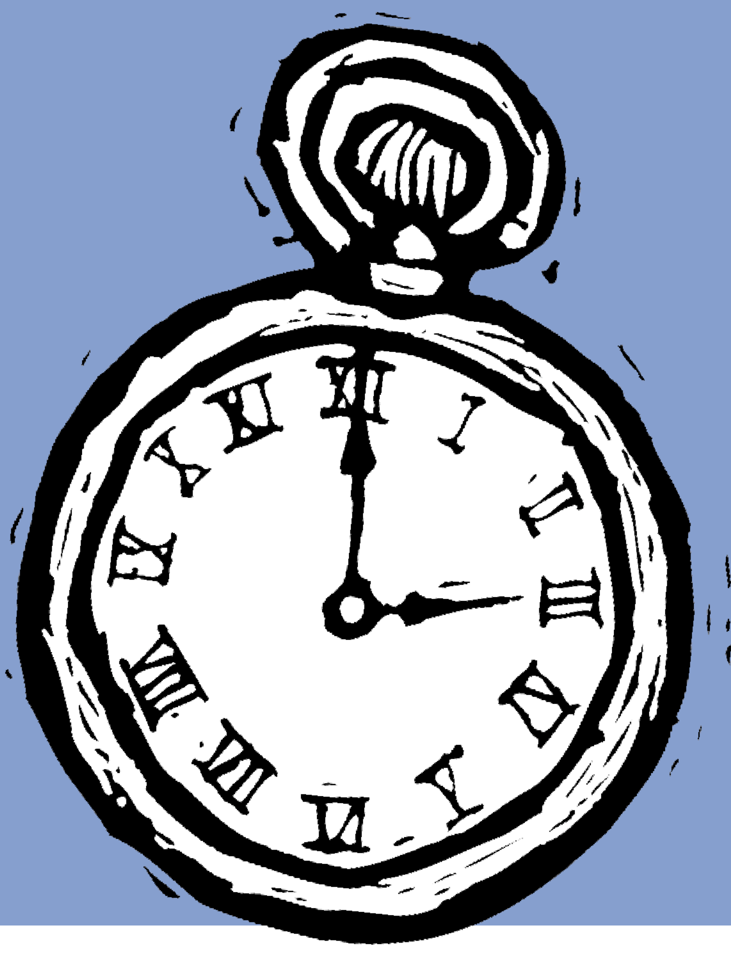


Better Timekeeping Makes Dollars and Sense

By Judy Hector

Just mention "time cards" to creatives and you'll get one of two reactions: they'll either slip into a coma or pepper you with reasons why they can't manage to track the time they spend working on jobs. You'll hear things like "time cards derail my creativity," "time cards are boring," "I'm not the only one!" and "um… I forgot."

As a manager, you know how critical it is to track time. After all, as a service company, time is pretty much all you have. And you've tried everything to get staffers to track time, from bribery to threats, but nothing works. If you're lucky, you'll get an occasional time card, but incomplete at best.

You know you're working as hard as you can, but once you start tracking time, you'll know if you're working as smart as you can. Tracking time—all of your time—and evaluating the results will give you a bottom-line, dollars-and-cents measurement of how profitable your time really is. Whether you bill by the hour or not, knowing how you spend your time is financially prudent.

Continued on the next page

BETTER TIME KEEPING MEANS MORE MONEY

Continued from previous page

Time = Money

Even if you don't bill by the hour, time does, indeed, still equal money. Without an accurate record of how many hours it really takes complete jobs, you're either short-changing your shop—or your clients.

First of all, if you're not sure how long a job takes, you can only use your best guess when scheduling the next similar one. If you run up too close to a deadline, you're either paying your staff overtime, discounting the job, or disappointing a client. If you overshoot your schedule, you'll have people (still getting paid) sitting around with no billable work to do. No matter how you look at it, neither of those are very good options.

Second, if you don't know how many hours to bill, you never know if you're billing the right amount. You could be overbilling the client or gypping yourself. Either way, without time cards, there's no paper trail to prove your worth in the (hopefully unlikely) event of a fees dispute.

