

# 3 Keys for Controlling Labor Dollars



*Presented By*



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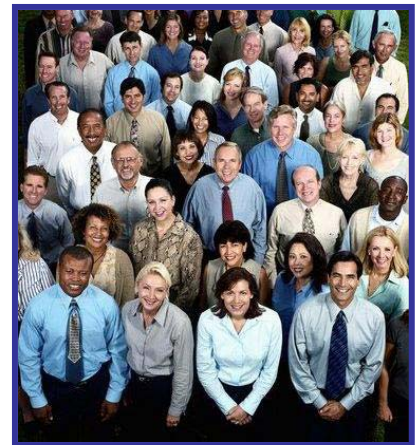
# #1

# Automate Time & Attendance System

*Labor is one of the largest expenses an employer incurs and is a controllable if the right tools are in place.*

Even while proactively monitoring and controlling your labor costs can drive business productivity and profit, it is an area that many companies tend to overlook. The question isn't how proactive has your organization been in managing labor costs, but how can you do it more cost-effectively and efficiently?

This is a question many companies are beginning to ask themselves, especially in states such as California, where employment laws and the general cost of doing business becomes increasingly more difficult to navigate.



While there seems to be no shortage in the number of companies offering their take on the challenge, the route many organizations have found to be the most cost effective and one with the quickest turn around, are automated time and attendance solutions.

First Mortgage Corporation, an independent residential Mortgage Banking corporation with 18 offices across California and Nevada, made their decision to migrate to a fully automated system based on several challenges crucial to their business remaining competitive and profitable. Chief among them was the need to seamlessly integrate a new automated system to their payroll process, which would completely eliminate any double entry of information.

*“When the decision was made to look into the possibility of instituting some kind of a workforce management system.”*

*“We created a research group to come up with a list of concerns, problems and types of issues an automated system would have to address. Doing so allowed us to accurately identify and prioritize what we needed, providing us a solid foundation to bring in the resources for integrating and implementing the new system.”*

~ Tammy Russ ~

Vice President of Human Resources for First Mortgage Corporation

Another crucial component to the system was that it needed to provide extensive reporting capability to allow supervisors to better manage their staff. Careful not to extend themselves by over spending on unnecessary features, First Mortgage Corporation’s new time and attendance system would also have to be user friendly, while being sophisticated enough to address all their specific needs.

## What is Automated Time & Attendance?

While the ramifications of not incorporating an easier to manage time and attendance solution may be clear, the definition of what exactly is “Time and Attendance” remains somewhat of a mystery for many. In short, time and attendance normally refers to solutions that helps collect, monitor, and control employee labor expenses.

***Historically labor costs are one of the largest expenses a company incurs and yet collecting the related data is still a manual process.***

In the case of financial institutions, like First Mortgage Corporation, companies from a variety of industries, are beginning to see just how vulnerable their bottom line is using archaic time and attendance formats, like manual processing, which is error prone, complicated, time consuming and difficult to manage.

**Cheryl Abrazado of Mililani Golf Club Restaurant says, “*The old way of using time cards and calculating each in-out was a four-hour chore. With an automated system it now takes me no more than five minutes to process my payroll. It’s so easy for everyone to use and I love how simple it is to customize my own reports.*”**

By significantly reducing the time it normally takes to process payroll, **Patricia Camero, who handles the human resource department for Ann Pearl Nursing Facility, says, “*From being user friendly to providing reports that previously were not available to us, the automated system we installed allows us to save hours in overtime, which saves us a significant amount of money.*”**

# #2

# Keep Accurate & Accessible Records

*The trend of replacing archaic, manual time and attendance processes for more robust automated solutions doesn't appear to be slowing down anytime soon.*

Perhaps as much as anything, driving this shift is the continuous threat of employee lawsuits and being properly prepared to handle them. With the number of wage and hour lawsuits on the rise the importance of maintaining accurate employee work records is more important than ever before.

**“All it takes is one disgruntled employee to start a million dollar class action lawsuit.”**

~ Ursula A. Kubel ~

A top employee law attorney with leading labor and employment law firm,  
Carlton DiSante & Freudenberger LLP in Orange County, California

With many companies managing their time and attendance manually, producing the necessary records and vital employee information when it matters most becomes quite challenging. As a result, companies are unable to properly protect and defend themselves from labor litigation.

Most companies today track employees worked and non-worked hours manually. The majority of companies using manual process tend not to keep any records of salary employees' work hours. With labor related litigation on the rise, keeping accurate and accessible records on your employees is crucial to protecting your business and bottom line.



A common mistake of misclassifying an employee, made by many major corporations and small business alike, could literally put a company out of business.

