5 Ways to Achieve Cost Savings (and Sleep at Night)

Guide

Intro

Every person in HR wants to increase employee satisfaction and engagement while ensuring compliance enterprise-wide. Meanwhile, Operations is focused on increasing labor efficiencies and reducing costs, which may at first glance seem at odds with the HR agenda.

It doesn't have to be.

A holistic workforce management strategy can make both departments—and your hourly employees—happy. To achieve savings without throwing your employees under the bus, you can manage costs in other places.

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CONTROL STAFFING (FAIRLY) #01

Our studies show that for every 250 employees, you have overstaffing of at least 2-3 people per shift.

Overstaffing happens for a number of reasons. Maybe you don't have real-time analytics that allow you to act on historical demand trends. Perhaps you aren't keeping your demand needs in mind at the point of scheduling—whether it's because you don't know what the demand is, or your paper and spreadsheet processes don't allow for that level of dynamic scheduling. Your lack of an audit trail could also be to blame; you can't keep track of how many people are requesting to be added to a shift, and you find yourself saying yes to everyone.

With a cloud-based, automated workforce management solution, you can reduce your workforce by 5-8 people per day—without reducing efficiencies. That's because you can ensure that you are only staffed to match what you need, during both peak and off-peak times. Real-time employee data lets you easily pinpoint facilities and locations that are consistently overstaffed. On the flip side, you'll also know when it's time to hire temp workers, recruit new full-time employees, or distribute overtime to keep up with increased demand.

#02

UNNECESSARY OVERTIME

Massive overtime overages have been making headlines recently. The MTA spent $418 million in OT last year, creating a staggering 16% increase that went completely unchecked. It's not just the public sector that has an OT problem— manufacturing has been combatting their skills shortage with excessive amounts of overtime as well.

Considering overtime is time and a half of an employee's pay, you could very well be hemorrhaging your bottom line and not even realize it.

With automation, your weekly schedules will always sync up with production demand. This allows you to then input company restrictions based on your specific needs to prevent unnecessary overtime, with each employee getting assessed by these rules as the schedule generates automatically.

Proper forecasting and real-time alerts on OT trends make it easy to have your management team enforce such rules. Overtime for each employee is automatically logged, so management has a centralized system of record to either settle employee grievances or make sure someone doesn't go over a safe number of hours.

CUT PAPER-RELATED COSTS

#03

Organizations that still rely on paper processes consider roughly 27% of their overtime costs to be unbudgeted.

Meanwhile, a paperless office saves about $80 per employee each year in associated paper costs – that's roughly $8,000 dollars saved for every 100 employees. Eliminating paper doesn't just cut costs; it improves productivity. A typical employee spends 30-40% of their time looking for written-down information. What a waste of time!

