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Strategic Franchise Webinar Series

INTERNET BUSINESS SOLUTIONS

6 Simple Ways Your Franchisees Can Immediately Boost Profitability By Applying the Latest Payroll Administration Tools and Federal Tax Credit Strategies

Featuring IFX Strategic Partner:
Paycom

Your Hosts



Dan Martin, CFE – President/CEO, IFX

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ABOUT PAYCOM:

- *4th Largest Payroll Provider in the U.S.*
- *3rd Largest COBRA Provider in the U.S.*
- *Only Single Database Solution Provider in the Industry*
- *Nationwide locations*
- *Understands the needs of franchisors and franchisees*
- *Listed on the Inc 500/5000 list 4 years running*

Agenda



- Identifying Tax Credits
- Pre-Screening Applicants
- Calculating Turnover Cost
- Managing Labor Cost
- Reporting Across Franchisees
- Centralized Payroll Administration

Identifying Tax Credits



Billions of dollars go unclaimed each year because business owners and managers do not have the means to prequalify, identify, and process tax credits.

There are over 3,000 tax credits available nationwide that most employers are completely unaware of

Only 5% to 7% of franchises take advantage of tax credits

Average tax credit found per employee is \$1,200 and up to \$9,000

**** Strategy #1: Tax Credits are an Instant, Zero Risk, Cost Saving Tool That Every Franchisee Should Capitalize On**

Types of Tax Credits



- *The Work Opportunity Tax Credit (WOTC) is a Federal tax credit incentive that the Congress provides to private-sector businesses for hiring individuals from twelve targeted groups*
- *Empowerment Zone based Credits (\$3,000 max)*
- *Renewal Community based Credits (\$1,500 max)*
- *State Tax Credits*
- *Job Creation Tax Credits*
- *HIRE Act – NEW!*
- *Point of Hire Credits*
- *Conditional Certification Recipients*

Pre-Screening Applicants



If all things are equal during the hiring process being able to see potential tax credits on applicants is critical

Anywhere from 1 in 5 to 1 in 7 will qualify for tax credits in the range of \$8 to \$14 per hour

Having the ability to immediately screen applicants for tax credits as a part of the hiring process could save franchisees thousands of dollars

**** Strategy #2: If All Hiring Requirements are Equal Pre-Screen all Applicants for Tax Credits.**

Turnover



There are a lot of costs associated with turnover – training, interviewing, hiring etc

Timing of turnover also impacts tax credits – New Hire Act not only has a tax credit for hiring a applicant that has been unemployed for a time period, but ALSO gives \$1,000 if employee stays employed for 52 weeks

Tax credits are given based on new employees hired so if your franchisees have a lot of turnover they are a perfect candidate for the tax credits

**** Strategy #3: If Turnover is a Big Part of Your Business Capitalize on the Turnover and Take Advantage of Timing/Tax Credits**

Managing Labor Costs



- *Understanding where your labor costs are occurring is critical to helping you manage and control those costs.*
- *Having a reporting tool that gives you visibility into your labor cost by specific earning, liability, and/or department for any date frame requested is critical.*
- *Accessing previous year data allows you to use this data to accurately budget and forecast for upcoming months/quarters/years.*

**** Strategy #4: Be Able to Pull an Instant Report That Can Tell You Where the Largest Expense in Your Company is Going Daily – Labor Costs**

Reporting Across Franchisees



Ever wonder how one franchise compares to another?

Having the ability to compare and contrast costs across franchises will empower you with the data that you need to control costs across the organization as a whole.

Compare salaries/tips/overtime/turnover by franchise, by location, and even by department

**** Strategy #5: Be Able to Have Access to a Centralized Reporting Tool to Compare Data Among Franchisees and Locations**

Centralized Payroll Administration



- *Your employees data is most likely stored in anywhere from 3-15 different locations.*
- *Codifying multiple databases will allow you to access one centralized system with the most up to date and relevant information on your employees.*
- *Use one system that will allow you to perform all tasks from hire to retire.*
- *One system, means one audit trail for all changes made within the application.*

**** Strategy #6: For Data Integrity Have a Payroll/HR System that is One Database And Does Not Require Any Re-Keying of Information**

Contact



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