Time is a Critical Factor in the Service Industry.

Start Measuring the Exact Amount of Time You Are Investing in Each Client.

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Managers need to begin managing their staff's time including the number of hours worked on individual projects and services to successfully avoid wasting precious resources and time.

Payroll costs have a impact on service companies' budgets. Therefore, it is critical for organizations to manage their staff's working hours closely. Not only that it no longer be considered as just optional or 'merely important.' Having effective control over working hours is critical to properly evaluate your teams' performance and thereby avoid wasting money, time and precious resources.

According to a survey by McKinsey of about 1,500 executives worldwide, **just 9% were "very satisfied" with the allocation of time within their company.** Also, only 52% believed that they successfully align with the way they spend their time in accordance with the strategic priorities of the organization.

Another study demonstrates the link between productivity and the number of hours worked. A report by America Online and Salary.com, as discussed in the article by the *New York Times*, reveals how professionals only really work about three out of every five days per week and waste the other two through lost or wasted time.

This data underlines the need, and urgency to prioritize time management at your company, and thereby to increase the efficiency and productivity of your operations. However, how can you accomplish these requirements? You first have to understand your organization operations, since the tasks, processes, and clients are all fundamental parts of the service companies' demanding routine. All of these factors require time and dedication on the part of your employees to conduct the companies' operations effectively and to provide the best service possible. In other words, **productivity for companies in the service industry depends, to a large extent, on the hours spent by your staff on the execution of their duties.**

Therefore, managers need to focus on maintaining firm control over time management and the hours worked by their employees. With the help of these metrics, the obstacles that are currently hindering workflow and productivity in your organization will be revealed, along with the areas of your operations that require improvement to ensure your staff can become more productive. Once this has happened, your employees will be more capable of delivering a greater number of tasks while still maintaining a high level of quality in the provision of services and the execution of client relationship management.

If these changes are implemented correctly, it will lead to an increase in client satisfaction and a higher likelihood of stronger customer relationships, in addition to an ability to attract new customers to your client base. However, the question remains: how can managers gain access to these metrics? How can they measure and allocate time within their company, and thereby increasing efficiency?

This level of control requires that managers maintain a detailed control of productivity indicators, managerial reports and accurate projections for the delivery of projects and services. **Take a look at the necessary steps on the next page, that are needed to calculate and optimize your staff's time and learn how to take your management to a new level.**

Organize Workflows

Having structured workflows is an essential start to an effective policy of time management. If your company's processes are currently not accurately controlled and automatically documented, it can result in your employees getting lost in the execution of tasks or projects. Meanwhile, managers will waste their in manually tracking the time of the execution of tasks rather than analyzing the metrics and using them to make more informed decisions. **The effect on the company will involve wasted time, unproductive processes, and consistent and constant mistakes.**

For your company to avoid this lack of productivity and the detrimental effects, the bottom line is, **you need to automate your workflows based on the existing demands and the projects in your company.** With this information to hand, it will become possible to break down the work into a series of smaller tasks, with individually defined deadlines, clear flows of information, and, if necessary, a sequence of responsible task owners. The implementation of such a process provides the company with a simple and easy structure to follow for the improvement of time management.

Monitoring Workflows

Monitoring the progress of the workflows within your company is just as important as having organized them in the first place. Metrics make it easier to monitor and measure projects, foresee and predict any possible delays, distractions or declines in productivity while providing the capacity to analyze in depth the performance of your staff. Through this data, you will be able to calculate how your employees are investing their time and make informed decisions regarding possible adjustments to scheduling and changes in the ownership, or responsibility for, certain tasks.

These metrics can be made available to everyone in the company as a way of increasing team engagement and productivity, a concept which is called **visual management**. The method involves the display of graphs, data, and reports containing essential information about the company's current performance that can be easily and quickly reviewed by the entire staff.

Updated Timetables

Timetables are one of the fundamental features of time management, as they indicate when each task must be started and completed, so the task owners can deliver the individual steps which make up a project on time. The use of timetables prevents any tasks from being put to one side, and thereby prevents any delays to your projects, in addition to allowing you to add new tasks and demands to a flexible timetable which is constantly updated.

Well-Defined Priorities

Having well-defined priorities within the established workflows and timetables is critical. Moreover, having this prioritization is directly related to understanding how to identify the critical tasks and place them at the top of the lists including the people who are responsible. These tasks are the activities that will make the difference and will allow your business to thrive. On the other hand, failure to accurately define your company's priorities also leads to an unnecessary loss of time and money, as well as the diversion of efforts to the lesser tasks. Deadlines are more likely to be missed. Therefore opportunities are lost as a result.

The Pareto Principle, also known as the "80/20 Rule", is an important part of implementing prioritization. According to the principle, roughly 80% of the effects are caused by 20% of the causes or activities. Therefore, only 20% of the tasks performed have a major impact on your business, making it an essential requirement to identify and prioritize them.

