

WHITE PAPER



Study Summary: Kronos InTouch Delivers Exceptional ROI for Employers



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EXECUTIVE SUMMARY

Employers have often relied on obsolete technology and processes to capture valuable information about their employees and the hours they work. But the Kronos InTouch® time clock is a touch-screen device that reshapes the way employees and managers interact with the workforce management system. In 2012, Kronos® commissioned International Data Corporation (IDC) to examine how InTouch is delivering financial benefits to employers. The IDC study showed that:

- InTouch provided an average return on investment of 537 percent
- The average payback period for employers using InTouch was less than five months after deployment
- InTouch allowed employers to save an average of \$59,250 per 100 users annually

A DILEMMA, AND OUTDATED SOLUTIONS

Despite advances in information technology and in workforce management solutions, the time clock — the fundamental tool for capturing valuable workforce data — has remained basically unchanged. Traditional clocks rely on physical buttons, small displays, and fixed user menus that limit the clocks' ability to collect or share labor information. Simply put, time clocks have not caught up with the times. Until now.

Alternatives to the traditional clock have usually been unworkable. Some employers still rely on manual, paper-based systems to collect time and attendance information, only to realize that they are inefficient and rife with error. Other employers have resorted to PC-based systems but discovered they offer little improvement. What's more, these systems require large costs and are practical only where employees have access to a computer.

Ultimately, employers have come to rely on time clocks because they are the most practical choice. But many clocks have remained limited by obsolete technology.

The Study Demographics

- IDC interviewed 10 Kronos InTouch users
- Companies had an average of 7,000 employees
- Diverse sampling of industries: food service, government, healthcare, manufacturing, and retail
- Participants had an average payroll of \$89.2 million
- Approximately half of participants' workforces rely upon the InTouch every day
- 40 percent had used paper-based systems prior to InTouch
- 60 percent had tried another time-capture device prior to InTouch

KRONOS INTOUCH: RESHAPING WORKFORCE MANAGEMENT

The Kronos InTouch is a touch-screen time clock that reshapes the way employees and managers interact with the workforce management system. With a 7-inch screen, a user-friendly interface, and the ability to read badges or even biometric identifications, InTouch makes time collection an interactive, highly efficient experience.

Besides streamlining data collection, InTouch integrates seamlessly with the workforce management system so that employees can easily perform other functions — such as checking on accruals, viewing schedules, or requesting time off. And managers can spend less time on administrative duties and more time on critical workforce tasks.

An independent assessment of InTouch

In the fall of 2012, Kronos commissioned IDC, a global provider of intelligence for technology markets, to independently analyze how InTouch is delivering financial benefits to employers.

IDC interviewed 10 Kronos Kronos InTouch users, with an average workforce of 7,000 employees, in diverse fields including food service, government, healthcare, manufacturing, and retail. The employers had an average payroll of \$89.2 million, and nearly half of their workforces clocked in each day using InTouch. Most of the companies surveyed had implemented InTouch within the past six months. Prior to that, 40 percent had used paper-based systems and 60 percent had tried another time-capture device.¹

The analysis followed a three-step methodology:

- A before-and-after assessment of the benefits, such as reduced costs and gains in productivity for users and IT staff
- A three-year profile of the total investment involved, including the expense of hardware, software, and staff time spent on installation, configuration, and maintenance
- A depreciated cash flow calculation of benefits and investments over the three-year period

¹ Randy Perry and Lisa Rowan, *Kronos InTouch: Simplifying and Lowering the Costs of Workforce Management* (International Data Corporation, 2013), 4. Sponsored by Kronos Incorporated.

