

9

Managing Time



Highlights:

- Find out what tools can help you record your time.
- See the important differences between billable and non-billable time.
- Examine the many kinds of information your timesheets can provide.
- Learn to use your timesheets as an essential management tool.

Exhibit 9.1 Adman Gosselin Given Two-Year Jail Term

On November 20, 2009, an advertising firm president and one-time journalist, Gilles-André Gosselin, was given a two-year jail term because he had frequently charged his client, the Canadian federal government, for more than 24 hours of work in a single day. Over a four-year period he defrauded taxpayers of \$655,000.

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Now bankrupt, he pled guilty. “I’m sorry, I apologize,” he said in tears, unable to add anything else as he was led sobbing from the courtroom. While he suffered from depression, heart problems, and sleep apnea, the judge was unsympathetic, commenting that he had been well aware that he was committing fraud.

(Daniel Leblanc. *The Globe and Mail*. November 21, 2009.)

The object lesson provided by Gosselin’s experience may be an extreme case, but keeping track of your time is critical for any consultant. If research and evaluation service is what you sell, time is the unit of measurement you use to track it. Even if you don’t choose to use your daily rate for billing purposes (see Chapter 8), you still need to track your time for internal monitoring. As Gray (2008) points out,

Accurate time records are extremely important to ensure that clients are promptly charged and that you have accounted for all the billable time expended. . . . Time records also reflect the expenditure of time for the benefit received, and whether or not your efficiency and profit are improving or [if] certain activities or clients should be reconsidered. (p. 86)

If you do have a dispute with a client over time expended, accurate records could make the difference between winning and losing a law suit (and likely your business). Gray believes that the odds are in favor of you having to provide such evidence at some point in your consulting career.

❖ RECORDING TIME

So how do you record your time? It is easy to forget what you did this morning, let alone yesterday, so here are some tools that may help.

A Day Book

Whether electronic or paper based, you need a day book or daily calendar with you at all times. Because you will be recording your time for the rest of your consulting life, scraps of paper are not sufficient.

You need an enduring record of your activities. So for example, I have a box of old day books in my storage locker. I could easily tell you what I was doing on September 16, 2005. So far I have not had to provide this type of evidence, but I have still used this information in many other ways.

Think in terms of quarter-hour segments. Every time you change your activity, record the time spent for that specific project in your day book. Do it immediately. If you spend eight minutes on one project and seven on another, assign the time to the first project; over time it will even out for the second project. Don't leave your desk at the end of the day without making sure that you have documented all your activities in your day book.

A typical day might look as shown in Exhibit 9.2.

<i>Time</i>	<i>Activity</i>	<i>Hours</i>
8:30–9:00	Office administration	.50
9:00–10:30	Client meeting (conference call) (Project 1)	1.50
10:30–10:45	Accounts (banking online)	.25
10:45–11:00	Marketing (phone call)	.25
11:00–12:00	Content analysis (Project 2)	1.00
	Lunch break	
1:00–3:30	Report preparation (Project 3)	2.50
3:30–5:00	Telephone interview (Project 2)	1.50
7:00–9:30	Travel (Project 1)	2.50

You can see that both billable and nonbillable time are recorded here. The habit of time tracking may be difficult to instill, but once it is there, it is hard to break. One of my former staff members told me that she still keeps track of her time many years later, it has simply become a habit. Be assured that the lawyers and accountants you know already track their time routinely. It is the way they calculate their bills, and it will be the way you will probably calculate yours.

A Spreadsheet Workbook

Although there are many time tracking software programs available, and you have the option of subscribing to an online tracking

program, a spreadsheet program with a workbook function is all you really need. For example, you can create two workbook masters, one for the first half of any given month and one for the second. This approach reflects the pay periods we selected in our office (i.e., two per month) but the half-month timesheet also provides a useful unit of analysis. It is easier to make course corrections in the second half of a single month rather than waiting until the end of the month. At that point you will find that you have a much bigger problem on your hands, and it will be harder to catch up or make significant changes.

