

By IRIS



How Troncmasters by IRIS takes pride of place at the Red Lion pub



Customer Story



Highlights

- Consistency in how tips are allocated
- Cost savings of over £9000
- Extra incentives for staff to deliver a great service

We often hear from bar, restaurant and hotel owners about the positive impact tronc schemes have on their businesses and their staff. Nothing beats firsthand, authoritative accounts straight from the hospitality industry. They're definitive proof troncs are a money-saving win-win wherever staff handle tips, gratuities and service charges.

Business owner Steve Orme tells us how Troncmasters by IRIS played a part in a 21st-century masterplan for the Red Lion pub in Shepperton – a plan that would make tips and service charges fairer, help retain staff and counteract climbing utility bills.



A vision to revitalise the Red Lion

When business duo Steve Orme and James Thomson took over the Surrey pub, the pair were already making a name for themselves. So much so that they'd won awards from Time Out and The Observer for their successful London restaurants.

Their ambition was to turn the Red Lion into a true gastropub – revitalising its 300-year-old fixtures and fittings, bringing second-to-none talent on board and delivering a first-class drinks-and-dining experience.

But when the pandemic hit, they suddenly had a new mission: retain staff and find new ways to drive up the bottom line.





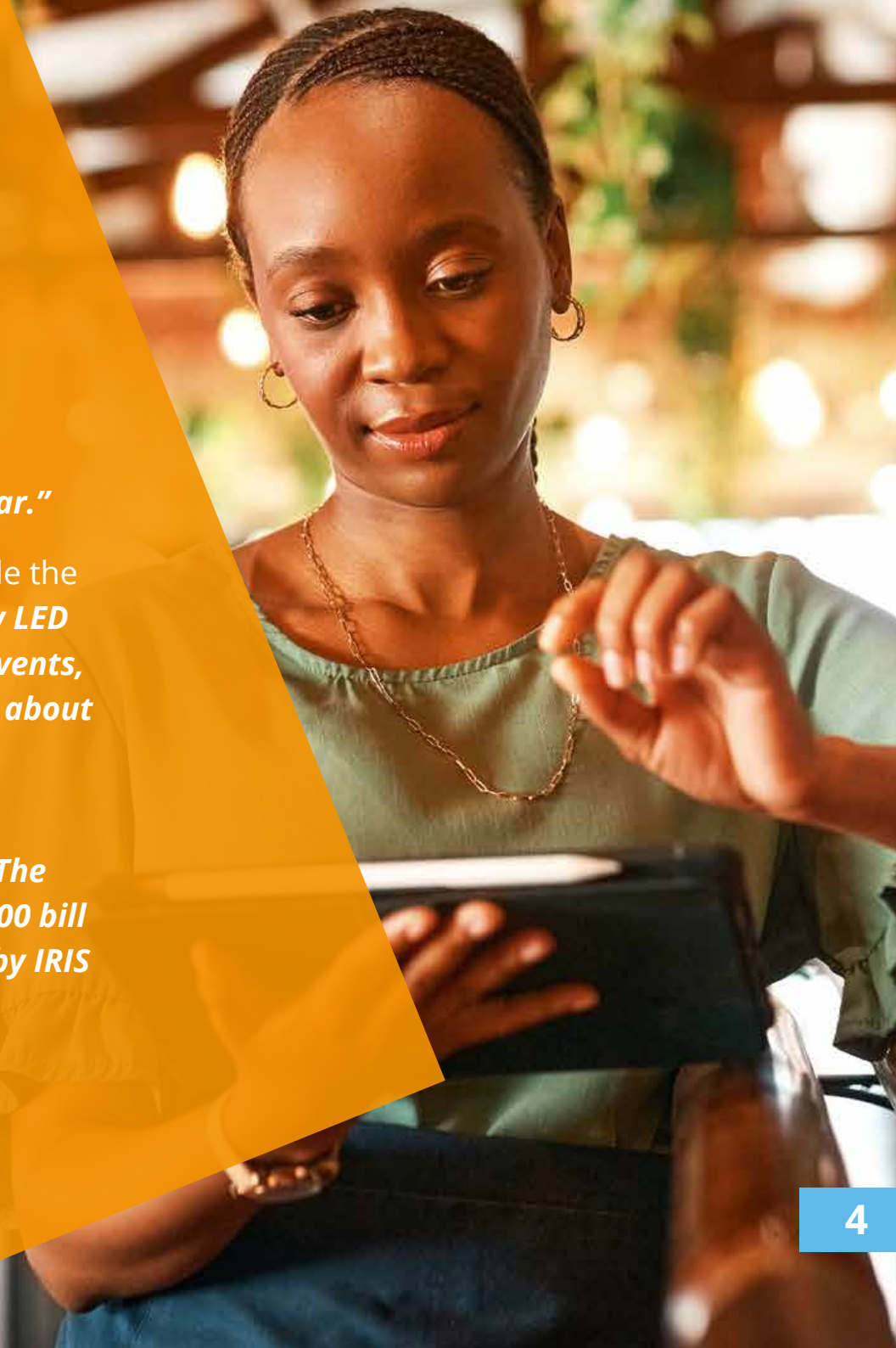
A new way of doing things

"Cost savings were hugely important for every hospitality business when restrictions were lifted," Steve says. "Money became a major topic for the business and our staff. At the Red Lion, gas and electric bills went up by about £9,000 a year."

Their solution was to lean into the ambition that already made the Red Lion a must-visit venue. ***"For customers, that meant new LED candle lighting, new premium drink and food experiences, events, rental pub boats and more. We wanted people to be excited about going out again,"*** Steve adds.

"But internally, we wanted a new way of doing things, too. We wanted to improve the bottom line for us and our staff. The answer involved setting up a tronc, and it worked. That £9,000 bill increase I mentioned earlier? Outsourcing to Troncmasters by IRIS saved us that and more."

Staff, meanwhile, save about £8,000 a year between them in National Insurance.





The benefits of a tronc and how it changed everything

“Before the pandemic, we distributed tips through our electronic rota system, with the weighting decided on by a previous general manager,” Steve explains.

