success story Sun Pubs



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# $\frac{SUNPUBS}{{\scriptstyle {\text{sunpubs.com}}}}$

#### **SNAPSHOT**

# Challenges

- Lack of sales and labor reporting in order to effectively measure store performance
- Existing HR services were outsourced, but more timeconsuming to manage
- Existing HR services lacked key functionality in the hiring process
- Outsourced HR services failed to provide support needed to run compliant, smooth operations

# Solutions

- POS-integrated labor management to receive real-time labor reports
- Comprehensive HR and Payroll Services to reduce overhead costs
- Seamless switch to new HR and Payroll Services provider
- Dedicated, single source of truth for HR issues

## Results

- \$9,000 \$10,000 monthly labor savings at a single location
- \$40,000 reduction in payroll processing fees in first
  6 months
- Administrative relief for accounting teams who can now focus solely on finance management



he Sun Pubs Group was created over 15 years ago with the intention to bring hospitality, entertainment and dining to an entirely new level. Once a single location, the multi-concept group has since added 8 more throughout the South Florida region. "I'd say part of our growth is attributed to finding a balance of knowing the environment and testing the waters," David Culhane, the Sun Pubs Operations Director shared. Culhane started with the company 4 years ago and has witnessed firsthand the rise in popularity of each concept.

Rooted in Irish culture, the owners have built lively pubs and nightclubs with the reputation of providing unmatched experiences for guests. And with hospitality as a core value of the Sun Pubs family, the team goes to great lengths to ensure each guest - whether tourist or local - is getting the best service.

#### A Labor Strategy That Scales

Since its inception, The Sun Pubs owners have worked closely with management to ensure operations are running smoothly and are able to scale. However, each store comes with its own set of unique needs. With complex operational factors that come with beachfront properties like seasonality, construction, or significant weather disruptions, Sun Pubs management sought out a solution that would provide them with the performance visibility needed to make proactive decisions for each location.

To achieve that performance visibility, Sun Pubs made the decision to roll out the HotSchedules integrated labor solution in all stores. "Previously, we would get our labor reports two weeks after we did payroll. By that time - you can't make any cost-saving decisions. That needed to change," David shared. By integrating the POS, the Sun Pubs team was newly able to receive advanced sales and labor reporting real-time.

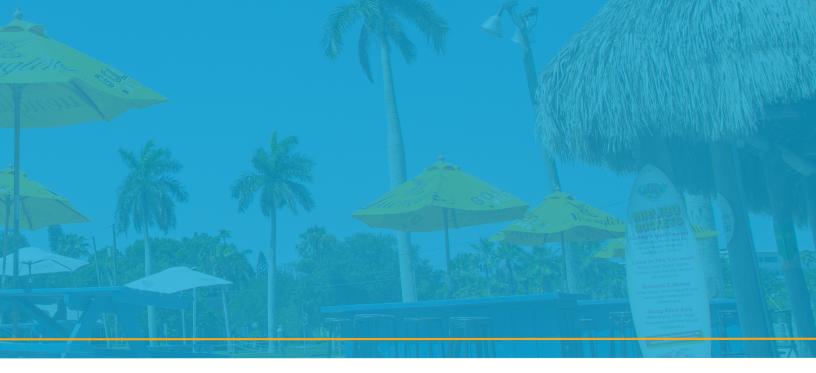
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**DAVID CULHANE** Sun Pubs Operations Director

At one of our beach front locations, we've cut labor costs by \$9,000-10,000 a month because we built schedule templates based on forecasted demand in HotSchedules." Looking at kitchen performance, staffing levels, and making simple adjustments gave the managers the information they needed to leverage scheduling templates from week-to-week. "HotSchedules enables us to run profitable, strong operations. Our labor costs are one of our biggest expenses, and when you're operating 9 locations and have people onboarding at any given time, every hour counts. With the templates, you know exactly what your costs are going to be. At one of our beach front locations, we've cut labor costs by \$9,000-10,000 a month because we built schedule templates based on forecasted demand in HotSchedules."

