

Great Clips Franchisee Navigates Complex Labor Laws & Drives Efficiency

130
employees managed by lean back-office team of 3.5 FTEs

19
salon locations, connected through Community

6
regional entities managed with Paylocity

1
platform to manage the entire employee lifecycle

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Retail

130 employees

19 locations across California

When you've worked at some top Fortune 200 companies in Silicon Valley and overseas for more than three decades, what's your next big career move? For Mark Grace, owner of Grace Franchise Operating Company Inc., the answer was simple: start a side hustle and try something totally new. Today, he's the successful owner of 19 retail locations as a franchisee for nationwide brand Great Clips.

"After almost 40 years with some of the greatest technology companies in the world, I was looking for my 'second act'," explains Mark. "What was originally to be a retirement gig, as it turns out, keeps me very busy and engaged with a great brand. All our salons are in California, from San Francisco in the north to the LA market to the south, with another location under construction."

With barber shops on every corner, the company operates in a very competitive retail marketplace, where business volumes are still recovering to pre-pandemic levels. Add a host of talent management, cost, and compliance pressures, and Mark has his work cut out to maintain his growth curve.

In this environment of complex challenges, it's essential to have the right HR platform, not just a payroll or timekeeping system. Initially, Mark and his small back-office team tried the multiple offerings of a legacy payroll provider, but soon realized that system was too inflexible for their specific needs.

"Franchisees might adopt legacy or historically prevalent systems, even when those tools aren't the most competitive or the best value," explains Mark. "For example, compliance with state-specific regulations isn't something you can reasonably expect of a national franchisor 'out-of-the-box', and they will transparently tell you as much. California's labor laws are particularly complex, and we must absolutely minimize risk and maintain tailored controls in all HR processes. That's why we switched to Paylocity."

"After decades working in Silicon Valley, I think I have an appreciation for great technology. You can see the forward-thinking insight that goes into Paylocity. It's put us in a much better place."

Mark Grace, Owner, Grace Franchise Operating Company – Great Clips Franchisee

The Challenge

Minimizing Exposure to Risk

As Mark expanded his network of Great Clips salons, he ran into communications, employee turnover, and compliance challenges that were too much for his initial ADP platform choice to handle, so he started to look around for a modern, fully integrated HRIT solution.

Operating Efficiently with a Lean HR Team

Like many retail franchisees, Grace Franchise operates on tight margins. “We want to pay employees well, and that means we must be very careful on all other spending. Employee comp is the anchor of all other budgeting. We also keep a lean team and don’t have the resources for endless paperwork,” explains Mark. For core tasks such as recruitment, efficient workflows are also vital to cope with employee turnover. “We do a lot better than the industry norm of 70 percent turnover, but we’re still constantly recruiting,” notes Mark.

Offering Employees Flexibility and Support

Perks are a great way to motivate employees and improve retention, but administrative complexity can make them difficult to manage. Mark explains: “Tips are an important part of our employees’ take-home pay, but we just can’t exchange credit card tips for cash all day long. Instead, we pay tips with biweekly paychecks, while providing real-time access to earned comp with Paylocity’s On-Demand Payment. We were interested in introducing new pay options that give our employees more flexibility, while staying tightly integrated with payroll.”

Keeping Pace with Evolving Regulations

As a California-based business, Grace Franchise operates in the most regulated state in the nation that is also home to an aggressive trial attorney industry. “Even pay stub formatting errors can lead to million-dollar penalties,” says Mark. The challenge increases all the time, as the state adds new requirements, such as violence prevention training. “Our prior platform design left us at risk of non-compliance in some areas, so we wanted to bring our HR operations into full alignment with the rules,” adds Mark.

Connecting Employees Across Multiple Locations

The multi-location franchise model created communication problems, too. Few employees had a corporate email account, so keeping everyone in the loop about company news was difficult. Using employees’ personal email addresses was not a viable alternative, as it could lead to further non-compliance issues.

