Time Tracking Implementation Guide for PR & Marketing Agencies

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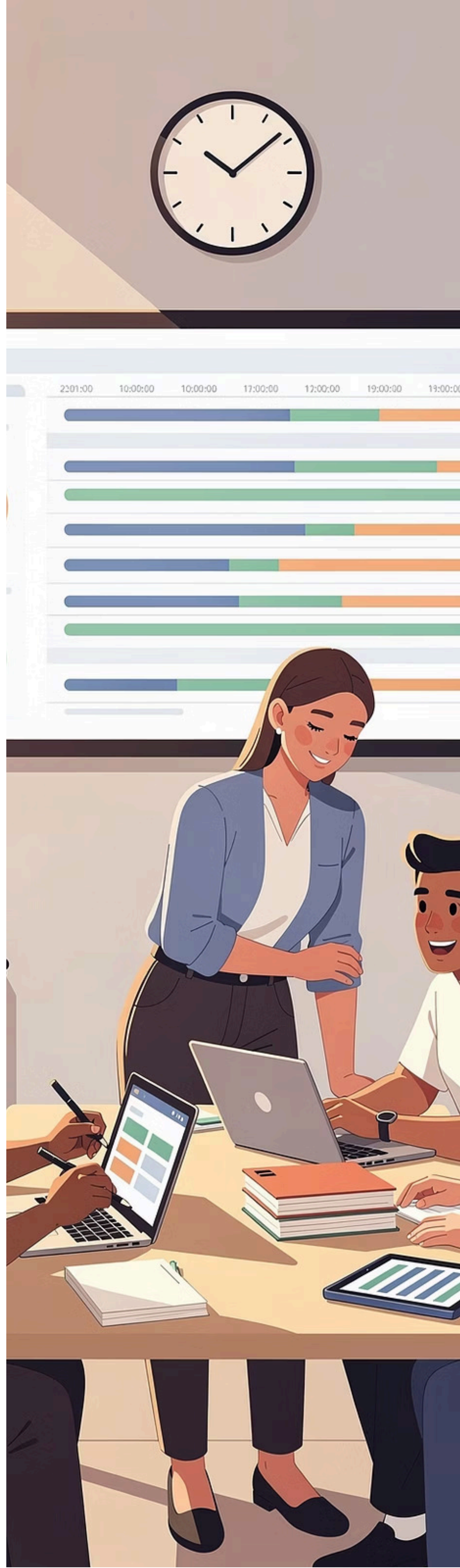


Introduction

If you're reading this guide, you probably already suspect that time tracking matters for your agency. Maybe you're not entirely sure which clients are actually profitable. Perhaps you're struggling to price new projects confidently. Or you might simply have a nagging feeling that you need better visibility into how your team spends their time.

You're right. Time tracking does matter—even if you don't bill by the hour.

But here's the thing: most agencies implement time tracking poorly. They create overly complex systems that frustrate employees and produce data that never gets used. Or they take a "set it and forget it" approach where compliance gradually deteriorates until the data becomes meaningless.

This guide will help you avoid both extremes. It provides a practical, step-by-step approach to implementing time tracking that actually works—meaning your team will use it, and you'll use the data to make better business decisions.

What You'll Learn

This guide covers everything you need to successfully implement time tracking at your agency:

Making the Case

How to make the case for time tracking (to yourself and your team)

Essential Data

What data actually matters—and what you can safely ignore

System Setup

How to choose and set up a system people will actually use

Maintaining Compliance

Strategies for maintaining compliance without becoming the time tracking police

Using the Data

How to turn time data into better business decisions

Whether you're implementing time tracking for the first time or fixing a broken system, this guide will give you a clear path forward.

The Case for Time Tracking

Why Track Time at All?

At its core, your agency is selling labor. You can package it as projects, retainers, or value-based fees, but ultimately you're selling the time and expertise of your team. If you don't know how that time is being spent, you're flying blind on the most important aspects of your business.

