



Celayix Software
Workforce Management Solutions

Workforce Management Software: Realize your Potential

Whitepaper



How Workforce Management Software Saves Time

Managing an organizations workforce scheduling and availability starts out as a simple task of managing the small number of initial employees using spreadsheets and emails.. However, as the business grows and the number of employees increases, scheduling and availability begins to take up more and more time. To help the owner/partner typically organizations will move to hiring an individual whose responsibility it becomes to manage employee scheduling and availability. This job includes accepting employee availability, creating a schedule and then communicating it out to the workforce. However, the scheduler responsibility is usually one part of the overall duties this new role will be responsible for with the ultimate goal of allowing the owner to focus on growing the business. In addition to creating the schedule, there is additional complexity as employees call in sick, show up late, and gathering the necessary info for payroll. This causes this new role to quickly become a full time scheduler role. It's very easy to see that an important component of any organization,

especially a growing organization, is having accurate scheduling ensuring that you retain employees for as long as possible and have them grow into more senior roles rather than spending unnecessary time training new employees. Managing employee schedules can be a time-consuming and tedious necessary process that significantly impacts how management and staff operate.

Online workforce management software is instrumental in automating the scheduling process and freeing up staff time so that focus can be put on more important responsibilities. In addition to the software allowing individuals to self-schedule their own shifts if needed, an online scheduling and availability system can also automatically send out notifications, collect availability, maintain and store employee information (contact, qualifications, etc.), allowing employees to see their schedule in-app or via the web and much more.



What can you Measure

Before an organization can make a decision to move to an online workforce management solution, it must determine if there is a problem. What are some of the questions that should be asked and items that could be measured?

How is communication done with employees?

A large amount of time can be spent communicating shift details, changes and availability in non-ideal formats. If this is the case, there are automated tools available to reduce the time spent communicating this info.

Does scheduling take longer than it should? Do changes to employee availability cause pain to rework the schedule?

When an organization is small, the time spent on scheduling is relatively small. However, as it gets larger, scheduling becomes much more complex requiring capturing availability, keeping track of qualifications, and ensuring shifts are allocated properly based on company rules and government regulations (i.e. - overtime or qualifications). The time spent does not necessarily increase linearly. As you hire more people, the interrelationships increase including contacting employees with new and updated schedules as well as quickly filling shifts when there are last minute changes.

How is communication done with employees?

If turnover is higher than expected, companies need to understand why employees are not staying. There may be a feeling they are not getting enough shifts, maybe they feel that communication is lacking or there is a lack of transparency. Remember that the cost of hiring and training a new employee can be anywhere from 20-50% of their annual salary meaning that it is very expensive and time consuming to bring in new team members.



Are you paying overtime?

Having employees work overtime can be very expensive for an organization. Although, in some situations it's unavoidable, a company needs to question why they are paying overtime. Is it due to not understanding demand? Is it due to not having enough qualified workers? Is it due to scheduling issues or employee availability? Once the problem is understood, solutions can be put in place to mitigate this cost.

How is attendance tracked?

Although some organizations have physical time capture devices used to track employee check-in/out and breaks, most organizations do not. In the case where there is not a time capture device, how is the data being captured? Are all employees showing up on time and staying for their whole shift?

When a company is small or only a single location, the problem can be managed. However, as the business grows, this becomes much more difficult. Customer contracts can be put at risk because employees show up late or don't show up at all. As well, employees get paid for hours not worked (often referred to as "time theft"). Though some organizations may move to physical time capture devices, with today's technology smartphone apps or web applications can allow your employees to check-in/out with ease allowing an organization to keep track of work time.



Our Methodology

Celayix Software's ROI calculator takes into account some of the common items that should be considered when choosing whether or not your organization should invest in software. This section highlights and explains the items used in the calculation.

The ROI formula:

$$\text{ROI} = ((\text{Average Payroll for year} * \text{Average Savings}) \text{ less Software Cost}) / \text{Software Cost}$$

| Percentage Payroll Performance Parameters* | Assumption |
|---|------------|
| Average time taken per employee to fill in a weekly timesheet | 7 minutes |
| Average time taken by manager to review each weekly timesheet* (Time spent reviewing, deciphering and confirming timesheets) | 4 minutes |
| Time by Managers to reconcile, audit & process timesheets/week | 12 hrs/wk |
| Daily "lost time" in minutes for an employee | 6 minutes |
| Human error rate in manual timesheets | 3% |
| Buddy punching Occurs when an employee is logged or punched in by one of their colleagues | 2% |
| Overtime as a percentage of payroll | 3% |

*<http://legacy.americanpayroll.org/pdfs/pt11e/e1111.PDF>



The parameters for input when using the ROI calculator are:

- **Number of employees**
- **Average Hourly Pay Rate**

The additional parameters and assumptions made behind the scenes are in the table below. On average these costs equate to 8-10% of payroll. We have used a conservative number of 5% for these items as the input for Average Savings in the ROI calculation which is the minimum amount that a company is expected to save using Celayix.

| Calculation Example | | Raw Inputs |
|---------------------|---|---------------|
| A | Number of Employees | 100 |
| B | Average hourly Pay Rate | \$12 |
| C | Payroll per Year (average) $(A*B*D*52 \text{ weeks}*(1+E))$ | \$2.25m |
| D | Average Hours worked per week | 30 |
| E | Average Payroll overhead (percent) | 20% |
| F | Estimate software cost per employee per month** | 5 |
| G | Annualized software cost $(A*F*12 \text{ months})$ | \$6,000 |
| H | Annualized savings percentage using Celayix | 5% |
| I | Net Annual Savings using Celayix $(C*H-G)$ | \$106,000 |
| J | ROI (I/G) | 1,750% |



Additional Items

Some additional items that could be considered but are currently not in the calculation of the ROI include:

- + Reduced manager turnover due to reduced stress from managing schedules
- + Reduced Grievance Costs as it's an automated solution that will pick people according to the rules specified
- + Reduced overstaffing costs due to management of no-shows
- + Tracking team member performance through the historical data that is generated
- + Improved team member morale



Conclusion

Advancements in technology have made it much easier to find affordable and effective scheduling solutions. Today's software applications make it easy for companies to get started and easily scale the business leaving no excuse for not having accurate and efficient workforce management processes in place. Online workforce management solutions make it simple and convenient for companies to create schedules and communicate with their employees providing information as it becomes available. In fact, solutions have been extended to where employees can be self-sufficient and do their own scheduling, and maintain their employee records. This allows company leaders to reallocate these resources to other, more productive areas and focus on growing the business. With today's technology there is no excuse for not automating, streamlining and improving the way tedious and burdensome tasks are managed.

Celayix Software delivers a powerful suite of workforce management tools, including employee scheduling software, time & attendance and employee communication for customers from various industries. Our solutions are designed to meet the needs of small and medium businesses while addressing the complexity of enterprise organizations.



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