

**Businesses Run Better on
Kronos Workforce Ready**



**Workforce Management
KPIs That Matter**

Sponsored by



Kronos Workforce Ready Delivers Key Performance Improvements to Customers



Helping organizations manage their most valuable and strategic asset—the workforce

Small and mid-sized organizations have been among the chief beneficiaries of recent technological advances, led by cloud-based solutions that deliver sophisticated and easy-to-use applications at reasonable costs and with minimal IT involvement. One workforce management solution—Kronos Workforce Ready®—capitalizes on these and other technological advances. This comprehensive, integrated suite includes time and attendance, payroll, HR, scheduling and many other mix-and-match modules, and it is offered as an easy-to-use cloud-based service. Configured and priced to address the needs of organizations with about 2,500 or fewer employees, Workforce Ready has been helping thousands of organizations streamline processes, minimize compliance risks and increase workforce productivity since its debut in June 2012.



Still, thousands of organizations continue to struggle with a disjointed collection of processes and systems to manage their employees. Many of these legacy solutions are outdated (and often spreadsheet- or paper-centric), making them highly inefficient and error prone. When organizations deploy Workforce Ready, many see dramatic improvements across a range of key performance indicators (KPIs). **Customers interviewed by SMB Group cited many KPI improvements such as a 70%–80% reduction in payroll errors and time required to correct them, a 20%–85% reduction in time required to manage and control overtime and a 3%–5% increase in company profitability.**

SMB Group interviewed a variety of Kronos Workforce Ready customers to determine what drove them to deploy this solution, how they are using it and what benefits they have realized. The customers ranged in size from about 170 to 2,500 employees, and some had extremely complex payroll, scheduling and other workforce requirements. As detailed in this paper, all reported that Kronos Workforce Ready has made managing their workforce much more efficient and cost-effective.

Improved Results for Organizations Like Yours (1 of 4)

Potential Savings from Implementing Kronos Workforce Ready



 <p>Business Value</p>	Net Impact on Company Profitability	↑ Improved 3% - 5%
	Enable Company Growth with Same or Reduced Staff Resources	↑ Improved 20% - 40%
	Overall Company Productivity	↑ Improved 4% - 6%
 <p>Labor Cost Metrics</p>	Time Required for Pay Calculations	↓ Reduced 50% - 80%
	Rate of Pay Calculation Errors	↓ Reduced 70% - 80%
	Rate of Pay Input Errors (Missed Punches)	↓ Reduced 30% - 50%
	Correction Time Required for Pay Input Errors	↓ Reduced 25% - 35%

KPI improvements are estimates based on discussions with Kronos customers.

Improved Results for Organizations Like Yours (2 of 4)

Potential Savings from Implementing Kronos Workforce Ready



Labor Cost Metrics (continued)

Time Spent Creating and Updating Employee Schedules to Meet Service Levels



Reduced **80% - 95%**

Time Required to Manage and Control Overtime



Reduced **20% - 85%**

Timely and Accurate Time Sheet Submissions Online or via Mobile Devices



Improved **40% - 50%**

Utilization of Staff Resources



Improved **40% - 60%**

Costs Associated with Paper Tracking



Reduced **80% - 95%**

Time Required to Manage Unexpected Employee Absences



Reduced **60% - 80%**

Rate of Payroll Errors and Time Required to Correct



Reduced **60% - 80%**

KPI improvements are estimates based on discussions with Kronos customers.

Improved Results for Organizations Like Yours (3 of 4)

Potential Savings from Implementing Kronos Workforce Ready



 <p>Workforce Productivity Metrics</p>	Time Required to Compile Management Reports	↓ Reduced 50% - 80%
	Time Required to Track Employee Absences and Manage Time-Off Requests	↓ Reduced 2% - 4%
	Time Required for HR Administrative Tasks	↓ Reduced 25% - 35%
	Employee Satisfaction and Engagement	↑ Improved 30% - 50%
	Onboarding Productivity	↑ Improved 30% - 60%
 <p>Compliance Risk Metrics</p>	Time to Track and Manage FMLA Compliance	↓ Reduced 40% - 60%
	Time Required to Manage FLSA Compliance	↑ Improved 35% - 50%
	Time Required to Manage ACA Compliance	↓ Reduced 80% - 90%

KPI improvements are estimates based on discussions with Kronos customers.