What Time Tracking Actually Gives You

Understanding True Profitability

Without time tracking, you're probably wrong about which clients are profitable. The clients you enjoy working with often feel less burdensome than they actually are. The painful clients seem to consume more time than they really do. Time tracking gives you objective data to see which relationships actually make financial sense.

Making Smarter Resource Decisions

When you understand how your team's time is distributed, you can make better decisions about who should work on what. You'll spot inefficiencies, identify team members who might need support or training, and see opportunities to redistribute work more effectively.

Setting Accurate Pricing

Most agency owners underestimate how long projects actually take. Time tracking shows you the gap between what you think something takes and what it actually takes. This is especially important because you—as the owner—can typically complete tasks faster than your team members can. Understanding this gap is critical for pricing profitably.

Identifying When to Hire

"Everyone seems busy" is not a hiring plan. Time tracking data shows you when your team is truly at capacity versus when they just feel overwhelmed. It helps you make the case for adding resources based on data rather than gut feel.

"But We Don't Bill Hourly!"

> This is the most common pushback: "We don't bill hourly, so why do we need time tracking?"

Here's why: **billing and costing are completely different things.**

Even if you charge a flat project fee or monthly retainer, you still need to know your costs. Your biggest cost is almost certainly labor. Without understanding how much time your team invests in each client and project, you have no idea whether your pricing makes sense.

> **Think of it this way:** if you were manufacturing widgets, you'd want to know the cost of materials and production time for each widget, even if you sold them in bulk at a flat rate. Your agency is no different. Time is your raw material.

You don't need to share your time tracking data with clients. You don't need to justify your pricing based on hours. But you absolutely need to know your internal costs to run a profitable business.

Getting Buy-In From Your Team

Let's be honest: your team won't be thrilled when you introduce time tracking. They'll see it as Big Brother surveillance, extra administrative work, or a sign you don't trust them. Your job is to change that narrative.

Explain How It Actually Helps Them

Time tracking benefits your team in real ways:

- It helps you spot when they're overworked before they burn out
- It identifies where they're getting stuck, creating opportunities for coaching or process improvement
- It makes scope creep visible, giving you ammunition to push back on clients
- It helps you delegate low-value tasks away from them
- It leads to better project estimates, reducing scrambling to hit impossible deadlines without making any money

Be Transparent

Don't pretend time tracking is solely for the team's benefit—they won't believe you. Be honest: you need this data to run a profitable business, make smart decisions about hiring and pricing, and understand true costs. But also emphasize the genuine benefits to them.

Lead by Example

If you're asking your team to track time, you need to track your own time first (especially since it is the least scalable and most expensive labor resource in your agency). If you're not willing to do it yourself, don't expect them to take it seriously. More importantly, doing it yourself will help you understand the friction points in your system.

Choosing Your Time Tracking System

The best time tracking tool is the one your team will actually use.

That's it. Don't overthink this decision.

What to Look For

Focus on these essentials:

Simple interface

If it takes more than 30 seconds to log time, it's too complicated.

Mobile accessibility

Your team needs to log time from anywhere.

Basic reporting

You need to see time by client, project, and team member.

Reasonable price

$5-15 per user per month is standard.

Key integrations

If you use project management software, QuickBooks, or specific tools religiously, integration can be valuable—but don't let this be the deciding factor.

Popular Options

There are plenty of solid choices available that are used by thousands of agencies. My own preference for years has been Harvest, but that's not to say there aren't lots of other good options. Pick one that feels intuitive to you and your team. You can always switch later if needed.

Setting Up Your System

Keep It Simple: The Four Essential Fields

Track only what you'll actually use. For most agencies, that's four things:

Client	**Project**
Date	**Time spent**

That's it. You don't need to track whether it was a phone call or email, whether it was internal or external, or what specific sub-task it was.

