How To Be The Smartest Production Manager Ever

By Judith Hector

Productivity is all about getting the most bang for your buck. And that means making sure your staff, equipment, office space, and other resources in your agency are being used at their peak efficiency. Anything less than that is costing you time, money—and maybe even clients.

"Productivity" is an idea that took off in the Industrial Age and is usually applied to manufacturing. But in creative businesses we still need to look at productivity as a measure of cost effectiveness, even though we're not lined up in a factory hot welding steel frames or snipping plastic widgets (although sometimes it feels like it). Just like in manufacturing, our own tools can become slightly "misaligned," whether from neglect, attrition or, in the case of human resources, personal growth. You can analyze your productivity by taking a hard look at the way your shop and staff operate.

Continued from previous page

Just looking, thanks

Inside your office, there are a myriad of activity, from runners to managers, each focusing on tasks that contribute to the final output. But is the process efficient? Is the best staffer assigned to the task? Does work get done on time, or is it consistently late?

With the many reports and tools built in to the software, Clients & Profits can help make your productivity analysis, well, more productive. Start poking around in the process of how work gets done, and you might be surprised at what your sleuthing uncovers!

Time and time again

Start your investigation with the Clients & Profits productivity reports. Staff productivity and staff utilization reports are especially helpful. (Productivity reports are printed from the Snapshots menu.) The staff productivity reports show billable and unbill-able hours, while profitability reports, like the task profitability report, shows gross profit margin for each task.

By looking at billable vs. unbillable time, you see how much human energy is used to get the job done, and how much of it is recoverable in client billings. Even though unrecoverable time (an overhead expense) isn't billed for, it still needs to be considered when evaluating your shop's productivity, so make sure everyone records their full day's time. That way, when you look at staff productivity reports, you see how much time is used for which task.

The overtime report is an excellent analysis tool that shows who is logging overtime hours for which client, on what task, and how much of it is billable. By studying overtime reports, you see if there is a trend for a specific employee, client, or task. Digging a little deeper, shows whether the AE didn't allow enough time to finish, whether the client didn't approve sufficient hours to complete the job, or if the staffer is underperforming. Likewise, the missed deadline report shows who missed a deadline by how many days, and which task was finished late. With this, you can evaluate your agency's performance and devise ways to improve the process of getting jobs done.

Who's doing what?

The Clients & Profits work-to-do reports show who's doing what—and for whom. (Work-to-do reports are under the Snapshots menu and sortable by staff, client, department, due date, or task.) Sorting the report by staff shows all of the work assigned to each staffer, which client job the staffer is working on, and how much time is scheduled to do it. This at-a-glance report helps identify poor assignments so you can reassign staffers to better (and more profitably) use their talents.

Remember to take into consideration, too, professional growth of staff members, and assign work according to their developing abilities. Giving mundane assignments to

> **Even though unrecoverable time (and overhead expense) isn't billed for, it still needs to be considered when evaluating your shop's productivity**
>
> So make sure everyone records their full day's time on their Daily Time Cards in Clients & Profits.

STUFF HAPPENS:
IDENTIFYING PRODUCTIVITY PITFALLS

By Donna Lynn Johnson

Every job has productivity pitfalls, from client-driven scope changes to production schedule changes, creative adjustments to missed typos after disk prep. But with each job there are underlying lessons to learn, and with each lesson learned the possibilities for improved productivity are infinite.

Start by looking at the job summary. Compare estimated hours against actual hours. If there were overages, pinpoint the department and task. Consider the dollar estimate. Was it reasonable for the original job? And if the job scope changed, did the estimate also change?

Next, look at the job cost report. Review the time entries and descriptions for each area of the job that was over budget. You'll clearly see unplanned objective changes that warranted an official change order, misinterpreted creative direction, misappropriated time entries, poorly developed schedules, and more. All of these possibilities indicate which areas of the agency need fine tuning. For busy account executives, these key elements can be seen through the job progress window for a "big picture" view of the job's productivity—a great way to keep on-going tabs on a job's productivity.

Each month, take a small sampling of closed jobs and analyze them. (Remember to look at jobs that turned your hair gray, as well as ones that you toasted to their success.) Share your results with the staff and involve each team in the overall solution. Communicate details of each stage, both efficiencies and inefficiencies. After identifying what went right or wrong with a job, make a note in the job diary for future reference. Then, educate those who need more understanding of how front-end productivity affects back-end profitability.

