



## Project Management: Saving Time and Saving Money

By Connie Burtcheard

Time is as critical as money. Yet, many companies are not accustomed to allocating and investing it with the same level of care as they would with more traditional assets.

Accounting for and investing in ways to maximize the return on your shops time investment is often easier said than done. Most agencies don't possess the right processes and infrastructure to make the most of your time resources.

Simply keeping "timesheets" or "time management calendars" is a common confusion about the core business of time-resource allocation.

The key element to allocating and managing any resource is to first be able to identify and track it carefully. The same goes for time tracking management.

As an industry in general, we may track time, but we are not very good at analyzing the information we get out of time tracking. Payroll - the most elementary form of time tracking is seen as Overhead. This is correct, but what are our staff and clients really costing us?

A successful time management system can become a window into the real-time costs of any organization, and will provide:

- A complete understanding of time costs at every level of the business - at a team level, a task level, a project level, a business unit level and a company level.
- Access to these costs for everyone in the organization who can impact them.
- Ability to shift time resource investments to optimize processes, reduce risk, impede competition, drive revenue, and increase profits.

The benefits of such a system will make the relationship of time and money crystal clear. While identifying costs is nothing new for most companies, many experts agree that traditional cost accounting methods may not yield the right information for some of the most vital initiatives that companies undertake, such as competitive strategy formulation and execution or project portfolio management.

To understand time tracking as a core business process, first consider that time data feeds four fundamental business functions:

- Payroll
- Project management
- Billing
- Business strategy development

Realizing the last function will help companies better understand which of their clients and jobs

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are generating profits. An important first step is to know whether jobs are on schedule or within budget. However, this step alone is not enough.

While Traffic/Production Managers make sure that jobs remain within schedule and budget constraints, they don't keep track of the profitability of a job.

It is critical to constantly monitor jobs throughout their life. Two questions to ask: "How much of my job's budgeted time has been spent?" and "How close are we to completion?" will offer some valuable information to make a decision. If you have used thirty percent of the allotted time and you are only ten percent done, that is a red flag. However, it's better to have that red flag raised when you have spent thirty percent of your money rather than eighty percent.

Agencies that successfully manage their portfolios of internal and external jobs ensuring that all jobs help the agency make money will be the agencies who survive and succeed in both good times and bad. The hard truth is that no shop can afford to mismanage its jobs. Whether they have two or two-hundred jobs, the goal remains the same: profit.

To reach this goal, agencies need to be smarter about how they collect and use critical time data to evaluate job cost and performance; allocate labor and other resources; and estimate future job schedules and costs. They can reduce risk of failure by understanding the true costs of their job in real time, and by taking necessary action sooner when the chances of success are greater.

Having the right information, available in real-time, is critical to solving job and time management problems.