Categories to Track

Beyond client work, create categories for:

Business Development

- Proposals
- Pitches
- Networking

Internal Operations

- Admin
- Team meetings
- Training

Professional Development

- Learning new skills
- Industry research

Resist the temptation to create dozens of subcategories. Start with 5-8 categories maximum. You can always add temporary categories for short-term deep dives if you need to understand something specific.

What Not to Track

Don't track:

- Task types (meeting vs. email vs. phone call)
- Detailed task descriptions beyond client and project
- Multiple people on the same task (just have each person log their own time)
- Billable vs. non-billable (unless you have a project that you actually bill hourly)

> Remember: Every additional field you track increases friction and reduces compliance. Keep it ruthlessly simple.

Rolling Out Time Tracking

The First Two Weeks

The first two or three weeks determine whether your time tracking system succeeds or fails. Here's how to set yourself up for success:

Week One: You Only

Start by tracking your own time for a full week before asking your team to do anything. This accomplishes three things: you identify friction points in the system, you demonstrate commitment, and you have real experience to reference when training your team.

Week Two: Full Team Launch

Hold a brief team meeting (15-20 minutes) to explain why you're implementing time tracking, how it will benefit them, and exactly how to use the system. Then do individual 5-minute walkthroughs to ensure everyone successfully logs their first entry.

Daily Check-ins

Check in daily for the first week. A quick Slack message or email reminder: "Don't forget to log your time!" This creates the habit before it becomes a problem.

Maintaining Compliance

The biggest challenge isn't getting people to start tracking time—it's maintaining compliance over months and years. Here's how:

Set Clear Expectations

Time should be logged daily and submitted by the end of week. Make this a clear performance expectation from day one. It's not optional.

Follow Up Quickly

When someone doesn't log time, address it immediately—not three weeks later. A quick message: "Hey, I noticed you haven't logged time for the week. Can you fill that in today?" Immediate feedback prevents bad habits from forming. Many of the tools have the ability to trigger automatic reminders.

Use the Data Visibly

Within the first month, make a visible business decision based on time tracking data. Maybe you raise rates on a client consuming more time than expected, or you redistribute work based on capacity. When people see the data actually matters, they're more likely to maintain compliance.

Make It Easy

If compliance drops, first ask whether your system is too complicated. Sometimes adding a daily reminder, simplifying categories, or switching tools solves the problem.

Using Your Time Tracking Data

Collecting data is pointless if you don't use it.

Here's what to look at and when.

Weekly Check-Ins

Every week, spend 10 minutes reviewing:

01

Who hasn't submitted their time yet

02

Any obvious anomalies

(someone logged 60 hours? Someone logged 10?)

03

Quick scan of which clients consumed the most time this week

This isn't about deep analysis—it's about catching problems early and maintaining awareness.

Monthly Deep Dives

Once a month, block an hour to analyze:

01

Client Profitability

Each account leader should calculate the actual cost of each client relationship. Multiply hours spent by your blended labor rate (see the SAGA resources on project profitability for more information on this). Compare that to revenue from the client. If a retainer client pays you $5,000/month but consumed 60 hours of team time at a $100 blended rate, you just lost $1,000 – even without looking at other costs or accounting for overhead. That's a conversation you need to have.

02

Project Performance

For completed projects, compare estimated hours to actual hours. If you estimated 40 hours and it took 65, that's a 60% overrun. Track these patterns to improve future estimates.

03

Team Capacity

Look at total hours per team member. If someone consistently logs 50+ hours, they're likely at risk of burning out. If someone consistently logs 25-30 hours, there might be capacity for more work, a gap in tracking, or a performance issue to address.

04

Where Time Actually Goes

Review your internal operations time. If your team spent 80 hours on internal meetings last month, maybe some of those meetings aren't necessary. If business development consumed 100 hours with no new clients, your approach might need adjustment.

