motus

2018 MOBILE WORKFORCE BENCHMARK REPORT

Contents

INTRODUCTION

Here at Motus, we're committed to helping businesses understand the trends and best practices leading companies use to enable top performance from their mobile workforce. The benchmark data collected in this survey helps organizations of all sizes benchmark themselves against peers, monitor trends in vehicle program management, and consider new strategies for program improvement.

Based on this year's survey results, the top challenges facing businesses with mobile workers include risk and liability exposure and cost control. The Motus Platform can help companies overcome these challenges and effectively manage new ones as they arise.

KEY FINDINGS

Actionable Takeaways

Mobile workers are driving more for business – in 2017, organizations reported the highest average business mileage of the past 5 years.

There are many opportunities to improve driver safety – seventy percent of organizations report requiring "minimum levels of auto insurance" for vehicle reimbursement programs, but only 55% "collect documentation to confirm that mobile workers have up-to-date insurance coverage."

» Only 39% of companies use a reactive approach like "defensive driving courses" for employees with multiple MVR hits (traffic violations); 15% report "no consequences."

Company-provided vehicles remain the most expensive option – organizations report that fleet vehicles cost nearly 11% more than the average vehicle program spend per mobile worker.

Use of automated mileage tracking is increasing – organizations report a 9% year-over-year increase in the use of GPS-verified mileage.

Limited visibility into field sales activities – only 22% of organizations "can quantify the work habits of top field sales performers."

More than one-third of organizations that have vehicle allowances have **not reviewed their vehicle allowance amounts** within the past six years.

STUDY METHODOLOGY

Timeline

More than 2,000 organizations responded to the Motus Benchmark Study

Focus: Mobile workforce vehicle program policy, process, controls and costs

DATA COLLECTED
January 2018 – May 2018

→

RESPONSES VERIFIED
May 2018 – June 2018

→

PUBLISHED
July 2018

Focus Areas

This study collects financial, operational and program-specific data points to provide trends and comparisons among participating organizations. This study drills deep into mobile workforce vehicle programs including:

- Fixed and Variable Rate (FAVR) reimbursement
- Company-provided (fleet) vehicles
- Cents-per-mile (CPM) reimbursement
- Vehicle allowances

Organizations that participated in this study have U.S.-based operations. Financial data was captured for operations in only these locations and reported in U.S. dollars. An extensive validation process was conducted following receipt of participant data. In cases where the accuracy of information was in question and could not be validated, data was not included as part of the analysis. All data was collected from study respondents for their prior completed fiscal year.

Respondents by Industry

Participants in this year's study represent many diverse industries. The largest samples came from manufacturing, wholesale, food and beverage manufacturing and machinery wholesale. Here's a breakdown by industry:

Industry	% Respondents
Wholesale - Other	20.35%
Manufacturing	11.44%
Food & Beverage Manufacturing	6.73%
Machinery Wholesale	6.35%
Construction & Home Improvement	5.08%
Retail	5.06%
Business & Professional Services	4.92%
Medical Devices, Equipment & Supplies	4.47%
Machinery & Equipment Manufacturing	3.38%
Biotechnology, Pharmaceuticals & Medicine	2.98%
Metal Product Manufacturing	2.28%
Chemical Manufacturing	2.06%
Vehicle Parts	2.03%
Healthcare & Medical Services	1.81%
Insurance	1.68%
Electronics & Electrical Equipment Manufacturing	1.67%
Construction Materials	1.63%
Mining & Quarrying	1.53%
Equipment Rental & Leasing	1.49%
Food Service & Restaurants	1.48%
Engineering & Architecture	1.45%
Oil & Gas	1.27%
Agriculture, Forestry & Fishing	1.16%
Trucking & Transportation	1.16%
Finance & Banking	1.09%
Other	5.45%

Respondents by Annual Revenue

This study also represents a range in scale based on annual revenue as reflected below.

Annual Revenue	% Respondents
Less than $2 M	5%
$2 - $5 M	5%
$6 - $10 M	9%
$11 - $30 M	10%
$31 - $50 M	8%
$51 - $100 M	8%
$101 - $250 M	14%
$251 - $500 M	9%
$501 M - $1.5 B	10%
$1.6 B - $5 B	11%
More than $5 B	11%

Respondents by Organization Size

Motus works with mobile workforces ranging from five to thousands of employees. This benchmark study represents a diverse sampling of company sizes as seen below:

