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ON DEMAND

CASE STUDY | Medical Facility

Executive Summary:

Michigan Neurology Associates, P.C. enjoyed first year annualized savings of over $40,000 in overtime costs with web-hosted time tracking that records employee time and attendance across multiple locations. The savings stem from more accurate tracking of employee start/end times, and eliminating buddy punching — where one employee knowingly punches in or out for another. Biometric finger readers insure that start/end times are accurately gathered, and the online service monitors employee tardy, overtime, missed punches and other labor activity in real time. There is no software to buy. The medical facility uses the software as a service with cost-effective, monthly per-employee billing.

Achieving Real Savings

About Michigan Neurology Associates

Michigan Neurology Associates, PC serves adult and pediatric patients with comprehensive neuroscience care from three offices throughout Southeastern Michigan. The clinic treats a wide range of neurological disorders such as stroke recovery and prevention; migraine and headache disorders; Parkinson's disease; back and neck pain; multiple sclerosis; Alzheimer's disease; and sleep disorders. Diagnostic and treatment options include MRI, ultrasound, ENG, EMG, sleep lab, and a range of other services.

Paper Cards and Hand Calculations

Until recently, Michigan Neurology Associates, PC used paper punch cards and outdated time clocks to track employee time and attendance for its 50 hourly employees working in several different locations throughout Southeastern Michigan.

At the start of each shift, employees punched in on paper cards. At the end of the two week pay period, it was the employees' themselves who manually totaled their pay period hours directly on the cards. Payroll staff then picked up the cards, keyed the data onto a spreadsheet for Accounts Payable to verify and send to the payroll vendor for processing. For employees based in remote locations, a driver collected the punch cards and drove them to the central administrative office every two weeks.

"The bottom line is that employees must be present to punch. This is a significant advantage over the past situation."

Accuracy Concerns

According to Brenda Pearson, Controller for Michigan Neurology Associates, PC, the previous processes were increasingly unreliable and problematic. "Our worry was that pay period totals were not reflecting actual hours worked. It was a rush at the end of every payroll to audit cards, track down any missed punches or damaged cards. We relied on the memory of employees and their manual calculations when preparing payroll."

The time clocks were unreliable. It was not unusual to find employees who had over-struck start or end times on the card, making the information indecipherable. This was time-consuming and burdensome for the payroll office.

Buddy Punching

Another worry was "buddy punching" where one employee clocked the start/end times for another employee. There were instances where employees knowingly misrepresented the hours worked. This was a serious issue that had the potential to throw departmental labor costs out of line.

The challenges grew as the facility added employees. As an example, medical assistants, technicians and part-time physicians often transferred from one location to another. This meant they had to remember to physically bring their time card with them to the various offices. If they forgot the card, they relied on their memory to record times when they returned to the home location, or worse yet, started punching on another card which made calculating time worked very difficult.

New Methods

To address these challenges, Michigan Neurology Associates, PC teamed with PeopleForce Solutions, Inc. (Ann Arbor, MI) and Attendance on Demand Web-hosted time and attendance service. The experts at PeopleForce worked with the company to implement the Web hosted system to easily track employee time and attendance across multiple locations that had Internet access.

With networked time clocks being located in each office, the company could significantly improve accuracy, cut costs and improve access to employee time and attendance data anywhere, anytime. Plus, Michigan Neurology Associates, PC would pay only for the number of employees using the system, and avoid costly upfront capital expense of purchasing and maintaining a software license.

"We calculated that in the first year since installing the new system we have saved over $40,000 in overtime costs."

Notes Martin Rosenfeld, Practice Manager of Michigan Neurology Associates, PC, "The team at PeopleForce was especially helpful setting up the system to track the flexible nature of our work arrangements including flex time, full time, part time, and workers moving from one location to another. They are specialists in this area of business processing, so we could trust their expertise."

Biometric Time Recorders

The company selected finger biometric time recorders to eliminate timecard fraud. The finger readers identify each employee using a unique digital finger template. If the finger matches a template stored in the clock's memory, the employee is punched in. Notes Rosenfeld, "The bottom line is that employees must be present to punch. This is a significant advantage over the past situation. Buddy punching is no longer a concern, and our pay period totals more accurately reflect the hours being worked each pay period."

More Accurate Payroll

Now, Attendance on Demand monitors employee start/end time, pay rates and attendance for the 50 employees over a highly secure Internet connection. The company did not install or support any software and up-to-the-minute labor and wage information about employees

is now available instantly. Employees enter start/end times directly using the biometric finger reader, and times are instantly updated and available to the payroll office.

Employee Self Service functions help workers track their time from remote locations or for those working from their homes. Employees punch in and out, view their time cards, monitor benefit (paid time off) balances, and request time off with Employee Self Service accessed with just a Web browser.

By eliminating time cards and manual calculations, the company is confident that end of pay period totals more accurately reflect the work being done. Employees don't rely on their memories when adding up their times, letting the company better manage labor costs more effectively. Notes Pearson, "I check Attendance on Demand daily for critical issues so at the end of pay period any problems have been resolved. I don't feel the pressure to audit or rush at the end of every pay period."

Employees are encouraged to arrive on time with the use of the biometric clocks, since their friends cannot write them in or out.

Pearson adds, "Archiving employee time and labor information is also much more streamlined. In the past we stored stacks of time cards, but now past pay period data is electronically archived and easier to manage."

Dramatic Savings

For Michigan Neurology Associates, PC, Attendance on Demand and the biometric finger reader time clocks provided a quick return on investment by more accurately amassing and reporting time worked, eliminating buddy punching, and eliminating manual paper timecards. The medical facility easily achieved a return on investment in less than a full year.

Concludes Rosenfeld, "We calculated that in the first year since installing the new system we have saved over $40,000 in overtime costs. This is a dramatic savings that come from cutting nearly 2.3 hours of overtime per employee each pay period. The system lets us pay our employees based on exact time worked. The magnitude of savings is critical to the success of our company."