

SMALL BUSINESS COMES IN FROM THE COLD



AUTOMATED TIME AND ATTENDANCE SOFTWARE TARGETS SMALLER COMPANIES

When time and attendance software was introduced to the Canadian market in the early 1980s, small businesses generally were left out of this technology loop. The new solution proved cost-efficient mainly for companies with more than 100 employees. Considering over 90 percent of Canadian businesses employ less than 100 employees, smaller businesses could not justify the cost to implement an automated time and attendance system and most continued to use manual methods of collecting employee data.

As well, the more intimate nature of a smaller business seemed at odds with the rigidity and impersonal nature of an automated system.

However, in the past five years, as technology has evolved and matured, prices have decreased and new time and attendance options have arrived on the market for small business. Previous resistance to badge swipe technology has diminished as workers lives become more automated in general.



INEXPENSIVE OPTIONS NOW AVAILABLE

As the demands of the workforce increase and companies are forced to maintain leaner staffing resources, more and more small businesses are looking to automated solutions like time and attendance to increase staff capabilities. Businesses that have been using mechanical time clocks for years are now seeking "lite" or inexpensive PC-based solutions to interface with in-house payroll packages or bank payroll software.

Companies in Canada now offer a "complete package" specifically designed for small business. Usually, this "turnkey" package includes software, a clock, and badges.

Some of the packages are marketed as self-installable, while other companies with local representation provide installation services.

Recognizing small businesses do not have as much flexibility as their larger colleagues in freeing staff to work on technology installations and training, some vendors selling these solutions claim that they can set-up, install and train within several hours, which means that a company could be completely automated within half a day.



MAKING THE CASE TO AUTOMATE

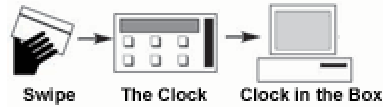
Small businesses face unique cultural differences that enhance the value of an automated time and attendance system.

Regardless of company size, most controllers would agree about difficulties in tracking employee lateness, absenteeism, vacations, and overtime without an automated system. In smaller companies, however, where the environment is "one big family", office managers may feel uncomfortable in enforcing company pay rules. As they may juggle a multitude of tasks, historical tracking and reporting may become less of a priority.

Once a small business analyzes its current payroll costs, it can easily cost justify an automated system, since packages can be leased for as low as \$15.00 per week. More control, minimal additional hardware and expanded reporting capabilities are often top of mind.

Increasingly, companies are rightfully concerned about "time theft". Five minutes of lost time per day of a company of 25 employees can tally to \$10,000 and up per year.

An automated time and attendance system can include pay rules specific to company policies to reduce confrontation. It can expand the capacity of limited payroll and human resources staff to ensure priorities and deadlines are not missed, data is collected, payrolls are run and compliance requirements are maintained.



For most companies, the introduction of an automated time and attendance system will not mean much additional computer hardware. With Year 2000 fast approaching, many small businesses have had to upgrade their computers and are now operating on fairly standard computer platforms. With an automated system, a company not only reaps the benefit of saving processing time, but also produces valuable information which it probably never had time to create in the past. Besides producing payroll total reports, most software enables users to store employee personal information and generate historical absence reports.



COST JUSTIFYING YOUR DECISION

Some vendors offer potential clients demonstration software to perform a Cost Justification Analysis specific to a company. The software makes calculations in relation to the number of employees, average wage, etc.

When reviewing current payroll costs, companies should consider the following factors:

- Time spent by payroll on time card preparation
- Time spent by supervisors in distributing, monitoring and gathering time cards
- Time spent by supervisors and payroll in calculating card data
- Time card calculation errors
- Cost of time cards and punch clock
- Time spent correcting pay cheques
- Untrackable time lost by employees (e.g. late arrivals, friends punching in for each other)

Recently, O-Two Systems International Inc, which manufactures and distributes resuscitation and breathing devices, automated its time and attendance system and implemented ITR's new "Clock in the Box" Lite Solution. Employees of the Mississauga, Ontario-based company use swipe badges in place of traditional time cards, eliminating payroll errors and reducing payroll preparation time.





WHAT TO LOOK FOR

Companies researching "lite" time and attendance solutions should take careful note of the software's capabilities. Although a company may not employ many workers, its actual pay rules could still be fairly complex. Small businesses in Canada find that much of the software available via mail-order through the US is too simplistic for Canadian companies.



Over 90% of Canadian Businesses employ less than 50 employees.

The rate of time and attendance automation is rapidly increasing in Canada.

ITR's Lite Time & Attendance Product Manager, David Bibic states "sales of small systems are increasing at 30% per year for our company."

In selecting a solution, it is important to look for a vendor that:

- Periodically surveys the payroll rules of their clients to stay on top of workplace trends.
- Stays up-to-date with Canadian federal and provincial legislative requirements.
- Provides interfacing capabilities with other payroll software. Buyers should confirm that the new software or vendor offers this component or service.
- Provides local support. A 1-800 Help Line should be available and depot or preferably on-site service for hardware problems.

DECLINING RESISTANCE TO BADGE SWIPE SYSTEMS

In addition to cost barriers, cultural resistance to the earlier "big brother" image of badge swipe systems is declining. As employees are forced to use bank, credit, and debit cards in their everyday personal life, they have become much more accepting of the same type of technology in the work place, especially when it means getting rid of bothersome time cards.

It is not difficult to make a case to automate time and attendance. The initial investment of cost analysis will soon reap the rewards of increased reporting capabilities, convenience and cost savings.

