



White Paper

Managing Your Double Bottom Line in Times of Uncertainty

How workforce management helps improve efficiency and supports your YMCA's mission

Executive Summary: The Challenge and the Opportunity of the Double Bottom Line

YMCAs, like many nonprofits, are faced with budget cuts at the federal, state, and local levels. Competition for these public funds is mirrored at the private donor level, where nonprofits are finding themselves competing for donor wallet share. And as budget cuts hit funding for public services, many communities turn to their YMCA for support, driving the need for expanded services and more member scholarships.

The uncertainty of funding continues to be top of mind for YMCA executives looking to expand services, increase membership, and offer new programs to serve the needs of their members and communities. But as operating costs continue to rise and revenue streams continue to falter, fulfilling your mission with limited resources will require a new focus on efficiency.

The unique challenge for YMCAs, though, is that efficiency can never be the only consideration. YMCA management teams must balance two bottom lines: operating to budget while keeping the mission first and foremost. In the nonprofit world this is commonly referred to as the “double bottom line,” and it continues to pull nonprofit management teams in two directions. Each side of the bottom line must be managed with equal importance. And every decision — whether it’s an investment or a cost-control measure — must be made with the double bottom line in mind.

The reality is that everyone involved with the YMCA — be it at the association level or the branch level, employees or volunteers — impacts this balance in some way. **Therefore, how well you manage your workforce strongly influences how well you manage your double bottom line.**

Why? Because your employees and volunteers are a huge part of your budget *and* your mission, as they 1) directly impact the quality of member services and programs; 2) represent the YMCA brand and carry out your mission at the ground level; and 3) make up your largest operating cost and your most controllable expense.

In this white paper you will learn why investing in a solution that helps you more effectively and efficiently manage your workforce can deliver value to both sides of your double bottom line. With workforce management you can:

- Operate efficiently by controlling costs and improving workforce productivity
- Fulfill your YMCA mission by optimizing your people

Read on to learn why workforce management can be key to the success of your YMCA.

“An effective non-profit manager must try to get more out of the people he or she has. The yield from the human resource really determines the organization’s performance. And that’s decided by the basic people decisions: whom we hire and whom we fire; where we place people; and whom we promote. The quality of these human decisions largely determines whether the organization is being run seriously, **whether its mission, its values, and its objectives are real and meaningful** to people rather than just public relations and rhetoric.”¹

*Peter F. Drucker,
Managing the Non-Profit
Organization*

¹ Peter F. Drucker, *Managing the Non-Profit Organization* (New York: HarperCollins Publishers, 1990), 145.

How to Better Manage Your First Bottom Line: Operational Efficiency

Focusing on operational efficiency when your organization and its leadership are fiercely focused on the YMCA mission may seem counterintuitive, but in actuality, it is essential. What many YMCAs have discovered is that driving operational efficiency through workforce management helps them focus more time, energy, and resources on strategic objectives and the mission.

Operational efficiency can be achieved by focusing on the following three key areas:

- Maximizing budget dollars and controlling costs
- Improving productivity in your administrative offices and in member-facing roles
- Minimizing your exposure to labor law and workplace safety compliance risk

1. Make the most of every budget dollar

Budgets across industries are being cut, but for YMCAs, cutting a program affects far more than finances — it affects the community. So to make the best use of limited budget dollars and grant money, you need to first understand your costs. And because a significant portion of your operating expenses comes from labor, your workforce is a key area to target for savings.

However, seeing payroll at the end of the month or quarter doesn't give you the insight you need to proactively control costs. Having a complete, on-demand picture of labor costs across all YMCA functions helps management make better, more proactive decisions to control costs — and helps provide each location or program with the resources it needs to be successful.

Cost inflation is the (solvable) problem

Inefficient workforce management practices create expensive problems for YMCAs; payroll errors, unbudgeted overtime, and scheduling inaccuracies are common issues. If unmonitored and uncontrolled, these financial issues can quickly and subversively escalate costs.

Problems are far more likely to occur with manual or disjointed systems and with employees working multiple jobs at multiple locations. A lack of visibility into or centralized access to employee hours and availability makes it difficult to calculate wages accurately, control overtime, and align schedules with staffing needs and budget.