By reviewing job reports, you'll see why there are unbilled hours and dollar shortages. Taking a closer look pinpoints exactly what happened and why, so you can map out the road to better productivity. With step-by-step improvements, work flow becomes more fluid and efficient—and productivity pitfalls will be a thing of the past.

Donna Lynn Johnson has been a Clients & Profits consultant since 1998. Contact her at (770) 421-1701 or dlj@crystalbrook.net.
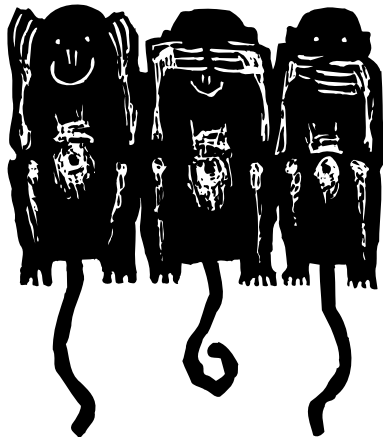
Just how does your shop spend its time?

Whether you're looking for overall trends or minute details, you won't have to just wonder how time is spent if you print time and productivity reports! Which ones? Read on.

Productivity reports print only totals, so they are more concise and reveal trends better than detailed time reports. There are different sets of productivity reports to print depending on what you need to know.

General reports are the best daily tools for monitoring who's entering time and who's not. Once each staffer's planned hours are added, these reports become even more meaningful because they show if staffers are accounting for their full work day. Using these reports each week ensures that all time spent working in your shop is tracked.

On a monthly basis, reports like the **Billable/ Unbillable Time Summary** and the **Monthly Client Time Summary** provide insight into how staffers are spending their time, for which clients, and the percentage of total time that is billable. The **Staff Utilization** (see page 4) and **Client Analysis** reports also monitor overtime and freelance time, two areas that should be closely watched for potential abuses.

Time reports are interesting but not meaningful to management looking for trends—too many details that are fixed, e.g., cost and billing rates, work date. (Time reports are best for monitoring time to check those details.) Review time reports prior to billing as they can be sorted by job and show any notes that staffers made.

Use time and productivity reports together, e.g., when you want the details of totals printed on productivity reports.

Choosing the right report reveals all the time and productivity information you need.

UTILIZATION, REALIZATION

They're the best way to see who's making the shop money (and who isn't)

The Staff Utilization report compares each staff member's total hours vs. their billable hours. It is based on what percentage of their total hours is actually billable time.

See how time is used for specific work dates (or time posted dates). You can see utilization for "This Week" with a single mouse click in the Productivity Reports window.

See how many hours each staffer is logging—and how many of them are billable. Staff are automatically grouped by the department assigned in the Staff window.

Each staffer's total hours and billable hours are shown, giving you at-a-glance information on how time is spent. Plus, utilization is automatically calculated to show what percent of time is spent on the job is earning the agency money.

Get the agency's bottom line with these grand total amounts. They are a great way to see how well your agency is working overall.

Supra Kit & Associates (Sample Data)
Staff Utilitization
Time dated 03/01/97 - 03/31/97

CURRENT HOURS

Staffer:	Dept:	Title:	Total Hours	Billable Hours	Utilization
Acct Service					
			185.00	135.75	73.38%
			208.00	125.00	60.10%
Kent Richardson					
Megan Goode					
Louise Valentine			393.00	260.75	66.35%
Debbie Downs					
Acct Service TOTAL					
Creative					
			1.00	1.00	100.00%
			184.25	109.00	59.16%
Erin Lassar			171.00	111.50	65.20%
Bill Smith					
Brenda Weinstock			186.00	106.25	57.12%
Bea Noonon					
Cathy Lewis			542.25	327.75	60.44%
Cindy Medin					
Barbara Templeton					
Creative TOTAL					
Media					
			91.25	91.25	100.00%
			91.25	91.25	100.00%
Bill Pearce					
Juliet Anderson					
Media TOTAL					
Production					
			57.00	57.00	100.
Kerry Mooney					
Teri Olsen-Geary			187.00	126.00	67
Brenda Thompson			185.00	104.50	56
Gayle Greene					
Mary Lowe			429.00	287.50	67
Mary Meyers					
Production TOTAL			1,455.50	967.25	6
TOTAL					