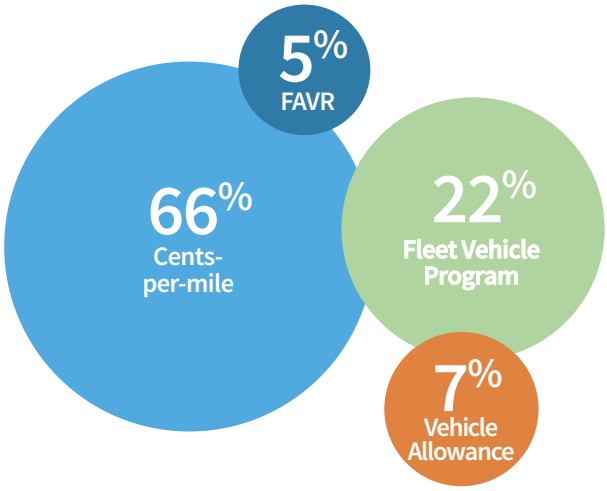
Organization Size	% Respondents
Less than 20	7%
21- 50	7%
51 - 100	9%
101 - 250	20%
251 -1,000	17%
1,001 - 5,000	18%
5,001 - 10,000	6%
10,001 - 25,001	9%
More than 25,0001	7%

Vehicle Program Types

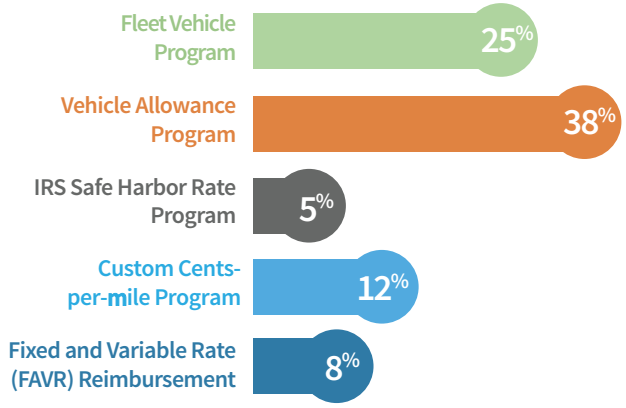
Most organizations use a blended vehicle program approach rather than a single strategy to manage mobile workers. While cents-per-mile (CPM) is the dominant program, organizations usually pair it with another method for frequent/ high-mileage mobile workers.

Many organizations manage their CPM program separately from other vehicle programs. What's the drawback of this approach? Managing vehicle programs separately can be costly to the bottom line and expose businesses to increased risk. How? In some cases, mobile workers could be incentivized to drive more in order to receive a higher reimbursement even if their job doesn't require them to drive those extra miles. That's why a centralized approach to vehicle program management helps organizations better manage cost, reduce risk and comply with labor laws.

Frequency of Vehicle Program Types[1]



When asked what type of vehicle program they administered before partnering with Motus



Source: TechValidate TVID:6F8-069-B01

VEHICLE PROGRAM CHALLENGES

Organizations report "cost control" (26%) and "liability/litigation risk" (23%) as the top challenges regarding their business vehicle programs.

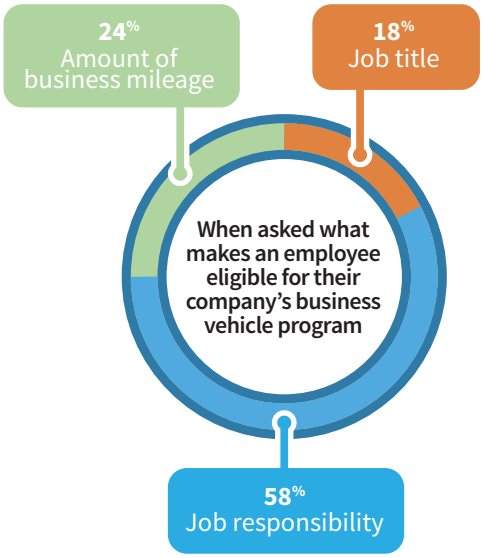
88%

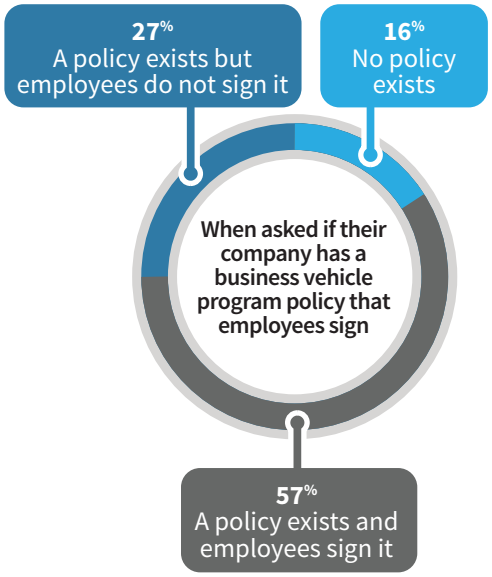
of organizations **do not measure employee satisfaction** with their business vehicle program.