Improved Results for Organizations Like Yours (4 of 4)

Potential Savings from Implementing Kronos Workforce Ready



IT Management and Resources

IT Costs



Reduced **20% - 30%**

Cost to Purchase and Maintain Servers



Reduced **100%**

Business Continuity/Disaster Recovery Costs



Reduced **50% - 75%**

KPI improvements are estimates based on discussions with Kronos customers.

Addressing Workforce Management Challenges

Aligning Your Organization to Meet These Challenges



Regardless of an organization's size, industry sector or operational model, it must hire, schedule, pay, review and otherwise manage an often diverse set of employees. Most large corporations, government agencies and educational institutions have used automated software solutions to manage their employees for some time. For the most part, however, these solutions have been too expensive, too complex and too demanding of IT resources for all but the biggest organizations and budgets.

Most mid-sized and smaller organizations have relied on spreadsheets, manual processes and a patchwork of disparate software packages to track employee time, generate payroll, meet regulatory compliance demands and perform other HR-related tasks. These methods are error-prone, inefficient and inflexible. Furthermore, they divert resources away from managing core business activities and can increase the risk of noncompliance with various labor regulations.

As organizations grow, such legacy solutions are unable to scale, and their failings can have significant negative impacts on an organization's operations. Manually intensive and non-integrated methods also lack the ability to give executives and managers the real-time workforce data they need to make informed decisions and to perform other critical job functions.

In recent years, the emergence of cloud-based subscription services has helped organizations access and afford more advanced software solutions. In fact, in its most recent list of Top 10 technology trends for small and mid-sized businesses, SMB Group's number one trend is "Cloud is the new IT infrastructure for SMBs."

The consultancy's research indicates that 92% of SMBs already use at least one cloud-based business solution.

Another SMB Group Top 10 trend is "SMBs opt for an incremental, integrated solutions approach." As noted by SMB Group, "Although 63% of SMBs have partially integrated some applications, 79% still rely on manual Excel file uploads or custom code for integration, which underscores the severity of the integration problem."

Kronos Workforce Ready is an example of the cloud and integrated solutions trends that enable smaller, growing organizations to automate their HR and payroll processes. With Workforce Ready, Kronos®—a leading provider of enterprise-class HR, timekeeping and payroll solutions for more than 35 years—has created a comprehensive, integrated suite of workforce management modules offered as a cloud-based subscription service. Although it delivers enterprise-grade capabilities, Workforce Ready has been designed to be easy to use and is priced to meet the needs and budgets of organizations with up to about 2,500 employees.

The cloud delivery model means customers can deploy the solution more rapidly and with less expense than an on-premise application; and then once they are up and running, they can rely on Kronos to manage and update the application and the infrastructure on which it runs. At the same time, the simple-to-use integrated suite makes it easy for customers to deploy whatever modules they need, to add new modules as necessary, and to configure the solution to address specific reporting and business process requirements.

KPI improvements are estimates based on discussions with Kronos customers.

Business Visibility and Agility

Business Value for Your Organization's Critical Business Issues



Before Kronos

With Kronos



Improved

net impact on company profitability
3% - 5%



Improved

enablement of company growth with same or reduced staff resources
20% - 40%



Improved

overall company productivity
4% - 6%

- Siloed applications and data provide an incomplete view of the business and employees
- Errors due to lack of automation and/or integration between applications

- Inability to quickly assess and adjust employee headcount and related aspects of a business in response to planning and company growth opportunities

- Difficulties in getting reports in a timely manner, often days after they are needed
- Lack of automated and integrated workforce management system impacts overall company productivity

- Significantly improved real-time visibility into all aspects of the business, allowing faster strategic decision making and continuous year-over-year improvements
- Much greater visibility into employee information with impact on company profitability

