Case Study

Franchisee fights turnover with On-Demand Pay

Ice Age Management is a McDonald's franchisee owning and operating 46 locations in North and South Carolina.

Laketa Barber has been with the company since Ice Age Management had just four stores in 2008, and has grown in her career along with the business. She started as an office assistant helping out with payroll, and today runs HR and back office operations.

We sat down with her to learn more about her experience with DailyPay.

Why On-Demand Pay?

Retention, Definitely.

We're always looking for benefits to attract and retain employees, and this one was actually brought to us — we didn't seek it out. We get calls all the time from different vendors, and had spoken with another operator who was using a different provider and was happy with them at the time. It was definitely a tool we hoped would help with retention.

Over the past year, our turnover rate has been high due to industry and economic factors. Our franchise offers a lot of benefits other franchises in our area don't. We offer DailyPay, we offer PTO, and of course we offer a free meal. In Charlotte, where most of our stores are, there are a lot of restaurants popping up. It's a growing area, and competing for talent is tough.

I've had employees leave and come back, because they went somewhere that didn't offer DailyPay. They got so used to having access to their money on demand that when they went somewhere else that didn't offer it, they decided to return to us instead. I can't think of anything else that has that effect. We even offer PTO to our crew members, which is rare in this industry, and I think some crew members forget they have it. They don't forget they have DailyPay.

I didn't know anything about On-Demand Pay before another vendor reached out. I'm skeptical by nature. I like to investigate, digest information, and then come to my own conclusion. I originally had concerns about extra payroll work, which turned out to be true with our previous vendor.

What made you pick DailyPay?

We actually started out with a competitor to DailyPay. It went well at first, but then we started to have issues. There was the tedious work of having to upload reports every payroll, employees started having issues with cards, things like that. We wanted to continue to offer our employees access to their pay on demand, so we started to look around.
We knew our corporate franchiser was partnering with DailyPay, so we decided to take a look. They only use vendors they've vetted

I AM. ICE AGE MANAGEMENT

Partner: Ice Age Management, Inc.

U.S. Headquarters: Greensboro, NC

Industry: Franchise Quick Service Restaurants

Number of Employees: 2,300

Payroll Platform: Proliant

Time & Attendance Platform: eRestaurant pretty extensively, so they'd already done some of the hard work for us. When we started having issues with our previous vendor and saw corporate was partnering with DailyPay, that's when we reached out.

How was the implementation process?

The implementation was easy. I just let DailyPay know what I needed, and it got done. Our previous vendor didn't really have an integration at all, I had to manually upload reports every payroll. If you forgot to do it, the system wouldn't update and crew members wouldn't have access to their money. I'd hear about it. It was just tedious.
Our previous vendor's system didn't work as well as DailyPay's. Their platform also wasn't as user friendly as DailyPay's.
I had concerns when we changed, because I didn't know what I didn't know. The unknown bothered me. There was about a week of cutover time where employees didn't have access to On-Demand Pay, but it wasn't as bad as I thought. We gave everyone a heads up, and it actually went smoothly. There was a learning curve for employees unlearning the previous system and learning the new one, and we're still working through that, but it's going well. The education is available.

What advice would you give someone considering an On-Demand Pay program?

Everything has a learning curve, but go for it. It's one of the better benefits we offer employees. In cases where someone lives paycheck to paycheck or isn't sure how to manage their money, it gives them access to their funds a lot earlier. It helps them come to work and be on time and pick up more shifts so that they can get their money. It's a win-win for both parties involved.

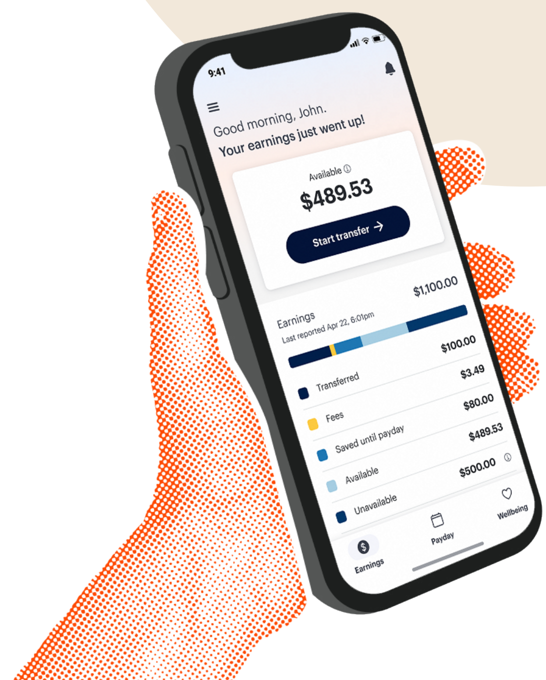
We also use DailyPay's Cycle product all the time. We were happy to hear about it when we partnered DailyPay.

For employees with unclocked hours or those who turn in PTO late, we don't like to make employees wait until their next pay period, especially if it was for something that wasn't their fault. If a manager didn't turn something in, we don't want an employee to wait, so we use Cycle. Before Cycle, we used to have to send it to our accounts payable department to cut a check, which can slow the process down.

Our owner-operator signs every check, so if he's out of town or away, that can slow it down even more. When we got Cycle, that eliminated that delay. We love it.

By the numbers

With an average DailyPay enrollment of 57%, Ice Age Management is estimated to save approximately $310,000 per year in avoided turnover costs due to reduced turnover associated with DailyPay.



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