VEHICLE PROGRAM POLICY

"Job responsibility" (58%) and "job title" (18%) are the most common factors used for determining vehicle program eligibility. The "amount of business mileage" (24%) was also a common factor to determine eligibility for vehicle programs.

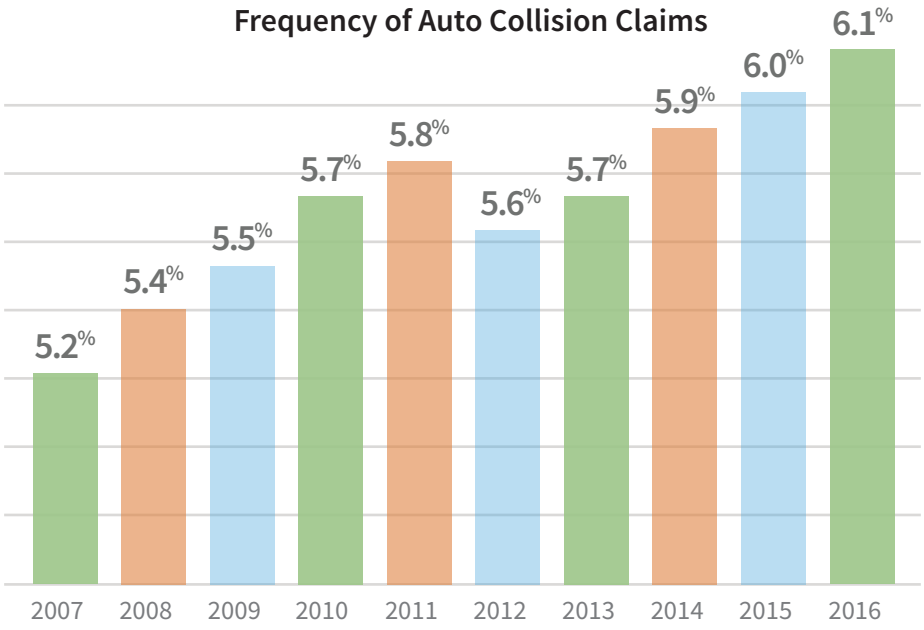
Most organizations (84%) report "having a vehicle policy." A majority (57%) "require mobile workers to sign the policy."





Driver Safety

The safety of mobile workers is a growing concern. U.S. collision insurance claims remain at the highest level of the past 10 years and have steadily increased over the past five years. So as the number of accidents increase, the cost of insurance does, too.[3]



Source: Insurance Information Institute

DID YOU KNOW?

40%

of all motor vehicle accidents are **work-related?**[2]

Seventy percent of organizations report "requiring minimum levels of auto insurance for vehicle reimbursement programs," but only 55% "collect documentation to confirm that mobile workers have up-to-date insurance coverage."

When asked to choose the answer that best describes their company's policy:

	Yes	No	N/A
My company has a policy for minimum levels of auto insurance for employees in reimbursement vehicle programs.	70%	20%	10%
My company collects documentation to confirm compliance with this policy.	55%	30%	15%

DID YOU KNOW?

Motor vehicle crashes cost employers

$56.7B

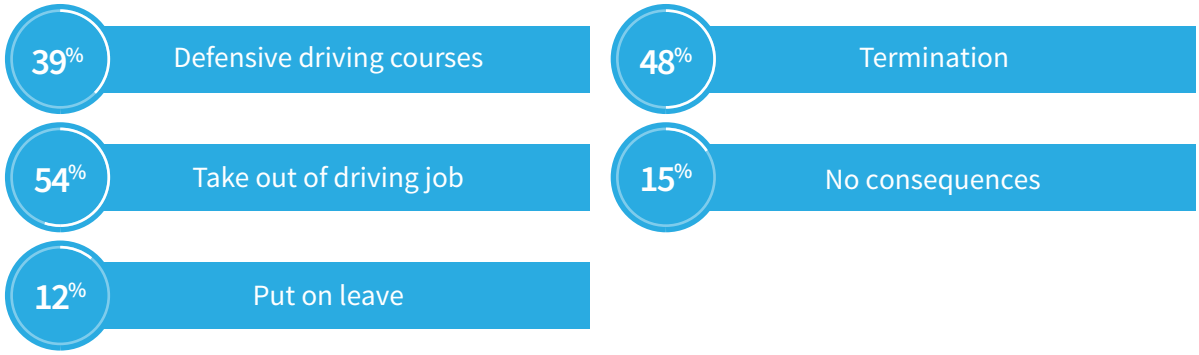
in 2017.[3]

Popular risk mitigation tools and controls tend to focus on a reactive, rear-view mirror approach to driver safety. Most organizations use Motor Vehicle Record (MVR) checks, which report on past driving records. Thirty-four percent of organizations perform MVRs "whenever a problem occurs," and 30% report "running annual MVRs" on their mobile workers.