*“We know how many hours are being spent in each department, at what rate of pay, and at what center, which is very valuable. Having an employee's information in one place, rather than on five paper timecards across multiple departments and centers, helped us **cut our payroll costs by \$1.5 million** in less than a year.”²*

Judith Sol-Dyess,
Senior Director of IS,
YMCA of Metropolitan Chicago

² Kronos Incorporated, *Workforce Central Slims Down YMCA of Metropolitan Chicago Labor Costs by \$1.5 Million* (Kronos Incorporated, 2009), 1.

How workforce management can help rein in costs

Gain control with automation and channel savings back into your programs. Automating your workforce management processes, such as time and attendance, helps generate immediate savings. Payroll errors are eliminated and managers get the visibility they need to proactively control overtime. Integrated scheduling tools also help managers better align staffing levels with program demand, so that scheduled hours align with staffing needs.

Accurately allocate costs to the correct cost center, location, or grant. An automated system allows you to easily capture labor costs across branches and programs. And having centralized, automated calculation of employee time, overtime, and various pay rates helps you cut perfect paychecks — regardless of whether an employee works one job at one branch or three jobs across ten.

Enable management to proactively control labor costs on a daily basis. Real-time alerts notify managers when employees are approaching hourly thresholds. Advanced reporting capabilities and analytical dashboards give an executive-level view of trends in labor cost, overtime, turnover, and other key workforce indicators.

2. Do more with less — and do it better

These days, resources are stretched thin, and this fact applies just as much to employee time as it does to budgets. Helping employees do more work in less time, whether they perform administrative tasks in the back office or work in member-facing roles, can lead to significant improvements in operational efficiency.

Disparate, manual process = productivity pitfalls

Dispersed operations are inherent in YMCAs, and this means that a lack of unified systems that are supplemented by manual processes is common at the branches. And when HR and payroll are hampered with manual, back-office workforce management, their productivity gets dragged down.

These all-too-common processes are time-consuming on the front end and often generate errors that cause additional work on the back end. If your YMCA supports multiple systems or still relies on manual processes, there is significant opportunity to improve productivity and redirect those hours toward strategic, member-facing initiatives.

How can automation fix these issues?

Centralize and automate to drive efficiencies. Workforce management at the association level makes all your branches more efficient. Automation eliminates the reams of paper associated with timekeeping, hiring, and time-off requests — and the costly, time-consuming errors that come with them.

THE AFFORDABLE CARE ACT Why It Matters for YMCAs

The Affordable Care Act has introduced new complexities and costs for organizations throughout all industries, most specifically those that employ a high percentage of part-time employees. While a workforce management system cannot help your YMCA establish its policy and strategy regarding healthcare reform and employee benefits, it can help you enforce your strategy at the branch, division, manager, and employee levels. This can help you ensure consistency across your organization and manage the costs associated with providing benefits to all qualifying employees.

How can a workforce management solution help?

- Managers get real-time alerts for part-time employees who are approaching overtime, so employee hours are properly managed
- When an employee does qualify for benefits, integrated HR applications allow the seamless transition to full-time status and initiate the benefits enrollment process
- Analytical tools provide senior management with an at-a-glance view of your entire workforce to help your YMCA:
 - Get an accurate and complete accounting of full-time/part-time employees
 - Ascertain where trends are occurring during hiring swings
 - Make more informed decisions regarding staffing, hiring, and HR policy as a whole



Gain a single solution for many tasks. An integrated system means you can centralize employee information and all workforce management functions. One solution, one user interface, one sign-on — it reduces errors, allows manage-by-exception, and improves efficiency. And a single solution makes it easier for managers to perform daily tasks, run reports, and make better decisions regarding the workforce.

Help your employees spend more time on what matters. Investing in a solution that helps your employees be more productive — and therefore spend more time on strategic initiatives and member-facing projects — can pay huge dividends to your budget, program quality, and even employee morale.

3. Minimize potential compliance risk

YMCAs face a number of workforce-related compliance risks. From wage and hour violations to slips and falls on the pool deck, mitigating these risks (and managing them properly when they occur) is critical to maintaining a safe, positive environment for YMCA employees and members.

Lack of automation means compliance headaches

There are a host of safety and regulatory requirements with which YMCAs need to comply, and manual processes make it difficult. Tracking employee hours across multiple locations and employing a number of minor employees poses FLSA compliance risk and needs to be managed carefully.