Quarterly System Review

Every three months, evaluate whether your time tracking system itself is still working:

Key Questions to Ask

- Is compliance still high (80%+)?
- Are you actually using the data to make decisions?
- Are there categories you never look at that you could eliminate?
- Is there data you wish you had that you should start tracking?

Pro Tip: Don't be afraid to adjust your system as your needs evolve.

Common Mistakes to Avoid

Setting Strict Time Limits

The thing that destroys more time tracking systems than anything else is telling team members that they can't spend more than X hours on a particular client or project. I can pretty much guarantee that they will report that's how much time they spent whether it is true or not. You must stress to your team that accuracy matters more than anything else.

Making It Too Complicated

The biggest mistake is creating an overly complex system with dozens of categories, subcategories, and required fields. Every additional field reduces compliance. Start simple and add complexity only if truly necessary.

Collecting Data You Never Use

If you're not going to analyze it, don't track it. Every piece of data you collect but ignore is wasted effort that could have gone toward better compliance on the data that actually matters.

Not Following Up on Non-Compliance

If you let someone slide on time tracking for weeks, you've just communicated that it doesn't really matter. Address non-compliance immediately and consistently.

Implementing Without Explaining Why

If you roll out time tracking without explaining the business case and benefits, your team will assume the worst. Take time to communicate clearly about why this matters.

Tracking But Not Leading

If you don't track your own time religiously, your team won't either. Lead by example.

Obsessing Over Perfect Accuracy

You're not looking for precision down to the minute. Quarter-hour increments are fine. Close enough is better than not at all. The goal is consistent tracking of reasonably accurate data, not perfect precision.

Using Time Data to Punish People

If someone's time data reveals they're struggling with a task, that's an opportunity for coaching or training—not punishment. If you use time tracking data to criticize people, compliance will evaporate.

Your 30-Day Quick Start Guide

1 Week 1: Preparation

- Subscribe to your time tracking tool of choice
- Set up your client list and basic categories
- Track your own time all week to test the system

2 Week 2: Launch

- Hold a team kickoff meeting explaining why and how
- Do individual walkthroughs with each team member
- Send daily reminders to log time
- Follow up immediately on any missing entries

3 Week 3: Establish the Habit

- Continue daily reminders
- Address any compliance issues quickly
- Do your first weekly review

4 Week 4: Make It Stick

- Reduce reminders to 2-3 times per week
- Run your first monthly analysis
- Make at least one visible business decision based on the data
- Share with the team how time tracking data helped make that decision

Frequently Asked Questions

Which time tracking tool should I use?

The best tool is the one you and your team will actually use consistently. Harvest is my personal choice, but there are plenty of other good ones. Pick something affordable with a clean interface that integrates with your other tools if needed. You can always switch later.

How accurate does time tracking need to be?

Close enough is better than not at all. Quarter-hour increments are fine. The goal is consistent tracking of reasonably accurate data, not perfect precision. If your team is tracking 80-90% of their time reasonably accurately, you have what you need to make good decisions.

Do I really need to track my own time as the owner?

Absolutely. If you're not tracking your time, your team won't take it seriously. Plus, you need to know how you're spending your time—it's the only way to identify what you should delegate or stop doing. You can't ask your team to do something you're unwilling to do yourself.

How often should I review the data?

Quick weekly check-ins (10 minutes on Friday) to catch problems early. Monthly deep dives (one hour) to analyze profitability and trends. Quarterly reviews of the system itself to ensure it's still working.