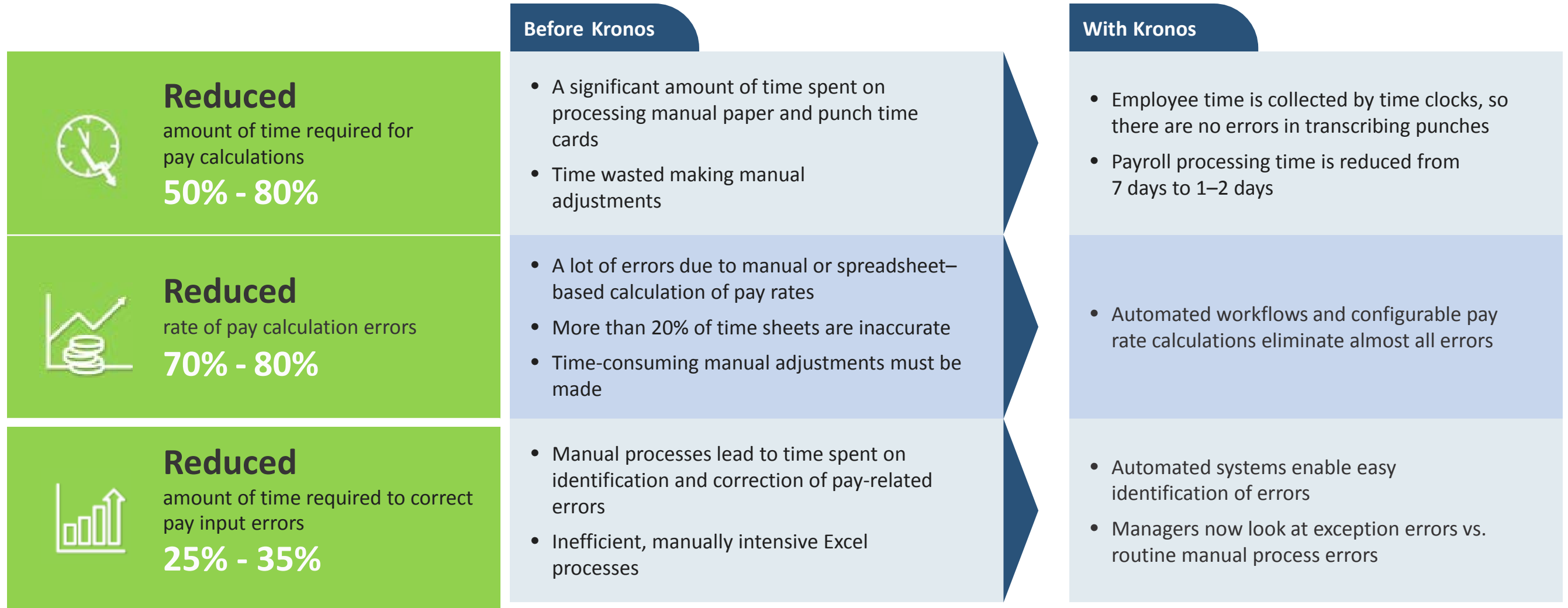
- Additional visibility into workforce details
- Significantly improved ability to scale and support company growth without adding staff

- A significant improvement in overall company productivity with an automated, real-time and integrated workforce management solution

KPI improvements are estimates based on discussions with Kronos customers.

Labor Cost Metrics (1 of 4)

Employee Resources Monitoring and Management Value



KPI improvements are estimates based on discussions with Kronos customers.

