

## Time & Attendance Systems

Computer-linked Time and Attendance (T&A) Systems provide an alternative to traditional mechanical time clock systems and paper-based timesheets.

The traditional time clock is replaced with an electronic Time Attendance Recorder and Employees 'swipe' uniquely numbered ID-Badges through the Time Recorder at the beginning and end of work periods. The Time Recorder data is transferred to a PC running a Time & Attendance software application that can automatically create Time Sheets for each Employee.

T&A Systems protect companies from potential payroll fraud, provide secure electronic data and give employees confidence in the accuracy of salary payments. T&A Systems allow the tracking and evaluation of performance and work attendance of employees using a dedicated software application.

The software enables the storage, tracking and organisation of the most important Employee time related information in one place. Everything required to track and monitor Employee direct labour costs can be available on a computer.

In addition, T&A systems will allow the efficient collection of working hour's data that can be transferred to a Payroll System. This can save significant time previously spent manually collating and counting work hours at the end of every payroll period, allowing more time for the business at a lower overall cost.

System prices vary depending on the needs of the organisation, with a small business system costing a few hundred pounds (or dollars) and larger systems supporting many complex functions costing several thousands.

If employees are paid for 261 working days a year (including statutory vacation and public holidays for England & Wales) and if each loses an average of only **5 minutes every working day**, the cost of lost time for a business with 2-100 employees is shown below:

Hourly Pay Rate £ (Oct'09)	Cost per minute	Number of Employees on Payroll					
		Cost per year in Lost Wages					
		2	5	10	25	50	100
£5.80	£0.193	£505	£1,262	£2,523	£6,308	£12,615	£25,230
£6.00	£0.200	£522	£1,305	£2,610	£6,525	£13,050	£26,100
£7.00	£0.233	£609	£1,523	£3,045	£7,613	£15,225	£30,450
£8.00	£0.267	£696	£1,740	£3,480	£8,700	£17,400	£34,800
£9.00	£0.300	£783	£1,958	£3,915	£9,788	£19,575	£39,150
£10.00	£0.333	£870	£2,175	£4,350	£10,875	£21,750	£43,500
£12.00	£0.400	£1,044	£2,610	£5,220	£13,050	£26,100	£52,200
£15.00	£0.500	£1,305	£3,263	£6,525	£16,313	£32,625	£65,250

(According to accepted standards, an equal amount for fixed overhead has been added to the cost of lost time)

## Questions to consider when sourcing a Time and Attendance (T&A) system

- Are there any limits on the maximum number of employees that can be tracked by the products you are considering? Some apparently comprehensive products have limits on staff numbers in their proposed versions, requiring costly upgrades to meet future needs.
- What is the installation effort for the ID-Badge Reader terminals you require? Do you need to have an online reporting system with cable connections to your computer, or would an offline system better suit your work practices and eliminate installation costs?
- Should you consider a battery-operated system that makes power cabling redundant? This allows your ID-Badge Reader to be installed anywhere inside your facility and even provides mobility of the terminal to places where no infrastructure is available.
- Are magnetic swipe ID-Badges included in any proposed solution? Optical barcode badges are much more rugged than magnetic stripe and cheaper than proximity badges.
- Will you have to spend additional money on service contracts? Would you prefer to source a maintenance-free product that has no moving parts?
- Are additional uniquely numbered ID-Badges quickly available from your potential T&A system supplier on the next working day?
- Can the ID-badges be personalised by you to suit your company requirements? Could you wait days, or weeks, for your supplier to produce personalised ID-Badges?
- Can your potential supplier's solution grow from a modest time tracking requirement to a sophisticated system without buying additional licences for software? Unexpected costs at a later date will not help your bottom line results.
- Look for a software application that is easy to implement and learn. Does it run under a MS-Office™ application? Are you prepared to spend time learning yet another software package? Are you also prepared to train someone else to run it during your absence?
- Is the software package protected from unauthorised data changes? Data disruption is the last thing you need for your business process - errors in payroll administration are not what you, or your staff, desire.
- Do you have remote sites that need to provide time attendance information? How will you receive remote data quickly and efficiently at your office computer? Double data-entry is a poor solution for today's needs.
- Many businesses need basic time attendance and vacation tracking while a more complex operation may require time tracking and job costing by department. Can your potential supplier handle both of these issues in a single solution with a small additional cost?