> If you don't know how many hours to bill, you never know if you're billing the right amount. With time reports at your fingertips, you can give your clients detailed accounts of time costs—who is doing what, hour by hour—showing that you don't waste your time or clients money.

With time reports at your fingertips, you can give your clients detailed accounts of time costs—who is doing what, hour by hour—showing that you don't waste your time or their money. Your clients will be impressed by your organization and efficiency—something they won't get from the agency down the street, unless they also have Clients & Profits!

The old expression, "the squeaky wheel get the oil" applies to clients too. The demanding clients are often the ones whose jobs you'll jump on to keep them satisfied (and quiet). But what about those silent clients? More often than not, squeaky clients monopolize your people's time (remember, time = money), pulling them away from more deserving—and more profitable—clients. Track your time and you'll find out which are valuable keepers and which should be resigned.

Last, if you're not tracking hours, jobs could easily get out of hand (especially with picky designers or demanding clients). They'll careen off budget before you can say "stop!" When you know how many hours—billable or not—go into a job, you'll always know the labor cost and how closely the job is matching the budget. Remember, for every hour you don't bill, you're working for free.

Time for better communication

In the advertising world, there are two parts to time keeping. The first is tracking the time itself: how it gets applied to different jobs, how it's monitored and kept on track, and how it gets billed. The second is the universally-dreaded problem of getting staffers to turn in or enter their time.

Most creatives hate keeping track of their time, and any obstacle is one more reason not to do it. And who wants the job of beating it out of them or rewarding them for doing something they are supposed to do anyway? You have your own work to do! So instead of threats or bribes, Clients & Profits offers you tools that remove the obstacles that make time entry so odious.

What features would help make planning and monitoring time less difficult for management? Start by letting employees plan and account for every hour of their work day. "We require that everyday, every employee must account for 8 hours," says Joe Notovitz,

Continued on the back page

6 REASONS TO TRACK YOUR TIME IN C&P

Tracking time in Clients & Profits should be important to you if you're interested in billing your clients. (Everyone still with me?) Even if clients are billed a monthly retainer for your labor on their jobs, how will you know if you're making or losing money if you don't track the hours? And if you're billing them for actual hours, you don't want to miss a lovely, billable minute of it.

1 Time instantly appears on the job tickets and tasks you indicate, so you'll always have real-time job costing.

2 When you add estimated hours and set up budget alerts for time, you'll always know if a job task goes over budget. Better yet, prevent staffers from adding time that would put a job over budget.

3 No math required! C&P calculates cost and billing rates as you add your hours.

4 On your Daily Time Card or Weekly Time Sheet, you'll always know how many planned hours for day or week are displayed minus time already saved. Staffers know how many hours they have to go to meet daily or weekly goals.

5 You'll have total security for proprietary information because cost or billing rates (or amounts) can't be seen from a staffer's Daily Time Card or Weekly Time Sheet.

6 Get highly insightful productivity and profitability reports to reveal important trends like: billable vs. unbillable time, client vs. client gross margin, and task profitability.

Who knew a little time entry could do so much?!

NO MORE EXCUSES: 5 EASY WAYS TO TRACK TIME

By Kim Smith

Getting your staff members to enter their time is seldom easy, but always necessary for accurate job costing. Clients & Profits give you five flexible ways track time, pain free.

Everyone can enter their own time using the **Daily Time Card**. With a Show My Tasks link to list all of your assignments (and pop-up look up lists for last-minute additions), there's no reason not to record your hours worked. Plus, the one-click stopwatch can meter hours for you, and the Overtime checkbox documents your hard work. Time to get clicking!

If you like to see how your week is progressing, use the **Weekly Time Card** instead. With this option, you can enter jobs and tasks once, then add hours worked on multiple days. There's no stopwatch or overtime checkbox, but you can still see your Hours to Go scorecard to count down the hours 'til Friday.

