

# GN ReSound Increases Efficiencies and Validates Labor Costs with UKG

The GN ReSound Group is one of the world’s largest providers of hearing instruments and diagnostic audiological instrumentation. Headquartered in Denmark, the company includes four brands – ReSound, Beltone, Interton, and Otometrics – and has locations around the world, including U.S. locations in Minnesota and Illinois.

## Challenges

- Retail locations manually tracked time on spreadsheets, an inefficient process prone to misinterpretations and payroll errors
- Supervisors manually tracked technicians’ moves to other departments, creating questions about accurate job tracking
- Tabulating each product’s labor costs was time-consuming and tedious without easy access to detailed workforce data

## Solution

- An automated UKG workforce management solution with easy access to labor data for better control of operational expenses, improved compliance, and increased productivity

## Benefits

- Workforce data confirms if each product line is meeting its efficiency metrics
- New product development and training costs can be measured
- Easy-to-perform labor-level transfers help ensure time spent on each production line or task is accurately tracked
- Data enables accurate comparison of production labor costs by location for cost-effective production decisions
- Overtime tracking and alerts help maintain efficient staffing levels

### Customer Snapshot

Medical device manufacturing

Ballerup, Denmark

+2,000 employees

### Products

- Workforce Timekeeper
- Workforce Absence Manager
- Workforce Mobile

We look at this UKG information to ensure we’re meeting our efficiency levels... to see if a particular line made its expected efficiency for the day, week, or month.



Shawn Timm  
Director of Manufacturing

## Manufacturing

### The story

Until GN ReSound moved its hourly production and office workers at its U.S. locations to an automated UKG solution more than a decade ago, it tabulated time and attendance manually. The company's hourly employees still submit timecards, an inefficient process open to data misinterpretation and pay issues that GN ReSound will soon change when it adds these employees to the solution.

GN ReSound also manually tracked technicians' movements to different departments for different jobs, a process that didn't always capture accurate time spent on a job. These movements are not captured electronically. By moving to an automated UKG workforce management solution, GN ReSound has improved production efficiencies and can accurately project and track labor costs for each product line. With production facilities in the U.S., China, and other global locations, the company is using this insight to determine the most cost-effective production practices.

### Measuring production efficiencies

Hourly manufacturing employees swipe in and out at UKG time clocks, while hourly office workers enter their time in the UKG system on their PCs. With specific job codes in the system, employees conduct a labor-level transfer if they work on another line, in a different department, go to a meeting, or attend training. Labor hours are pulled from the UKG system to help monitor the company's key process indicators. This data enables operations and finance department staff to see how well the company is utilizing personnel.

"We look at this information to ensure we're meeting our efficiency levels," says Shawn Timm, director of manufacturing. "We tie that into units shipped and total direct hours worked and determine efficiency level to see if a particular line made its expected efficiency for the day, week, or month."

### Validating manufacturing labor costs

With improved overtime tracking, GN ReSound discovered that the majority of hourly operators were taking advantage of rounding rules by clocking in an average of 20 minutes early to be paid overtime during weekend shifts. "We were able to modify the system to pay only for time worked, saving money immediately," notes Mark Heiser, director of custom manufacturing.

In developing and manufacturing new products, some unproductive time can occur as employees get up to speed. "We now easily generate a product code, so we can better track hours spent on R&D and other activities," he adds. "We more accurately

Track true manufacturing costs by segregating those hours from nonproductive activities to the projects themselves."

### Managing absenteeism and staffing levels

"Our UKG solution also has assisted with our staffing and head count needs," adds Cindy Brown, manager of payroll and HRIS. "It validates if we're under, over, or on target, making it easier if we need to request additional labor."

"We're able to monitor individual departments for absenteeism and shift staff in a more timely manner, reducing backlogs and increasing efficiencies," adds Heiser. "With reports of hours worked, vacation balances, and tardy arrivals relative to company policies, we've improved our communication to employees regarding time management."

### Determining most cost-effective production sites

GN ReSound utilized labor data in determining the benefits of outsourcing production to facilities in China. Within its UKG solution, the company has set up departments based on different products, with each product having a specific rate of build.

"We can determine the cost of building a product in the U.S. and assume the build rate will be the same elsewhere," Timm explains. "Knowing the labor rates here and in China, we can project the production costs for each location." Data also validates if the company realizes expected savings.

### Overtime reports and alerts

The finance department reviews UKG overtime reports at the end of each biweekly pay period. The company's ideal overtime rate is five to 10 percent. "If we see it escalate over 10 percent in a department, the system alerts us to investigate," notes Timm. "It's an opportunity for us to approach senior management about evaluating our staffing."

The system calculates overtime based on FLSA requirements, keeping GN ReSound in compliance with regulations.

### Ongoing benefits

In using the solution, Brown says UKG Global Support has been "extraordinary," always responsive and taking time to explain the logic behind a process.

This support has helped GN ReSound optimize the benefits of its UKG solution. "Analyzing the data, our finance department can determine the cost per product and what we need to do going forward with operations," adds Brown. "I'm very impressed with the data and the operating efficiencies it is helping us achieve."