

A Paycard Implementation Program Should Be as Unique as Your Company

SO YOU HAVE A PAYCARD—NOW WHAT?

Paycards continue to be a hot topic. By now, their advantages over paper paychecks have been well documented and thousands of companies, of all sizes and from all industries, are racing to sign up.

But the conundrum that is emerging from this rapid transition from paychecks to paycards comes from this basic question: “What good are all the advantages of a paycard program if only a handful of employees sign up for it?”

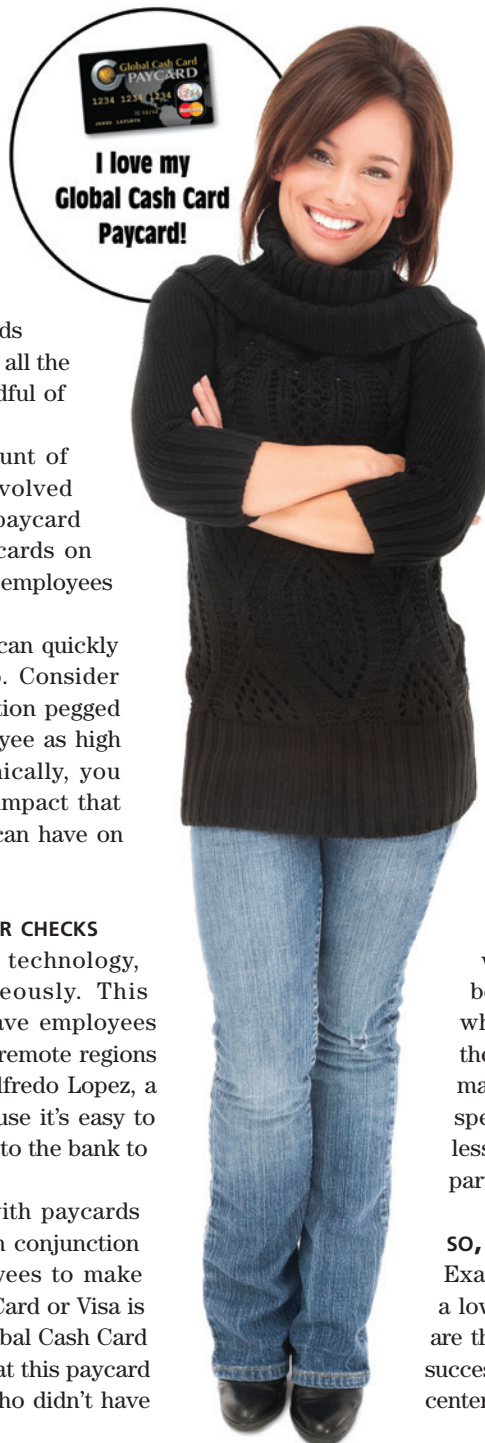
Your company invests a significant amount of time researching all the factors that are involved with paycards, evaluating several different paycard companies, and analyzing the impact of paycards on your company. That time only pays off if your employees participate in the program.

On the other hand, your time investment can quickly show a huge ROI if your employees sign up. Consider this, a study by the American Payroll Association pegged the average payroll processing cost per employee as high as \$3.00 per pay period. By paying electronically, you can quickly do the math to see the massive impact that employee participation in a paycard program can have on your bottom line.

THE BENEFITS OF PAYCARDS OVERSHADOW PAPER CHECKS

Because paycards are based on electronic technology, distribution of funds happens instantaneously. This is especially beneficial to companies that have employees scattered around a wide geographic area or in remote regions that are difficult to reach. For example take Alfredo Lopez, a Global Cash Card paycard user. “I like it because it’s easy to use anywhere. It’s simple and I don’t have to go to the bank to have access to my money,” he says

This versatility is especially enhanced with paycards from Global Cash Card since they are issued in conjunction with MasterCard or Visa. This allows employees to make purchases with their paycard wherever MasterCard or Visa is accepted. Lee Her, an employee who uses a Global Cash Card paycard, stated this about the feature, “I feel that this paycard system is great because it allows the people who didn’t have



access to the perks of having a Visa or MasterCard to now have them.”