Managing certifications (including CDLs, fitness training, first aid, and lifeguard) can be a compliance nightmare — not to mention a potential safety hazard to members — if managers and employees are responsible for keeping track of renewal and expiration dates with manual systems.

In addition, tracking and managing regulatory compliance as it relates to FMLA, EEO, and OSHA reporting is challenging, especially if it's managed independently at each location.

Accurate, quality information means simplified compliance

Take the interpretation of FLSA and FMLA policies out of your managers' hands. Automated work and pay rules enable this, plus automating data capture at the source (via mobile, web, or at the clock) helps you pay employees accurately for the hours they actually work. Maintaining a central database of records helps improve compliance in the event of an audit.

Make reporting a simple task. Workforce management can help mitigate a variety of workforce compliance risks and simplify the process of EEO, OSHA, and DOL reporting.

*“We were doing a lot of double entries. Even running reports on first days and anniversaries, things that seem so simple now, we couldn't do before. [Automated workforce management] has just been a lifesaver for us ... Now, **we're able to get more strategic** and put our time toward other activities.”³*

Karla Jessup,
VP, Human Resources,
YMCA of the Triangle

³ Kronos Incorporated, *Workforce Central Shapes Up Workforce Productivity at YMCA of the Triangle* (Kronos Incorporated, 2009), 2.

Maintain a central repository of certifications. Centrally track and manage employee certifications with notifications of expirations, and gain a record of training and certifications attached to an employee record. This helps ensure that only qualified employees can be scheduled for programs and roles that require special certifications or training (e.g., lifeguards, child care staff, bus drivers) and enables schedules that meet staff-to-participant ratios.

How to Better Manage Your Second Bottom Line: The YMCA Mission

The YMCA mission manifests itself in many forms: your programs, services, community initiatives — and most important, your people.

Your employees and volunteers directly impact the experience members and program participants have with your Y. Ensuring this experience is a positive one is largely influenced by the manner in which you manage your workforce. Workforce management can help you:

- **Build a quality team**
- **Provide the best member experience**
- **Position your YMCA for future growth**

1. Build a quality team

The first step to delivering quality programs and services is staffing them with quality employees and volunteers. But with dispersed hiring processes and systems across your branches, plus the nature of your seasonal hiring swings, managing new-hire quality and employee workload can be challenging.

The unique staffing challenges of YMCAs

With a high percentage of part-time, contract, and temporary/seasonal workers, YMCAs can have a hard time finding trustworthy, quality employees, and may experience high turnover. Without automated systems, hiring can be a frustrating and time-consuming process.

For example, conducting manual background checks for many people, all at once, is a monumental task. Finding candidates, screening and interviewing them, and getting them on board takes a lot of time. When all this work is done, only to realize a bad hire was made, it drains your staff's productivity and morale.

Hiring the wrong person also can mean having a low-quality employee who provides poor service to your members. And that's something no YMCA wants — especially for programs on which participants depend for care and assistance.

*“With our [workforce management] solution, **overtime is automatically charged to the correct labor accounts.** It also takes the responsibility of understanding wage and hour laws out of the supervisor's hands and processes the information correctly the first time around.”⁴*

Judith Sol-Dyess,
Senior Director of IS,
YMCA of Metropolitan Chicago

⁴ Kronos Incorporated, *Workforce Central Slims Down YMCA of Metropolitan Chicago Labor Costs by \$1.5 Million* (Kronos Incorporated, 2009), 1.

Workforce management means standardized, simple hiring practices

With workforce management, you can centralize hiring practices and streamline processes across all YMCA branches so that you have consistent quality standards across your organization.

Integrated background checks help improve quality of hires and screen for security risks, while central visibility helps ensure that if someone is rightfully terminated at one location, they cannot be rehired at another.

Automated hiring and onboarding speeds time-to-hire so that employees can begin working with members more quickly and make a positive impact on your mission sooner rather than later.

Pre-interview screening capabilities give you the ability to screen for certifications, qualifications, and even tactical criteria such as schedule availability. This helps ensure that only prescreened candidates are meeting with managers, which maximizes the use of managers' time during the interview process.