“To manage employee benefits, we work exclusively with vendors that are part of the Paylocity Marketplace and offer tight integration with the platform. Open APIs that are simple to use are a key part of any modern solution, and everything fits together seamlessly in Paylocity.”

Mark Grace, Owner



The Solution

Implementing an Agile, Reliable Solution

During the evaluation process, Mark focused on the fundamentals, such as strong workforce management, timekeeping, and compliance capabilities, before selecting Paylocity.

Reducing HR Workload with Intuitive Self Service

Among the most valuable Paylocity modules for Grace Franchise are [Employee Self-Service](#) and the [Mobile App](#). Employees can now check their work schedules, punch in on a geofenced timeclock, update personal data, and enter direct deposit information via the app—rather than passing details on to the HR team for processing. “We love that employees don’t have to scribble information down for us anymore,” explains Mark. “They can handle so much themselves now.”

Delivering Essential Training to Every Employee

Grace Franchise is also using the [Learning](#) module to manage mandatory training, including violence prevention and workplace harassment programs. As well as publishing content via the system, the company can track training completions, and send reminders when necessary. “We now automatically and digitally record every training that each employee has received in their central HR file,” adds Mark.

Simplifying Key HR Work with Extensive Integrations

In addition, Grace Franchise has streamlined digital workflows for core HR tasks, using the [Payroll](#), [Recruiting](#), and [Onboarding](#) modules. For example, the company can post open roles on online job boards, screen candidates, and manage interviews through the platform. “The integrated workflows in Paylocity make it much easier to find and onboard talent,” says Mark. The company also takes advantage of Paylocity’s extensive [Marketplace](#) integrations to manage all employee benefits plans. Using the open APIs, the company automatically exchanges data with multiple health insurance and retirement plan providers, such as [CalSavers](#).

Keeping Employees in the Loop with Multi-channel Comms

Grace Franchise has also adopted [Community](#) for making company-wide announcements. “We still use flyers on bulletin boards, but Community allows us to take a multi-channel approach,” Mark notes. “It’s a great way to get the word out about milestones, such as a new shop opening, or for launching marketing promotions, or if we just want to wish employees a happy holiday.”



Employee Self-Service and Mobile App help to cut admin workload in ways employees love.



Learning supports delivery and management of mandatory training.



Recruiting and Onboarding help attract talent for a growing network of salons.



Marketplace integrations automatically exchange data with benefits providers.



Community helps managers keep employees in the loop with company news.



On Demand Payment lets employees access earned wages between paychecks.



The Results

Moving Forward with Confidence

Using Paylocity, Mark has built a more sustainable business model to support the growth of his franchise business, with streamlined workflows that are fully compliant with complex regulations.

Taking HR Productivity Up a Notch

The combination of employee self service and automated digital workflows are helping the HR team at Grace Franchise to work efficiently and productively at all times. Just 3.5 back-office team members manage everything from recruitment and compliance to employee health benefits. In particular, having one central platform to manage the entire employee lifecycle keeps things simple and saves time.

“End-to-end paperless workflows are a real dream come true for us,” explains Mark. “They help us keep our overhead down, as we don’t have to invest resources in time-consuming administrative tasks. We didn’t even think about resorting to a third-party document app, because we can have all employee documentation integrated, deployed, tracked and archived within a single system.”