**Al Klein, a respected attorney of Rodi, Pollock, Pettker, Galbraith & Cahill** serving businesses in Los Angeles for over 30 years, specializes in representing and counseling organizations in labor and employment matters, said, ***“One of the biggest problems is employers tend to make employees exempt, pay them salary, and do not keep track of their time.”***

Klein highly recommends that employers keep track of all their employees' time, exempt and non-exempt. He states, ***“It's wise for employers to keep track of both their salaried and hourly staffs worked and non-worked hours. Many employers, because they pay an employee a salary feel they do not have to pay them overtime because they are exempt.***

***Classifying employees is a very intricate process and consulting a labor law attorney is wise to do to protect your organization... In most cases employees win cases because they are in fact non exempt employees.”***

# #3

# Minimize Overtime



When preparing his team for a long and arduous season, legendary basketball coach, John Wooden, would say that failing to plan is planning to fail. That same time tested philosophy has its place in preparing an organization for an automated time and attendance system.

With a broad range of data collection devices and software applications, organizations of all sizes have discovered a new level of efficiency can be achieved whether you have a few employees or thousands, one location or several. When it comes to implementing such a system, though, ***companies tend to focus on the present challenges, without factoring mid to long-term plans of the company into their decision making process.***

In preparation of choosing the right system for their needs, Mattman Specialty Vehicles, a leading manufacturer of mobile units for law enforcement, medical institutions, and Fortune 500 corporations, took into consideration two major challenges they faced, which would severely hinder their present and future growth.

- 1. Reduce and control labor costs.***
- 2. Become more competitive by gaining a firm handle on the true profit of each job.***

To adequately address these two issues, a special management team was appointed to identify, prioritize and locate the resources necessary for choosing the right solution. One of the first things the team did was call on Mark Huettinger of Advanced Time Concepts in San Diego, to conduct a needs analysis.

What the Mattman executive team learned was not only were they paying for unauthorized and unearned overtime, they did not have accurate numbers as to how much labor was spent on each job. Not having firm, bottom line costs, made it extremely difficult to ascertain the actual cost in producing their popular customized vehicles, which is a major disadvantage when bidding for projects.



After carefully looking at a number of automated time and attendance solutions Mattman's management team went with Southern California based company, NOVAtime.

When contacted for this article, **Mattman's President John Mattman commented, "With the automated system we chose, we are not paying for unauthorized overtime and we have excellent reports for both tracking attendance, as well as labor by job and by task."**

John Mattman also added that they have saved considerable time and money in payroll preparation labor by not having to add all the time cards.

# Helpful Tip

## Your Options



Time and attendance systems have shifted dramatically over the years to stay in alignment with the ever changing business landscape. Systems have become advanced enough to provide a solution for literally every need of an organization, regardless of size and number of locations. Automated capabilities can range from being able to zero in on an employee's time spent working on specific projects and tasks to generating an endless combination of highly customized reports and layouts.

What used to constitute as effective time and attendance solutions, such as battery operated and mechanical time clocks, have been replaced by more advanced and efficient methods of collecting and sorting employee data.

Today companies can choose between biometric terminals, which increases security identification, PC programs for companies whose employees perform their daily functions on a PC, and for remote employees, who are constantly on the go, there are inexpensive mobile devices that can easily track employee hours, jobs and a host of other functions. The feasibility and accessibility of these automated systems continues to develop and evolve. Most automated solutions are robust enough that data you compile can be tied in with a company's payroll system and in some cases, allow data to be exported to other systems within an organization.

Having the power of choice is a welcome relief for any company when making purchasing decisions. However, when it comes to time and attendance systems, there are so many options available and such a variety of companies providing these options, that it can be a bit overwhelming for companies to choose the right solution for them.



To determine what kind of automated time & attendance system is right for your organization please contact NOVAtime today at **877.486.6682** or email [sales@novatime.net](mailto:sales@novatime.net)

## About NOVAtime:



With over 70 years of combined experience in the time and attendance industry, NOVAtime offers a complete line of time and attendance / workforce management systems for companies with 10 employees up to 10,000+ employees, that are fully equipped with:

- ◆ **Barcode and magstripe time clocks**
- ◆ **Biometric hand readers**
- ◆ **Proximity time clocks**
- ◆ **Palm-PDA**
- ◆ **PC Key-in**
- ◆ **Web-based kiosk**

NOVAtime's robust and scalable solutions also provide seamless integration with many human resource and payroll applications. Known for our scalable software solutions, NOVAtime offers a complete line of time and attendance / workforce management systems for companies with 10 employees up to 10,000+ employees.

We are dedicated to provide dynamic, scalable, and high quality time management systems that can be upgraded without re-training of your staff as your business grows. We offer many industry specific solutions, including manufacturing, finance, healthcare, hospitality, retail, government, etc

For more information on NOVAtime and how a time and attendance solution can benefit your company call **877.486.6682** or email [sales@novatime.net](mailto:sales@novatime.net). You can visit NOVAtime online at [www.novatime.com](http://www.novatime.com).