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Anywhere, Anytime Time Tracking
Benefits of a SaaS-based Time and Attendance Solution

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Executive Summary

Software as a Service (SaaS)-based time and attendance solutions offer strategic advantages to businesses and are delivered on the Internet with a subscription fee structure. Users avoid costly hardware, software licenses and complex version upgrades while speeding processes and freeing up internal resources to focus their time on core business.

This paper summarizes the evolution of SaaS and its growth within the HCM arena, while addressing common concerns about security and reliability. Finally, the paper describes the benefits offered by Attendance on Demand, a SaaS-based time and attendance solution that provides all the advantages of a SaaS model combined with 30 years of experience delivering labor management solutions to industry.

Benefits of a SaaS-based Time and Attendance Solution

The New Model

As companies look for ways to improve productivity and minimize costs, many are finding that the software solutions used for human capital management (HCM) can be a roadblock. System upgrade costs add up quickly. It is difficult to minimize expenses with the standard one-license-per-employee fees. Systems maintenance and upgrades can also be a drain on resources — both human and financial.

With an eye towards doing more for less, many companies are turning to Software-as-a-Service (SaaS) solutions for HCM functions such as time and attendance. With the SaaS application delivery model, the user accesses software over the Internet from anywhere, at any time. This is why the solution model is also referred to as on-demand.

The physical location, ownership, and maintenance of a SaaS system and its data centers are the responsibilities of the solution provider. The system is deployed over the Internet, so data is accessible anytime, from anywhere, with an Internet browser. Companies can launch a SaaS-based model much more quickly — and with far less disruption to operations — than with onsite systems.

Since the burden of onsite IT maintenance and support is completely removed, the company can focus 100% of its resources on its core business.

The Definition of SaaS

Software-as-a-Service first appeared as an industry term in technology journals and research in the early '90s. The name was derived from application service provider, a business that provides computer-based services to customers over a network.

Under the traditional on-premises model, customers buy a license; load software on hardware at their sites; implement the product, often with customization; and maintain and secure software and hardware. Upgrades require other licenses and implementation. This all takes considerable assistance from internal IT specialists and can require additional, often costly, help from third-party providers or consultants. The customer owns the data, the application, the database, the hardware — and the problems.

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In the SaaS model, the service provider owns and operates the application and the database, maintains the hardware and handles security and upgrades. The customer owns the data and accesses the application via the Internet with a web browser. User interfaces are often friendlier than those of older software because they are designed for the familiar look and feel of the web browser.

Evolution of SaaS

Customer relationship management software tool Salesforce.com launched in the late '90s and is widely thought of as the first mainstream SaaS application. Since then, companies in many industries have begun using SaaS systems for other functions such as ordering, finance, accounting, supply chain management, and HCM.

The move to SaaS has been rapid. According to the Stamford, Connecticut-based research firm Gartner Inc., the global SaaS market has more than tripled in size over the last five years. The firm predicts that within the next decade, SaaS will become the preferred method of software delivery for managing data associated with nearly all business functions.[1]

In today's HCM world, SaaS models are being used for time and attendance and related functions such as payroll processing, benefits administration, recruiting, performance management, strategic workforce analysis, and organizational planning.

According to Liz Herbert, senior analyst at Forrester Research Inc., "While SaaS adoption continues to tick upward across all application segments, company sizes, geographies and industries, HR remains one of the leading categories (for growth)." [2]

A survey by the HR IT research and consulting firm Jeitosa Group International confirmed that SaaS growth is accelerating for HCM functions. It noted that from 2008 through 2010, deployments of SaaS systems increased 34% for payroll and 80% for core HR functions. As of late 2010, SaaS was the delivery model of choice for these functions for 13% of surveyed companies.[3]

Reduced Total Cost of Ownership

There are obvious financial advantages to the SaaS model when compared to the traditional software model in which customers must purchase costly licenses for each employee.

Human Resources, IT and Finance have long known that per-employee licensing is inefficient, particularly for companies with seasonal employment or whose workforce size varies for other business reasons.

The SaaS solution is available using subscription-based pricing rather than the per-user licensing required for most client/server software. Companies pay a predictable monthly subscription fee that covers the users, employees, and modules for their entire organization.

The subscription pricing model eliminates the need for costly up-front investments in software and operating licenses, databases, servers, and backup equipment. The service provider bears all of these costs, which are passed along in the subscription pricing.

