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Who Worked When

A Time and Attendance System Needs Analysis Worksheet

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Working out Why, What, Who, When and How before you start

The key to maximising the benefits of an automated/cloud Employee Time & Attendance system is, first, to conduct a thorough "needs analysis" of your current time and attendance needs. If you then choose a system which meets those needs, you can be sure to save yourself time and money.

The decision to implement a new time and attendance system is **a decision that will affect everyone in your company** and therefore should be considered like any other strategic decision. A systematic approach to analysing your needs will help in the ultimate selection of a new system. In this worksheet we will cover the key information and considerations required to ensure you implement a system that will not only meet your needs today but will help you improve the time & attendance and payroll management processes into the future.

Analysing your time and attendance needs

The first step to implementing a time and attendance system is to carry out a detailed "needs analysis". Through this, you can gain an understanding of the technical/functional requirements of your time and attendance structure as well as consider the aspects of your current processing method that you like and dislike. You can also consider what you would like in a new system that you do not currently have.

We have created this "self-analysis" worksheet to assist you in this process. When performing this initial review, we suggest you consider the following analysis technique:

- **Current situation** - What is the current situation you face with your existing system? What are your specific "non-negotiable" requirements?
- **Problems** - What prompted you to look at a new Time and attendance system. What are the problems or deficiencies of the current system? Be ruthless here. People often say, *"We know the existing system has problems, but we know what they are, and we know how to work around them"!*
- **Implications** - Having identified the problem area, try to assess what the implications of these problems are on you, your staff or your business (e.g., if you ascertain that not having detailed historical reporting is a problem, why is it a problem and what is the negative implication of this?)
- **Benefits of change** - For each of the problems you have identified and found a negative implication for, consider what the positive implication would be of having a solution to your problem. For example, using our "reports" scenario above, the "benefit of change" would be that you do not have to do vast amounts of manual analysis of paper-based reports. This would save you time, increase accuracy, and so on.

This is only a guide and you may have other methods you prefer to use when doing this type of analysis. In addition to the worksheet, we have included a **"system functionality" checklist.** The key benefit of this is to clarify your functional needs; the other benefit is that this process creates a "specification" document that can be used as a benchmark against which to compare prospective systems. This can avoid the situation of businesses going to the market for a new time and attendance system and being "sold" a system rather than "purchasing" a system suited to their needs.

Finally, if you would like to have one of our consultants assist you with this analysis please just email ontime@timehub.co.nz or call 06 8800664

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Current Situation Questions:

Information you should know before starting the system assessment process.

What are your specific non-negotiable requirements. Some of these may seem obvious but they are worth noting?

- ☐ It has to be easy to use.
- ☐ It needs to be able to apply our business rules.
- ☐ It has to handle staff being in multiple locations
- ☐ It has to provide the reports I need.
- ☐ It has to allow me to cost staff hours to different areas.
- ☐ It needs to interface with our _____ Payroll System
- ☐ It needs to be able to access data from more than one computer
- ☐ It needs to be capable of handling growth in staff numbers
- ☐ It has to be cost effective.
- ☐ Other

How many staff do you pay?

How do you currently manage employee time and attendance?

If you currently have a system are there any monthly or annual fees and/or support costs?

What Payroll do you use and can it import a Time File from a third party system?

How often do you prepare your payroll?

Who manages Employee Attendance	Who manages the Payroll

How long do you or the person who handles this area spend collating, keying and analysing the time and attendance data each week?

- Chasing Up Timesheets
- Calculating Time Sheets
- Reports and Payroll Analysis
- Keying the hours into the Payroll

And how much time do other people in your company spend preparing information relating to employee attendance i.e. rostering, checking timesheets, analysing hours worked etc

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Business Rules

Do your staff receive overtime? If yes record which days this could happen and under what circumstances.
Do you pay your staff allowances? If yes make a list of the key ones with particular note of anything that which is Time based or may be considered unusual.
Do your staff work variable shifts? If yes make a list of the key ones with particular note of anything that may be considered unusual.
Do your staff work on Public Holidays
How many locations would you need to have employees clocking
How do you calculate Holiday Pay (i.e. In days, hours, weeks or percentage)?
How do you calculate sick/alternative/ bereavement leave (i.e. In days or hours)?
Do you have any other special considerations when it comes to leave management?
Do you require the Time and Attendance system to be multi user? If yes how many users?
Have you set a budget for this project?
Who in your organisation needs to be involved in the decision-making process?