When asked if their company performs Motor Vehicle Record checks (MVRs):

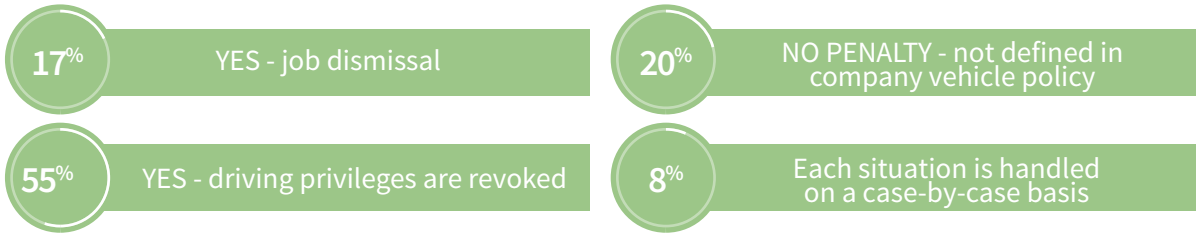
When a check returns multiple violations, 54% report "taking that mobile worker out of a driving job." Thirty-nine percent of organizations use "defensive driving courses" as a response.

Consequences for an MVR with Multiple Violations



The most common penalty for DUI or DWI convictions is to "revoke driving privileges" (55%). Twenty percent of organizations report "not having a penalty defined in their vehicle program policy."

Penalty for Conviction of a DUI or DWI



Few organizations (7%) report "offering incentives or bonuses for driver safety."

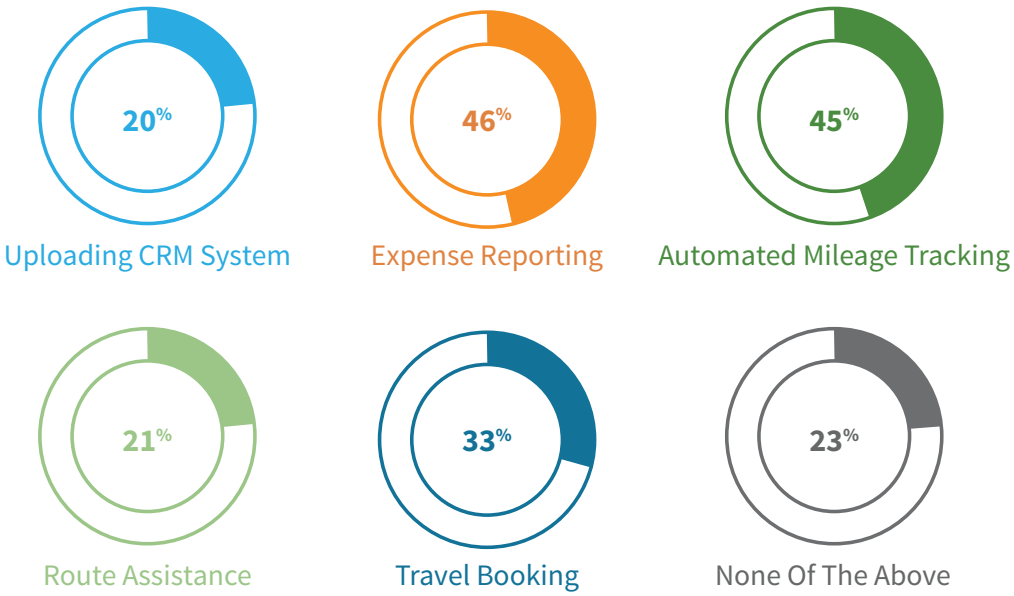
Safe Driver Bonuses or Incentive Practices

Motus Driver Safety Solutions offer a proactive approach to preventing accidents. Motus offers individualized safety programs that give employees the tools they need to combat hazards on the road. The comprehensive program includes proactive assessments and training modules – specific to each employee's risks – in addition to MVRs and insurance verification. As a result, Motus Driver Safety Solutions help businesses reduce collision rates by an average of 35%.

