

At a minimum, every staffing company has to track openings and applicants, collect timesheets, pay their employees, and bill their clients. Ideally, this can all be accomplished in one system. In reality, many all-in-one systems are either too expensive or too restrictive for the average staffing firm. As a result, many companies choose to use separate systems to meet each individual goal.

Integration is the act of unifying these systems so they can share data. ***While it can provide tangible benefits to your company, it also takes real work to do it successfully.***

In This Article:

The Details – Staffing software systems and how they communicate.

- Front Office (Applicant Tracking)
- Timesheets
- Back Office (Billing and Payroll)

The Benefits – How Integration can help your business.

- Efficiency
- Error Reduction
- Fraud Reduction
- Visibility
- Best-of-Breed

The Challenges – Why many companies don't do it successfully.

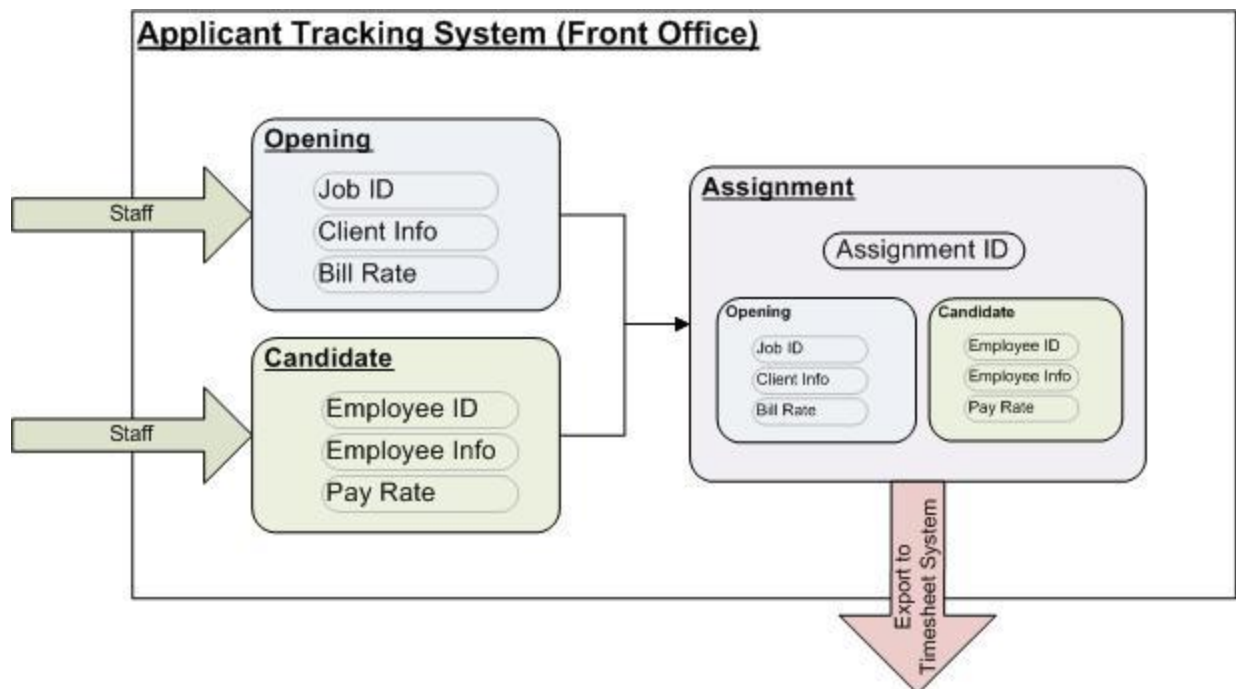
- Redefining your process
- Reduced Flexibility
- The Human Factor
- Understanding your business
- Unique Identifiers

The Details

Front office

Your process begins by creating openings and tracking applicants. When a client needs a position filled, you create an **opening** that contains the information about the client and the job. You also create **candidates** that contain the information about a potential employee. When a candidate is placed in an opening, the combination is known as an **assignment**.

The assignment is the heart of your business. It is a person working on a job for a client at a certain rate, and contains most of the information you need to bill your client and pay your employee.