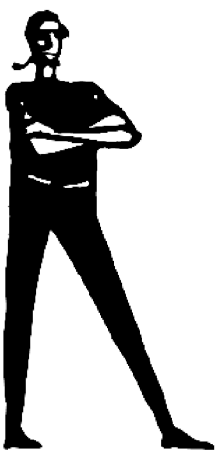
Wandering the world? Then use the World Wide **Web-based Time Card**. New to Clients & Profits X, the web time card lets you enter your hours from any web browser. The web time card takes one dedicated user license, but an unlimited number of users can enter time through their browsers. What an economical way to manage time keeping!

Another web-based option is **My Clients & Profits!**, a web-based add-on that allows users to access time cards, jobs, clients, schedules, and more. If you want to access production and AE features while away from the office, My C&P! is the tool for you!

Time Sheets are tied into billing and cost rates, so you'll find them under the accounting menu. If you have access to this feature, you can change rates, enter time for someone else, and edit to your heart's content.

Once you get everyone entering time religiously (see page 7 for tips), you'll have enviable job cost reports and amazingly accurate work-to-do reports. No more racing around for invoices, no more stab-in-the-dark billing, and no more unbilled costs. Timekeeping is a great thing!

Kim is a member of the Clients & Profits Sales team. She can be reached at kim@cnp-x.com



COST AND BILLING RATES MADE EASY

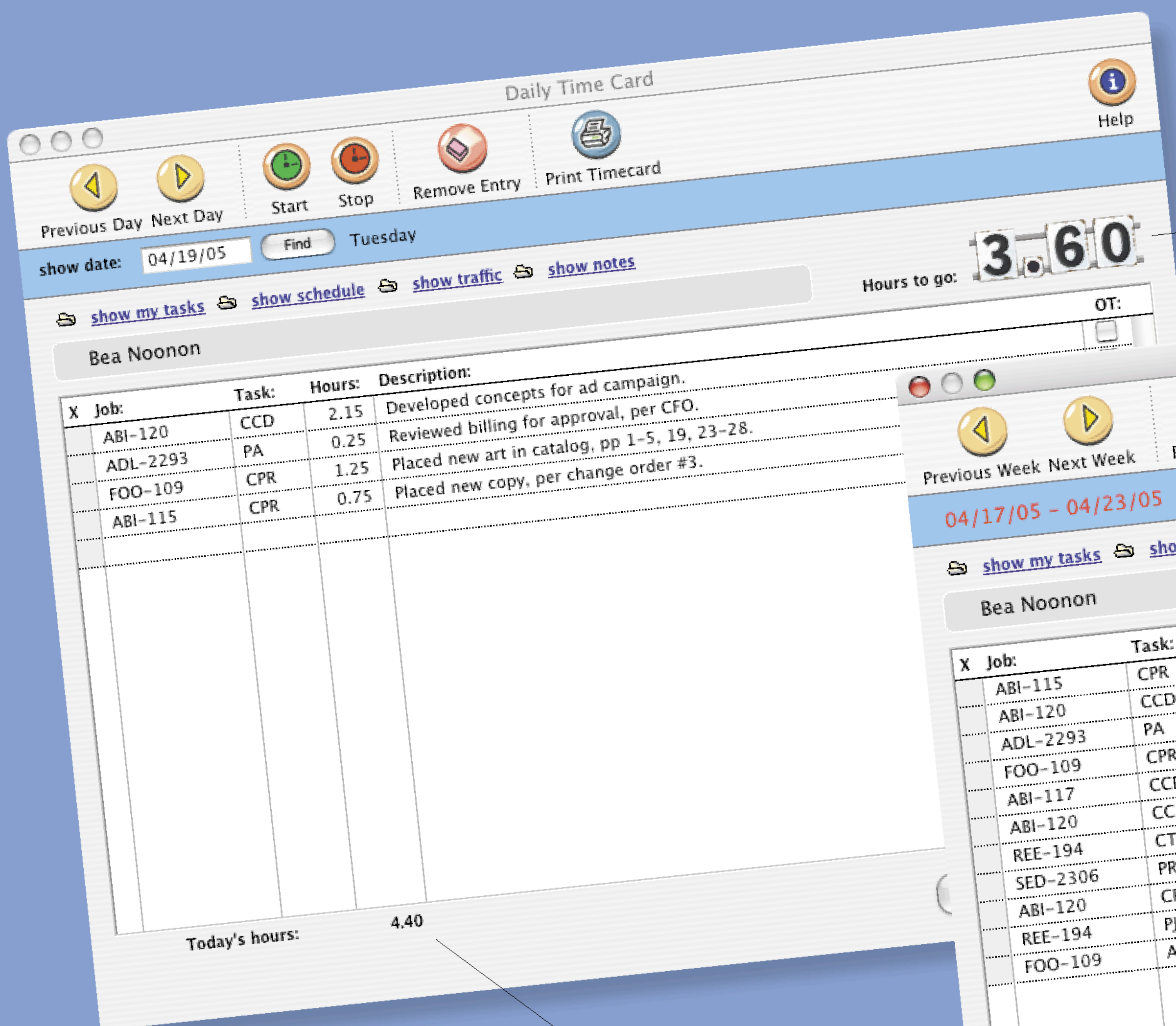
Clients & Profits supports a variety of billing rates based on staffer, client, and task. With this built-in flexibility, you can automatically invoice your clients using predetermined billing rates--so there's no surprises at billing time.