IDC found that InTouch provided an “exceptional” three-year ROI of 537 percent, with an average payback period of 4.2 months after deployment.² Total savings for the employers added up to an average of **\$59,250 per 100 users** annually and an average total of **\$154,847 per 100 users** over three years.³

Key Features of the InTouch

- Seamless integration with workforce management software
- Built to work in the cloud with secure communications protocol
- Large 7 in. touchscreen with wide VGA full-color LCD providing a simple and intuitive user experience
- Optional biometric identification and verification increasing payroll accuracy and preventing employees from buddy punching
- Support for all major badge formats so organizations can use the system that works best for their workforce
- Multiple languages to support employee preferences

STUDY HIGHLIGHTS: 537 PERCENT ROI

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Benefits were identified in four areas:

1. Enhanced employee productivity
2. Enhanced productivity associated with time-tracking
3. Reduced overpayments
4. Reduced operational costs

1. Enhanced employee productivity. The most significant benefit was the streamlining of the time-capture process, generating time savings (in some cases, more than 12 hours per year) per employee. The savings added up to an average annual benefit of \$9,103 per 100 users.⁴

Nearly all of the companies in the study said that the ease of using InTouch was a principal reason they adopted the system. With little or no training required to use InTouch, it allowed employees to clock in and out more quickly, leaving more time for them to be engaged in their jobs. For one organization with a heavily non-English-speaking workforce, employees were able to save as much as 15 minutes per week.⁵ The self-service functions of InTouch, allowing workers to enter time-off requests and change schedules, saved additional time.

An employer in manufacturing remarked: “It’s immediately intuitive what you need to do when you approach it. All you have to do is go to the clock and make a selection.”⁶

2. Enhanced productivity associated with time-tracking. Managers, human resources departments, and payroll staff were able to save 75-200 hours per year. Total productivity gains averaged \$26,802 per 100 users each year.⁷ Because InTouch automates many tasks and provides self-service options for others, managers were freed from time-consuming administration. HR departments didn’t have to spend precious hours answering questions about vacation accruals and other routine matters. And payroll personnel eliminated much of their need to enter data manually, each saving 75-200 hours per year.

3. Reduced overpayments. The use of InTouch enhanced the accuracy of data collection and management operations, reducing unnecessary, inappropriate overpayment to employees. The result was an average annual savings of \$14,619 per 100 users.⁸

² Perry and Rowan, *Kronos InTouch*, 1.

³ Perry and Rowan, *Kronos InTouch*, 10.

⁴ Perry and Rowan, *Kronos InTouch*, 7.

⁵ Perry and Rowan, *Kronos InTouch*, 6.

⁶ Perry and Rowan, *Kronos InTouch*, 8.

⁷ Perry and Rowan, *Kronos InTouch*, 5.

⁸ Perry and Rowan, *Kronos InTouch*, 5.

Much of the savings came from reducing the incidence of “buddy punching,” human error, and unauthorized overtime. Said one interviewed employer: “Before, we were on a paper system and we were incorrectly coding and there was a lot of creative interpretation to our rules . . . What we like about the Kronos InTouch is that it’s all rules-based. So we can be consistent across the entire organization regarding how we calculate overtime.”⁹

4. Reduced operational costs. By replacing antiquated and less functional “systems,” InTouch helped reduce overall costs associated with time capture and tracking. Savings totaled \$8,725 per 100 users annually. The savings stemmed from eliminating costs for old technology, such as the expense of badges, cards, and system maintenance.¹⁰

Demographics

	Average
Employees	7,033
Employees using InTouch to clock in	3,412
Average hours per week	34.5
Average clock-ins/clock-outs per shift	3.1
Annual payroll	\$89.2 million
Number of Kronos InTouch systems	36.8
Months InTouch has been installed	5.1
Clock-in technology enhancements	
Biometric	50%
Proximity card	30%
Multilanguage	20%
Remote support	60%
Industries	Entertainment, food service, government, healthcare, hospitality, manufacturing, and retail

Summary of Findings

- InTouch provided an average return on investment of **537 percent**
- The average **payback period for employers using InTouch was less than five months** after deployment
- InTouch allowed employers to **save an average of \$59,250 per 100 users annually**

CONCLUSION

Based on research by IDC, the Kronos InTouch time clock has provided impressive financial benefits for organizations of all sizes, in a wide range of industries. The benefits include enhanced productivity for employees, their managers, and HR and payroll staffs, as well as direct cost savings in operations and from reducing overpayments.

⁹ Perry and Rowan, *Kronos InTouch*, 7.

¹⁰ Perry and Rowan, *Kronos InTouch*, 5.