## Shaking Up Compliance Workforce Woes

The Sun Pubs team kicked off with the Fourth at the very beginning of 2020. While the team wasn't new to the idea of outsourcing payroll, having worked with another Tampa-based HR and Payroll Services provider for many years, they were questioning the true benefits of outsourcing these services. "We were already outsourcing and experienced issues constantly. We were never getting responses back from our previous provider - timely or otherwise. It got to a point where they stopped responding back for support". David stressed.



Every interaction with their previous provider left them questioning whether the information they were given was reliable, up-to-date, or had their best interest in mind. The result of that partnership? "Internally, we had a full-time person who was our accountant, yet was also tasked with juggling work on payroll, benefits, and every other HR issue that came in. If you read the contract of our previous provider she shouldn't have been doing any of that" said Culhane. With maxed out bandwidth and fatigued owners, Sun Pubs was determined to find outsourced payroll and HR services that could uphold the same standard of service they provide their guests while removing administrative burden from their team.

After a consultative session with Sun Pubs leadership, the Fourth Services team got to work. They visited each of the Sun Pubs stores to learn about each location's historical pain points and processes. Within a week, Fourth had every system switched over and running in time for the next payroll.

David and team worked with Fourth to build a comprehensive benefits package that matched the offerings previously available to employees. "In the first six months of working with Fourth, we have realized a company-wide savings of \$40,000 on processing costs and fees alone. Now, Sun Pubs is on track to save \$90,000 by the end of the year. Not only that, our previous provider lacked key system functionality for the hiring and onboarding process. We were incurring an additional annual spend of \$19,000 to supplement. Fourth offered us the same solution for free." Culhane shared.

## **Operating During COVID**

On March 17, David and team had to make the heartbreaking decision to let the majority of the Sun Pubs workforce go along with many peers in the hospitality industry. The decision had to be made quickly so they could shutter their doors and protect their staff and their families. Fortunately, the owners had previous experience braving the impact of unpredictable economic and environmental conditions, and with the help of Fourth were able to pivot safely and swiftly. With each Sun Pubs concept born from Irish roots, this was a St. Patrick's Day that they, unfortunately, wouldn't forget. "Before I went out to each store that day to address our teams I was on the phone with our team at Fourth to figure out what workforce compliance actions needed to be taken in order to keep our teams informed and protected. Now we have a plan in place if this were to ever happen again." Culhane said.

# A Partnership Through Pandemic and Beyond

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After making the move to Fourth HR and Payroll Services, Sun Pubs took advantage of the time they got back to focus on maximizing the talent on their team. "Our controller, Cherilyn Herzhauser, gets to be an actual controller of the company, overseeing millions of dollars a year, instead of spending time on administrative tasks." Culhane shared. With Herzhauser back to overseeing the Sun Pubs financial strategy, her and the accounting team can identify where to save money but also when and where to invest and scale the business. "Our accounting team used to lose hours managing payroll and now they are solely focused on the health of our accounts. The changeover has been amazing for our business," Culhane said.

Since partnering with Fourth the Sun Pubs team is still realizing the benefits of outsourcing HR and Payroll services, and a piece of that is confidence in their decisions. "Fourth really understands the intricacies of the restaurant industry and understands how complex payroll can be with onboarding, tipped employees, and turnover. With any issue, they always have the best solution ready for us," Culhane shared. From legal issues to payroll, the Fourth services team works diligently to empower customers with informed decision-making.

## Service-Level Agreements Powered by Hospitality

Any issue is treated with the utmost importance at Fourth - no matter how small. When Sun Pubs has have anything internally come up they get an immediate response from the Fourth team. "It's not only taking care of the situation, which we expect. It's going the extra mile to keep us informed every step of the way. The Fourth Services are second-to-none." And the service doesn't stop when something goes wrong. "Fourth respects business - they will provide all the information in such a concise way that I know I don't have to come back for a follow up question," he added.

Outsourcing services enables teams to stay focused on improving business profitability and processes. "The opportunity to save on costs and work with Fourth as an extension of our team has helped our operations ten-fold. All the numbers, and our experience with Fourth thus far, is there to show that it was the right switch."



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