The stack methodology can also be very useful because it permits managers to group diverse activities to their teams' routine in a structured and organized way. When each person has a defined list of tasks, managers can prioritize the most important ones efficiently and practically.

Time Management

Among the steps that are needed to implement effective management of your teams' time, the management of each employees' worked hours is a necessity. When your company lacks a complete picture of its processes and how its employees are investing their time, it will be that much more difficult to control operations, avoid interruptions, improve the overall employee performance, and achieve long-lasting productivity gains.

Underlining the need for such management, a study by Professor Chris Parnin at the Georgia Institute of Technology in Atlanta, USA, revealed that constant disruption is a major cause of the lack of productivity in systems development teams, for example. According to the survey, more than 57% of tasks are unnecessarily hindered by the interference of meetings, requests for help, emails and social networks.

Controlling demands

Automated workflows facilitate the accurate mapping of activities. With this information to hand, managers can effectively delegate tasks. With an accurate overview of each employee's available time, the volume of work and how long each step will last (or should last), you can distribute your demands according to your priorities more easily.

To define the responsible task owners within the workflow for an individual project, a tool like the RACI matrix can be highly useful. **The matrix clarifies the allocation of tasks to each employee within a set of projects, as well as clearly defining their functions during the process.**

As employees view the progression of tasks and projects, the tool facilitates communications between managers and the responsible task owners, ensuring improved project execution and increasing efficiency. **Below is an example of the division of tasks in a** RACI matrix.

Area of focus	STRATEGIC LEADERSHIP ROLES			CONTENT EXECUTION ROLES			SMEs
	Customer experience director	Digital director	Global content director	Regional content owners	Channel content owners	Line of business content owners	Line of business SMEs
Content strategy	C	A	R	R	R	R	I
Content quality	C	A	R	R	R	R	I
Global content standards & consistency	C	C	A	R	R	R	I
Regional impact	I	C	C	A	R	R	I
Channel impact	I	C	C	R	A	R	I
Line of business impact	I	C	C	R	R	A	C
Global impact	I	C	C	R	R	A	C

"RACI" stands for Responsible, Accountable, Consulted and Informed.

In short, it is a responsibility distribution matrix.

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Cost Management

The final price of the service provided, or the developed project depends on how much the company invests in it, from the operational costs to the effort made by individual team members. Therefore, time management relates directly to cost management. **A clear understanding of how much time each team has invested in a particular project is one more reason to manage time efficiently.**

To calculate the hourly cost of an employee, simply add up the monthly amount that the company spends with this employee (including salary, benefits, and taxes) and divide that by the number of hours worked in a month. With the number of hours accurately measured and recorded, managers are then able to calculate any given team's profitability, helping to improve the pricing of their services and products.

It's worth keeping an eye on the following four steps to conduct more effective cost management

1 **Plan cost management:** Establish policies and procedures for planning, managing, executing and controlling project costs;

2 **Estimate costs:** Predict the resources needed to carry out particular projects, including the allocation of your staff's time;

3 **Determine budgets:** Estimate the aggregate costs of all your activities to establish a baseline budget;

4 **Control costs:** Monitor the progress of projects to manage changes in the base structure and update budgets accordingly.

Using data to renegotiate contracts

As we discussed earlier, without an effective policy of cost management, your company may end up charging prices that fail to reflect the investment accurately. Such as an incorrect evaluation of the cost of the company's products and services can hurt your business's bottom line. Well-defined estimates of the costs and expenses associated with your company's products are fundamental in achieving effective pricing, improving client profitability and maintaining your company's financial health.

However, projects and services do not always go as expected. In case of increased demands by a particular customer, whether it stems from additional requests or extended delivery times, a contract readjustment may, therefore, be required. However, you would need to have a complete accounting of the additional work performed by your team. Using time tracking with automatic timesheets, you would have access to such documentation, and you can share these reports with your clients. Ⓡ

About Runrun.it

Through the effective management of your staff, in parallel with well-implemented control over the time invested in each project, can only serve to increase your business's productivity, and therefore your profits. To streamline this process, intelligent work management software such as Runrun.it will provide you with all the tools and information that is necessary to put your management back on the right track and improve your results. The tool assists with everything from the organization of workflows to the management of costs.

With just a few clicks, you automate your workflows, distribute and formalize demands and tasks among your teams, make your communications more transparent, and facilitate the organization of data regarding all of your projects. This allows the streamlined management of projects, avoiding micromanagement while efficiently allocating your company's resources.

Using Runrun.it, your staff clicks "play" on each task as they begin the work, and then the time invested is automatically logged. The software then calculates delivery times, estimates the workload of individual employees, and generates reports reflecting the time invested by project, client, and task, using all the information that is generated.

You can also rely on our Dashboard to measure and view all your needed metrics, in real time and on a single screen. With it, you can view all your KPIs, the current state of all your company's projects and what your team members are currently working on.

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