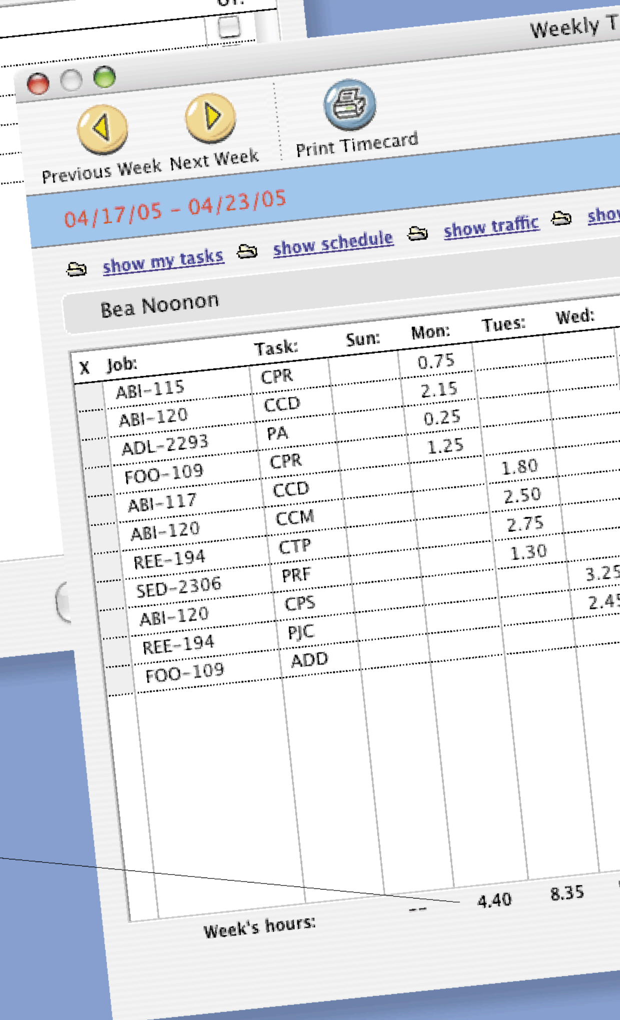
Here's how it works:

- There's only one cost rate for staffers, which is added in their Staff file.
- Special overtime cost and billing rates can be added for each staffer as well. If time for a day goes over 8 hours, overtime rates kick in.
- Billing rates can be added in Client and Staff billing rates window, as well as in the Task Table, and you can default to billing rates from any of these places when new jobs are added.
- Different billing rate schedules can be implemented for each client or even for individual jobs.
- The billing rate option can be changed for an entire job after time has been added. Edit the option in the Job Description window. Changing this option affects a job's existing tasks, but old time entries' amounts won't change.
- If there's ever a question about why a billing rate is associated with specific time entry, find the job ticket, and check a job task's details. You'll see where a billing rate is coming from (client, task, or staff); it it's a task rate, you'll see the rate amount. Look up client or staff rates in the Client or Staff billing info windows.

