Yes.
- B Buying more than we need is our contribution to the stimulus effort.

Automating your workforce management processes can yield dramatic results. But to really pay off it has to be easy to implement, use and afford. At Kronos, we understand your workforce management issues and what it takes to address them. Which is why all our solutions deliver complete automation, high-quality information, and are easy to own. With thousands of installations in organizations of all sizes, we’re proving **workforce management doesn’t have to be so hard.**

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