With an easily deployable cloud-based WFM solution, you can more quickly access labor information (demand, schedules, employee information, etc.) from anywhere without the risk of misplacing it.
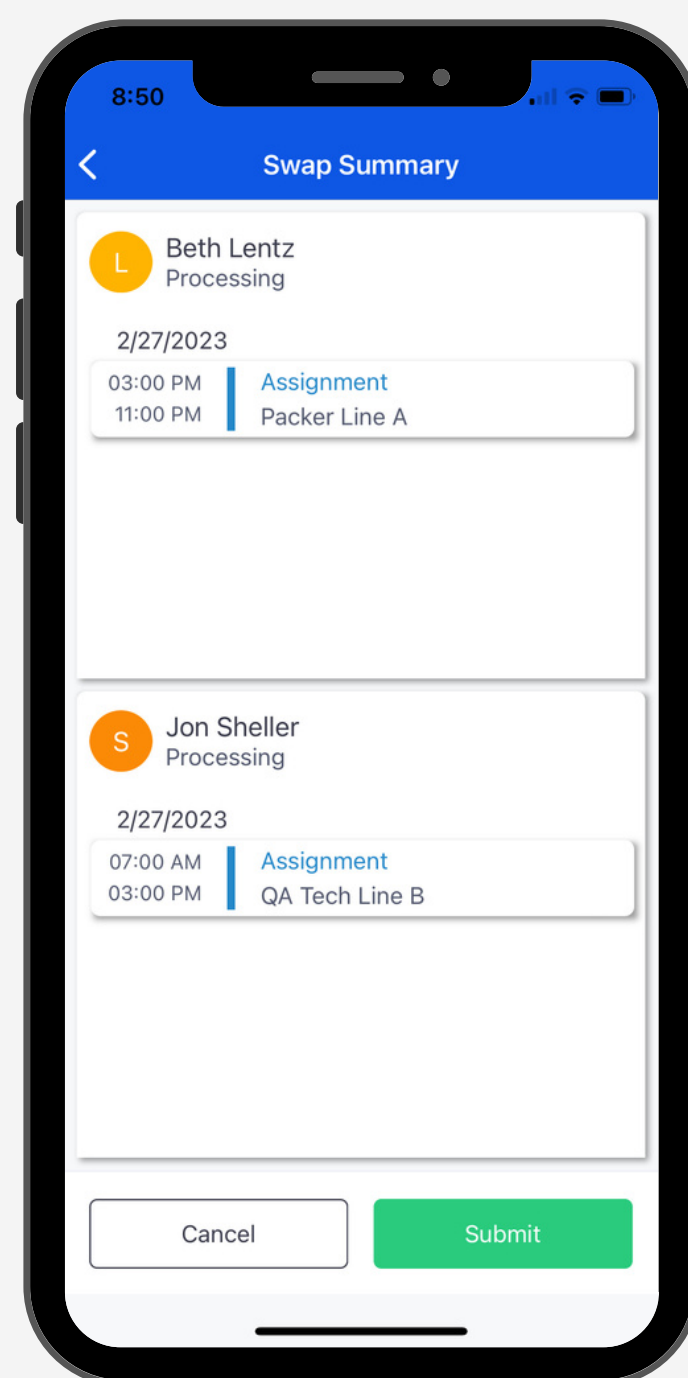
REDUCE COMPLIANCE RISK

#04

It can cost organizations as much as $100,000 each time a federal, state or even local labor law is created or changed. And that's nothing compared to non-compliance, which costs businesses $14 million on average.