MILEAGE TRACKING IN THE MOBILE WORKFORCE

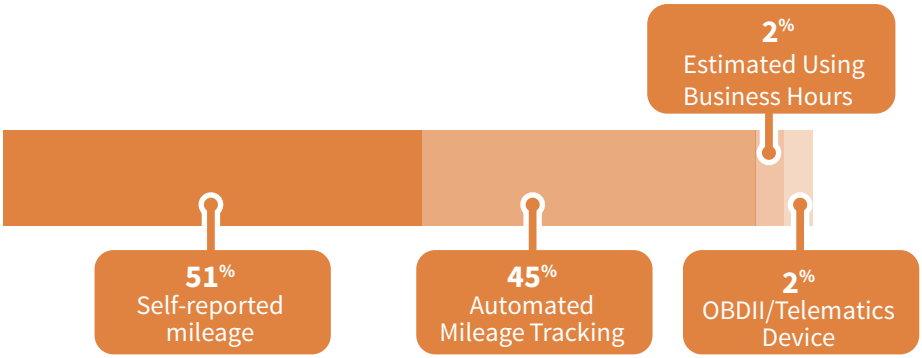
Among respondents, 46% report "using a mobile app for expense reporting" and 44% "use an app for automated mileage tracking." The least common uses for apps in the mobile workforce are "route assistance"(21%) and "updating CRM systems" (20%).

How Organizations Use Mobile Apps



"Self-reporting mileage" is a common practice among 51% of organizations that have reimbursement programs. A larger number of organizations report using "automated mileage tracking" than in the prior year (45% vs. 41%).

Mileage Tracking Methods



Automated mileage tracking **reduces costs by**

23%

Organizations that use automated mileage tracking technology report a 23% reduction in costs for mileage. Mileage reporting accuracy improves when you use GPS-verified mileage tracking and it also reduces the administrative burden on your mobile workers. These gains directly impact costs.

One-third of surveyed users **save an hour or more** each week by using the Motus App for mileage tracking.

Source: TechValidate TVID:75D-9O3-CD8

Mobile Workforce Productivity

Thirty-six percent of organizations that use GPS-verified mileage tracking technology are able to "gain insight into mobile workforce activities." Additionally, "improving field sales productivity" (22%), "gaining territory intelligence" (14%) and "optimizing territories" (12%) are the most commonly reported ways organizations use this data.

How do organizations use apps to improve field productivity?

Most organizations report limited visibility into the field productivity of their mobile workers. Only 22% can "quantify the work habits of top field sales performers" and only 25% can "quantify the habits of top field service performers."

Insights Into Habits of Top Performers

	LIMITED	HIGH
Field Sales	78%	22%
Field Service	75%	25%

Companies can drive workforce productivity by using a vehicle program technology platform that includes analytics. Motus analytics dashboards provide tools and metrics to help you understand mileage and reimbursement trends and GPS usage across your mobile workforce.

Along with being able to quantify the habits of top performers, it's useful to identify program exceptions, like high mileage employees, that may need further attention.

COST BENCHMARKS BY MOBILE WORKER

Average Vehicle Program Spend per Mobile Worker

In 2017, the average annual vehicle program spend per mobile worker was $8,734. Support costs decreased slightly from the previous year to $655, bringing the total cost per mobile worker to $9,389.

$8,734
annual vehicle program spend per mobile worker

$655
support costs: 1% decrease from 2016

$9,389
total cost per mobile worker: 3% increase from 2016

	Annual Vehicle Program Spend/ Mobile Worker	Annual Support Costs/ Mobile Worker	Total Annual Costs/ Mobile Worker	Support Costs as % of Vehicle Program Spend	Total Vehicle Costs as % of Revenue	Mobile Workers as % of Total Employees	Mobile Workers Served by 1 Support Full-Time Equivalent
Average	$8,734	$655	$9,389	7.49%	0.72%	16.18%	340
25th Percentile	$5,177	$408	$5,585	2.77%	0.59%	11.20%	122
Median	$7,583	$613	$8,196	7.00%	0.71%	15.56%	215
75th Percentile	$9,988	$874	$10,862	13.10%	0.82%	20.20%	375

