From Data to Information to Actionalytics: Optimizing Your Workforce Time Data for Meaningful Results

Your business has no shortage of data. Every moment, the activities of both your customers and employees create more and more. In fact, one study found that the volume of business data doubles about every 1.2 years.[1] But these data sets are useless white noise until they reveal insights and drive actions. Furthermore, business data must also be accessible – not only available, but also easy to understand for busy businesspeople who aren't data scientists.

As data itself is raw and has little context – like lots of words without syntax or grammar rules – it may be helpful to consider the concept of "information" as what data can be transformed into. Information is the data in context and its relational value. Good analytics can yield the right information, at the right time, to produce *actionable* insights. Such as information might be called "actionalytics." With actionalytics, businesses can make more informed decisions to drive performance, often finding things that weren't sought, and being prompted to take actions where previously it wasn't even obvious that a decision needed to be made.

Why Data from Time Tracking Is Critical to Your Company

When considering one's company and how it manages projects and resources, the tracking of time is critical to your company's ability to:

- Meet deadlines
- Stay on budget
- Forecast the required resources
- Assess and optimize project spend
- Bill time to clients or interdepartmentally
- Pay employees in a compliant manner
- Improve, enhance, and streamline operations

Success in these areas requires a thoughtful process. Here is a short list of steps to ensure your company's workforce time data will be meaningful:

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[1] W. P. Carey School of Business -- Arizona State University, "eBay Study: How to Build Trust and Improve the Shopping Experience," May 8, 2012

1. First, decide what things you need to measure to lead to better outcomes, which includes defining your key performance indicators (KPIs).
2. Next, understand which reports you should create to generate real business value from your data.
3. Then, to support the desired outcomes, you must focus on quality control and accuracy of data - because quality data *in* will result in quality information *out*.
4. Finally, once you have an analysis engine working, ensure that there is universal usability, meaning all parties have real-time views of what's happening.

In this white paper, you'll have the ability to explore each of these steps and create a plan to take control of your data and turn it into actionable information or actionalytics.

Marketing KPIs

Time data are necessary to understand *customer acquisition cost* (CAC), a critical KPI in any marketing organization. The CAC indicator is derived from hard costs like marketing technology, but also requires accurate labor costs. Simply calculated, CAC is the sum of these costs divided by the number of customers acquired, over a time period of interest. More finely calculated, employee time data can enable customer acquisition cost insights around relevant activities, such as marketing campaigns. Using time data to fine-tune CAC indicators can help you optimize specific activities to decrease your CAC over time, thereby increasing the relative value of acquired customers.

Engineering, Scientific, and Technical Services KPIs

Engineering, scientific, and other technical services teams rely on KPIs that relate to their business delivery goals, such as:

* *Estimate to actual ratio*: measures the time it takes to complete a project versus what was estimated. This ratio can be calculated at the department, team, or team member level to identify areas for improvement.
* *Design to development ratio:* compares the time spent in the design phase to the time spent in development. Assuming that project types remain relatively stable, this ratio becomes more predictive over time as project history data accumulate. Teams can then rely on this ratio to better predict development schedules, given the time spent to complete the design.
* *Profit per project:* uses project costs (direct and labor) to calculate profitability at the project level.

Customer Service KPIs

Any organization that serves customers must know, in real time, the time spent in customer service and support activities. When the cost of supporting specific customers – or specific customer profiles – is accurate and clear, it can be coupled with revenue figures to create actual and average per customer

(and per customer profile) profitability metrics. These invaluable metrics empower the organization not only to optimize support operations for profitability, but also to make strategic decisions about targeting (i.e. an input to marketing and sales) as to *whom* to target, i.e. which customer profile will be most profitable. Employee time data play a critical role in creating these customer service KPIs:

- *Service center cost*: measures the total cost of serving and supporting customers, including both direct and labor costs. Usually, labor costs far outweigh non-labor costs, and therefore become the primary focus.
- *Account activity cost*: measures the cost of each type of activity performed in account management or customer service. Activity cost KPIs help reveal which activities best serve customers for the least cost and effort, helping to manage overall service center costs without diminishing customer satisfaction.
- *Customer retention percentage*: looks at the percentage of customer accounts that remain active over a time period of interest. Teams that serve customers exist solely to keep customers in the fold. Employee time spent in account management or customer service can be tracked by customer group or even on a per-customer basis, if necessary, to uncover areas for improving customer retention.

Finance KPIs

A core mission of finance is to relate relevant expenses to revenue over a given period of time. Employee time data cover both, as employees are a company's greatest asset and often its biggest expense. Many of the KPIs described above use employee time data to track important expenses that the financial team will want to understand. Other important financial KPIs include:

- *Billable time*: Finance must consider the time employees spend on activities to determine whether those activities generate revenue. One KPI that examines revenue generation is *billable time*, usually a ratio of billable time to overhead time. Comparing billable time to overhead allows finance leaders to spot revenue trends, to better guide decisions on where to invest and where to cut costs.
- *Customer attrition rate*: Protecting revenue is as important as generating it. Finance will also examine employee time spent to reduce the *customer attrition rate*, the rate at which customers defect from your company over a given time period. This KPI is the

counterpart to customer retention; the extent to which you can directly relate employee activities to retention will determine your control over attrition.