Tracking your time just got easier.

Choose one of these C&P time tools and get tracking today!





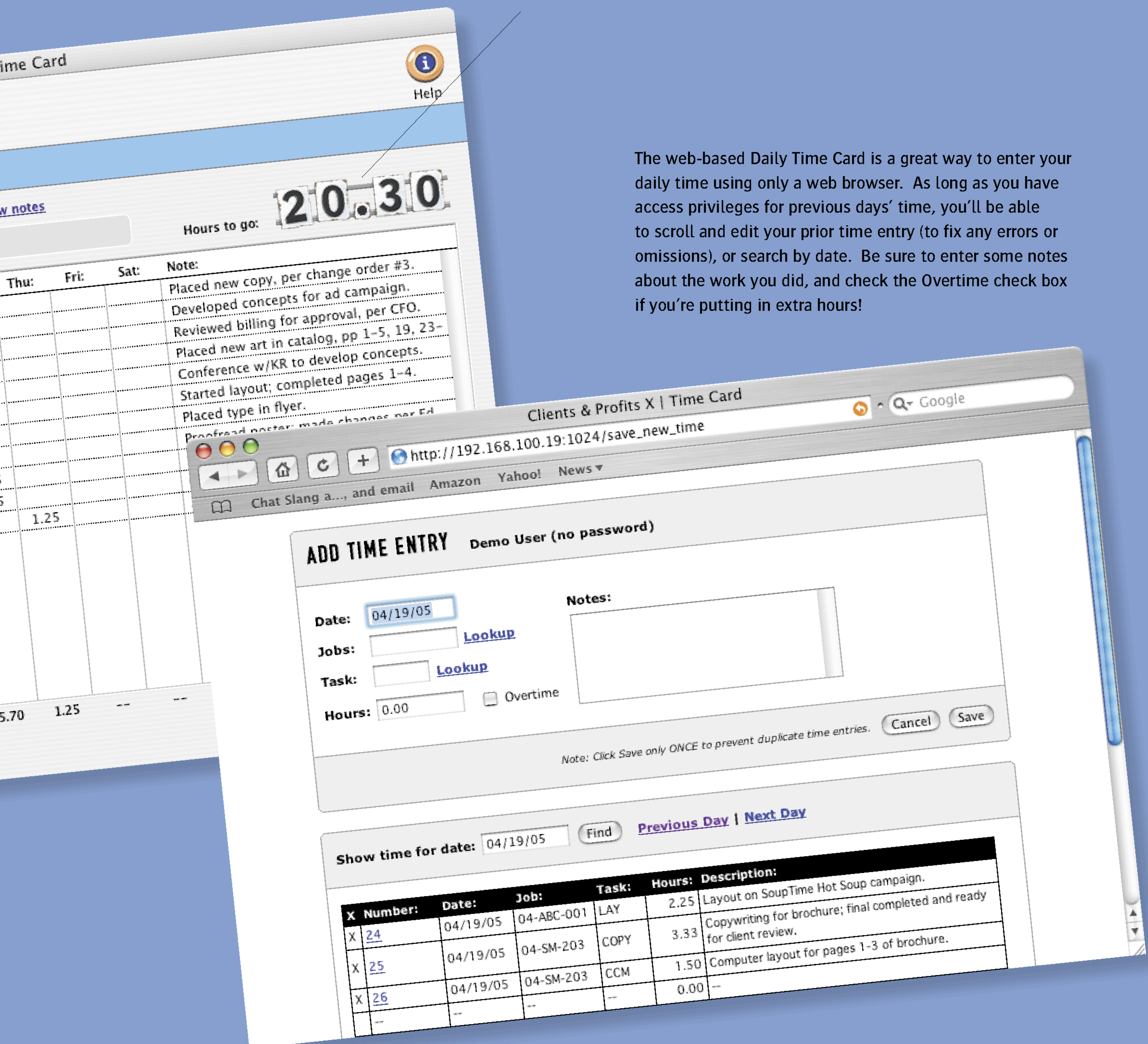
So how many hours have you worked today? The daily hours are totaled at the bottom of each hours column to help you track how much time you've already accounted.