Vehicle Program Spend Trend

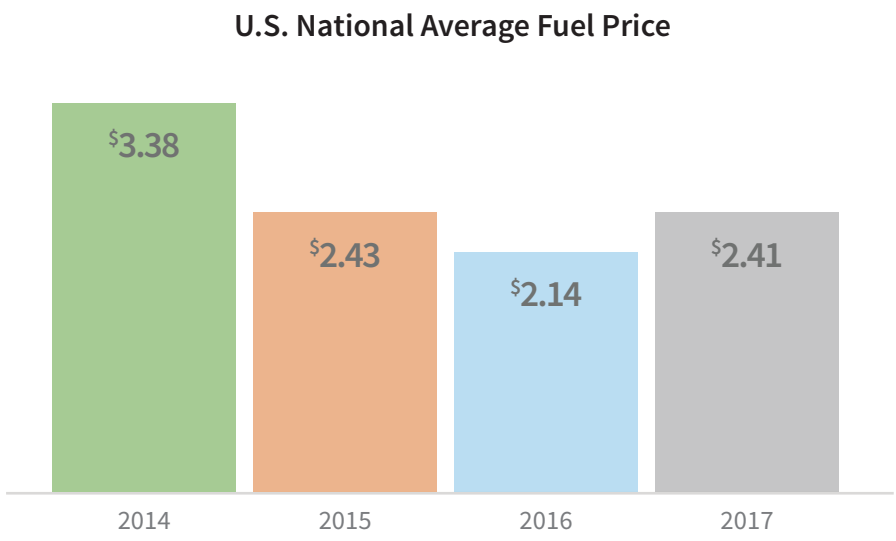
The average vehicle program spend per mobile worker increased 3% over the prior year results of $8,480. National average fuel prices spiked in the wake of Hurricane Harvey and remained high over the last 120 days of 2017, contributing to the increase. A higher reported number of business miles per mobile worker may also have influenced the increase in vehicle program spend.

Average vehicle program spend per mobile worker **increased by**

3%

in 2017.

Fuel Price Trends

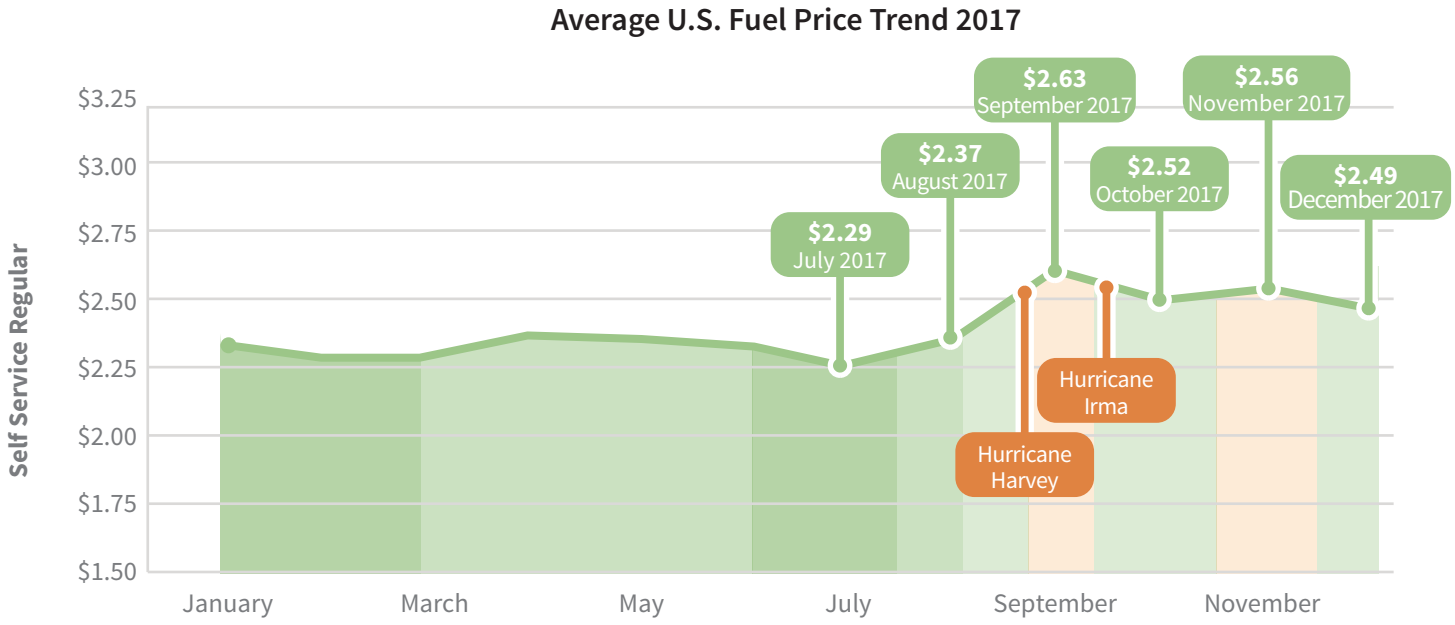


Self-serve, regular fuel averaged $2.41 per gallon in 2017. This was a 12% increase over the 2016 national average.

