

Thomas & King

Optimizes Business Performance with UltiPro®



Company Profile:

Thomas & King (T&K) is one of the largest franchisees of Applebee's, operating about 90 of its signature restaurants. These casual dining establishments offer a variety of menu items, such as burgers, steaks, seafood, and appetizers.

Thomas & King also operates approximately 10 Johnny Carino's Italian-themed restaurants. Established in 1988, the company operates restaurants in Arizona, Indiana, Kentucky, Ohio, and Pennsylvania.

The Challenges:

Because T&K had been using a service bureau, the HR team experienced manual effort and extra time for many tasks. For example, T&K has a large employee base coupled with a turnover rate of 120% (a figure not unusual in the hospitality industry), and the payroll staff manages nearly 300 hires and terminations each week.

This equates to more than 17,000 W-2s issued each year, followed by approximately 6,000 requests for reissued W-2s. All of which was very cumbersome when using the payroll service bureau.

T&K's payroll staff had to sift through boxes of hard-copy W-2s to find the individual form, make copies, and then refile the original. The company desperately needed a more efficient way to handle its administrative processes.

The Solution:

In 1999, Thomas & King improved its human capital management by using UltiPro to help handle its fluctuating workforce, complex payroll requirements, and sophisticated reporting needs.

"UltiPro has increased our efficiency and allowed my department to reduce staff while keeping up with our workload," said Amber Mueller, payroll manager for Thomas & King.

Payroll information is now stored within UltiPro, and T&K's staff can simply push one button to print copies. With 50 requests for W-2 reprints per day for four months, the time savings has been significant, allowing Thomas & King to reduce its payroll staff by one full-time position.

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People first.

The Customer

Thomas & King

Industry

Hospitality/Services

Number of Employees

7,300

Key Benefits

- Reduced payroll staff by one full-time position
- Leveraged industry-specific advantages, like flexible tip management
- Maximized business performance with strategic reporting and analytical tools

Another business improvement is more accurate handling of tip management, a complex process that is carefully monitored by the Internal Revenue Service.

Like many restaurateurs, Thomas & King includes tips as part of servers' wages. When gratuities are low and the hourly minimum wage isn't met, employers have to pay workers the difference—often referred to as makeup pay.

UltiPro streamlines this process for Thomas & King and handles all of its other tip-related issues, such as tracking directly/indirectly tipped employees, calculating overtime, and correctly compensating employees who work in multiple jobs where tips are collected differently within a single pay period.

"It's not uncommon to have one employee work in several areas within one pay period at different pay rates, collecting overtime in one job and needing makeup pay in another. UltiPro takes care of it all," said Mueller. "The solution manages the unique payroll challenges of the restaurant industry very well."

Thomas & King has found UltiPro's reporting tools can deliver metrics and analytics that are valuable to the business at large. Mueller explained that she uses UltiPro to easily generate point-in-time reports on tips and to carefully monitor tipped income to gather information about individual employee and restaurant performance.

"We know approximately how much our wait staff should be making every day. If an employee consistently fails to earn a minimum amount in tips, a number we can track with UltiPro, his manager will speak with him or her to find out if there's a problem," said Mueller.

"On a broader level, UltiPro gives us the figures we need to address critical issues like the performance of a particular restaurant. For instance, we may monitor the tips at a restaurant that has gone through a change—such as becoming a nonsmoking facility—to gain valuable insight into the short- and long-term effects of that policy."

Thomas & King runs weekly reports through UltiPro relating to employee training and certifications presented at its program at Thomas & King University.

For example, with the franchisee's substantial number of weekly hires, the company must stay on top of which employees have been trained in the program's class on proper food-handling techniques. Previously, it was up to the individual managers to remember who had been through the training and who had not.

"Overall, UltiPro is giving us access to relevant information to build our business, which we never had available before," said Mueller.

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Payroll Manager
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