

CASE STUDY

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A large, stylized graphic of two interlocking gears. The gears are composed of white rectangular segments arranged in a circular pattern, set against a solid green background. The gears are positioned in the upper right and middle right areas of the page.

# HVAC Manufacturing company saved over \$73K annually

Just by using their CRM to capture mileage.

# Due to a competitive market and flat sales, it was a challenging year for a heating and air distribution company in the Southeast.

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## The Problem

Management began to explore innovative business practices to increase revenue and reduce costs. They decided to look to the mileage reimbursement policy for savings and benefits. The sales team was reporting 2,800 miles a month, an increase over previous years, yet their productivity had decreased. The costs were growing unmanageable. The company had not been able to give salary increases to the sales team for two years. The mileage reimbursement rate had remained .25/mile for the last ten years. Because of new competitors moving in their region, business practices had to change, so they called mBurse.

Through in-depth analysis of current practices, additional areas of concern became apparent. A comparison of data from the current year to the previous year revealed a trend: when fuel prices increased, recorded business mileage also increased. mBurse also identified a direct correlation between flat sales and high business activity or mileage.

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Further complicating matters was a low CRM adoption rate. The company had invested in the Salesforce.com platform, but only around half of the sales reps were using it. This rendered accurate analysis and projections of sales activity nearly impossible.

## Our Solution

To control costs and to boost productivity, mBurse recommended the Smart Mileage Rate along with our Salesforce.com CRM mileage application TUrnsignal. Customizable to actual employee needs, the Smart Mileage Rate would follow a specific formula to calculate each employee's rate. Based on a standard vehicle, the rate would derive from current fuel prices and ownership costs within each employee's territory. Reimbursements would increase and decrease each month based on fuel prices for each employee. This variable rate plan offered a standardized solution that was accurate and equitable.

Next, we installed TUrnsignal, our CRM mileage log with their Salesforce.com subscription. We installed TUrnsignal to track mileage. This made mileage capture and calculation easier while keeping everything in Salesforce like the company wanted. The new process would save time and mileage. More than that, it generated the desired level of CRM adoption. If employees did not use the CRM-integrated mileage app, they would not be reimbursed for their mileage.

## Results

The company found that the implementation of the new auto reimbursement policy provided an innovative option while combining administrative tasks. This developed into a competitive advantage over others in the industry. Implementing a cost-neutral, non-taxed auto reimbursement policy reduced costs by more than \$73.6K annually (a 15.15% cost reduction) after redistribution of savings and fees. How did this happen?

Within the first year of implementation, reported mileage dropped from an average of 2,800 miles per month to 1,651 miles per month. Using the Smart Mileage Rate, the average employee rate increased from .25/mile to .36/mile, but the average reimbursement decreased from \$700/month to \$594/month. Increased accuracy of reporting via TUrnsignal, our mileage tracking app had decreased the reporting of "empty miles" and allowed the company to regain control of their costs.

But the benefits did not stop there. TUrnsignal, made measuring productivity as well as business travel ROI significantly easier. Managers were now able to coach and develop underperforming reps, and recruiters were able to develop a profile for successful candidates based on the top performers' activities.

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The new mileage capture process automated most of the time-consuming task of recording and reporting mileage, affording employees an extra eight hours per month to spend on more productive activities. Both morale and productivity increased, and in six months the employees had increased sales by 19%.

**mBurse: Innovative solutions that reduce costs and increase revenue.**

This case study features an mBurse client that requested their name removed due to their privacy policy of endorsing vendors.

## Conclusion

mBurse offers a multi-faceted approach to travel reimbursements. Not all businesses face the same challenges, so we have developed a variety of tools that can be adapted to specific needs you have. The right solution from mBurse can change the way you do business NOW – with options that save money while treating employees equitably.

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