Fuel accounted for

24%

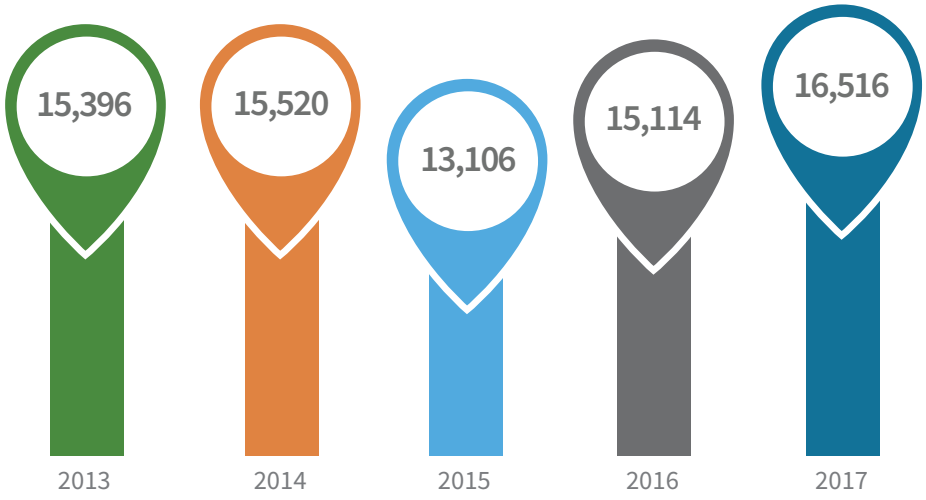
of the costs to own and operate a vehicle in 2017.[4]



Source: Motus

The price increase was heavily influenced by the disruption of U.S. refineries and infrastructure in the Gulf of Mexico region due to hurricanes in late August and early September. Hurricane Harvey was the first major (Category 3 or stronger) U.S. hurricane landfall since October 2005.

Business Mileage Trends

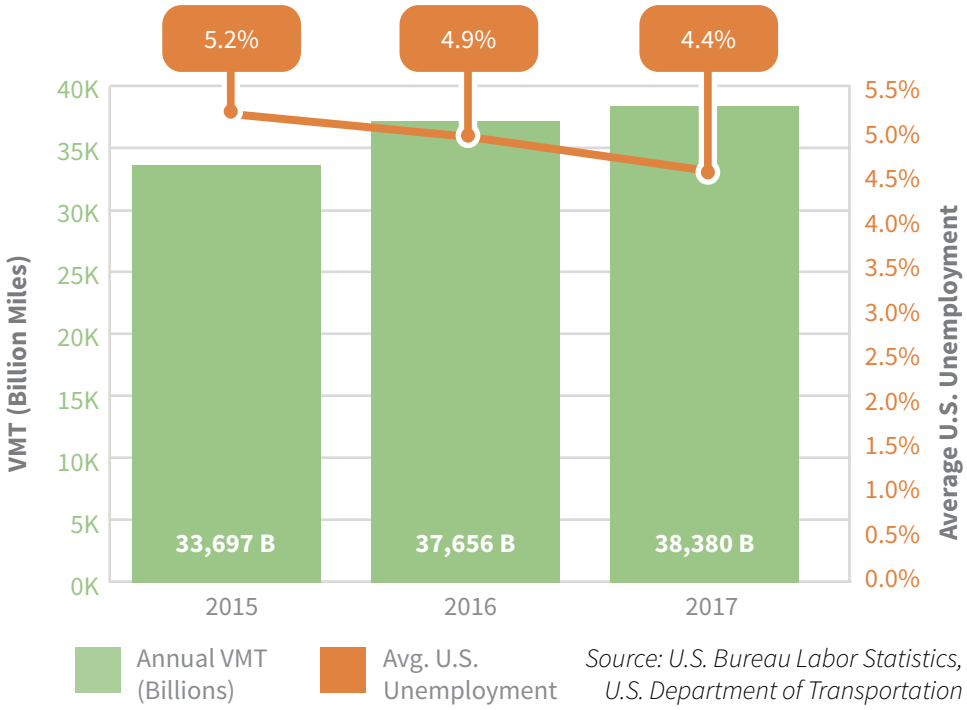


In 2017, organizations reported the highest average business mileage of the past 5 years. Organizations report 9% higher average number of business miles per mobile worker than in 2016.

2017 average business mileage per mobile worker:

16,516

(9% increase).



The increase in business mileage per mobile worker follows other trends in the U.S. too. For example, low fuel prices have contributed to more people driving on the roads. And low unemployment levels have increased the number of mobile workers driving for work as businesses grow and hire more employees.

