

# SAVINGS

## Are you paying too much for labor?

Staying competitive today requires companies to find new ways to drive revenues and profitability.

### Manual vs. Automated Timekeeping

**Question:** Is your company taking the time to handle, approve, and total each employee's time card or can it be done in a matter of seconds?

**Question:** Do your employees write down their punch times, giving their best approximation for in and out times, or does your system track the very minute your employees clock in and out?

**Question:** Is your company vulnerable to human error when calculating one of your greatest expenses, labor costs, or is your system instant, error-free, and automated?

**Question:** Could you significantly reduce your cost of labor?



One of your most significant expenses is your labor cost; however, it is also one that is most easily controlled. Are you tracking your dollars and labor minutes?

If not, you're likely paying thousands extra in unnecessary wages.

### CASE # 1 - Wasted Labor Minutes

Did you know that just 15 employees receiving pay for merely 4 minutes of "wasted" time per day [untracked breaks, extended lunches, over-approximated punch times, etc.] will total 1380 minutes [23 hours] of additional pay per month?

**The Cost:** If your average pay rate is \$10.00 per hour, then you pay an extra \$230.00 each month for labor worked.

### CASE # 2 - Human Error

The American Payroll Association estimates that the rate of human error in time card preparation is between 1% and 8%.

**The Cost:** Therefore, a conservative 2% human error rate on a \$12,000 payroll would equal \$240.00 in erroneous wages paid per pay period. Moreover, the cost to re-issue correct payroll amounts (if the error is detected and reported) further increases your cost of human error.

### CASE # 3 - Manual Time Card Preparation

The average payroll clerk spends 7 minutes per time card each pay period:

- >> Preparing and handling time cards
- >> Computing time card totals
- >> Verifying time card totals
- >> Computing shift and department totals
- >> Reconstructing lost or damaged time cards

**The Cost:** Preparing 100 time cards will take an estimated 11.67 hours to complete. Therefore, at an average clerical wage of \$15.00 per hour, time card preparation would cost \$175.05 per pay period.

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