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SaaS-based systems can be implemented and launched very quickly with minimal training or work disruption. The cost savings generated by a speedy launch, the small upfront investment, and reduced onsite maintenance enable companies to reduce their total cost of ownership (TCO), a metric often used to reflect the efficiency of IT systems.

Reduced Burden on IT

With SaaS, the solution provider runs and maintains the system. The customer no longer has to perform low-value but mission-critical IT activities such as nightly backups, tuning databases, defragging storage systems, applying security patches, and more.

The IT department can focus its energies on more strategic activities, those that add real value to the business, while the Human Resource department no longer has to wait for patches or upgrades so it can perform time and attendance functions.

System capacity is also managed seamlessly by the provider. Users never have to worry about exceeding capacity, adding servers, or freeing up space on existing servers.

Security and Reliability

Some companies are nervous about using SaaS solutions for time and attendance. They worry that systems hosted off their own premises are more apt to suffer downtime or that having data available over the Internet opens them up to hackers — of especially critical concern due to the sensitivity of employee data.

In reality, SaaS-based models have proven to be more secure and dependable than systems managed in-house. SaaS providers' data centers feature advanced firewall technology and timely backups, and they have many practices in place to ensure highly secure hosting environments.

For example, the time and attendance SaaS solution Attendance on Demand is heavily safeguarded to protect its users' data. Its advanced servers and data centers rely on fault-tolerant technology and are designed for immunity against prolonged power outages, flooding, fire, and other natural disasters. All data sent between Attendance on Demand servers and its customers is automatically encrypted.

The Attendance on Demand system is highly secure and dependable, with uptime that is better than 99.962%.

All told, this SaaS solution provides a much higher level of security and integrity than customers can reasonably achieve with an in-house solution.

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Continuous Improvement

SaaS solutions enable companies to avoid the upgrade treadmill. There are no new releases, versions or upgrades. Rather, upgrades and improvements are made on a continuous basis and companies can "opt in" for the enhancements they want. The customers benefit from new features and functions immediately as they are introduced. This "pull" vs. "push" approach means that the SaaS solution is continuously improved for little additional costs — in stark contrast to traditional software that becomes obsolete quickly, even after costly upgrades.

Enhancements to SaaS systems include those that reflect changes in labor laws, regulations and practices. Human Resources, Legal, and senior management have peace of mind knowing that its time and attendance systems are always up to date in these areas.

Benefits of a Proven System

While many SaaS solution technology providers have added time and attendance functions to their existing product mix, products such as Attendance on Demand are developed from the ground up to leverage SaaS technology by experts in labor management needs and systems.

A comprehensive system based on 30 years of experience in time and attendance, Attendance on Demand provides the reliability of a tried-and-true solution along with the advantages of a SaaS delivery model.

Attendance on Demand can be accessed easily. Users need only their company-specific URL and a web browser. Customized user profiles tailor the user experience for a broad range of system users from different departments. The system's user-friendly inter-face makes it easy for managers and employees to develop efficient schedules, budget employee labor, manage time-off requests, accrue leave time totals, and generate useful reports. The system also includes biometric hand and finger readers, PIN time clocks, proximity readers and online time sheets to improve labor tracking.

With time-tested technology and experience working with complex pay rules, Attendance on Demand manages overtime tracking for compliance with the U.S. Fair Labor Standards Act (FLSA) and is designed to help users meet union regulations along with other federal mandates. The system is easily scalable to organizations of different sizes, and it integrates well with HR and payroll to help companies meet all of their HCM needs.

The benefits of a SaaS-delivered, automated time and attendance system cannot be overstated. Systems like Attendance on Demand enable companies to easily track employee time and manage attendance issues with minimum cost and maximum productivity.

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Footnotes/Bibliography

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About Attendance on Demand, Inc.

To find out how Attendance on Demand can help your organization, call 800-465-9980 or visit www.attendanceondemand.com

Attendance on Demand employee time and attendance service supports the labor management needs of thousands of companies and a quarter of a million employees across North America. Launched in 2006, Attendance on Demand is a rapidly deployed, cloud-based solution that minimizes a company's risk and technology investment while providing advanced features for securely managing labor data — calculating pay rules, scheduling employees, budgeting labor, and automating record keeping for labor law compliance. With over 99.9962% uptime and above average customer retention rates, Attendance on Demand removes the worry of maintaining expensive infrastructure. An extensive North American distribution network helps organizations use Attendance on Demand to reduce labor expenses and improve decision making.