



Parts Distributor Realizes 25%  
Overall Cost Savings with CarData  
Vehicle Reimbursement Program



USE CASE

## Saves 25% Compared to Company Car Lease Program

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The CEO of an industrial parts distribution company, with branches located around the U.S., carefully evaluated the options when it was time for them to drop their company mileage reimbursement policy. His research included benchmarking CarData against competitors as well as large fleet leasing companies.

Fast-forward eight years, and you'll find he's very happy with his decision.

*"CarData's customer service is exceptional, which is one reason I knew they were right for us," he says. "Plus, we see at least twenty five percent overall cost savings compared to a company car lease program. And we are one hundred percent sure that the company and our salespeople are IRS-compliant."*



# Simplified Reimbursement Strategy, Automated Processes

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What compelled the company to seek a new **vehicle reimbursement program** (VRP)? There were three primary issues motivating a change in the company's vehicle program.

First, they were managing too many vehicle programs. Most of the sales representatives were given mileage reimbursements at the IRS "cents-per-mile" rate. Other employees were provided an allowance, and there were a handful of drivers in leased vehicles which the business inherited through acquisitions.





Second, the company also wanted to improve mileage tracking. They had been compensating employees based on the honor system, and although they were confident that most drivers were honestly logging their mileage, they wanted to eliminate the possibility of error or fraud.

And third, they knew that non-taxable reimbursement was possible, but they were not sure what the best choice was for them.

After due diligence, the company chose a **CarData Fixed and Variable Rate (FAVR) reimbursement plan**.

The FAVR plan established one consistent vehicle reimbursement policy and provided the flexibility for employees to drive a vehicle they prefer. According to the CEO, “Most people around here want to drive a pickup truck.” The company also opted to use **CarData’s Mi-Route mobile mileage app**, giving consistent, accurate mileage tracking.

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## Why CarData?

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CarData solved all the issues and the VRP generated cost savings too.

***“CarData is great. They are very easy to work with and I like their processes, from on-boarding to reporting,” the CEO says.***

***“The Mi-Route app has brought***

***discipline to mileage tracking.***

***There’s been a significant reduction in reimbursement because we are now accurately capturing mileage.”***

Cost reductions, tax compliance and happy drivers. Add it all up and the decision is easy.