- *Customer profitability*: A clear view of costs is necessary for another financial KPI: *customer profitability*. Retaining customers is good, but retaining the most profitable customers is crucial. Accurately allocating costs to each customer is necessary to calculate this KPI. Labor costs are particularly important in organizations that provide services directly to customers. This indicator can identify unprofitable customers or customer groups to inform strategic decisions.

Strategic and Purposeful Reporting

To move from data to actionalytics, you must communicate the right information to the right parties at the right time. The right information drives performance. Accordingly, the only relevant employee time data reports will be those that provide input to relevant KPIs. Different parties will care about different KPIs, and therefore different reports.

Reports should tell a story. The story of how your organization will move from where it is to where it wants to be is the story that matters. For this reason, KPI reports must compare a current state to a desired future state, revealing the path to that destination. Such a report might tell the story: "*Our projects must be executed more efficiently, so that we can meet our profitability goals*," or "*We retain far more revenue from key account calls than any other account management activity.*" For this reason, actionalytic reports contain both the actual performance and the goal – where the goal can be clearly tied to the company's overall performance goals.

Reports should be visually clear. Any story is more compelling with illustrations, and reports are no exception. Visual reports such as graphs or charts can convey information more directly for better comprehension. Visual representation is best when it is a compellingly clear summary, and offers detail as a choice (i.e. drilling down into more information) rather than everything all at once.

Reports should be real-time. Time is of the essence. Certain performance indicators must report what is real, right now. A speedometer needle that lags your actual speed by two minutes would be useless, if not deadly. You will have KPIs that need to describe your current course and speed without significant lag. This requires dynamic reporting, with system-generated updates automatically available to the viewers on-demand.

Reports should be both point-in-time and over-time. Making sense of current conditions requires not only clarity on where you are, but also an understanding of where you've been and what you've been doing. This means some reporting of past performance is necessary, to see trends in the data and provide context. For example, reporting on projects at different project stages is useful to answer questions like: "*Does the length of a project planning phase correlate*

to length of the execution phase?" That answer could yield major improvements in forecasting project performance and profitability. Create reports that answer the important questions and tell the important stories.

The Quality of Data

The story reports tell must be true. This means your data must be accurate as well as timely. *The way you gather data is as important to accuracy as how you analyze it*. Your employee time data platform must enable employees to easily enter the right data at the right time. Choosing a platform with automation features that simplify time tracking will significantly improve the accuracy and timeliness of the data.

Automation helps make time data collection easier, but an intuitive user interface is also necessary. If users find it difficult to enter accurate data at the right time they may fail to do so, and the reports that depend on such data will suffer for it.

When looking for a platform that can increase the quality of your employee time data, consider these attributes:

- Visually intuitive to the user; little training needed for users to grasp features
- Automated functions that encourage data collection, like auto-fill time entries or data synchronization to another system
- Integration with other platforms to enhance or enrich time data
- Project monitoring
- Real-time visibility of a project through phases

Accessibility and Usability of Data

A report of key indicators must be seen before it can inspire action. It needs to be accessible on-demand by the stakeholders that need access to real-time, authoritative reports. "Export-and-email" won't suffice; the data may be obsolete by the time it is viewed, and will certainly become obsolete as competing export-file versions proliferate.

The organization needs a consistent and understandable view of what's happening now and what's happened in the past few days, month, or year. To drive the right actions, information must be accurate at every level of detail and across time, and updated continuously. It must be available to those who should see it, but not to those who should not. It must be easily analyzed and reported in different ways to answer different questions.

Reports must be predicated on a single source of truth. A consistent, accurate, accessible, and understandable view requires a system of record for employee time data; one designed to make accurate data easy to gather, permit different stakeholders to see and enter the data

appropriate for their role, enable a wealth of different analyses, and make the data available on-demand. In short, a *single source of truth regarding all time-related information*.

Getting to Actionalytics

When you have achieved "truth in time data," you are ready for actionalytics. You'll be able to understand, at every level of granularity, the impact of time on your business and make meaningful decisions to allow your company to thrive and grow.

This approach leads to reduced costs, higher productivity, and greater efficiencies. When you reach this point, the complete transformation from data to information to actionalytics has occurred. With the advantageous insights this transformation enables, your company can be more competitive in the marketplace by having clear evidence of how to adjust, enhance, and boost your operations.

Now that you know how to get from data to information, it's time to consider the tools you need to make this transition. Choose a time tracking platform that offers the advantages and functionality that you need to get to actionalytics. We invite you to learn more about the Journyx platform by requesting a demo.

About Journyx

Journyx enterprise time and expense tracking software integrates with Microsoft Dynamics and allows companies to quickly implement a complete time and expense tracking solution for Dynamics, using existing business data. Journyx features flexible accrual calculations, multi-level approvals, mobile entry, integration with Microsoft Project, data validation, and local install or cloud. Since 1996, Journyx has provided web-based time and expense tracking solutions. For more information, visit www.journyx.com.