According to the FDIC, 25.6% of all households in the United States do not have either a checking or savings account. These “unbanked” people have no choice but to cash their paycheck at check cashers where they incur a 1% to 5% fee based upon the value of their paycheck. With paycards the check cashing fee is eliminated and they receive the security, flexibility, and convenience of a checking account, including saving money and paying bills online. After receiving a paycard through Global Cash Card, one such employee, Maria Luz Torres emphasized, “I like having the paycard because I am able to pay most of my bills online now where before I could not.”

It seems that it would go without saying, but all these great benefits and more are only realized when people actually participate in the program. Unfortunately, there are many companies that institute a full-spectrum paycard program and have less than 10% of their employees take part in it.

SO, WHAT’S THE PROBLEM?

Exactly why do some companies have a low participation rate? Typically, there are three primary reasons that hinder the success of a paycard program, and they all center around one word: “implementation.”

1. **They choose the wrong paycard provider.** Too many paycard companies provide a one-size-fits-all approach to implementation. They don't take into account the special needs or unique circumstances of the company. In order for an implementation program to achieve maximum effectiveness, it must be tailored for each company.
2. **They fall into the do-it-yourself trap.** Whether by choice or forced by an unsupportive paycard program, some companies attempt to implement the program with their employees themselves. A paycard company that has a professional implementation team will work hand-in-hand with your HR and payroll departments to make sure a customized solution is designed to maximize participation.
3. **Some companies implement a program but don't follow through with it.** It takes a fair amount of follow-through and consistency to make a paycard program work. A professional paycard implementation team from the paycard provider can make this ongoing process easy and seamless.

THE SECRET OF SUCCESS

The secrets of a successful paycard program aren't really secrets at all. For the most part, they rely on good business practices and the expertise of a professional paycard implementation team that designs a program specific to your needs.

Lisa Poncsak, Director of Field Support for Global Cash Card, heads up their professional implementation team and spends the better part of each day helping companies develop successful enrollment programs. According to Poncsak, "The Implementation Team learns about your company and culture to implement the right program for you. Each company's goals and expectations are unique, their cultures are unique, and their paycard program must meet those expectations."

As paycards become mainstream, many states are allowing companies to mandate either direct deposit or paycards. This ability to mandate is the No. 1 way to ensure maximum participation. However, this does not preclude the need for employee training. As Poncsak puts it, "Training and education are the key to a successful paycard program. If you hand an employee a piece of plastic and say, 'Here's your paycheck,' and they don't know how to use the paycard, a company may have an unhappy employee."

In order to assure that no employee is overlooked, it is critical that an experienced implementation team meet with you and design a program that will be best suited for your company's needs. This training can take on a variety of forms but the most crucial aspect of this training is that it be available to all employees. "Change is hard for anyone," Poncsak admits. "Helping an employee make a successful transition from paper to plastic is critical."

Once the initial training is completed, an ongoing field



support program should become an integral part of all new employee orientations. This field support team should also provide ongoing communication tools such as posters, payroll stuffers, and reminders in company newsletters.

The other key to success is to approach implementation from the employee point of view. At the end of the day, programs that have high participation rates are those programs that employees view as valuable and useful to them. "Being on the customer side of implementing a paycard program in the past, an excellent implementation team looks at the program from the customer and employee point-of-view," Poncsak points out,

For example, the most often asked question during training is, "How can I minimize fees?" Even with proper training, some people initially use the card improperly and incur unnecessary fees. Global Cash Card's policy is to reimburse these types of fees and educate the cardholder on proper use so as to avoid these fees in the future. This helps people to not feel "punished" by fees as they become more adept at using the card.