You can prevent fines through automated scheduling. Manage and mitigate complex concerns around fatigue regulations, industry-standard best practices, federal and state work laws, and union rules.
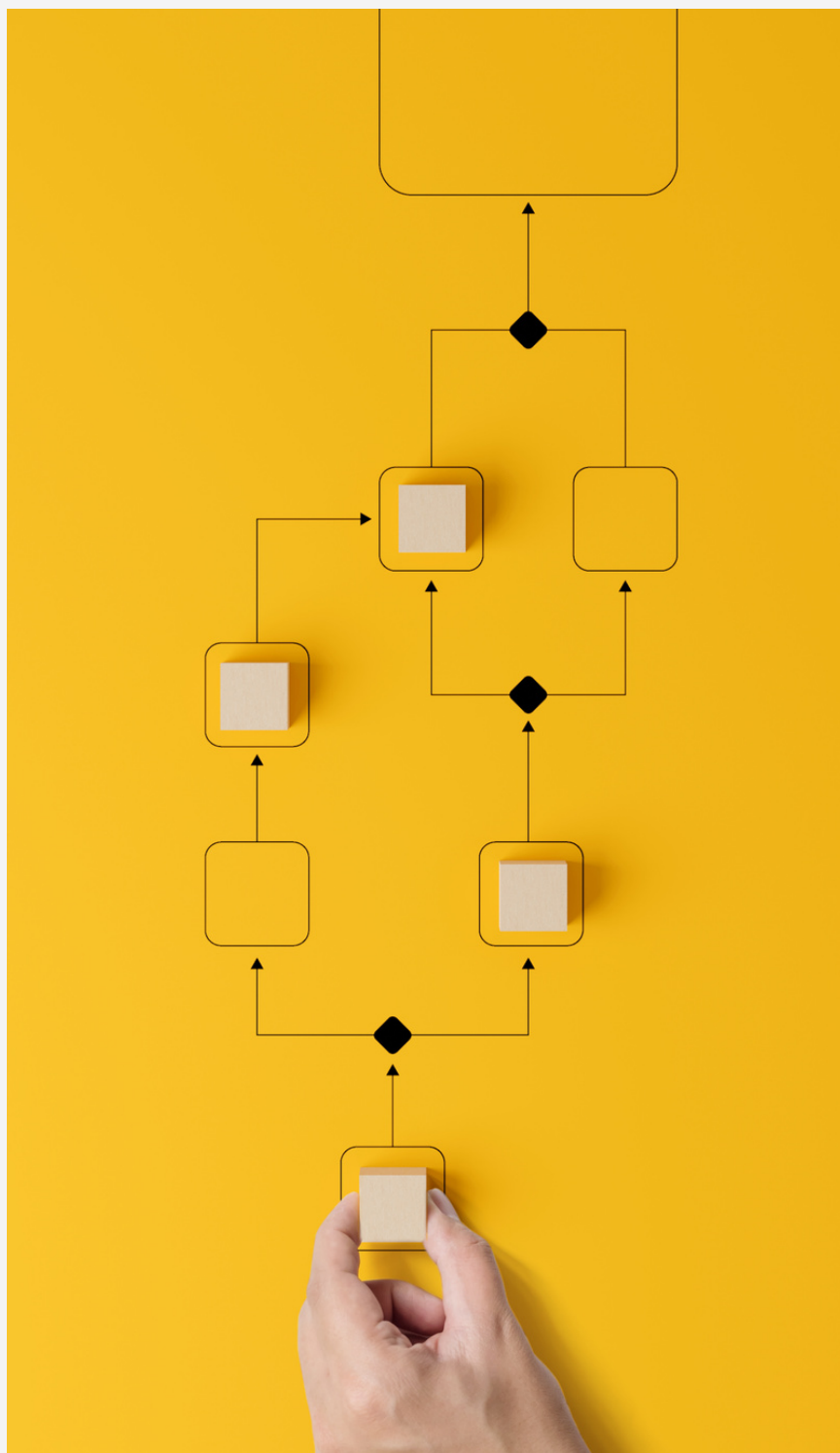
Automated processes greatly reduce human error in scheduling, such as too many overtime hours, and ensure schedule fairness. Not only will you mitigate risk and avoid fees, but you'll also keep your employees happy with the ease of use.

What's better is that you will have a centralized system of record to audit every keystroke when necessary.

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8:50

Swap Summary

L   Beth Lentz
    Processing

2/27/2023

| 03:00 PM | Assignment |
| 11:00 PM | Packer Line A |

S   Jon Sheller
    Processing

2/27/2023

| 07:00 AM | Assignment |
| 03:00 PM | QA Tech Line B |

Cancel   Submit

#05

STREAMLINE PROCESSES

We've seen that mistakes account for about 1-3% of overall payroll costs. In fact, according to a study done by the American Payroll Association, <u>human error</u> in time card preparation is between 1% and 8%. This means that a $500,000 annual payroll means that even a 2% error rate is $10,000 lost in erroneous wages.

So, maybe it's time to eliminate the need for a manual upload of payroll.

With automation, accurate scheduling data gets sent directly to payroll, reducing manual payroll entry... and the need for a T&A system in general. You can learn more about the trials and tribulations of relying on just a time and attendance system <u>here</u>.

Conclusion

#01 — *Control staffing (fairly)* to optimize efficiency, reduce overstaffing and maintain productivity

#02 — *Unnecessary overtime* can devastate budgets and morale if not properly monitored and managed

#03 — *Cut paper-related costs* by going digital, save time and boost overall productivity

#04 — *Reduce compliance risk* by automating scheduling to adhere to labor laws and regulations effectively

#05 — *Streamline processes* by eliminating manual entry, minimizing costly errors and inefficiencies

Reduce compliance risk, cut paper-related costs, and streamline processes with automation, saving time and money while boosting productivity and accuracy in both payroll and scheduling.

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