See more examples of productivity reports:
www.clientsandprofits.com/report-o-matic.html

YEAR TO DATE HOURS

Total Hours	Billable Hours	Utilization
10.00	10.00	100.00%
1020.75	821.50	80.48%
1164.00	887.50	76.25%
364.25		
2,559.00	**1,719.00**	**67.17%**

1.00	1.00	100.00%
343.00	335.50	97.81%
138.00	124.00	89.86%
1633.00	1380.75	84.55%
802.50	667.00	83.12%
372.50	306.50	82.28%
1064.25	814.25	76.51%
4,354.25	**3,629.00**	**83.34%**

See how current hours stack up to annual totals in the Year to Date columns.

The Department Productivity report compares each staff member's total hours vs. their billable hours. The staff members are sub-totaled by department.

Clients & Profits Sample DATA
Department Productivity
Time dated 04/01/97 - 04/30/97

			CURRENT HOURS			YEAR TO DATE HOURS		
Staffer:	Dept:	Title:	Total Hours	Billable Hours	Utilization	Total Hours	Billable Hours	Utilization
						364.25	887.50	76.25%
						1164.00	887.50	58.07%
Acct Serv			182.50	95.50	52.33%	1,528.25		
Debbie Downs				95.50	52.33%			
Louise Valentine								
Acct Serv TOTAL			**182.50**	**95.50**	**52.33%**			
						21.00	21.00	100.00%
						1020.75	821.50	80.48%
Admin			5.00	5.00	100.00%	1,041.75	842.50	80.87%
			160.00	106.75	66.72%			
Kerry Mooney					67.73%			
Megan Goode								
Admin TOTAL			**165.00**	**111.75**	**67.73%**			
						10.00	10.00	100.00%
C&P						63.10	39.10	61.97%
						73.10	**49.10**	**67.17%**
Kent Richardson								
System Manager								
C&P TOTAL								
						1065.75	815.75	76.54%
						1323.00	1070.75	80.93%
Creative			163.00	73.50	45.09%	138.00	124.00	89.86%
			148.00	84.00	56.76%	737.50	602.00	81.63%
Barbara Templeton			160.00	123.50	77.19%	372.50	306.50	82.28%
Bea Noonon						1.00	1.00	100.00%
Brenda Weinstock						7.50		
Cathy Lewis								
Cindy Medin						**3,645.25**	**2,920.00**	**80.10%**
Erin Lassar								
Steve Overman					59.66%			
Creative TOTAL			**471.00**	**281.00**	**59.66%**			
						56.00	55.00	98.21%
IS						**56.00**	**55.00**	**98.21%**
Brenda Thompson								
IS TOTAL								

Year to Date hours show a running total of hours, billable hours, and bottom-line utilization.

Each department's hours are totalled, then converted into a percent billable so you can easily measure how productive it is.

The Department Productivity report can also be sorted to show Team or Staff productivity for a different perspective on your agency's productivity.

PRODUCTIVITY QUESTIONS AND ANSWERS
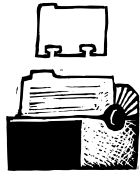
Q. What's the best way to ensure that everyone is adding their time throughout the week?

The best way is to first determine how many hours you wish each staffer to account for. Then, add planned hours into each staffer's Staff file. Each work day can have its own planned hours to accommodate individual work schedules. Once planned hours are added, use the General productivity reports throughout the work week to quickly determine who is up to date on time keeping and who needs some encouragement to do so.

Q. How can I track the time we spend recruiting new business?

To track time spent pursuing new business, add a generic "New Business" client to your database. Then, add a new job ticket for each pitch. Identify the potential client's name in the job's name and add their address into the job's estimate options. Add all time and outside costs as work progresses. If you don't get the client, close the job. You'll have a detailed record of each failed pitch. If you get the client, move the job and its costs (by renumbering), to the newly-added client. Perhaps you'll be able to recoup the costs.

