

How Timesheets Improve Project Costing at Optimization Group



Industry

Consulting, Professional Services

Headquarters

Ann Arbor, Michigan

Replicon Solutions

TimeBill, TimeAttend and WebExpense

Benefits

Using Replicon since 2007, Optimization Group has streamlined its time-tracking methods and significantly improved its ability to estimate project costs.

- ▶ Reduced paperwork and time spent on timesheet management
- ▶ Improved allocation of resources
- ▶ Significantly increased the quality of collected project data, such as time and costs
- ▶ Better visibility into projects has resulted in more accurate project costing and budgeting
- ▶ Enhanced ability to forecast profit margins on each project

Company Profile

Optimization Group is a marketing analytics firm that helps businesses measure the results of their marketing and maximize their ROI. Headquartered in Ann Arbor, Michigan, the company employs a network of professionals in cities throughout the United States, in addition to its in-house staff.

Optimization Group works with Fortune 1000 companies, such as Hewlett Packard, United States Post Office and Goodyear Tire & Rubber Company, often in concert with their advertising and promotion agencies. Combining its proprietary analytics systems with comprehensive market research services, the company helps its clients optimize both their marketing message and investment.

The Challenge

As experts in measuring ROI and maximizing budgets for its clients, Optimization Group needed an efficient way to optimize its own time-tracking and project-costing methods.

Before the company began using Replicon's TimeBill and TimeAttend in March 2007, it had no centralized system for tracking time and expenses, despite being a mostly decentralized organization with many staff members working across the United States. Excel spreadsheets were used to track time and expenses, which were collected individually from each person. This collection process alone proved to be very time-intensive for its accounting team. Each piece of data needed to be hand-collected or sent by e-mail. Everything was done manually. And as the company grew, it became increasingly difficult to manage this information without a consistent, streamlined process.

On a broader level, Optimization Group did not have a clear picture of exactly how much their projects were costing them. Consequently, it was difficult to measure profit margins on a project-to-project level, especially when many projects consisted of multiple phases, each with its own unique expenses and time commitments.

In turn, pricing new projects also became a challenge. Being unable to closely compare the time and costs associated with previous projects, Optimization Group could not accurately forecast what future projects might cost. The company was committed to setting competitive pricing for its clients. But without clear data on previous costs, it was difficult to estimate the profitability of these new projects - let alone the profitability of each individual project component.

The Solution

Because Optimization Group works on a project basis with the vast majority of its clients, being able to understand the cost of each individual project was critical. Plus, tracking staff time and expenses manually was becoming very inefficient and burdensome. To resolve these issues, the company began looking at web-based time-tracking solutions so that it would no longer have to hand-collect data individually.

“With Replicon, we’re clearly making better decisions in terms of allocating resources, job costing and setting job pricing as we take on new projects.”

Jeff Ewald, Founder & CEO, Optimization Group Inc.

About Replicon

Replicon is the leading provider of cloud-based time sheet software with over 1.5 million users in 70 countries.

For over 15 years, Replicon has empowered thousands of companies of all sizes to increase their productivity and profitability by providing hassle-free time and expense management capabilities and superior customer service.

Our growing suite of fully integrated applications provides a complete solution for any time tracking need including professional services, IT chargebacks, project costing, time & attendance, time off and more.

The company reviewed several options and found that Replicon was a perfect fit. “Replicon was the best price and value at the time, and we have not had a reason to change from it since,” said Jim Kenyon, Director of IT Services and Operations at Optimization Group.

The staff transition to TimeBill was quick and simple, requiring only one short training session. “It’s straightforward and intuitive. Our accounting manager, who’s using the system for hours a day, was able to do it all with no training and just a little bit of online help.” Kenyon said. “You know the designers of TimeBill paid attention to the core functionality right up front. Technology should be something you don’t even realize that you’re using. Replicon has that one figured out.”

Optimization Group originally chose the self-hosted version of Replicon, but switched to SaaS in May 2010, ultimately cutting costs by eliminating the need to maintain and upgrade their system. The process took less than a day, without any hiccups.

“This was hands down the most seamless transition I’ve had moving from a premise-based system to hosted, really from any software.” Kenyon said. “It was just painless. There were just two or three steps I had to do and that was it. I used to work for a payroll provider and we also did time and attendance software, and I can tell you that they have nothing that works this way.”

Today, all staff at Optimization Group use TimeBill, TimeAttend and WebExpense enabling the company to streamline its time-tracking, set automatic staff reminders for submitting time, compare project time and costs side by side, scan and attach receipts and run quick expense reports.

The Results

Improved Visibility of Project Costs

With Replicon’s solutions, Optimization Group can now see exactly how many hours are being spent on each project. Individual components of a project can be analyzed and stacked up against others for comparison. In turn, the company is able to see which projects are costing them money, how much variability there is between particular kinds of projects and exactly where the costs are coming from.

More Accurate Project Estimates

Having more accurate data on time and expenses has allowed the company to create better estimates of future project costs. It can now base its pricing directly on the reports it generates with TimeBill. “If you see a new project come in and it looks a lot like another project, you can get a very good breakdown on the hours spent.” said Kenyon. “Over time we have built up enough history where you can say, ‘Okay, this looks like these other projects; where were the hours spent? How are they different?’ We use that data to improve our bid costs.”

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Jim Kenyon, Director of IT Services & Operations, Optimization Group Inc.

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Increased Profitability on New Projects

By improving project costing, Optimization Group has been able to make more informed decisions on pricing that have led to better profit margins. Even when trying to maintain competitive pricing for its clients, the company has been able to increase profitability of certain project components by reducing time spent in those areas.

“Our staff has become better at looking at the historical record and basing their pricing decisions and recommendations on real, accurate track records.” said Jeff Ewald, founder and CEO of the company. “We can establish exactly what the budgets are and what our margins are moving forward.”

Increased Time-Tracking Efficiency

Optimization Group has significantly cut down on the time it spends collecting data from its staff. The company has eliminated both paperwork and its inefficient collection process, saving valuable time throughout the organization. According to Ewald, “It’s been a significant improvement in the project data that we can manage our business with, at a very low cost. We’re getting the data at a lower cost per end-user.”

Better Allocation of Resources

Accounting staff at Optimization Group have greatly reduced their time spent on timesheet management every week. They are spending less time collecting and entering data and spending more time on analysis, leading to better business decisions.

Want to try it for your business?

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