Apart from the different dates (i.e., 1–15 and 16–31), the two masters are identical. At the beginning of each pay period, you copy the master into a new file and save it for the specific individual and period (e.g., Your Name—August 1–15, year). This way the master is available to be copied again next time.

Each workbook has three different kinds of sheets.

Billable Project Timesheet. The first sheet is the Billable Project Timesheet. You can make multiples of this sheet, one for each of your billable projects. The sheet has four sections.

1. General information includes the project name (using an acronym such as the CHHP Evaluation), the name of the individual whose time is being tracked, and the pay period (e.g., August 1–15).
2. A breakdown of project tasks mirrors the tasks outlined in your project proposal or work plan. In this way you can track the time expended on each of your planned activities.
3. A row is provided for each day in the pay period. At the end of the day, enter your total time worked per task, using the totals from your day book. It is easy to do this if you use your scroll bar and bring the row for today's date to the top of the screen. Daily totals in terms of hours are summed automatically at the end of the row and hours per task are summed at the bottom of the column.
4. The number of task hours is automatically divided by 8 (as 8 hours = 1 work day) to give you the total days worked on this project in this pay period. (See Exhibit 9.3.)

The timesheet tells the story of project activities during this period. In this example, 7.96 days were worked on the CHHP evaluation

Exhibit 9.3 Sample Billable Project Timesheet

<i>Billable Project:</i>					<i>Project 1. CHHP Evaluation</i>				
<i>Your name here:</i>					<i>Date: August 1–15, (year)</i>				
<i>Task:</i>	<i>Evaluability design</i>	<i>Interim Report preparation</i>	<i>Meetings</i>	<i>Data collection</i>	<i>Analysis</i>	<i>Final Report preparation</i>	<i>Communications & administration</i>	<i>Travel</i>	<i>Total</i>
<i>Date</i>									
1									
2					6.25	4.75			11.00
3					0.50	3.75			4.25
4						6.75	0.25		7.00
5							0.50		0.50
6						4.50			4.50
7									
8						3.25			3.25
9			2.00			3.75			5.75
10						4.00			4.00
11						6.25			6.25
12			2.25			4.75			7.00
13						6.25			6.25
14									
15						3.75			3.75
Total hours	0.00	0.00	4.25	0.00	6.75	51.75	0.75	0.00	63.50
Total days	0.00	0.00	0.53	0.00	0.84	6.47	0.09	0.00	7.94

project. The focus was on final report preparation, as the report was due at the end of August. You can see that many planned activities were already complete, and little time was spent on client meetings and administration. The project total rolls forward to the Summary Timesheet (see below).

Nonbillable Projects Timesheet. You just need one copy of the Nonbillable Project Timesheet for each pay period. It allows you to track all of your business-related activities that are not tied to specific projects. The sheet has four sections.

1. General information includes the name of the individual and the pay period.
2. A breakdown of nonbillable activities is provided under the general headings of Office Administration, Marketing, Service, and Professional Development. You can change the master sheet to reflect your current nonbillable activities.
3. A row is provided for each day in the pay period. At the end of the day you enter your total time worked per task. Your daily total is summed automatically at the end of the row, and hours per task are summed at the bottom of the column.
4. The number of task hours is automatically divided by 8 to give you the actual number of nonbillable days in this pay period. (See Exhibit 9.4.)

The story told by this timesheet is that very little nonbillable time was expended, due to the focus on the final report, although some administration, planning, accounting, office management, and volunteer tasks were completed. Overall, less than one day was spent on nonbillable activities during this period. The totals roll forward to the Summary Timesheet (see below).

Summary Timesheet. The Summary Timesheet is very important. You need one copy for each pay period. (See Exhibit 9.5.)

This sheet has five sections.

