



## Housing Manufacturer Case Study

### **Business Challenge:**

A leading manufacturer with multiple business units had experienced payroll check fraud and recognized the need to switch to a direct deposit program to eliminate this problem. Much of the firm's labor is Hispanic and contributing to the problem was that few banks in the community provided tellers who spoke Spanish. When searching for a direct deposit provider the company needed a resource that offered bi-lingual training, support and customer service.

### **Directo's Solution**

Directo designed an implementation plan that would deploy direct deposit and the paycard program one business unit at a time. Directo ensured that initial implementation went smoothly before introducing other business units to the program. Once Directo successfully launched its initial program other units quickly implemented the program. The implementation plan included:

- A communication to the workforce informing them that someone in their community had taken part in an illegal payroll check fraud which led the company to make a change to the payroll program.
- An early collateral communication educating workers about the options available to them for direct deposit including the Directo program.
- A direct deposit rally explaining the program and signing up employees at each of the plants to ensure complete understanding and ensuring compliance.
- Stickers including the employee's name, address, social security number and employee number to address employee literacy issues and to facilitate the enrollment process. This step allowed the rally to focus on ATM use training, a priority, since ATMs are the main channels for accessing funds from the Directo account.
- Pre-scheduled small groups of 10-15 workers for conference room meetings to answer questions about direct deposit and Directo.
- Distribution of POP featuring ATM locations to make transactions convenient and easy.
- Presence of Directo customer service teams at each business unit's facility on the first payday after program implementation to provide additional ATM training and to answer questions.

### **Client Benefits**

- Elimination of payroll check fraud due to direct deposit
- Solidified the relationship with their main bank by taking steps to ensure that payroll fraud would not happen in the future – protecting both entities from future financial liability
- Elimination of the administrative burden on Horton management to distribute checks or address issues such as lost checks or other related issues with live checks
- Improved lifestyle for their valued employees. Employees no longer must wait in line to cash checks
- A consistent program across all business units.

### **Results**

- Within 90 days, 100% of all business units converted to direct deposit and electronic pay
- 70% of workers selected the Directo program and the remainder have direct deposit with local banks
- Earlier distribution of money on pay day created more time to respond to employee questions/issue simplifying pay days for the payroll department.
- 100% direct deposit saved significant time for payroll department because there were no uncleared checks to manage
- Workers embraced the program once they understood the key benefits including access to mainstream financial services which provides them with more options for managing their money and expenses
- Since implementation, the most popular Hispanic grocery store installed a POS unit to enable employees to use their Directo cards for purchases and to send money via Western Union