

CASE STUDY

at a Glance

Challenges

- Protect a positive company culture while instituting change in the vehicle program
- Eliminate company-owned vehicles to reduce administrative burden while improving risk and capital management
- Complete transition with minimal impact on employees

Results

- Efficiency and risk management improved in a cost-effective manner
- Employees smoothly transitioned into new program

Foran Spice Company streamlines operations, reduces risk, and improves capital management while supporting employee satisfaction

Solution: The Runzheimer Plan for Standard Vehicle Costs

Situation

Some call oil ‘black gold.’ But for most of human history, that sobriquet meant a rare and valuable spice. Black pepper. The quest for pepper lured Christopher Columbus westward from Spain in 1492. He never found the spice. But if he returned today, he could stuff his ships with a bounty of pepper, spices and herbs from Wisconsin-based Foran Spice Company.

“Those old sailors would recognize the burlap sacks full of spices that come to our receiving dock,” says Andy Gitter, Foran’s chief financial officer. “The basic products and bulk packaging haven’t changed much in hundreds of years.”

While some things are constant in the old-school spice industry, “innovation and modern best-practices define our company today,” says Gitter.

Recently, as they looked for operational improvements, Foran’s management team began to talk about transitioning away from company owned vehicles. “We weren’t looking to pinch pennies,” says Gitter. “Mostly, we wanted to get away from the record keeping, risks and depreciation limits associated with owning the vehicles.”

To explore options, Gitter called Runzheimer International. “I was aware of their reputation,” he says. “Rather than do the research on my own, I gave them a call and let the experts educate me.”

Solution

Based on Foran’s specific requirements and requests, Runzheimer International tailored a fixed and variable rate (FAVR) vehicle reimbursement plan for the spice company’s employees.

With this tax-free program, participating Foran employees drive personally-owned vehicles and receive tax-free reimbursements for business use. The reimbursements accurately reflect regional differences for both fixed ownership expenses, such as insurance, and variable driving costs like fuel. The solution also includes time saving online tools, such as:

- Runzheimer Online Mileage Logs—an easy-to-use, web-based solution where drivers enter mileage, resulting in a streamlined reimbursement process and accurate audit records
- Runzheimer Payment Solutions for efficient and secure electronic reimbursement payments to employee accounts

“This was all new to our people, and change is always difficult,” says Gitter. “The folks at Runzheimer International customized our plan so individuals would feel comfortable with the transition. I was very impressed at how they helped us take employees’ concerns off the table beforehand.”

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~ Andy Gitter
Chief Financial Officer
Foran Spice Company

Results

“Not only are we extremely pleased with the new program, we have also found it to be very cost effective,” says Gitter.

As Foran’s CFO, Gitter has been involved throughout the entire process. “At all the stages—sales, contract execution, program design and training—there was a consistent theme,” he says. “Every person from Runzheimer International was focused on helping us achieve our goals, on our timetable, in a manner comfortable for us.”

Foran is not a Fortune 500 company, says Gitter, but “everyone treated us like we were their largest and most important client. They even offered to provide a program expert to attend our sales meeting. He explained the program in plain language and answered everyone’s questions. During the presentation, I could see people buying in to what we were doing and why,” he adds. “Since then, we’ve had positive communications from participants. One thing I heard was appreciation that were trying to be fair to them.”

“We wouldn’t have done this if it didn’t fit with our culture,” says Gitter. “We want to treat employees well—treat them fairly. We found a way to do that. From my initial telephone conversation with Runzheimer International through installation of our program, I have been nothing but impressed.”

Gitter’s advice to those thinking about a move away from company cars? “There’s no reason to delay,” he says. “Make the call. It’s not as difficult as you might think.”

About Runzheimer International

Founded in 1933, Runzheimer International serves 60% of the Fortune 500 and numerous government agencies. Recognized for providing innovative solutions relating to Total Employee Mobility®, Runzheimer International is the global leader in workforce mobility programs including business vehicles, logistics, business travel, corporate aircraft, employee relocation and compensation, and virtual office.

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