



NETSPEND® TIP NETWORK™ AND VISA® PAYROLL PREPAID CARD SUCCESS STORY

Barteca Restaurant Group makes tip payouts simple and accurate with Netspend Tip Network



Since implementing Netspend's Tip Network solution, Connecticut-based Barteca Restaurant Group has significantly reduced the amount of time and effort spent on tip distribution, while improving employee safety and experiencing monthly cost savings of up to \$1,000 in operational costs per location.¹



¹Data provided by Barteca Restaurant Group.

The Situation

Barteca operates 29 restaurants in eight states. Their 15 bartaco locations serve upscale South American-style street food, while the 14 Barcelona Wine Bars specialize in Spanish tapas and fine wine. With an average of 80 employees per restaurant, Barteca was seeking a safer, more efficient way to pay out their staff tips.

The manual process for handling tips was slow, cumbersome, and created safety issues. Approximately 90% of the tips Barteca received came from credit card payments, so there was rarely



At a Glance

Objectives

- Increase employee safety by removing cash from the tip disbursement process
- Distribute pooled tips faster and more accurately
- Achieve greater transparency by automating and centralizing tip reporting
- Reduce costs associated with disbursing tips
- Create an employee-friendly tip disbursement policy to help retain and hire top talent

Solution

- Utilize Tip Network's custom tip calculation software
- Distribute tips using the optional Skylight ONE Visa Prepaid Card

Results

- Employees can receive tips at the close of each shift on a Paycard, instead of waiting up to a week to be paid
- Automated calculation of pooled tips for servers and support staff ensures accurate and equitable payment for all
- The Server checkout process is streamlined and less time-consuming, allowing managers and staff to focus more of their time on serving customers
- The new process saves Barteca up to \$1,000 a month, per location in operational costs

sufficient cash in the registers to tip out staff at the end of the day. This meant that employees would often have to wait up to a week or more for their tips to go through both the card processor and the corporate office.

A trusted tipped employee would manually allocate tips and pay the staff nightly when cash was available. This employee would divide the tips up, put them in envelopes, and distribute them. However, this took hours of time each week and often there were issues with skeptical employees being unsure if their tips were being allocated correctly.

This process also presented some risk to employees. According to Matt Wilber, Barteca's Chief Financial Officer, "Stores had to get large amounts of cash from the bank every week and employees left the restaurants, sometimes late at night, with cash in their pockets. We were concerned with their safety."

Clarity of reporting was also an issue for Barteca. The manual process of pooling and splitting tips was time consuming and difficult to track. Inadvertently shorting support staff and underreporting tips were common issues. "We needed a way to distribute tips faster and more accurately, with greater transparency," said Wilber.

The company looked for a solution that would reduce human error and take cash out of the equation; show employees how their tip payments were calculated; and provide employees the ability to receive their tip payments electronically. Payroll card provider Netspend, a TSYS company, supplied the answer with Tip Network – a tip payment solution that integrated with the restaurant's point-of-sale (POS) and offered optional Visa Prepaid Cards to fund employee's tips and payroll wages.

The Right Solution

Of the several tip management options Barteca considered, the Netspend Tip Network solution with the optional Skylight ONE® Visa Prepaid Card Program stood out as the strongest, offering::

- After-shift funding of employee tips
- Optional instant-issue cards that could be upgraded to a personalized card
- An easy-to-use web-based portal where managers enter employee's daily tips
- A payment card and mobile app for employees to view transactions and balances
- The choice between a stand-alone program or one that integrates with their point of sale network
- Customizable templates built to accommodate varying and complex tip policies
- Streamlined processes for verifying tip input and payout balances
- T+2 settlement to help the restaurant manage cash flow
- Clear, detailed reporting presented for review before tips are sent to employees
- Software that has built-in checks and balances to help reduce errors and ensure accurate and equitable tip disbursements to staff

Elements of Success

The Pilot

Once Barteca decided to work with Netspend, they chose to test the program in their busiest bartaco location. The pilot started in May 2015, with a plan to be operational at all restaurants by the end of December.

