

# ***From HRMG Solutions – experts in payroll, time collection and human resource solutions***

## **Time is Money**

### **The Benefit of Automating Time and Attendance Tracking**

Time collection and payroll is a critically important part of any business since labor, for many companies, represents the single biggest expense. But for companies that track time and attendance manually, the process can be cumbersome, time-consuming, and costly. In fact, there are a multitude of errors that can occur when time and attendance data is collected manually, keyed into a spreadsheet, and re-entered into a payroll system. If this all sounds painfully familiar, then read on because in this article we'll discuss some common and costly payroll mistakes and take a look at the benefit of automating your time and attendance tracking and payroll processing.

#### **Humans Aren't Perfect**

Before we talk about the benefit of automation, it's helpful to examine the pitfalls of a manual process. Take, for instance, the cost of purchasing and storing paper time cards and the labor involved in distributing and collecting those cards. If you're using an old punch clock, it's not uncommon to spend hours reconciling information from missed or duplicate punches and illegible cards. Then there's "time creep" that can cost a business significant amounts of money ... those are the bits and pieces of time lost from late arrivals, early departures, and extra long lunches that are rarely accounted for in a manual system.

And that's just the beginning. Now it's time for the payroll clerk to add up the time cards and manually calculate pay rates, taxes and benefits, which opens things up for calculation errors and mistyped data. In fact, managing payroll for 50 to 60 employees typically requires a full-time payroll clerk.

#### **Technology to the Rescue**

For a long time now, companies have embraced technology and automation in the warehouse, on the shop floor, and in the accounting department. But in many cases, time and attendance tracking and payroll is still a very manually-intensive, paper-based process. But to the pleasant surprise of companies that implement payroll technology, the benefits reach beyond just the payroll department. With access to real-time labor data, manufacturing companies can identify production issues and make necessary adjustments before a job is complete. Those benefits also spill over into Accounting who can now invoice more quickly (with real-time data), collect customer payments earlier, and significantly improve cash flow.

#### **Automated Workforce Management**

It's time to put technology to work for you with an automated workforce management system that consists of a digital time clock and sophisticated time and attendance software. The digital time clock replaces time sheets and time cards with ID badges that employees simply swipe

through the reader to record their in/out time automatically. The software connected to the digital clock is programmed with employee information and automatically performs payroll calculations, benefit accruals, tax liabilities, and much more. That information is then easily transferred to your payroll system or outside service provider. No more tedious calculations, numerous errors, and hours of reconciliation. In fact, employees that formerly spent much of their time manually calculating payroll are reallocated to other areas of the business ... and in many cases, a full-time payroll clerk is no longer necessary. Studies have shown that automation can cut payroll preparation time by up to 80%.

### **It Makes Good Business “Cents”**

A workforce management system provides a wealth of information and reports at your fingertips. As we mentioned earlier, that real-time data will not only help you make better payroll decisions, it will also help you make better overall operational decisions. For instance, you might use information from the time management system for job costing. By accurately capturing and analyzing the time it takes to complete a specific task, you'll have a better picture of your true costs and can make better management decisions.

Contact us to learn more about controlling your payroll processing costs and improving your business through an automated workforce management system.



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