Without Integration

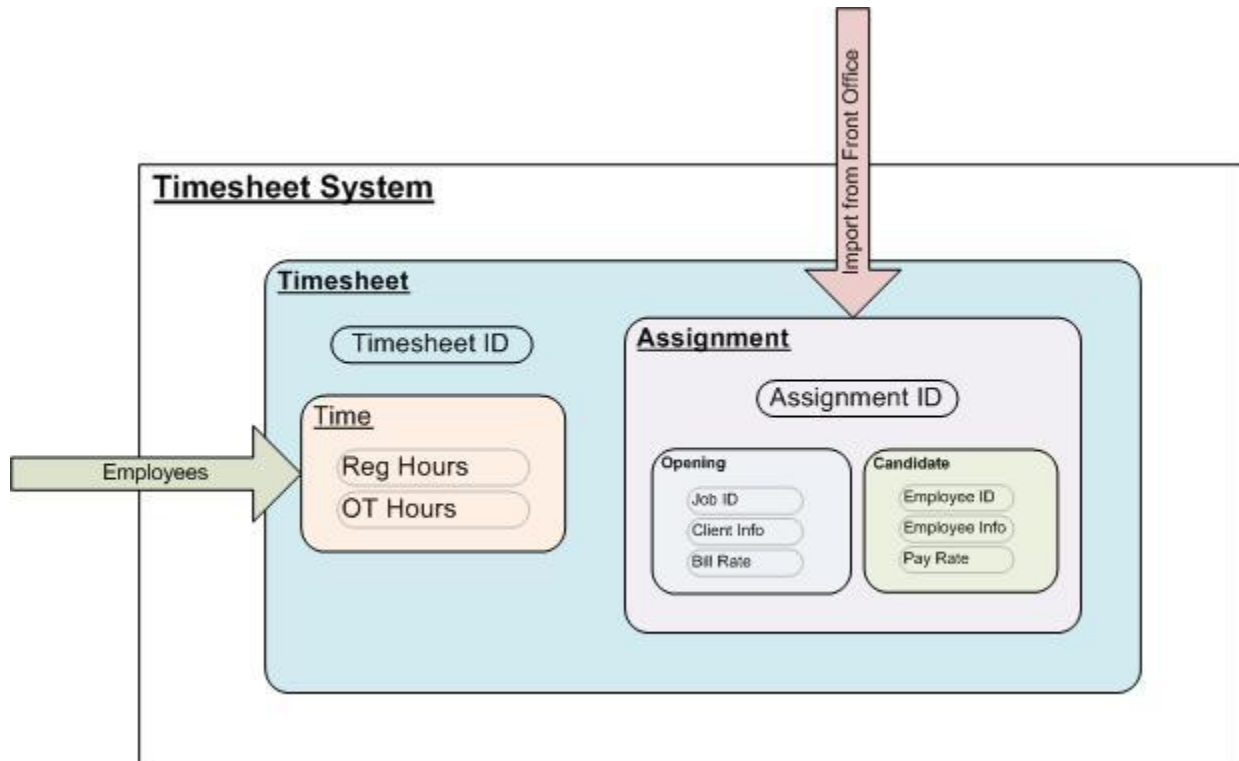
When an assignment is created, a corresponding client record must be manually created in your billing system. Additionally, an employee record must be manually created within your payroll system. When an assignment changes, corresponding changes must be duplicated in each system.

With Integration

The act of creating an assignment automatically creates corresponding assignments in your timesheet, billing, and payroll systems. This saves you the time-consuming and error prone step of manual entry.

Timesheet System

During each pay period, employees work hours on assignments. A **timesheet** contains the assignment and the number of hours worked on that assignment. It is all the information you need to bill your client and pay your employee.