“But this way of doing things – or any other way outside of a tronc – means your business and your staff must pay National Insurance contributions on tips and service charges.

“That was now even more of a factor because we’d recently introduced a service charge: the reason was staff now waited on tables. During COVID, this was the way things had to be done. Afterwards, it was what patrons expected.

“Setting up a tronc saved the business and staff from paying National Insurance on gratuities. It also ensured tips and service charge distribution felt fair to staff.”

Steve says that the team at the Red Lion work hard to deliver a great service, so asking them to run a tronc system as well was unfair.





However, if you don't outsource, that's precisely what must happen. The staff on the ground have to appoint a Troncmaster who shares out the tips, keeps records and reports back to HM Revenue and Customs. No manager that has hire-and-fire power is allowed to help them.

"By outsourcing, you provide consistency," Steve explains. "If you do it in-house, your team is constantly making sure there's a backup Troncmaster for holidays or if someone leaves. But at Troncmasters, there's a team of professionals always ready to help, no matter what. Your tronc is future-proof."

The old rota distribution system was exchanged for a points-based weighting method, which provides extra incentive to deliver great service. This incentive is made more powerful because a tronc must have regular buy-in from staff.

Troncmasters is also geared towards helping back-office specialists. In this case, our team takes the raw data and turns it into a report for the Red Lion's bookkeeper – and because Troncmasters is run by payroll professionals, they know how important deadlines are and how to set this information out.



The future of Red Lion and Troncmasters by IRIS

Steve and James' pub group is going from strength to strength with two new pubs; The Golden Grove opened last year in Chertsey and they are launching The Rose and Lion in Twickenham this summer.

"Troncmasters is taking a system that can become complicated and making it feel very simple," Steve explains. "So much so, we've not had a single issue or question raised since things started."

"In short, we're saving money, our staff are happy, and they are staying longer," Steve adds.

"I can't believe more people don't know about this system. I try and tell everyone about troncs and how Troncmasters can help them."



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