



VISA PAYROLL CARD SUCCESS STORY

National company lowers payroll costs and achieves 75% e-pay.

Since implementing its Visa Payroll card program in 2008, this national, Fortune 500, high-quality casual dining company has successfully grown electronic pay from 29% to 75%, reduced paper checks from 32,000 to 11,000 each payday, and issued 14,000 payroll cards.

AT A GLANCE

OBJECTIVE: Reduce payroll distribution costs and optimize payroll processes.

SOLUTION: Introduce the Visa Payroll card as part of the company's new paperless pay (e-pay) initiative.

RESULTS IN JUST ONE YEAR:

- 75% e-pay
- 14,000 Visa Payroll cards



There are 22 states that allow employers to mandate electronic deposit. Under this scenario, employees must choose to be paid by direct deposit to a bank account or a payroll card as check payments are not offered by the employer.

The Situation

In early 2008, the company began aggressively exploring ways to cut costs and optimize payroll processes. Management wanted a cost-effective way to deliver on-time pay across the country. The company was issuing 32,000 paychecks each week.

The Solution

Working closely with their payroll card provider, the company started offering Visa Payroll cards as the preferred pay method for employees who did not have bank accounts. The company first chose an "opt-in" strategy, strongly encouraging employees to adopt either the payroll card or direct deposit to their bank account.

In just six months, the company began realizing significant savings. The adoption strategy was soon revised to require employees to receive their pay electronically to a bank account or Visa Payroll card in 17 of the 22 states where paperless pay is allowed.* Card adoption grew very rapidly, and the company achieved 75% electronic pay in just one year.

KEYS TO SUCCESS

- Committed project team with senior management support
- Strong working relationship with card program provider
- Flexible implementation plan mandating electronic pay, as allowed
- Effective company-wide training program
- Integrated marketing campaign positioning e-pay sign up similar to healthcare open enrollment
- Attractive enrollment incentive programs for managers and employees

*This does not represent legal advice. Each company should check with its own legal department on appropriate methods of pay within each state.

Program Implementation

Management Support

An implementation team representing Human Resources, Training, Technology, and Marketing worked closely with the payroll card provider and Visa to design a Visa Payroll card program tailored to the company's objectives. A business case was built to support the initiative and an e-pay target of 50% was established for year one. The plan was strongly endorsed by the senior management team.

Training and Pay Choice Presentation

Training on the company's new pay program was delivered online at each restaurant location. At the end of the training session, employees were prompted to choose a new method of payment — Visa Payroll card, direct deposit to the employee's checking account or a paper check. Checks were strongly discouraged.

Marketing

The company developed an extensive, integrated marketing plan to support the program rollout. They positioned the paperless pay sign-up similar to a health benefits "open enrollment" campaign and built awareness through their internal website, newsletter, paycheck inserts and on-site posters.

Marketing materials emphasized the benefits of the Visa Payroll card for both the employee and the company and noted that everyone qualified for the Visa Payroll card since no bank account or credit check was required.

Key benefits:

- Provides quick and free access to pay
- Is easy and convenient to use
- Eliminates check cashing fees and hassles
- Increases safety by eliminating the need to carry around large sums of cash
- Enables cardholders to make purchases or pay bills wherever Visa debit cards are accepted
- Saves the company money by eliminating paper checks
- Supports the company's "Green" initiatives

Existing employees received information about the Visa Payroll card and the upcoming enrollment period on the prior month's pay stub. New hires were provided card benefits, usage information and an application for electronic pay as part of the new hire package.

The company utilized Visa marketing programs to generate cardholder excitement and encourage adoption.

Future Plans

In 17 of the 22 states where mandating is allowed, the company now requires all new employees to receive their pay electronically, with a pay stub available online. Managers will enroll new employees online and immediately provide instant issue Visa Payroll cards at the restaurant site. In other states, the payroll card is the default payment option, but the company will issue a check if requested by the employee. The company's new goal is 95% e-pay.

COMPANY PROFILE

Types of Service: High quality, casual dining

Number of Locations: 850 nationwide

Number of Employees: 45,000

Employee Demographics: 60%+ are younger than 25

PROGRAM RESULTS

	MAY 2008	MAY 2009
Percentage Paid by Check:	71%	25%
Percentage of Electronic Pay:	29%	75%
Number of Checks:	32,000	11,000
Number of Direct Deposit:	13,000	20,000
Number of Payroll Cards:	0	14,000
Total Annual Savings		\$780,000¹

Visa Payroll Card

The Visa Payroll card has provided the company a valuable employee benefit, while enabling significant cost savings. With the new, stronger paperless pay policy in place, the company expects it will quickly achieve 95% e-pay.

Interested in reaching 95% e-pay?

Learn more about the Visa Payroll card.

- Visit www.visa.com/payroll
- Email payrollcards@visa.com

1. Savings figure based on Company-supplied data.