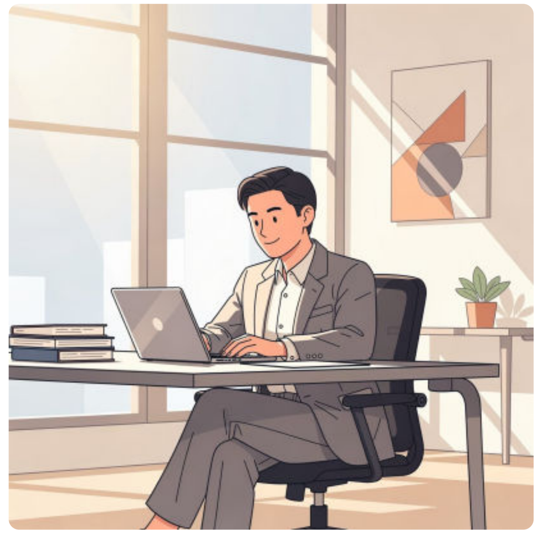
What if my team is resistant?

Have individual conversations to understand their specific concerns. Usually it's fear of being micromanaged or punished. Address that directly—explain this is about business intelligence, not policing. Show them how the data benefits them. If someone continues to resist after that, it's a performance issue that needs to be addressed.

What's the biggest mistake agencies make?

Making it too complicated. Agencies create systems that track everything—task types, sub-projects, meeting attendees, all of it. Then tracking becomes so burdensome that adoption falls apart. Keep it ruthlessly simple and only track what you'll actually use to make decisions.

Final Thoughts



Time tracking isn't glamorous. It won't transform your agency overnight. But it will give you the data you need to make smarter decisions about pricing, hiring, firing, and where to focus your energy.

The key is to start simple, maintain consistency, and actually use the data. Don't overcomplicate the system. Don't collect data you'll never analyze. And don't implement this halfway—either commit to doing it right or don't do it at all.

Most importantly, remember that time tracking is a means to an end. The goal isn't perfect time tracking—it's running a more profitable, sustainable agency that serves both you and your team better.

Now stop reading and go track some time.

Appendix: Team Communications

Below is a sample email and FAQ you can adapt when introducing time tracking to your team.

Subject: Implementing Time Tracking [Starting DATE]

Hi team,

Starting [DATE], we'll be implementing time tracking for all team members.

Right now, I'm making important business decisions—about pricing, which clients to take on, when to hire—largely based on gut feel. I need better data to make smarter decisions that benefit everyone.

Specifically, time tracking will help us:

- Understand which clients and projects are actually profitable
- Price future projects more accurately so we're not constantly scrambling
- Identify when you're getting overloaded before you burn out
- Make data-driven decisions about when to hire and where to invest
- Spot tasks that are taking too long so we can provide better training or support

What This Is NOT

This is not about micromanaging you or monitoring your every move. I'm not going to question why a task took you 2 hours instead of 1.5 hours. I'm looking for patterns and trends that help us run a better business—not reasons to criticize individual performance.

How It Works

We'll be using [TOOL NAME]. It's straightforward—you'll log time by client and project in quarter-hour increments. That's it. No complicated categories or subcategories.

The expectation is that you'll log time daily and submit your timesheet by the end of each week. I'll send reminders the first few weeks while we're all building the habit.

The most important thing is to report your time accurately. Don't worry about what I'll think and instead focus on helping me understand the reality.

I've been tracking my own time for the past week to test the system and understand the friction points. I'm not asking you to do anything I'm not willing to do myself.

Thanks for your cooperation on this. I genuinely believe this will help us build a better, more sustainable business that works better for all of us.

FAQ for Team Members

Why do I have to track my time if we don't bill hourly?

Even though we don't bill clients by the hour, we need to understand our internal costs. Labor is our biggest expense, and time tracking helps us see the true cost of delivering work. This data helps us price projects accurately, make smart decisions about staffing, and identify which client relationships are actually profitable. Better business decisions ultimately lead to a more stable agency for everyone.

Is this just so management can spy on me?

No. We're not trying to catch you slacking off or monitor your every minute. We're trying to understand patterns: Which clients take more time than expected? What types of projects are profitable? When do we need to hire more people? The goal is business intelligence, not surveillance. I hate micromanagement as much as anyone else.

What exactly do I need to track?