1. General information includes the name of the individual and the pay period.
2. Total time worked is compared to the calendar days available. As this sheet is for the first two weeks in August, there are only 9 working days, because the first Monday is a civic holiday. You

Exhibit 9.4 Sample Nonbillable Projects Timesheet

Your name here:							Date: August 1–15, (year)							
Task	Office Administration					Marketing		Service	Professional Development					Total
	Administration	Planning	Accounts	Personnel	Office management	Proposal preparation	Other marketing	Volunteer work	Courses/seminars	Conference attendance	Conference presentation	Technical reading	Article/publication	
Date														
1														
2	0.50				0.25									0.75
3								1.00						1.00
4	0.25													0.25
5	0.25							0.75						1.00
6														
7														
8	0.25													0.25
9	0.25													0.25
10	0.25													0.25
11	1.25													1.25
12	0.25													0.25
13	0.25													0.25
14														
15		1.00	1.00											2.00
Total hours	3.50	1.00	1.00	0.00	0.25	0.00	0.00	1.75	0.00	0.00	0.00	0.00	0.00	7.50
Total days	0.44	0.13	0.13	0.00	0.04	0.00	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.94

Exhibit 9.5 Sample Summary Timesheet

Name:		Date: August 1–15 (year)			
# Calendar working days	9.00				
Total time worked	9.93				
Difference/overtime	.93	Vacation:			
Brought forward	2.50	Total	# Taken to Date	# Taken this Month	Remaining
Total Accumulated Overtime	3.43	20	14	0	6
<i>Total Time on Nonbillable Projects:</i>					
		<i># Days</i>		<i>% of Total Time</i>	
Office management		0.72		0.07	
Marketing		0.00		0.00	
Service		0.22		0.02	
Professional development		0.00		0.00	
Total Nonbillable Time		0.94		0.09	
<i>Total Time on Billable Projects:</i>					
		<i># Days</i>		<i>% of Total Time</i>	
Project 1. CHHP Evaluation		7.94		0.81	
Project 2. CCT Consulting		0.00		0.00	
Project 3. PR Evaluation		0.49		0.05	
Project 4. ISHP Research Design		0.54		0.06	
Total Billable Time		8.97		0.91	

can see that 9.93 days were worked, although there were only 9 working days in the period, so some overtime was calculated. It was added to the overtime brought forward from the previous period to make an accumulated overtime total of 3.43 days.

3. The third section tracks vacation time. As this individual planned to have four weeks of vacation during the year, and as 14 days had already been used, there were six days left.
4. The totals from the Nonbillable Projects Timesheet are automatically brought forward to this section, and the proportion of nonbillable time expended compared to total time is calculated by category and overall.
5. The totals from each Billable Project Timesheet are also brought forward. Again, the proportion of total billable time worked compared to total time expended is calculated by project and overall.

❖ USING TIME RECORDS TO MEASURE YOUR EFFECTIVENESS

Recording your time is just the first step. You will find that your timesheets are an essential management tool that will help to sustain your business, increase your efficiency, assist in the preparation of new proposals, and increase your competitive edge.

Using Your Billable Time

Now you can link project totals to your billing system to prepare your monthly invoices. If you have staff or subcontractors working with you, their timesheets can be linked as well. In addition, their timesheets will be needed for your payroll and tax records.

The number of projects you have at any time will vary. A review of my timesheets over the last seven years shows that I have worked on between 3 and 10 projects at any one time. My recovery rate has hovered between 60% and 70%. When I had many projects on the go, I also had subcontractors or staff working with me, so the time I needed to spend on many of those projects was limited. I would often work less than one full day per period on each of those projects, and that was mainly in a supervisory role. Meanwhile, I would focus my attention on 2 to 3 of the projects and would do critical design work, maintain client contact, or write reports. Now that I work by myself, I never have more than four or five projects on the go at a time, but I still tend to focus on one or two projects in any given period.