Labor Cost Metrics (2 of 4)

Employee Resources Monitoring and Management Value



Before Kronos

With Kronos



Reduced

rate of pay input errors
(missed punches)

30% - 50%

- Manual time cards are error-prone
- Missed punches are difficult and costly to track

- Time clocks collect accurate data, and the automated system tracks real-time information for time tracking and payroll



Reduced

amount of time spent creating
and updating employee
schedules to meet service levels

80% - 95%

- No visibility into or ability to track employee schedules
- Lack of ability to track and correct attendance issues

- Schedules and time cards are in the same system
- Automated attendance, tardiness reporting and corrective actions
- Scheduling the right employee at the right time



Reduced

amount of time
required to manage and
control overtime

20% - 85%

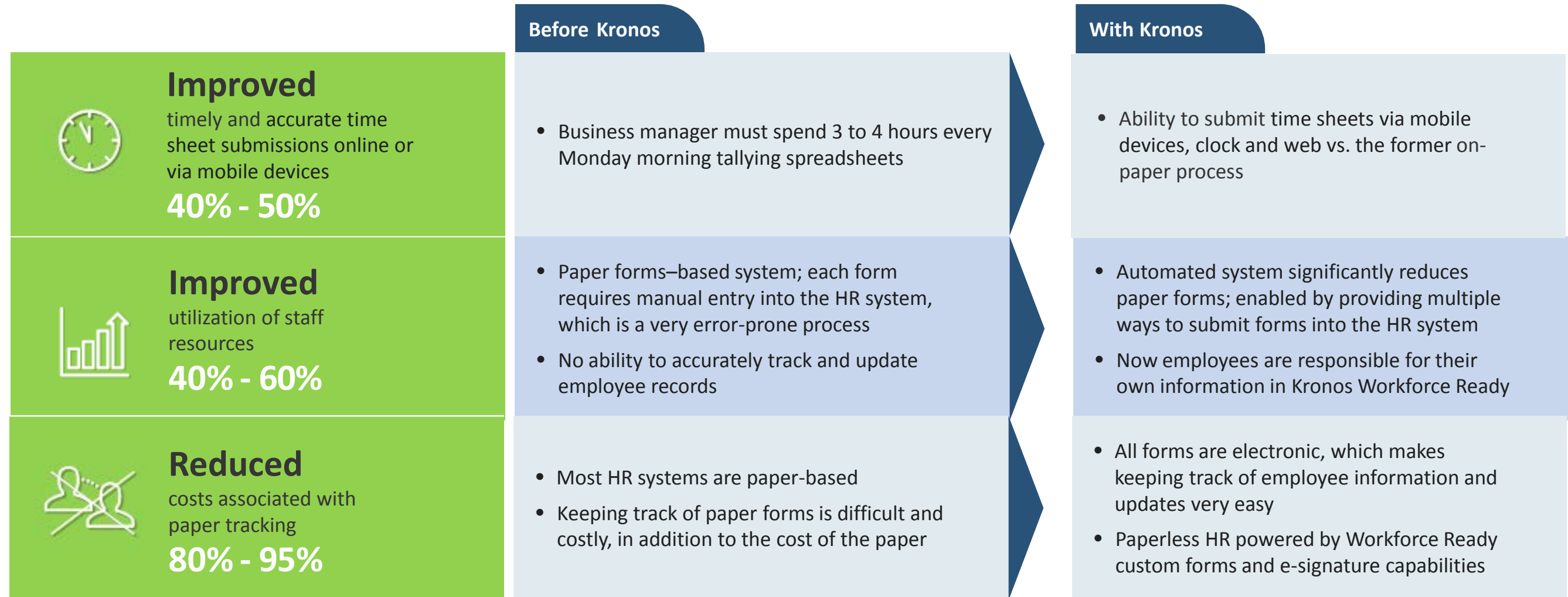
- Manual processes provide no visibility into hours worked to control overtime
- Employee scheduling issues

- Real-time visibility into hours worked; managers know who is approaching overtime via auto alerts
- Visibility into scheduling helps control overtime

KPI improvements are estimates based on discussions with Kronos customers.

Labor Cost Metrics (3 of 4)

Employee Resources Monitoring and Management Value



KPI improvements are estimates based on discussions with Kronos customers.