Integration capabilities with job boards and social media help you attract quality employees, ranging from part-time operations roles to senior-level executives, to meet your hiring needs throughout the year.

2. Provide the best member experience

The member experience is directly influenced by interactions with employees. From help, counselors, and instructors to the grounds crew who maintain your facilities — employees make the difference.

Once you've built a quality team, the next critical step is effectively putting them in the field. Workforce management helps ensure that programs are staffed properly to create a safe, positive environment and meet program demands:

- **Maintain proper coverage for programs with qualified, certified staff** to provide the best experience in a safe setting.
- **Give managers the tools to quickly find qualified replacements** so that programs aren't impacted when unplanned absences occur.
- **Identify trends and outliers** in absenteeism, tardiness, employee productivity, turnover, and overtime costs to improve efficiency, better meet member needs, and support your mission.

And while it's not a new concept, it's a true one: Happier employees lead to happier members. Giving managers and employees the tools to perform workforce management tasks more quickly and easily allows them to focus more time and energy on members — which is, after all, why they're working for your Y.

"[With workforce management], background check now begins with just a few clicks of the mouse. It's like magic, and hiring managers love it."⁵

Angie Burke,
director of HRIS and payroll
YMCA of Greater St. Paul
and YMCA of Metropolitan
Minneapolis

⁵ Kronos Incorporated, *Kronos-Tandem Select Solution Creates Time Savings and Efficiencies in YMCA Background Screening and Hiring Process* (Kronos Incorporated, 2011), 1.

From mobile applications that help managers manage-in-the-moment, to self-service functions so staff members can view their timecards, time-off requests, and schedules at the clock, workforce management empowers employees to work more efficiently and access the information they want and need in a simpler way.

3. Position your YMCA for future growth

The YMCA is called upon to deliver programs, services, and initiatives to better the lives of members and the community. As your YMCA works to expand its footprint — either in terms of locations or simply program reach — workforce management can help you position and prepare for growth.

Increase member retention rates. With membership fees being a critical source of revenue, keeping member retention high and increasing referral business are key. Both heavily depend on the experience your members have at your Y, and naturally a great member experience depends on great staff. Workforce management helps you assemble a quality team and provide a fantastic member experience, which can lead to better retention and more referrals.

Optimize the budget you have. Two key factors for growth are securing funding and making sure that you have the resources you need to expand. Workforce management can help you make the most of your budget dollars through cost saving and productivity improvements, so you can channel those savings back into new programs and expansion — all while allowing employees to focus on more strategic initiatives to grow your organization and membership.

In addition, YMCAs need to demonstrate how they use their grant funding and demonstrate accountability. This requires visibility into all your operating expenses, which workforce management delivers. Competition for federal, state, and local funding is tough, and workforce management gives your YMCA the ability to prove your effective management of grants. And this makes your YMCA more likely to receive repeat funding.

Realize quick ROI and long-term benefits. As your YMCA grows and develops new programs to meet the changing needs of your community, having scalable systems and making sound investments to support your growth will be critical. With a workforce management solution, you can generate short-term ROI and lay the foundation for ongoing value with a system that can grow with your organization.

*“We are continuing to grow and add employees, and the great thing about our [workforce management] solution is **it can grow with us.**”⁶*

Karla Jessup,
VP, Human Resources
YMCA of the Triangle

⁶ Kronos Incorporated, *Workforce Central Shapes Up Workforce Productivity at YMCA of the Triangle* (Kronos Incorporated, 2009), 2.

A Trusted Partner for Managing Your Workforce

As a YMCA, you're challenged with managing two bottom lines of equal importance. Because your workforce impacts both, workforce management can have a positive impact on both operational efficiency and mission-based objectives.

Kronos is the leader in workforce management solutions and has a proven history helping YMCAs across the country manage their unique workforces. Our easy-to-use and easy-to-own solutions offer powerful back-end capabilities with an intuitive user interface. It's modern workforce management for the modern YMCA.

Whether your needs are simple or complex, Kronos has the solution to help you control costs, improve productivity, and minimize compliance risk. Partnering with Kronos for your workforce management needs can help you manage both sides of your double bottom line — and as a result, enable you to support the YMCA movement and achieve your mission-critical objectives, despite the uncertainty and challenges you face today.