In order to keep your work under control, you need to have your projects at different stages of development. In the natural course of things, because you tend to write one proposal at a time (which you may or may not win), work usually starts on a broken front, but sometimes it comes in bunches. A second factor to consider is project length. Some projects are three months long; some last three years. You need to balance project tasks so that different activities are happening in the same period; thus you can be waiting for data to be returned on one project while you are conducting interviews on another. My worst-case scenario would be to find myself writing two final reports at the same time. I know from experience that I could not divide my attention in this way, and so should this happen, I would hire someone to help me through this critical period.

Looking at Nonbillable Time

You need to set goals for your use of nonbillable time. In your first year, if you decided to have a recovery rate of 48%, that would leave 52% for nonbillable activities. You need to decide how much time to spend on marketing, administration, professional development, and volunteer work. With clear targets in mind, it is easier to make adjustments as you go. If you set 25% as your goal for marketing time, this only leaves 27% for the many other nonbillable activities. How much time can you afford to spend on office management? You need to plan, answer e-mails and correspondence, go to the bank, pay bills, and send invoices—there is always a lot to do. Perhaps you will wonder if you should engage in volunteer work during your first year. Nonbillable time can quickly eat into your project time, so watch it carefully.

Analyzing Recovery Rates

As we mentioned in Chapter 8, recovery rate refers to how much billable time you work compared to the total working days available. This productivity measure is an important data point to track over time. In our example, the recovery rate was unusually high at 90.6% due to focused efforts to complete a final report. It also occurred during the summer period, and, as many clients were away, several projects were on hold. Such a high rate would flag the fact that other business and marketing activities were being neglected. On the other hand, if the recovery rate were very low (say 30%), you would wonder what had

distracted you from billable work. By reviewing your use of time over several periods, you can see where adjustments need to be made. In the long term, you can determine if your recovery rate is increasing as your business gets established and less time is needed for nonbillable activities.

Comparing Planned and Actual Time

You will want to compare your actual time spent on a project with the estimates in your original proposal. To do this you can set up a spreadsheet for each project to compare your planned and actual use of time by project task. My colleague Kathryn Race (2007) has provided a sample spreadsheet of estimated time for a generic evaluation project; actual time would be added as tasks are completed. (See Exhibit 9.6.)

Exhibit 9.6 Estimated and Actual Project Time

<i>Major Task/ Responsibility</i>	<i>Estimated and Actual Time (Hours)</i>						
	<i>Smith- Est.</i>	<i>Smith- Act.</i>	<i>Brown- Est.</i>	<i>Brown- Act.</i>	<i>Jones- Est.</i>	<i>Jones- Act.</i>	<i>Total</i>
1.0 Project Management							
1.1 Finalize work plan for calendar year	8.0		0.0		0.0		8.0
1.2 Prepare monthly progress report	10.0		0.0		0.0		10.0
1.3 Maintain frequent contact with program staff via meetings, phone, & e-mails	6.0		0.0		0.0		6.0
Subtotal	24.0	0.0	0.0	0.0	0.0	0.0	24.0
2.0 Revise Program Model							
2.1 Meet with staff to identify key program changes	14.0		0.0		0.0		14.0
2.2 Review outcomes in light of program changes	8.0		0.0		0.0		8.0
2.3 Make final changes to program model Milestone #1	2.0		0.0		4.0		6.0
Subtotal	24	0.0	0.0	0.0	4.0	0.0	28.0

(Continued)

Exhibit 9.6 (Continued)

<i>Major Task/ Responsibility</i>	<i>Estimated and Actual Time (Hours)</i>						
	<i>Smith- Est.</i>	<i>Smith- Act.</i>	<i>Brown- Est.</i>	<i>Brown- Act.</i>	<i>Jones- Est.</i>	<i>Jones- Act.</i>	<i>Total</i>
3.1 Data entry, clean & verify data	4.0		6.0		8.0		18.0
3.2 Obtain attendance & demographic data	2.0		6.0		4.0		12.0
3.3 Conduct preliminary analysis	14.0		8.0		2.0		24.0
3.4 Finalize analysis	16.0		8.0		2.0		26.0
Subtotal	36.0	0.0	28.0	0.0	16.0	0.0	80.0
4.0 Prepare Final Evaluation Report/Conduct Briefing Meeting							
4.1 Draft body of report & appendices	30.0		8.0		8.0		46.0
4.2 Share draft report with key decision makers	2.0		0.0		0.0		2.0
4.3 Revise report	8.0		0.0		0.0		8.0
4.4 Submit final evaluation report	4.0		0.0		0.0		4.0
4.5 Present key findings to stakeholders Milestone #2	8.0		0.0		0.0		8.0
Subtotal	52.0	0.0	8.0	0.0	8.0	0.0	68.0
Project Total	136.0		36.0		28.0		200.0