Q. Is it important to track our overhead time?

Tracking overhead time is the only way to account for each staffer's full day. Not every minute is spent on client-related work. A designer might redesign your shop's logo and letterhead. Your shop may move its location which means everyone will spend time helping in some way with the move. To track overhead time, add your shop into your database as a client. Then, add at least one job ticket to track lunch, sick and vacation time. You'll probably add even more job tickets for different in-house projects. When you do, you'll have all the reports you print on your clients available to be printed for your shop, as well.

> Your shop may move its location which means everyone will spend time helping in some way with the move. Or a designer might redesign your shop's logo and letterhead.
>
> Tracking overhead time is the only way to account for each staffer's full day. Not every minute is spent on client-related work.

Q. How can I quickly see if our shop is achieving its billable goal of 70%?

A report that summarizes billable and unbillable time is the Billable/Unbillable Time Summary. If your shop is tracking overhead time as well as client time, print this report to monitor what percentage of time is billable.

Q. How can I start charging for overtime and track overtime hours?

Each Staff file can contain an overtime cost and billing rate. Once those rates are added, any time entry can be marked as overhead by clicking the overtime checkbox. It's labeled as "OT". Instead of calculating at regular rates, the selected time entry uses the overtime rates. Overtime entries are marked with an asterisk on reports that show all time. There's also a report in General productivity devoted to overtime, providing an easy way to monitor overtime entries.

GUARANTEED GREAT IDEAS!
Productivity Tips from Real Clients & Profits Users

These Clients & Profits users share their tips on how they've increased productivity:

Compare estimated vs. actual hours *"Because we estimate our hours, each staffer knows what they're accountable for,"* says Ann Adams of J. Skokes. *"We compare hours when a job nears completion to make sure its on track. And if it looks like an element of the work may get out of hand, we remind staff to stick to what was agreed to. It's made us work smarter."*

Must be My C&P! *"Use My C&P to capture production team time [and account exec time from the road] entered daily,* says Roxanne Cowan of Rutherford Bolen Group. *"We can close a job and bill it much earlier than before. And it's improved our cash flow, too!*

Investigate consumption of billable hours *"We print the Monthly Client Time Summary productivity report to show which clients are using up all of our billable hours,"* says Susan Ackman of Fraser Wallace Advertising. *"Then we print the Client vs. Client profitability report to analyze if they are generating the revenue to back it up."*

Use on-line estimating *"Working with clients means many changes to estimates,"* says Allen Corley of WarrenCreative +. *"With Clients & Profits, adding and revising estimates is quick, easy and saves time while maintaining estimate accuracy. And that's time we can and do spend producing more work."*

Do more for the more profitable clients *"Our clients especially like seeing how much time we've worked on their behalf and not billed them for,"* says Lane Newsome of The Burris Agency. *"We can afford to do more for clients that are giving us a great return, and C&P shows us who those clients are. For clients that aren't, we work together deciding what to do: either increase their retainer amount or cut back on some work for the present. We use C&P documentation to back up our position, then arrive at a mutually-agreeable solution."*

FREE-LANCER? STAFFER? WHAT'S THE BEST CHOICE?

By Bonnie Burlew

Staff productivity reports are excellent first step tools to red-flag whether or not your staff is working productively or whether it's time to bring in freelancers. First, if the productivity reports show fewer billable hours than you like, staff motivation might do the trick. But if there's excessive, legitimate overtime logged, maybe adding staff or hiring a freelancer is the answer. But what's the best choice?

Review freelance use. If you currently use freelancers, look at the Freelance Time report to see if there is an increasing dependence on freelancers. If there is, it might justify staffing up. (Since freelancers charge about 70 percent more per hour than a full-time staffer's wages, an increase in freelance use will also show up in shrinking profit margins, unless the higher cost is built into the estimate.)

Motivate the staff. If you decide to increase productivity without additional staff (freelance or permanent), be sure to factor in "hidden" costs: new equipment, better benefits, and perks. Even if the numbers show that haranguing the troops is fiscally responsible, proceed with caution! It could cost more in the long run in terms of lost clients and a sullied reputation if work quality suffers.

Do the math. For number-crunchers, the equation is easy: hire freelancers as long as the cost of doing so is less than or equal to the cost of adding new staff. When calculating cost for new staffers, remember to include benefits, the cost of physical space and equipment, and training (about 40 percent of the first year's salary for a green staffer).