Labor Cost Metrics (4 of 4)

Employee Resources Monitoring and Management Value



Before Kronos

With Kronos



Reduced

amount of time required to manage unexpected employee absence

60% - 80%

- Manual process makes it difficult to monitor and manage employee absences, late arrivals/early departures, etc.
- Without automation, some of this process is subject to human interpretation

- Easy to monitor and manage employee absences and related scheduling issues and costs
- A significant reduction overall in absences and tardiness



Reduced

rate of payroll errors and time required to correct errors

60% - 80%

- Significant time and effort spent on identifying and correcting payroll errors

- Real-time capabilities enable the monitoring of all data related to payroll
- Companies now see significantly fewer payroll errors and spend less time correcting them



Reduced

payroll and leave inflation

Qualitative

- Paper requests getting lost, managers not entering requests, paper requests not getting to payroll, payroll not entering the requests
- Manual self-reporting leads to errors and payroll inflation (e.g., forgetting to enter a vacation day)

- Self-service capabilities enable employees to enter and track leave schedules
- Businesses have much better control over costs related to payroll, leave and inflation

KPI improvements are estimates based on discussions with Kronos customers.

Workforce Productivity Metrics (1 of 2)

Business Value from Workforce Tracking and Management



Before Kronos

With Kronos

	<p>Reduced amount of time required to compile management reports 50% - 80%</p>
	<p>Reduced amount of time required to track employee absences and manage time-off requests 2% - 4%</p>
	<p>Reduced amount of time required for HR administrative tasks 25% - 35%</p>

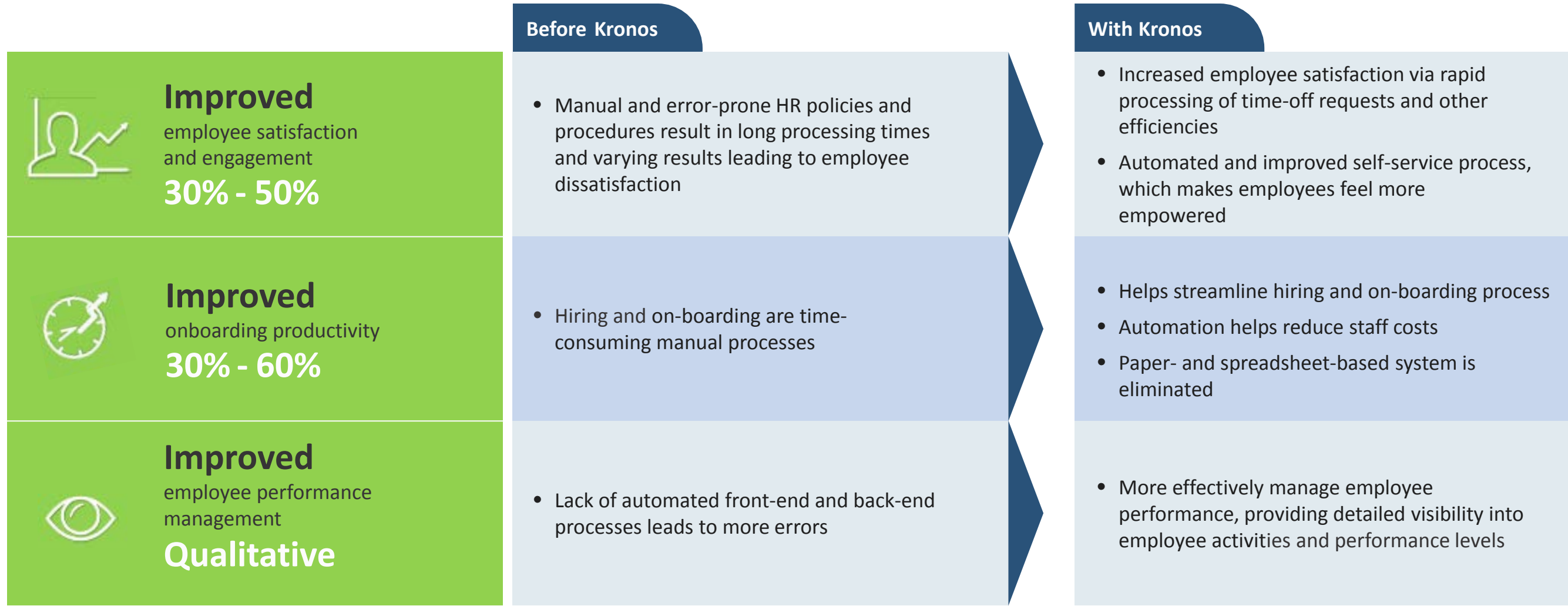
- Report compiling is mostly manual, time-consuming and error-prone
- Lack of real-time data prevents timely response to management and employees
- Paper requests often are lost; managers are not entering requests or sending them to payroll to enter
- Manual processes often lead to the high cost of unearned vacation
- Attendance violations slip through the cracks
- Manual processes lead to a lot of inefficiencies and errors related to paper-based systems
- A lot of time is wasted chasing employees to get the necessary forms, etc.

