



Transitioning from time cards to Agile Labor Management:

Key strategies for success

The Challenge: Limitations of time cards in tracking labor costs

Time cards have traditionally been used to track labor costs, providing a simple way to record hours worked. However, this system fails to reflect how those hours contribute to team-based outcomes or value delivery. In Agile environments, where teams collaborate to deliver value, time cards misalign with the collective effort of teams and the value they produce. The challenge of transitioning from time cards to Agile labor management stems from differences between teams, varying levels of Agile adoption across the organization, and the need for a consistent, unified approach to labor tracking. Some teams may still rely on individual time card tracking, while others have fully embraced Agile team-based tracking. This inconsistency complicates the process of managing resources and aligning labor costs with Agile's focus on outcomes.



The Solution: Transitioning to Agile labor management

Shifting from individual time tracking to Agile labor management requires focusing on team-level outcomes rather than individual hours worked. It's about tracking the total labor cost of delivering value, not just the time spent by each team member. This transition is difficult due to differences in Agile adoption and the need for integrating data across various systems used by different teams. TBM (Technology Business Management) helps address these challenges by connecting disparate data sources, providing insights, and ensuring the success of the transition.

To facilitate this transition, organizations should focus on the following strategies:

- 1. Align Labor Costs with Value Delivery:** Instead of tracking individual hours, organizations should track labor costs based on the team's collective output, such as work completed in sprints or features delivered. This ensures that labor costs are tied directly to the value the team delivers, not the time spent on tasks.
- 2. Integrate Data Across Systems:** The challenge in transitioning to Agile labor management lies in connecting various data sources from Agile planning tools, HR systems, and financial platforms. These tools often operate separately, making it difficult to track labor costs at the team level. TBM helps overcome this challenge by consolidating data from multiple sources into one cohesive system, ensuring that labor costs are connected to the value delivered by the team.
- 3. Streamline Data Collection and Reporting:** Moving away from time cards doesn't mean abandoning data collection. Agile project management tools, HR systems, and financial platforms can automate the capture of team-level labor data, reducing administrative overhead and errors. This streamlines the process of collecting and reporting data, ensuring that it aligns with Agile practices and reflects the collective effort of the team.
- 4. Enable Real-Time Insights for Better Decision-Making:** With integrated data, managers gain real-time insights into labor costs and resource allocation. This allows for more informed decision-making, enabling managers to ensure that labor resources are being invested in the most valuable activities. The data-driven insights provided by TBM software make it easier to adjust priorities and optimize resource allocation to achieve business objectives.



The Outcome: Enhanced efficiency, visibility, and strategic alignment

The transition to Agile labor management brings several important benefits. First, it ensures that labor costs are aligned with value delivery, not individual hours worked. This approach allows organizations to focus on the collective effort of Agile teams and optimize resource allocation based on value creation.

Second, integrating data across systems enhances visibility into how labor is being used. By consolidating data from Agile tools, HR platforms, and financial systems, organizations can see how labor costs are distributed across work items and teams. This transparency enables better decision-making and more efficient use of resources.

Finally, TBM helps track labor costs at the team level and connects data across various systems. By organizing and categorizing data, TBM ensures that labor costs align with Agile goals and provides the insights needed to optimize team performance. This integration is essential for managing labor costs effectively in Agile environments, where tracking value delivery is key to success.

Conclusion: Achieving success in Agile labor management

Transitioning from time cards to Agile labor management is a necessary step for organizations seeking to enhance agility, efficiency, and value delivery. The challenge lies in aligning labor costs with team-based outcomes, which requires overcoming the complexities introduced by different levels of Agile adoption across teams and departments.

TBM supports this transition by integrating disparate data sources, helping organizations track labor costs at the team level, and ensuring alignment with business goals. With the right strategies and tools in place, organizations can make the transition smoothly, reduce inefficiencies, and achieve better business outcomes. Ultimately, this transition fosters a more agile, efficient, and transparent approach to labor management, driving successful Agile initiatives.



About the Community

Agile changes things, including how IT works with Finance. Cost transparency and labor capitalization, traditionally supported by timesheets, can be approached differently by utilizing modern costing methods to financial transparency, operational efficiency and accuracy. In this infographic, step through the high-level journey to transition your organization from using timesheets to work item costing, learning tips and tricks along the way.

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The Future without Timesheets

Timesheets are a tool traditionally used by IT organizations to enable cost transparency and capitalization through the allocation of labor costs to specific products, applications and services.

As IT seeks to maximize value delivery through modern ways of working, traditional time tracking practices must evolve as well.

Technology Business Management, in conjunction with advanced tools, enables work item costing as a solution that improves the efficiency and accuracy of labor cost transparency and capitalization.



- # Process Step
- ↻ Pitfall
- ⚙️ Draw Card
- ⚡ Hazard
- ★ Bonus