

CASE STUDY

at a Glance

Challenges

- Reduce business vehicle expenses
- Consolidate business vehicle policy to simplify management and maintain fair treatment for employees
- Provide tools to improve insight for better territory management

Results

- Achieved 10% reduction in business vehicle costs
- Employees receive fair vehicle reimbursements that accurately reflect their regional costs
- Increased ability to identify the lowest-cost travel method for sales trips
- More time is available to focus on core business operations
- Insight into sales team travel trends and opportunities for improved behavior

Lawson Products trims business vehicle costs 10%, while improving management oversight and decision support

Solution: Runzheimer International Business Vehicle Services

Situation

How many ways can things break down? Thousands of ways, according to Lawson Products. The good news is there are also thousands of ways to get things back up and running.

Founded in 1952, Lawson Products is an industrial distributor of maintenance, repair and operation supplies, committed to helping customers resolve short term and long term operational challenges.

A vast network of Lawson representatives partner with their customers to resolve tough maintenance issues, while providing the highest level of technical support in the industry. Lawson representatives work on-site to identify needs, recommend the right products and provide the application expertise to maximize performance.

Managing their sales network more effectively is one key to Lawson's continued success, so the company recently launched a "Sales Transformation" initiative to better serve our customers and increase sales efficiency. As they looked at business vehicle costs for their sales operations, Lawson Products' management found several challenges:

- Situation complexity—some individuals received mileage reimbursements, others received vehicle allowances
- Escalating costs—the total business vehicle spend was reaching a level equivalent to a fleet of company cars
- Minimal insight into true costs—they lacked sufficient data to determine fair reimbursement rates based on regional differences for fuel costs, maintenance, insurance and driving patterns
- Manual processes—reporting, tracking, approvals and reimbursements were labor intensive

"We relied on the standard IRS mileage rate and it was clear there was something wrong with that approach," says Jacki Liuzzo-Malles, manager of sales planning and operations. Company leaders saw high costs, while drivers in the field saw IRS reimbursement rates that didn't keep up with changing fuel prices. The challenge was to find a solution that reduced expenses and also treated employees fairly.

Lawson Products turned to Runzheimer International, whose business vehicle management specialists provided a detailed analysis of their unique situation and recommended an affordable business vehicle solution. "Our expertise is in distribution and providing the technical expertise to problem solve for our customers, not business vehicle management" says Liuzzo-Malles. "Runzheimer collected information on our business vehicle usage and showed us models of the savings potential in various scenarios."

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“It’s not just about controlling expenses, it’s also about where people are spending their time. With Runzheimer, we have a way to make our sales operations better in both regards.”

~ Jacki Liuzzo-Malles
Manager, Sales Planning
and Operations

Solution

After examining their options, Lawson Products chose a business vehicle solution from Runzheimer International that included:

- The Runzheimer Plan for Standard Vehicle Costs—a tax-free, fixed and variable rate (FAVR) business vehicle program. Employees continue to drive personally-owned vehicles, but they now receive tax-free reimbursements that accurately reflect regional differences for both fixed ownership expenses, such as insurance, and variable driving costs like fuel.
- Runzheimer Online Mileage Logs—an easy-to-use, web-based solution that streamlines vehicle mileage reporting and tracking
- Runzheimer Payment Solution—for efficient and secure electronic reimbursement payments to employee accounts

Results

According to Liuzzo-Malles, there is more to Runzheimer International’s solution than meets the eye. “The rollout was very smooth, and we quickly achieved a 10% savings,” she says. “But we’ve found additional benefits beyond the cost savings, such as useful data and a flexible reporting system that helps us manage sales territories better. For example, we integrate information like airfare and hotel costs from another system and merge that into the Runzheimer data to run

travel scenarios and identify the best travel method for an employee’s sales trip. We can quickly determine if that individual should drive a personal car, rent a car, or maybe fly.”

Lawson Products also uses the Runzheimer International system to help employees manage their time. “We can look at the data in different ways and spot situations where individuals appear not to be on the road as much as they could be to meet with customers,” says Liuzzo-Malles. “We can have productive conversations in those situations based on facts, not just opinions.”

“From the start, the whole experience with Runzheimer and their program has been excellent,” she adds. “When we announced the change, some employees expressed concern, which is to be expected. But when we showed them how the program reflects each individual’s actual costs and why it’s more equitable to all drivers, they were OK. It’s a very fair program.”

Liuzzo-Malles also appreciates the ongoing service provided by Runzheimer International. “Any time we’ve had a question, we receive excellent response,” she says. “Overall, I can stay focused on operational issues, instead of things like monitoring employee vehicle insurance due dates. Runzheimer handles that for us. The whole system is so easy to use and any information I want is right at my fingertips.”

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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 vehicle, logistics, business travel, corporate aircraft, employee relocation and compensation, and virtual office.

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