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Problem Questions:

What are the problems or deficiencies of the current system?

Your WHY. What prompted you to start looking for a new Time and Attendance system?

When considering your current system, what do you like most about it? (This highlights the things you need to ensure exist in any new system)

Thinking about your current system, what things do you like least about it?

If you were able to make changes to your current system what things would you alter or what things would you want that you don't currently have?

When it comes to getting information out of your Time and Attendance system, which reports do you currently get and are there any you don't get that you would like?

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Implication Questions

Having identified the problem areas, try and assess what the implications of these problems are on you, your payroll or your business.

What impact do the items above have on managing time and attendance, payroll processing, costs, time spent on payroll, and/or efficiency?

Benefits of Change

For each of the problems that you have identified and found a negative implication for, consider what the positive implication would be of having a solution:

How would … (having a solution to problems above) benefit you and your company?

Conclusion

What is your bottom line i.e. What would it take for you to make the decision to change to a new Time and Attendance system?

Notes

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Analysis of System Functionality

	TimeHub	Your Current Method	Other	Other	Other
Developed in…	**NZ**				
Supported in….	**NZ**				
Support via …	**PH/Email**				
Specialist Hardware Required	**NO**				
Cloud Based	**Yes**				
Web Based Employer Portal	**Yes - Full**				
Automatic Application of Business Rules	**Yes - Full**				
Interfaces with ANY Cloud or PC Payroll	**Yes**				
Real Time Data Capture	**Yes**				
GPS Locates Employee if Mobile	**Yes**				
Offers Photo Verification	**Yes**				
Mobile Apps	**Yes**				
Fixed Point Apps	**Yes**				
Personal Apps	**Yes**				
Team Apps	**Yes**				
iOS Apps	**Yes**				
Android Apps	**Yes**				
Ability to Round Times	**Yes**				
Ability to Anchor times to Roster	**Yes**				
Roster Capability	**Yes**				
Exception Reporting	**Yes**				
Store and Report actual times vs rounded times	**Yes**				
Ability to calculate breaks - Actual and Auto	**Yes**				
Ability to calculate overtime Daily and weekly	**Yes**				
Ability to Calculate Allowances	**Yes**				
Handles NZ Public Holiday Legislation	**Yes**				
Pricing (RRP)					
Per	Emp/Mth				

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Worksheet to calculate

Potential Cost of Paper Time Sheets

Current Situation

Complete the sections which have the pale grey text and calculate the potential costs based on the formula below each cell.

Accuracy based Losses: Recording, Calculating and Keying.	***1**	**1.00%**		$ 9,100.00	**(A) Number of Employees**	25
				F x 1%		
Time Theft based on X minutes lost per day	***2**	**2.00**		$ 3,791.67	**(B) Average Hourly Rate**	17.50
				(B divided/60 x 2) x 260 x A		
Buddy Punching	***3**	**1.00%**		$ 9,100.00	**(C) Average Hours Per Pay Period**	40
				F x 1%		
Hours per pay period saved Processing Timesheets and keying payroll.	***4**	**2**		$ 3,120.00	**(D) Number of Pay Periods Per Year**	52
				G x 2 x D		
Potential Cost of using current method				$ 25,111.67	**(F) Estimated Wage Bill = A x B x C x D**	$ 910,000.00
					(G) Hourly Rate of Person Responsible for Processing Payroll	30

Notes*:

An American Payroll Association study showed.....

An error rate of between 1-8% of total payroll in companies that use traditional timecards/sheets

1 We have used a 1% error factor in our worksheet.

The average weekly "theft" (their term not ours) of time (long lunches and breaks, tardiness, early departures, etc.) is 4 hours and 5 minutes per employee!

2 We have based our calculation on recovering just 2 minutes per day of that loss!

The average loss as a result of "Buddy Punching" is between 2-5% of total payroll in companies that use traditional timecards.

3 This is not a big issue with Timesheets so we have used a 1% loss factor in our calculation.

Savings per year on timecard calculating, reconciling and keying into payroll. The study showed that manual calculation and keying of timecards/sheets takes approximately 5 minutes per card.

4 We have used a saving of 2 hours per pay period in our worksheet.

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