Without Integration

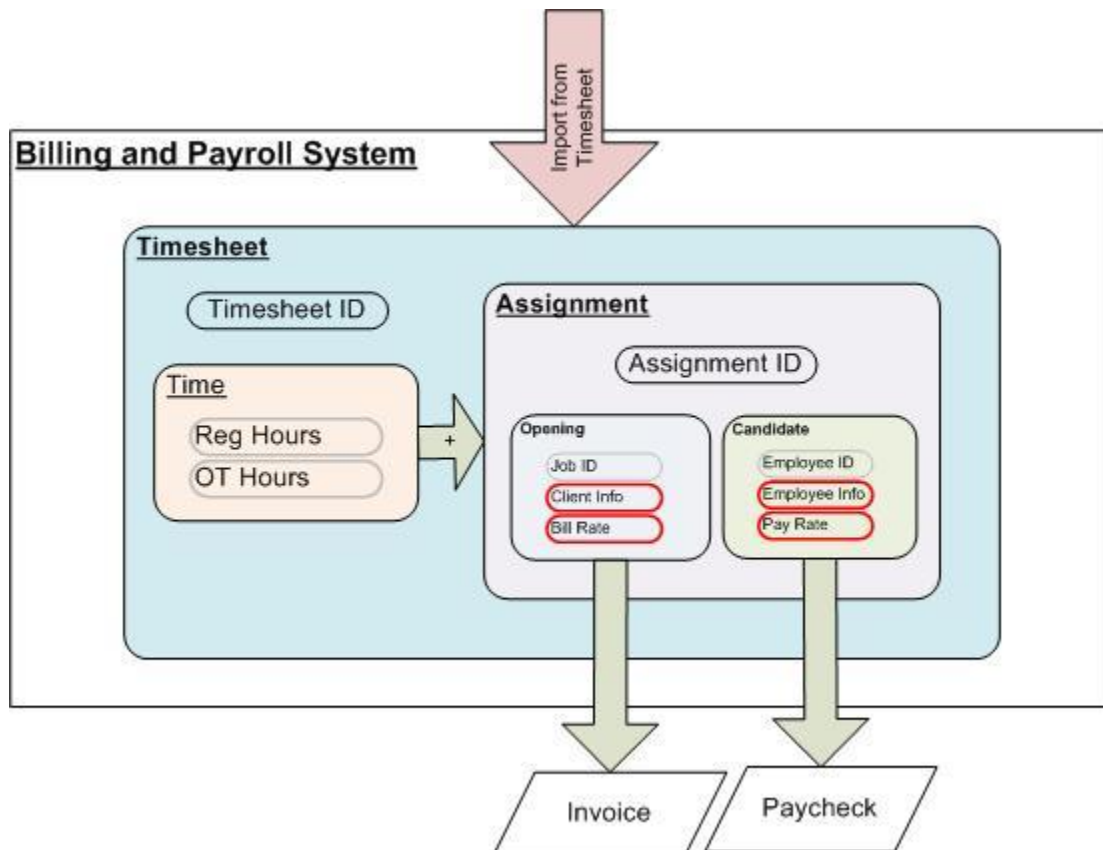
When a timesheet is approved, that time must be entered manually into payroll and billing systems. The timesheets are manually filed.

With Integration

The act of approving the timesheet automatically exports all the data needed to generate invoices and payroll checks.

Back Office

After time has been collected and approved for a pay period, you generate an invoice for your client and a payroll check for your employee.



Without Integration

Timesheets are manually entered. If an assignment changes, it must be updated in each system before payroll and invoices can be run.

With Integration

The timesheet and assignment information are automatically imported and updated, and it contains the information needed to generate payroll and invoices.

The Benefits

	Without Integration	With Integration
Efficiency	The same data is manually entered multiple times.	The data is entered once and automatically flows between systems.
Error Reduction	Multiple entry increases risk of errors.	Automated flow of data ensures fewer errors.
Fraud Reduction	Human involvement increases risk of fraud.	Automation decreases risk of fraud.
Visibility	Disjoint systems contain limited views of data.	Integrated systems provide end-to-end visibility.
Best of Breed	Buying an all-in-one system can be expensive and restrictive.	Choose which individual systems work best for each goal, and have them behave as an all-in-one.

The Challenges

Integration is difficult, and many companies don't do it successfully. Change can be uncomfortable, and many companies aren't prepared to meet the challenges that stand in the way of a successful integration project.

Redefining your process

For integration to work, you'll need to redefine (or define) your process.

Every opening and candidate must be created with all of the information that your back office needs to run payroll and invoices. Every timesheet must be complete before it is approved. All of the information in your process must make its way out of your heads and into your systems.

Initially, this will require you to evaluate your existing process, determine the changes that have to be made, and change your data appropriately.