The Daily and Weekly time cards have many similar features, such as a "show my tasks" link to instantly list everything you're assigned to for the day or week, quick links to update job schedules and traffic, and field for adding task notes.

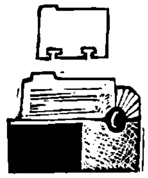
No matter which option you choose to enter time, you'll enter the job number, task code, hours worked, and a description of the work done. With job and task look up lists, you can easily assign hours to jobs.

Whether you're tracking your time daily or weekly, you can see how many hours you have left to account for with the hours scorecard. As long as you have planned hours set up, Clients & Profits will do the math to help you count down your hours to go.

The web-based Daily Time Card is a great way to enter your daily time using only a web browser. As long as you have access privileges for previous days' time, you'll be able to scroll and edit your prior time entry (to fix any errors or omissions), or search by date. Be sure to enter some notes about the work you did, and check the Overtime check box if you're putting in extra hours!



TIME TRACKING QUESTIONS AND ANSWERS



Q. What's the difference between a time card and a time sheet?

Time cards are completely accessible, yet tightly control what a staffer can see and do. When using a time card, a staffer can't add new tasks to a job nor see cost and billing rates. Plus a time card can display planned hours, which give a staffer a personal goal to meet. Time sheets are more flexible with the potential of displaying net and cost rates and amounts. They can also be added for any staffer in the shop if each person is not adding his or her own time. Because time sheets can be cloned, they are a great tool for administrative staffers who enter their own time (the same nearly every day) or if they are adding time for team members who have worked on the same job all day.

> Time sheets can be added if any person is not adding his or her time. Because time sheets can be cloned, they are a great tool for administrative staffers who enter their own time (the same nearly every day) or if they are adding time for team members who have worked on the same job all day.

Q. How do I track a freelancer's time?

When freelancers work on your clients' jobs, it's important to record the hours they work on the job, especially if you pay them by the hour. Setup the freelancer as both a staffer and a vendor. (Make sure to use a different staff and vendor code so they aren't confused with each other.) Enter only the hours and gross amount through time sheets for freelancers, independent consultants, or temporary agencies. Then add an A/P invoice to the job with only the net cost. The cost amount (from A/P) and the gross amount and hours (from time sheets) create a complete entry on the job ticket. Add cost notes to both transactions to identify them as belonging together.

Q. What about overtime?

Overtime rates for both cost and billable can be set up in the Staff file for each staffer. During time card entry, the overtime check box can be selected for each task. Overtime rates, if selected, will be used instead of regular rates. A special Overtime productivity report tracks overtime hours.

Q. Are time sheets and payroll related?

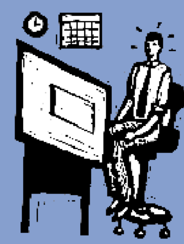
No. There isn't a connection between time sheets and payroll. You can either make payroll journal entries directly to the general ledger or purchase a payroll program called CheckMark Payroll by CheckMark Software (available directly from C&P at a special discount) that works with Clients & Profits software.

Q. Does time affect the financials?

Not directly. Entries made through time cards or time sheets have no effect on the general ledger. It's not until the time is billed through accounts receivable that it affects the general ledger and financial reports. Through the billing process, generally income accounts that will be credited by time's billable amount.