Track all work-related time: client work, meetings, emails, phone calls, creative work, research—basically anything work-related. You don't need to track bathroom breaks, lunch, or personal time. You don't need to track down to the second—quarter-hour increments are fine. Just record what you worked on, for which client or project, and roughly how long it took.

How accurate do I need to be?

Reasonably accurate is fine. You're not expected to be precise down to the minute. If something took about 30 minutes, log 30 minutes. If you're not sure whether it was 45 minutes or an hour, make your best guess. The key is consistency and honesty—don't inflate your hours, but don't shortchange yourself either.

What if I forget to track something or fall behind?

It happens to everyone. Just fill in your time as soon as you remember, making your best estimate of what you did and how long it took. Try to get it entered by end of day or at worst, end of week. If you consistently forget, set up reminders for yourself. The worst thing you can do is not enter it at all—we'd rather have a good estimate than nothing.

FAQ for Team Members (continued)

Do I need to track emails and meetings?

Yes. Emails and meetings are real work that takes real time. If you spend 30 minutes in a client meeting, log it. If you spend 15 minutes responding to client emails, log it. This helps us understand the full scope of what client relationships actually require. Don't skip the "little stuff"—it adds up and matters.

What if I'm working on multiple things at once or get interrupted?

Track time for the primary thing you were working on. If you were writing a blog post and stopped to answer a quick email, you don't need to start and stop a timer for a 3-minute interruption—just keep it with the blog post time. If you switch to something completely different that takes significant time, log that separately. Use common sense and don't drive yourself crazy trying to capture every micro-task.

Will this be used against me in performance reviews?

No. Time tracking data is meant to help us understand workflow and project profitability, not to punish people. If the data shows you're spending a lot of time on something, that might lead to a conversation about whether you need training, whether the project is scoped wrong, or whether you need help. It's about identifying problems to solve, not finding reasons to criticize you.

What's in this for me? How does time tracking benefit me?

Good time tracking data helps us see when you're overworked and need help, identify tasks that should be delegated or eliminated, and understand when you need additional training or resources. It can reveal that certain clients or projects are consuming way more time than anticipated, which might lead to scope changes or repricing that takes pressure off you. Ultimately, accurate time data helps create a healthier work environment because decisions get made based on reality instead of guesswork.

How much detail should I include in my time entries?

Keep descriptions brief—just enough that you remember what you did and your manager can understand it. "Client ABC blog post draft," "Project XYZ planning meeting," or "Monthly newsletter" is plenty. You don't need to write paragraphs. Just a few words is usually enough.

What happens if I don't track my time?

Time tracking is a job requirement, not optional. If you consistently don't track your time, it will be addressed as a performance issue. That said, we understand it takes time to build the habit. You'll get reminders and support in the first few weeks. If you're struggling with the system, let us know so we can help—but not doing it isn't an option.

About SAGA

SAGA helps PR and marketing agency owners build the businesses they want to own. Through advisory services, educational resources, and a supportive community, SAGA provides agency owners with practical guidance on growing profits, eliminating overwork, and achieving their goals. Founded by Chip Griffin, SAGA created a Build to Own approach that focuses on creating agencies that serve the owner's needs and priorities. Whether you're looking to scale your business, improve profitability, or simply enjoy ownership more, SAGA offers the insights and support to help you get there.

About Chip Griffin

Chip Griffin is the founder of SAGA and a longtime agency leader and entrepreneur. He helps PR and marketing agency owners build businesses they want to own by working with them to grow profits, eliminate overwork, and improve their overall satisfaction. As an experienced entrepreneur and agency owner himself, Chip shares the wisdom of his successes and the lessons from his failures. Over the course of nearly three decades of entrepreneurship, Chip has created and grown more than half a dozen different companies and has experience with buying and selling these types of businesses. He brings more than 30 years of agency experience to his work, having started as a junior account executive and eventually serving as Chief Operating Officer for a global media intelligence agency.

For more information and resources, visit www.smallagencygrowth.com