Note: This is a template that has been created to demonstrate how this time management tool can be used. The estimated hours to complete tasks are entirely contrived. Adapted with permission from "Summary of Major Tasks: ACTUAL for 2007 Calendar Year" by K. Race, 2007. Retrieved from http://www.raceassociates.com/materials/consulting_skills_workshop_race.pdf

Overall, 200 hours or 25 days (200/8) were planned for this project. As bimonthly timesheets are completed, the Actual columns can be updated, and total time per task tracked closely. No project comes to completion exactly as planned, but it is important to see if any particular tasks are getting out of hand. When many staff members are involved, project management software can be used to keep track of time lines and tasks. These comparisons can also be graphed.

Sometimes the visual message received by seeing the “actual” task bars shoot up higher than the “planned” task bars is enough motivation for you to make the changes needed to bring your project in on time.

Planning Future Projects

Your timesheets provide a historical record of projects, so keep them for at least seven years. They are available proof of your firm’s activities, should you ever be audited. However, their real utility becomes apparent when you are working on a new proposal. While every project is different, some components are usually alike. For example, data collection, focus groups, travel, or report writing might be similar to tasks in past projects in some way. How long did it take you last time? What can you do differently to make the process more efficient? Can you make those changes? Is the budget adequate? Should you bid on this project at all? These and other questions run through your mind as you look at future work. Your old timesheets can show you the way, so start tracking now.

Increasing Your Productivity

You can use your analysis of time to increase your productivity and profitability, and in this way, as Stalk (1988) suggests, use time as a strategic weapon to increase your competitive edge. By studying the time used to complete your work, you can identify where hold-ups are occurring and decide how to reduce delays. For example, report preparation could be taking too long because of poor computer speed, old software, inefficient file and data management, or slow client feedback. What can you do to address these issues?

You can also increase your innovation. For example, you may need a more rapid response to market requests. You could develop a proposal database, a flexible proposal template, or a proposal budget template. You could prewrite your biographical information and simply slot it into the proposal. On the other hand, you might determine that you need to improve your skills, and so you might take some courses in project management or database management. There are many ways to work smarter. Your timesheets are going to give you the evidence you need to make some changes.

Developing the time tracking habit will change the way you see your work. Although timesheets have very pragmatic roots, their use is limited only by your own imagination. If you are too busy to fill them

in, you will be too busy to study your own work. If you don't have time to understand your consulting practice, you won't be able to make improvements. And if you don't grow and develop your business, it may not last very long.

❖ USEFUL RESOURCES

- For information on timesheet software, see reviews at http://www.softwareshortlist.com/products/timesheet_software_reviews_feb2010.html

❖ DISCUSSION QUESTIONS AND ACTIVITIES

1. Create a timesheet in a spreadsheet program, and over the next week, keep track of the time spent on your current projects and other daily activities. Were you surprised that you spent more or less time on certain activities than you expected? Why do you think this is so?
2. Managing time is like managing any other resource. How can time tracking lead to efficiencies for the independent consultant? Why do you think people may try to avoid using this important business tool?
3. Create a spreadsheet using the information provided in Exhibit 9.6. Based on your best guess, fill in the "Actual" columns with the amount of time you estimate it will take Smith, Brown, and Jones to complete their work. Compare planned and actual times, and prepare a graph to illustrate the comparison. What did you learn from completing this exercise?

❖ REFERENCES

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