

What R&D Leaders Get Wrong When Choosing a Time Tracking Method

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Choosing a time tracking method for R&D can be confusing and difficult, often leaving fundamental decisions unresolved. What actually counts as R&D? Who makes that decision? If these questions aren't being addressed by your organisation, R&D efforts will stumble regardless of the specific cadence or input method for tracking.

The mismatch between how funders think and how companies work

Tax and grant authorities need contemporaneous evidence that specific work advanced a technology beyond a known baseline. In comparison, companies organise around delivery.

Those two framings don't map onto each other cleanly, and no time-tracking method bridges that gap on its own. A daily timesheet captures hours, not automatically whether those hours count as R&D. Some planning meetings can qualify, and others cannot. The key differentiating factor is whether the meeting itself is part of resolving a technological uncertainty, or just planning future time allocation to such work. Someone must make a judgement on this nuanced distinction.

The governance gap that actually causes problems

The core problem is the gap between how funders interpret Research and Development (R&D) activity and organisations' internal management practices. Funders assess whether work contributed to resolving a technological uncertainty. Companies' internal management systems, however, tend to organise work around projects, budgets, milestones, teams and delivery outcomes.

An example from a mid-sized engineering firm illustrates what this looks like in practice. The firm consistently logged time inside their R&D platform, but hourly rates were applied externally. Their year-end reconciliation took place entirely outside the system in a separate spreadsheet. The basic method of daily logging linked to work packages was sound, but the organisation had not considered how its internal project structure and financial process would be interpreted against the funder's criteria. As a result, good raw data became weaker and more tangled than it needed to be.

FUNDERS' PERSPECTIVE	COMPANIES' PERSPECTIVE
Was specific work undertaken to resolve a technological uncertainty?	Was the project delivered against agreed budgets, milestones and outcomes?
Requires contemporaneous evidence linked to a known technological baseline.	Records activity through projects, teams, tasks, meetings and time allocation.
Assesses whether each activity contributed to an advance in technology.	Focuses on coordinating resources and completing planned work.

A chart comparing the perspective of funders and companies

What this means in practice

Before choosing a cadence or a tool, consider how the organisation's day-to-day management practices are interpreted by relevant funding viewpoints. Clarify what qualifying activity looks like in your specific context, how internal work packages map to technological uncertainties, and where further explanation may be needed.

ReaDI-Watch's approach treats the tracking method and funder interpretation as connected decisions. Understanding that relationship early helps organisations design records that fit normal working practices while producing evidence that can be clearly interpreted and supported at year-end.