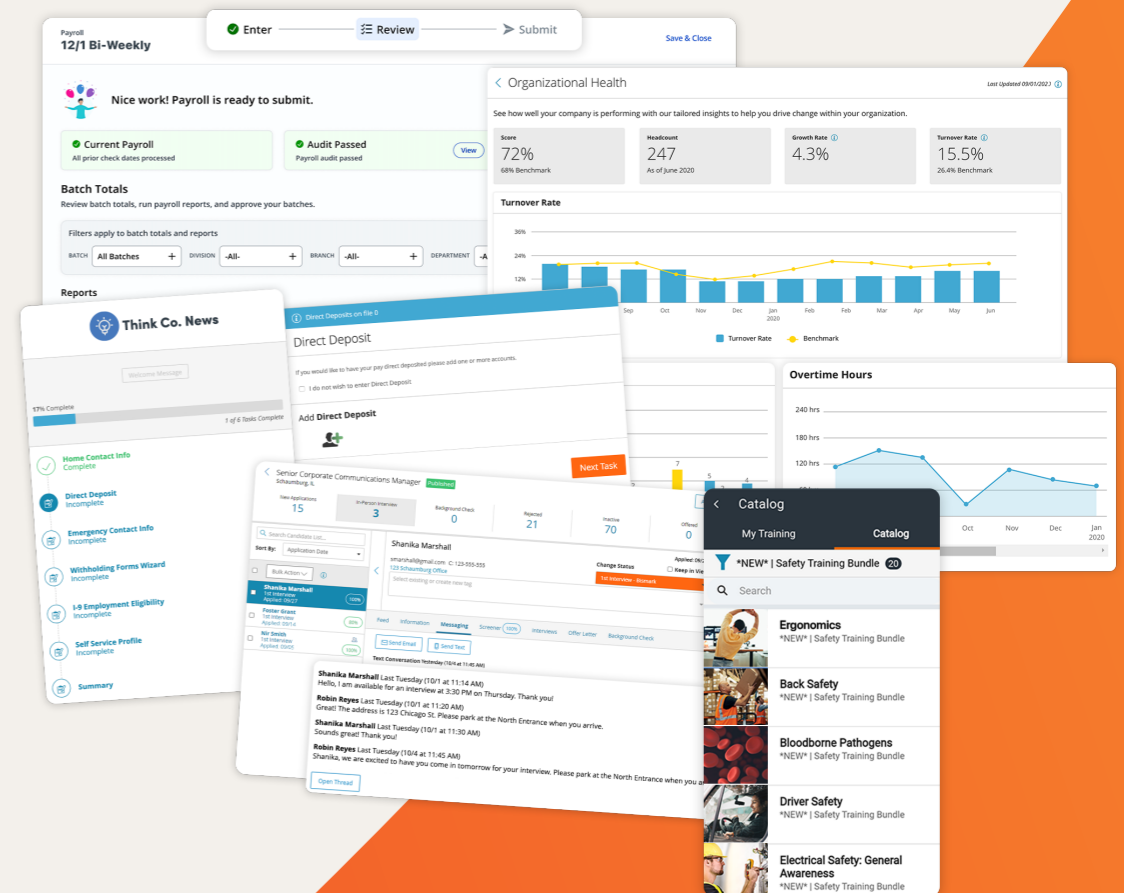
Building a Proactive Compliance Strategy

With Paylocity, Grace Franchise can more easily comply with California labor laws and mitigate the risk of penalties. For example, the onboarding workflows in Paylocity help the company collect all necessary documentation from new hires, while the tracking function will ensure all employees receive the correct training. “We’ve always been diligent about compliance,” says Mark. “But getting everything right isn’t easy if you track things manually. That’s why Paylocity is so useful.”

Giving Employees a Helping Hand

Finally, the move to Paylocity has helped Grace Franchise enhance the employee experience. Using Community allows Mark to engage with his teams across all 19 salons, as he notes: “I can post something tonight, and by tomorrow morning half the team will see it, then relay the information to their colleagues when they arrive for their shift. It’s an effective way to foster collaboration.”

Furthermore, Mark uses the [On Demand Payment](#) module to enable employees to access a portion of their wages early, rather than waiting for their biweekly paycheck. “It’s really useful if they need funds quickly—for example, to pay an unexpected bill,” concludes Mark. “They can use On Demand Payment rather than going to a payroll advance lender, which will create bigger problems for them in the long term.”



“We love the On-Demand Payment option, and the fact it’s integrated in the platform means we don’t have to implement a separate system. We have employees using it all the time.”

Mark Grace, Owner

