

ProLiant Streamlines PepperJax' Tip Pooling Calculations While Providing Employees Instant Access to Their Earned Wages

The logo for PepperJax Grill, featuring the text "PEPPERJAX" in white above "GRILL" in white, with a red horizontal line separating the two words, all on a black background.

Company Website

www.pepperjaxgrill.com

Industry

Full-Service Restaurant

Company Size

- ▶ 516 active employees
- ▶ 35 locations
- ▶ 32 locations use tip pools
- ▶ 3 locations use daily tip outs

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Overview/Problem

PepperJax is a fast casual restaurant specializing in philly cheesesteaks located in the Midwest with over 500 employees operating 35 locations. Out of all of their locations, 3 stores use daily tip outs while the other 32 locations rely on tip pools. Daily tip outs refer to a practice where staff members receiving tips distribute a portion of those tips to other co-workers who assisted them throughout their shift but did not receive tips (typically back of the house operations or a host). Tip pooling, on the other hand, is collecting all or part of the tips received by employees into a pool, which is then redistributed among all non-supervisory employees.

In order to tip out employees in cash at the end of the work day, PepperJax managers were required to visit an ATM machine to withdraw enough funds since most locations do not have enough cash at the end of the night due to the vast majority of customer transactions conducted via non-cash payment methods (i.e. credit or debit cards). In addition, most tip pooling calculations are inherently complex for store operators, who have to manually perform the calculations on a spreadsheet by combining operational data from multiple systems. The process not only takes time from an already busy store manager, but also increases the chances of data entry errors.

Solution

ProLiant's ReadyPay Today solution allows companies to integrate needed data points directly from their operational systems (i.e. point-of-sales system) to automate difficult business processes for organizations like PepperJax. Specifically for restaurants, hours, shift, and sales data from the point-of-sales system can be used by ProLiant to automate tip pooling calculations based on the organization's pooling criteria. Due to the complexity that can be involved with a company's tip pooling calculation, ProLiant offers a variety of methods to calculate the tip pools.

The following are some common tip pooling methods provided by ProLiant:

- Calculating pools by hours worked by shift/by day
- Store sales (or type of sale such as non-alcohol) by shift/by day

These computations can be performed on demand or on a predetermined schedule based on the specific use case in question.

In addition, ProLiant's ReadyPay Today tool is able to automatically perform gross to net paycheck calculation in real time based on an employee's hours worked and/or tips allocated to them. The product is widely used for allowing our clients' employees early access to earned wages, but is now being leveraged by the restaurant industry to facilitate cashless tipping in real time via the same approach. Due to the tool's flexibility, clients are able to choose HOW the paycheck calculation should be performed (on a gross basis or net of taxes/deductions/garnishments) and WHEN they want to pay them (end of shift, specific time of day, etc.). Furthermore, clients can define how their employees interact with this benefit. Employers can choose to issue these funds to a digital wallet to allow employees access to the funds only when they need them or the funds can be automatically distributed to the employee's bank account.

For PepperJax, if an employee works 10 hours and their wage is \$20, the employee can take home or access \$140 that same night. The gross to net feature can be toggled on and off to allow for gross tip (or other type of earnings) payments to employees if desired by a client or for an individual facility.

To date, ProLiant has deployed tip pool calculation and automated disbursements across all PepperJax locations, with unique pool calculations being utilized for three different locations. Specifically for PepperJax, they are generally using seven different pools to redistribute tips to their crew members, assistant managers, and shift leads based on hours worked each day.

Results

With ProLiant's ReadyPay Today solution, PepperJax was able to streamline their daily tip pooling calculations while allowing servers instant access to their wages for the tips earned and hours worked. Concrete results were observed almost immediately after implementation, especially due to the reduction of administrative time spent by store managers since these processes moved from an entirely manual effort to automated end-to-end. Employees continue to receive their tips when they want and now not only have additional disbursement methods available to them, but they also receive access to their hourly wages before checkdate. Going forward, all of these have been identified as key ingredients to a recipe of an engaged, productive workforce.



“Right now, the piece we are using for the ReadyPay Today, the daily advances, is working beautifully. It's not even something I have to give any thought to because it's just working on the back-end so perfectly,” said Christy Burton, HR and Payroll Director at PepperJax. “Usually when I hear from employees, it's a complaint. With all the employees that are using [ReadyPay Today], I haven't had a single PepperJax employee give me any negative feedback. There are 100's of employees, so that's a good thing.”