

# Turning Comps from a Pain to an Advantage

Loyalty Improvement Series

**PAYTRONIX**  
systems, inc.

## The Challenge

A national casual dining restaurant group aimed to get control of their complimentary (comp) expenses. Their manual legacy system invited fraud and abuse while tracking with paper and spreadsheets proved cumbersome and error prone which artificially inflated sales tax and income tax liabilities.

## The Program

Paytronix's comp program technology helped the restaurant group overhaul their comp program, remove the double-taxation penalty, and discover unexpected benefits.

To address the core problem – accurately track comps and stop abuse – Paytronix introduced a closed-loop system for issuing, redeeming, and reporting comps. The improved tracking and reporting enabled multiple benefits:

- Each comp transaction follows company financial accounting standards.
- Comps are processed in real-time at the POS as a discount – not a tender.
- Printed receipts present the details to the employee or guest cardholder.
- Transactions automatically conform to the company's rules for revenue recognition and sales tax and income tax liability.

## The Results

Correctly accounting for comps no longer required messy manual reconciliation. The reporting and tracking capabilities lowered the cost of administering comps, reduced the overall level of comps, and reversed the double-taxation penalty by eliminating unnecessary sales tax and income tax payments.

Paytronix's technology also unlocked new advantages and enhanced the restaurant group's comp program. For instance, in a vastly improved **Employee Comp Program**, eligible employees receive a card periodically loaded with a designated dollar amount. As they use their card, the balance is reduced. This smart solution even excludes liquor purchases (per state law). Plus, the card can be quickly terminated when an employee leaves the company.

### Optimizing the Mix of Comps

Only Paytronix can issue and track different types of comps. The restaurant exploited this advantage to extend comps in beneficial ways – to optimize the mix of comps. The management team sets targets for each store and holds managers accountable for the overall level comps. **Guest Comps** issued to atone for a poor experience are balanced by comps that benefit employees and build restaurant goodwill.

Consider an upgraded **Donation and Charity Program**. Previous donation awards were issued on paper and were easy to copy. Now the restaurants confidently create community goodwill without costly fraud. Paytronix gives the restaurants the versatility to configure the terms and expiration to meet the specific objectives of an event. Similarly, a **Referral Program** provides beneficial relationships with area hotel concierges and a **Trade Compensation Program** allows in-kind compensation for trade workers.

Tracking and controlling comps enables a true advantage. Comps have become a measurable part of the company strategy to drive traffic, to build guest loyalty, and to provide a meaningful employee benefit.

To learn more about realizing the benefits of your comp programs, see the "Correctly Accounting for Comps" Loyalty Improvement Series article at [Paytronix.com](http://Paytronix.com) or contact us.

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### Benefits of a Well-Managed Comp Program