Whatever choice you make, remember that every action has a cost, whether it shows up on the books or not. And no matter what the rule, there's always an exception—like hiring that certain mega-talent to round out your winning team—that far outweighs the short-term cost.

Bonnie Burlew is the controller at Clients & Profits, Inc. and a helpdesk member. She can be reached at bonnie@clientsandprofits.com.
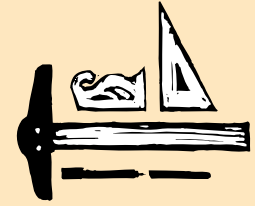
10 C&P tools to increase your productivity

If increased productivity is your goal, then put these Clients & Profits tools to work:

1 - Spec sheets store details for standard types of jobs, including sets of tasks. When a new job is opened, choosing a job type/spec sheet copies its information to the new job, making jobs more consistent.

2 - PO templates are like job type/spec sheets but contain standard information about routine types of purchase orders.

3 - If you have a routine job that's repeated often, **cloning** copies it's information into a new job ticket—including its estimates and schedules.

4 - Cloning POs does the same thing for routine purchase orders.

5 - On the Daily Time Card, clicking the **Show My Tasks** button copies your unfinished tasks to the time card so that you don't have to remember which tasks you're supposed to be tracking hours for.

6 - Recurring payables can be set up to automatically add routine vendor invoices each month for up to a year at a time.

7 - Recurring JEs can be set up to automatically debit and credit selected G/L accounts for entries such as insurance expense, depreciation, and more.

8 - Autobilling will create instant client invoices for selected unbilled jobs.

9 - The **Autopay payables** function will write checks automatically for selected A/P invoices.

10 - Prebilling POs will instantly bill a client for a purchase order.

BETTER PRODUCTIVITY (con't)
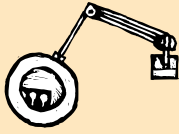
gung-ho staffers decreases their enthusi-asm—and productivity. Red-flag increases in time spent on simple tasks; they may indicate waning motivation.

Room for improvement

Now that you know the areas that need attention, roll up your sleeves and go to work. In addition to analysis reports, Clients & Profits has built-in tools that help increase staffers' productivity. Since productivity is related to jobs, look to the job ticket.

In the Job Schedule window, you can quickly check a staffer's workload by clicking on the Resource's Deadline tool bar button. This tool shows how many hours a staffer is scheduled to work and when. It helps schedulers equalize work over time instead of accidentally cramming everything in just a few days. It also shows who has time to take on more work. Reassign an over-scheduled staffer's tasks to them to even things out.

To see everything that's due on a certain date, click on the Pop-up Calendar tool bar button in the Job Schedule window. Click on a date to see which jobs, tasks, and staffers have deadlines for that day. The Deadlines tool bar button shows more detailed schedul-ing information, which can be sorted by job, task, resource, lead time, start date, and estimated and actual hours. (Click on the column heading to sort the data.)

While you're checking how many hours a staffer has scheduled, see who they're working for to make sure the right talent is assigned to jobs. If timeliness and job profitability matter, consider shifting assignments for improved productivity.

When you need temporary or specialized help, bring in a freelancer. Freelancers are a great way to "rent" expertise, whether to round out a team or to balance the workload. (Remember that freelancers bill you at a rate higher than a regular employee's cost, so add the extra cost to your estimate.)

Scraping barnacles

David Ogilvy once said, "To keep your ship moving through the water at maximum efficiency, you have to keep scraping the barnacles off its bottom." Knowing what is dragging your productivity is half the battle; scraping barnacles is the other half. Your Clients & Profits database is a treasure-trove of information that identifies productivity drags. Use the built-in reports to dig out those productivity benchmarks and measure current performance. Then set new goals. Use the built-in tools to meet them and you will be amazed at how fast your ship starts sailing!

Judith Hector is the Clients & Profits director of marketing. She can be reached at judith@ clientsandprofits.com

---

CLIENTS & PROFITS®

The Triangle Building
4755 Oceanside Blvd. Suite 200
Oceanside, CA 92056
(760) 945-4334

Attn: Production Manager

www.clientsandprofits.com