“Starting with our busiest store was a gutsy move, but we knew if we could do it there we could do it anywhere,” said Wilber. “We took what we learned and began rolling out to new locations, two every couple of weeks.”

During the pilot phase, the implementation team learned that clear communication of the process and benefits of the new program helped gain buy-in from the employees. “Our implementation team provided dedicated support to guide employees through the new closing process and made sure managers and servers were comfortable with it,” said Jeff Johnson, Netspend’s Senior Vice President of Commercial Prepaid. After that, Wilber and his team were on call to troubleshoot. His goal was to make the change easy for the employees, so they could focus their attention on delivering a great customer experience versus being overwhelmed with learning a new system.

Gaining momentum, the team completed the rollout in time for the busy holiday season, a full six weeks ahead of schedule.

Training and Education

The Netspend implementation team began each enrollment project by training the Barteca staff on the new Netspend Tip Network system and helping them understand the benefits of the optional Skylight ONE Visa Prepaid Card.

Manager training began with a hands-on demonstration of the closing process, and included screenshots and step-by-step instructions they could refer to when needed.

Employees received a user’s guide that explained key details about the safety and the benefits of the card, including:

- The card can be replaced¹ if lost or stolen, and funds are protected by Visa’s Zero Liability policy²
- The card can be used for purchases anywhere that Visa Debit cards are accepted

Response

The initial reaction from managers was overwhelmingly positive. However, the servers and support staff were skeptical at first. The implementation team went the extra mile to ensure that Barteca employees understood how to use the Tip Network and the Skylight ONE Visa Prepaid Card efficiently. Matt explained, “This was a learning experience for us. The whole point of the card was to benefit our employees.”

Once employees began using the card, they welcomed the change. Many said they appreciated the accuracy and transparency of the calculations. Others said they felt safer leaving the restaurant late at night without a wallet full of cash.

Next Steps

With the Tip Network program up and running smoothly in all 29 locations, Barteca is working with Netspend to further refine the system, and is also exploring incorporating other Netspend products into their business.

Program Impact

Each Barteca location has implemented Netspend’s Tip Network solution, and now experience these ongoing benefits:

- Employees feel safer because they carry less cash
- Tips are paid daily rather than weekly to employees who have opted to receive a Skylight ONE Visa Prepaid Card, leading to increased employee satisfaction and retention
- Restaurants have less need for large amounts of petty cash – reducing time and money spent on trips to the bank
- Tip Network has helped Barteca tip calculations ensure accuracy and transparency
- Barteca saves up to \$1,000 each month per restaurant location in operational costs



“The Netspend Tip Network program allows managers to quickly and efficiently calculate, track and disburse credit and debit card tips. It’s really a much smarter and more efficient way to manage tip payouts.”

Jeff Johnson, Senior Vice President
Commercial Prepaid, Netspend

Implementation Key Learnings

- Educate and support employees to relieve fears and assist with efficient card usage
- Utilize Netspend's detailed step-by-step process guides for manager and employee training
- Test program implementation at one or two locations, correct course if needed, then roll out across all locations
- Over-communicate the benefits of the new program to encourage employee buy-in

"We did this for our employees – safety was the biggest driver. Now, they get their tips quicker, they feel safer and their money is secure on their debit card."

Matt Wilber, Chief Financial Officer, Barteca



Netspend Visa Payroll Card

Learn more about the Netspend Tip Network and Skylight ONE Visa Prepaid Card Programs, contact:
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1. There may be a cost for replacement cards. Consult your Cardholder Agreement and Fee Schedule for details.
2. Visa's Zero Liability policy does not apply to certain commercial card and anonymous prepaid card transactions or transactions not processed by Visa. Cardholders must use care in protecting their card and notify their issuing financial institution immediately of any unauthorized use and for additional details.

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See the Cardholder Agreement for details.

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