In the long term, integration shifts some of the burden from your back office to your front office. As a result, recruiters will have the additional duty of keeping their data in order, while the burden will be reduced on your payroll and billing staff.

Why it's worth it

- Unified front and back office data gives you views into your operation that you may not currently have. For example, you can compare submittals, interviews, and placements against margins, turnover, and total cost of the placement over time.
- You can differentiate yourself from your competition by offering your customers data that combines front office activities and back office costs. When you promise your customers better quality staff for less money, you can show them data that backs up your claim.

Reduced Flexibility

Staffing is a service industry, and many companies differentiate based on customer service. Being flexible enough to accommodate the unique needs of specific customers is often a key differentiator of small to mid-sized firms, and it's what helps them win business over the big guys.

When you integrate your data, you lose some flexibility. Assignments have to be created, and have to contain all of the important information. Your timesheet data and formats become more limited. Switching customers to your new process may cause apprehension.

While most customers will adopt your new process, there are bound to be exceptions. Fortunately, you continue to handle these exceptions manually. This manual exception handling may be frustrating, so it's important to focus on the big picture. With properly integrated systems, the majority of your operations run more smoothly and this frees up time to deal with these exceptions. Awareness of this fact can help your staff accept the frustrations.

Why it's worth it

- Trade flexibility for efficiency. Lower costs, fewer errors and a smoother running office should outweigh the frustrations of the change.
- A defined process helps your company scale more easily.
- Your systems and process adds intrinsic value to your business.
- As you grow, you have to reduce complexity. An efficient process is the price of admission for a successful large company.

The Human Factor

Change is difficult, and additional process requires training and discipline. Setting expectations with your staff and monitoring their activities is a must, as is some amount of hand-holding.

If your process is in order but you still aren't getting results, the problem could be your people. Having a process in place can expose weak links in your organization, and this can cause resentment. Employees may also have to change roles to fit the new process.

Why it's worth it

- Clear expectations and measurable goals allow you to track your staff's performance. You can set clear incentives, measure results, and reward behaviors accordingly.
- Lowers the cost of hiring, training, and management.
- Roles are well-defined and staff can be cross-trained.
- Reduces the necessity of key employees, lowering the risk of turnover, illness, and vacation.

Understanding Your Business

As successful as you are, it can be difficult to honestly evaluate your operations. Chances are, you've evolved organically over time, and so has your process.

Integration gives you the opportunity to take a step back and answer the question, "If I were to start today, how would I like to run things?" This may be frustrating, as it will inevitably expose parts of your business that you may want to improve.

Why it's worth it

- Integration gives you a chance to realign your process with your present and future goals.
- Positions your company for continued growth and success.

Unique Identifiers

Integration removes human intuition from the process of transferring data between systems. As a result, the systems need a way to uniquely identify each client, opening, employee, assignment, and timesheet.

Before integration, your back office staff could intuit the difference between the John Smith that works at XYZ Company and the John Smith that works for ABC Corporation. Computers cannot.

In order to integrate your systems, you must create unique identifiers for each employee that are consistent between each of your systems. This can be time-consuming for your existing data, but becomes automatic as you add new clients and openings to your integrated systems.

Why it's worth it

- The use of IDs gives you more views into your data. You will be able to report time and cost by client, by opening, by employee, by pay period, or any combination of those.
- You get consistency over time. Imagine your customer changed its business name, or an employee gets married. With IDs, you change the name associated with the identifier, but you can still use the identifier to produce historical views into your data that pre-date the name change.

Conclusion

Integrating your systems can lower your risk, increase your efficiency and improve your customer service. But it also comes with a set of challenges. It's important to evaluate whether the benefits outweigh the challenges, and determine if it's a good fit for your company at this time.

Remember that technology isn't a magic bullet that can fix all of your problems. Rather, technology is a tool that must be appropriately applied to meet specific business goals. Successful technology initiatives require a deep understanding of your business and the ability to shape your process to take advantage of the benefits that technology can offer.

About Paylily

Paylily is an online timesheet system that integrates with many front and back office providers. We are passionate about helping the staffing industry by creating innovative solutions to difficult problems. We also enjoy sharing what we've learned along the way. If you have any questions or ideas for future articles, please contact us at 919.324.3672, or go to <http://www.paylily.com> for more information.