- Managers save valuable time and effort with the elimination of manual processes and automated policy application
- Effective communication is enabled between HR and the frontline managers, as well as managers and their staff
- Employee self-service helps employees keep accurate tabulation of earned vacation and year-over-year rollover vacation days
- Companies can better manage accruals and costs related to time off and vacations
- Dashboard and self-service help reduce routine administration time and enable HR staff to focus on more strategic initiatives

KPI improvements are estimates based on discussions with Kronos customers.

Workforce Productivity Metrics (2 of 2)

Business Value from Workforce Tracking and Management



KPI improvements are estimates based on discussions with Kronos customers.

Compliance Risk Metrics

Business Value from Compliance-Related Tracking and Management



Before Kronos

With Kronos



Reduced

amount of time to track and manage FMLA compliance

40% - 60%

- Lack of integrated solution and data lead to inefficiencies and FMLA or state leave policies being applied incorrectly
- Inconsistent and long response time to resolve employee issues

- Dashboards now provide full visibility into all employee-related metrics
- Ability to provide fast response to employee questions and resolve issues
- Ensure each employee is being treated fairly and equitably



Reduced

amount of time required to manage FLSA compliance

35% - 50%

- Paper-based or spreadsheet processes to track employee hours are time consuming and error-prone
- Lack of information leads to difficulties in enforcing company and compliance policies

- Reduction in data/reporting errors by establishing a single system of record and centralizing policy enforcement
- Support compliance with company policies, government regulations and union rules



Reduced

amount of time required to manage ACA compliance

80% - 90%

- Lack of early visibility (or in most cases, no visibility) into employee hours leads to higher healthcare coverage costs
- Difficulty in tracking part-time employee hours worked (especially if they work in different locations and job codes)

- Full visibility into employee hours and better control of healthcare costs
- Advanced visibility into when part-time employees would be migrated to full-time status based on their hours worked

KPI improvements are estimates based on discussions with Kronos customers.

IT Management and Resources

Business Value for Organizational Operations

	<p>Reduced IT costs 20% - 30%</p>
	<p>Reduced cost to purchase and maintain servers 100%</p>
	<p>Reduced business continuity/ disaster recovery costs 50% - 75%</p>

Before Kronos

- IT resources are needed to implement, maintain and update point solutions
- IT resources are needed to install and maintain server hardware and software
- Costs are related to separate point solutions

- Capital expenditure is required to acquire and maintain servers for on-premises applications
- Ongoing management and maintenance costs

- IT resources and infrastructure are needed to support business continuity/disaster recovery
- Implementation is complex and costly

With Kronos

- Cloud-based solutions eliminate need for internal IT staff to support on-premises applications and servers
- Faster to implement for productive use

- IT capital expenses are eliminated because Kronos has a cloud-delivered solution
- Greatly reduced ongoing management and operational costs
- Avoid upgrade costs

- Business continuity/disaster recovery are built-in benefits of the Kronos Workforce Ready SaaS solution
- Kronos has redundant data centers to support application and data availability at no additional cost to customers

KPI improvements are estimates based on discussions with Kronos customers.