THE IMPLEMENTATION SHOULD REFLECT YOUR COMPANY'S NEEDS

Implementation needs to be customized to your company to meet your company's needs but standardized so that it is repeatable. To this end, there are a wide variety of tools that a professional implementation team can use to build your program. In most cases, a well designed program utilizes a combination of several of these tools.

Describing Global Cash Card's program, Poncsak states, "We look at best practices from customer experiences and they become our standard practices. Global Cash Card's implementation team will walk every customer through their program implementation every step of the way. That's called partnership."

In-person training. This method of training produces the highest level of participation and is usually best suited to larger companies. It provides an opportunity for a high degree of personalized interaction since there is a live trainer that can custom tailor their presentation to the needs of the company.

This type of setting also encourages the sharing of real experiences and in-depth Q&A sessions so that people can receive a full understanding of the program.

Customized marketing materials. For those companies that need to reach a large number of employees, it is important that your paycard company provide a wide range of materials to help with the enrollment process. These materials can include bilingual posters, paycheck stuffers, brochures, and fliers. Of course, these materials need to be customized to adapt to the specific circumstances of your company.

Conference calls. Many companies, especially those with multiple sites, can benefit from conference-call training. This method gives people an opportunity for live interaction, with all those attending the call yet is logistically efficient.

Webinars. When conducted properly, webinars can provide much of the same interaction benefits of in-person training without all the logistic issues. It is especially good for smaller companies or companies with multiple sites, since they can benefit from comments and participation of attendees at other locations.

Phone tutorials. Every time an employee calls Global Cash Card, they have access to a multilingual cardholder tutorial on our proprietary telephone system. Of course, live help is also available 24/7/365.

MEASURING THE SUCCESS OF YOUR PROGRAM

In order to meet the goals of the company and their employees, it is important to understand the success of the program and the ongoing changes and training that are needed for the employees. Global Cash Card offers several tools to work with companies to measure the success of their program, track participation rates, and survey employees and managers on the achievements and challenges of the program.

THE TIME IS NOW

It was only a few years ago that paycards were below the radar and only the early adopters were using them. Now, with the proliferation of paycard-friendly legislation and a wealth of successful case histories, a great many CFOs are considering this to be the opportune time to implement a paycard program.

“The paycard program doesn’t end with the implementation,” Poncsak explains. “That’s only the beginning. An excellent and successful paycard program continues to grow, offers new benefits to the employees, and continues to train the employees on the many ways to use a paycard efficiently.”

As your company reviews paycard programs, it is crucial to keep in mind that a paycard program is only successful if employees use it. The best way to make sure you have a high participation rate is to pick the right paycard provider. Global Cash Card has the strongest implementation team in the industry and will build a customized solution designed to fit the unique requirements of your company. ■

Success Stories

Steve Bradley, CFO, KIMKO – “Global Cash Card’s implementation was great. They actually came out to our branches and taught us how to use their software. They assisted in converting the people who were on checks to their card, and basically they took us by the hand and walked us through it.”

Ed Soulier, Vice President, Compensation, Benefits, and Payroll, Uno Restaurants – “From an implementation standpoint, whether it be data, training in English or Spanish, or growing beyond strictly payroll debit card implementation, it really couldn’t be any better for a client to have a partner than Global Cash Card. They put a team of dedicated folks into whatever markets we need to physically enroll people, to work with the payroll team, to manage data interface to get that set up. The implementation has been very flexible to our unique needs and that commitment has continued as we have evolved and grown.”

Rich Hulme, Chief Administrative Officer, Select Staffing – “We communicated a lot with our payroll and billing team and with the technical people on the Global Cash Card side. We got our systems in sync and figured out all the interfaces. After just a couple of weeks with the pilot program, it became clear that things were rolling well, and so we rolled out to the whole country with a national promotional campaign and lots of communication. We pushed for 100% conversion from paper check to cash card and in many offices we achieved that goal.”