Q. Do I move time using job cost transfers?

Job cost transfers move only costs and gross amounts, but not the actual time entries. Editing the time entry is the correct way to "move" time, if needed. However, if time was added to the correct job ticket, but can't be billed from that job, use job cost transfer to move only the gross amount to another job ticket from which it could be billed. This transfer would make the original job less profitable because costs are on it that can't be billed. And the job that receives the gross amount would become more profitable when those gross costs are billed.



TIME KEEPING TIPS FROM REAL CLIENTS & PROFITS USERS

■ **Use status alerts** Status alerts keep time off jobs that aren't approved, on hold, or closed. Every production and billing status code can have its own warning. They can warn users (showing a custom warning message) or stop them altogether—forcing them to choose a different (and probably more appropriate) job. This way, users can't add time where it doesn't belong.

■ **Use budget alerts** If a time entry's hours are going to exceed the estimated hours for a job task, budget alerts can stop a user from going over the estimate. It's simple: users can't add too many hours to that task.

■ **Use lookup lists** Job and task lookup lists pop-up automatically whenever they're needed—just leave the job and task field empty, then press Tab.

■ **Use the stopwatch** The time card's stopwatch remembers when you start and stop working on a job task. It's easy: Open the Time Card, enter a job and task, then click the Start button. Finished? Click the Stop button. The elapsed time is entered on the time card automatically.

■ **Update job schedules and traffic** while entering your time It's way too easy to change a job's due date, status, or next steps if you have the user access—just click on the Schedule or Traffic button on the Time Card or Time Sheet window. A pop-up window shows the job's schedule or traffic details. Any changes you make are published for any other Clients & Profits user to see—instantly.

CREATIVES *CAN* DO TIME CARDS

By Mindy Williams

Why in the heck can't you get those wonderful creatives to add a time card? It's simple: they're boring. Think about what makes a great creative mind great: They're constantly exploring and experimenting. A time card just isn't interesting.

So the trick, is to motivate creatives to make them want to enter time. Here are a few tried-and-true tips from Clients & Profits users:

■ **Money matters**. If you pay by the hour, you've got a built-in motivator: no time card = no paycheck. But if your staffers are salaried, you might need to try make things uncomfortable for them. For example, Elaine Ucciferri, president of Harpell, turns off direct deposit, sending slackers to the COO for their paycheck. Another strategy is to incrementally ding staffers' year-end bonus for on-going delinquencies.

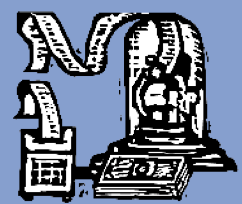
■ **Teamwork**. Once staffers know they are an integral part of the bottom line, they'll start pulling harder—especially when profit sharing is involved. "Our creative staff knows that if their time isn't input regularly, we can't bill for their work," says Lucia Mumm, controller at Full Circle! Creative.

■ **Bruised egos**. Enable the Time Cop in Clients & Profits, which sends automatic email to staffers (and their boss) when time cards go undone. Marry Beth Harris, the controller for Interactive Marketing Group, find that this creates enough embarrassment to keep missing time cards at bay.

■ **Rewards**. Who doesn't like free stuff? Try monthly drawings (every time card turned in becomes an entry) for a gift certificate for a great lunch or a massage. "In the course of a year, a couple hundred dollars spent—and the increased morale—are worth it," says Jim Morris of Horton Lantz & Low.

■ **Peer pressure**. Many shops have found time card success through corporate culture. Set the standard by having everyone, from the president down, complete a daily time card. Marketing Specifics requires their staffers to complete their daily time cards before leaving for the day. "Maybe I need to knock on wood or something," says Joan Barnes, the shop's controller, "but we require time cards to be filled out daily... and it works."

Mindy is a senior member of the Clients & Profits Helpdesk. She can be reached by e-mail at mindy@cnp-x.com.



6 REPORTS THAT KEEP TIME IN CHECK

Because time seems to slip away, here are a six of the favorites reports to help you keep track of where those hours are going.

