

Mc Donald's Beefs Up Payroll Efficiency

Twenty-six restaurants in Mexico City reduced payroll expenditures by 25 percent, with the help of ADC.

Paul Quinn, Features Editor

Some things are universal. For instance, when you go to any Mc Donald's restaurant in Mexico City and you want to order a Big Mac, you just say "Big Mac"—as you would in the United States. Likewise, automated data collection technology works just as well in a Spanish-speaking environment. If you go into any of the Mc Donald's in Mexico City, you'll see state-of-the-art ADC equipment managing the restaurant's time and attendance (T&A) system.

The T&A equipment, based on magnetic stripe technology, has been installed in 26 Mc Donald's in Mexico. Operated by Sistemas de Alimentos Rápidos, S. de R.L. de C.V. (SAR), 20 of the restaurants are located in Mexico City, where SAR is headquartered, and the remaining six are situated in Baja California Norte, Chihuahua, Estado de Mexico, Sinaloa, Tamaulipas, and Veracruz. The T&A system implemented in Mexico is on the cutting edge of Mc Donald's worldwide; in the United States, the traditional time clock is still the norm.

Up until the summer of 1993, the Mexico City Mc Donald's all used the time card method, too. At that time, SAR contacted Código Empresarial



The time and attendance system implemented in the Mc Donald's restaurants in Mexico City are on the cutting edge worldwide.

(Codem), a local systems integrator that had developed an efficient T&A system called Human Factor COA. A plan was developed for implementing the system in all SAR restaurants.

The key piece of hardware in Mc Donald's T&A system is a Linx Model II-1 terminal, interfaced with each restaurant's personal computer (which is used for multiple tasks). Terminals are installed at the stations where the old time clocks were located.

Employees now "swipe" in and out at the beginning and end of their shifts, using badges provided by Codem. Each badge is imprinted with a mag stripe that carries a unique number. Ordinarily,

no additional input is required when a worker swipes in at the terminal, but occasionally the manager will have to use the terminal's keypad to authorize special situations, such as late-ins, early-outs, etc., by typing in a password at the time the card is swiped. Should a worker leave the employ of the company, he or she turns in the badge and it is reassigned, via the PC, to the replacement employee. This ability to reassign badges greatly reduces the expense of creating new badges.

To create badges, Codem uses a Hewlett-Packard laser printer running on Label Matrix software from StrandWare. Blank badges with sequential mag stripes already applied to them are obtained from a badge manufacturer. The printer applies a unique, sequential number to each badge and imprints the badge with the Mc Donald's logo.

When a new worker is put on the payroll, his or her name is typed into the restaurant's PC, along with other personal data such as date of birth, home address, etc. The employee is issued a badge and a record of the badge number is entered on the PC. Thereafter, the computer "recognizes" the employee

every time the badge is swiped.

In addition to a Linx terminal, custom software developed by Codem, badges, and badge racks (for storing the badges when employees are off duty), each restaurant's system includes a modem that allows the restaurant to upload payroll data to the regional Mc Donald's headquarters. The modem also makes it possible for restaurants to obtain "teleshop" from Codem if problems arise.

The SAR employs roughly 1900 people at its 26 franchises. In the case of the 20 Mexico City locations, payroll is managed by the headquarters office. Weekly, each of the restaurants sends a computerized payroll report by modem to headquarters, detailing the hours worked by each employee. The data is then used to generate the payroll for that week.

A labor scheduling utility program, written by a Canadian company called Thoughtworks, provides automated organization of shift assignments for each week. The program generates the schedule based on sales statistics and the availability of employees. Once the schedule has been established for the ensuing week, the information is im-

ported by the time and attendance software and sent to the Linx terminal.

In addition to organizing payroll data, the Human Factor system can generate approximately 50 different reports, including punch-in report, late-in report, absence report, extra time report, and shift coverage. With this new wealth of easily accessible data, Mc Donald's managers are better able to control labor expenses and pinpoint areas where improvements can be made. (Another

potentially valuable capability of the Human Factor package is its access control function. Although not yet used by Mc Donald's, the system can regulate access to various areas of the restaurant.)

Since implementation, SAR has realized significant benefits, including a major reduction of restaurant labor paid hours—approximately 25 percent. Payroll preparation time has been slashed from two days to two hours, and record keeping is more accurate and flexible. □

APPLICATION PROFILE

Company Name:

Mc Donald's
Mexico City, Mexico

Business: Restaurant chain

Hardware/Software: Codem Human Factor

COA time and attendance system; Linx Model II-1 terminals; StrandWare Label Matrix software; Thoughtworks utility program

Primary Application: Time and attendance

Primary Benefits: Reduction in paid hours;
reduction in payroll preparation time

Resources:

Codigo Empresarial (Codem), S.A. de C.V.
Amsterdam 21-BIS-402
Col. Hipodromo Condesa
06100, Mexico D.F.

Hewlett-Packard
Components Group
370 W. Trimble Rd.
San Jose, CA 95131
(408) 435-7400

Linx Data Terminals, Inc.
625 Digital Dr., Ste. 100
Plano, TX 75075
(972) 964-7090

StrandWare, Inc.
1529 Continental Dr.
Eau Claire, WI 54701
(715) 833-2331

The Thoughtworks, Inc.
52 Grant Blvd.
Dundas, Ontario
Canada L9H 4M1
(905) 628-2944