

CASE STUDY No. 1



"We are very pleased with the immediate positive impact of our partnership with FSV."

Charles A. "Chip" Seigel III
Corporate Counsel and
head of CKE's Sustainability
Program.



CKE Restaurants, Inc.

Leading QSR Dining Company Proves That Electronic Payroll Can Benefit Employees, Shareholders and the Environment.

The CKE Restaurants, Inc. (CKE) system, whose brands include Carl's Jr.[®], Hardee's[®], Green Burrito[®] and Red Burrito[®], operates in more than 3,000 locations in 43 states and 13 countries.

The Situation

CKE's distribution of pay was 86% paper check, 14% direct deposit in April 2007. As a result, they were continually faced with high costs for payroll distribution, logistical challenges and productivity disruptions on paydays. The large number of employees receiving paper checks were faced with higher costs and inconvenience to gain access to their pay. All of this combined with CKE's corporate sustainability initiative made it clear it was time to get the paper out of payday and implement an ePayroll program.

The Challenge

For CKE, the goals were straightforward—achieve significant electronic payroll adoption to save costs, streamline payroll and contribute to their corporate sustainability initiatives. At the start of the ePayroll project, CKE was producing and distributing over one million paper paychecks each year. Additionally, the ePayroll team at CKE recognized the only way they would achieve their goals was to gain the support of managers who would be key in communicating the benefits of the payroll card to employees. And, key to obtaining manager support, was providing a good benefit to their employees—a benefit which would make employees want to switch to electronic pay. CKE was particularly concerned about not "winning the battle but losing the war" from a mandated payroll card program that employees considered inconvenient and forced upon them.

Keys to Success

CKE decided to take an inclusive approach. Rather than just offering a paycard to employees receiving a paper check, CKE embraced an ePayroll program for all. This deployment mindset enabled FSV and CKE to educate and reinforce the benefits to all employees—including Field and Restaurant Managers. CKE's management team's continuous support of the program was fundamental to its success.

Key elements which aided in driving the program's success included:

- A custom marketing communications plan and supporting materials
- On-site training for managers and employees tailored to learning style
- Manager incentives provided by Visa
- Easy technical and operational integration

Tangible Results

The initial launch took six months to complete and within this time CKE completely reversed the "Before" statistics—they moved from 86% of pay on paper checks to 86% electronic pay. Today, CKE's electronic payroll stands at 98%—a result of their continual efforts to promote the program to their employees and the support of their management. CKE has embraced electronic pay. It is integrated into their hiring process and is continually promoted to employees. All CKE employees with the PaychekPLUS! PIN Debit Card and PaychekPLUS! Elite Visa Payroll Card are enjoying receiving their pay immediately on pay day—just as their co-workers with direct deposit have been doing. In addition, cardholders are saving money by not paying check cashing fees, they have joined the mainstream in benefiting from the convenience of "paying with plastic" and they even enjoy products and features that most traditional bank accounts would not offer them. On payday, CKE Restaurant Managers are able to focus more on operating their restaurants and servicing customers instead of distributing pay checks. And best of all, they share pride in knowing their collective efforts are contributing in a big way to the environment.

By reducing almost one million checks a year, CKE expects to annually:

- Reduce greenhouse gases by over 700,000 pounds
- Keep over 29,000 gallons of wastewater from being discharged into lakes, rivers and streams
- Prevent the deforestation of over 100,000 square feet of forests

Source—Payitgreen.org

And that won't be the end of it. CKE and FSV are continually looking for new applications of FSV's PaychekPLUS! cards to eliminate paper checks and to implement solutions to payroll challenges.

Find out how FSV can help your business become more efficient and save money. Contact us today.

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The PaychekPLUS! Elite Visa Payroll Card is issued by MetaBank pursuant to a license by Visa U.S.A. Inc.