Team Productivity by Staff — See how many hours each staffer is recording, and how many of those hours are billable. The report prints for a customizable time period and shows year-to-date totals.

Missing Time — If you set up your staffers in Clients & Profits to require accountability for weekly hours, then this is the report for you. It shows planned hours and hours to account for, so you'll always know who turned in their time, and who didn't.

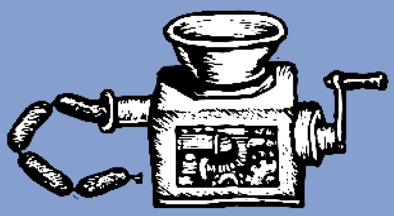
Unbillable Time Analysis — See how many hours each staffer worked, what the cost was, and what percent was unbillable. It's an unbeatable report to help rein in unbillable hours!

Time by Task — Want to know how many hours are worked by task? Then the Time by Task report is for you! Find out what jobs, staffers, costs, and billings went into each task. Similar—but equally useful reports—include Time by Staff, Time by Client, and Time by Client. Pick the ones that are best for you!

Monthly Client Time Summary — A great report to analyze the total hours worked by client, including the cost and billable totals, as well as the billable and overtime percentages. You'll see how many hours were allocated to each client, and who put in the hours, totalled by task.

Profit Center/Client Productivity — A partner report for the Monthly Client Time Summary, this report looks at total hours assigned to and billed by client, and percent of staff hour utilization. Like the Monthly Client Time Summary, this report helps you ID your best (and most profitable) clients.

COUNT THE HOURS (con't)



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president of Notovitz Communications. "That means lunch is a tracked time, personal time, if someone comes in late, everything. If they work more than 8 hours, it gets billed to a project." With every hour accounted for, you'll be able to see how much time goes into meetings, cleanup, and other miscellaneous tasks that aren't billable. It's the first step in finding ways to cut costs on unbillable time and leave more time to do billable work.

Next, you can set up alerts that keep estimated job tasks within their estimated hours by warning users as they approach time limits for a task. Status code alerts keep all time entries off of jobs that have not yet been approved, are on hold, or are closed.

"Clients & Profits keeps track of all the costs that go into a job and makes sure that we bill everything," Joe says. "Everybody in the office is continuously entering time and expenses, updating job tickets with things that have happened so when it comes time to bill the job, not a penny goes uncollected."

See where the time goes

Flexible productivity reports allow for clear analysis of billable vs. unbillable time; planned hours vs. actual hours; and billable time by job, task, or staffer. Detailed job reports show, task by task, estimated hours vs. actual hours.

Easily print meaningful reports sorted many different ways to find out how a job is progressing and if everything that needs to be done is getting done. After working in the database for a period of time, you'll have historical information accessible that can help in your planning for new jobs that are similar to old jobs.

"Everyone enters details when they enter time," Joe says. "At the end of a project, when I print out task cost reports, I can see who did what and how long it took. If I need to, I can go back to the staff and find out why they spent so much time on something, and I can also show it to client in case they question invoice."

The reasons to track time can be summed up in one word: success. By tracking staffers' time, you'll be able to better manage their work, the jobs, and costs. By letting them enter their own time, they'll be empowered to think creatively while keeping costs in mind. "My staff knows that there are limitations as far as time and money," Joe says. "They know they can't spend what ever they want to on a job" so they find creative solutions quickly.

Successfully tracking and managing time will benefit your shop, your staff, and your clients. Success all the way around. Isn't that the way it should be?!

Judy Hector is the Clients & Profits marketing coordinator. She can be reached at judith@cnp-x.com.

CLIENTS & PROFITS is job production and accounting software designed especially for creative businesses. Since 1986, more advertising agencies have chosen Clients & Profits over any other agency management software for Windows and Macintosh. Over 3,000 ad agencies, graphic design firms, and corporate marketing departments use Clients & Profits to track jobs, costs, and billings every day. For more information, send E-mail to sales@clientsandprofits.com.

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