Americans drove

724B

more miles in 2017 than they did in 2016 –

a total of

38.3T

miles.[5]

Costs per Business Mile

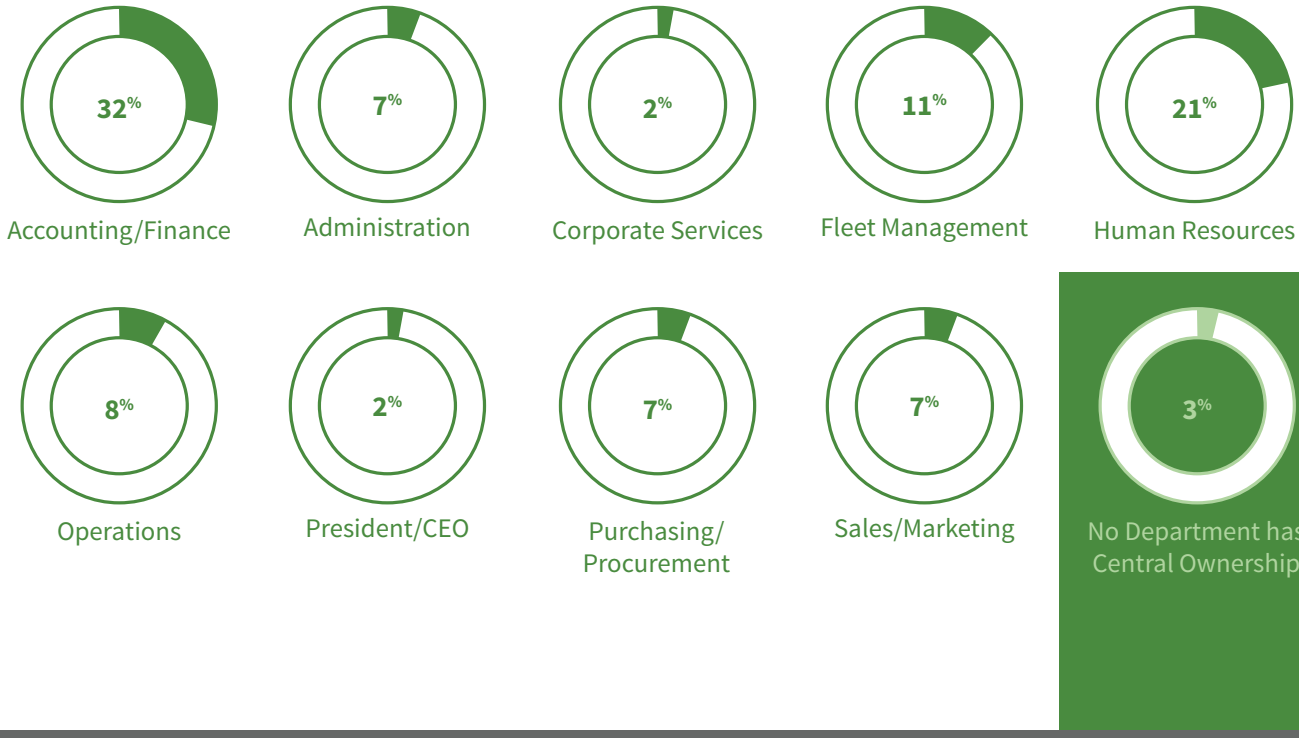
The average vehicle program spend per business mile decreased 1% from 2016. The average vehicle program spend was $0.535 per mile, with support costs of $0.05 per mile for a total average cost per business mile of $0.59. Mobile workers drove more miles while overall vehicle costs remained relatively stable, particularly for the first 240 days of the year.

	Vehicle Program Spend per Business Mile	Support Costs per Business Mile	Total Costs per Business Mile	Support Costs as % of Vehicle Program Spend
Average	$0.53	$0.05	$0.59	7.49%
25th Percentile	$0.45	$0.04	$0.49	2.86%
Median	$0.53	$0.05	$0.58	7.17%
75th Percentile	$0.59	$0.06	$0.66	13.25%

» 1% decrease in average vehicle program spend per business mile compared to 2016.

Vehicle Program Ownership

This report includes responses from many key vehicle program owners. In most cases, "Accounting/Finance" (32.4%) and "Human Resources" (20.6%) report owning their organization's vehicle programs.



COMPANY-PROVIDED VEHICLES

Company-provided vehicles, sometimes referred to as fleets or company car programs, are one of the most traditional program approaches. Organizations use company-provided vehicle programs to control the type of vehicles employees drive. The fleet vehicle is often perceived as a benefit. Unlike other programs, fleet vehicles are the property of the employer and increase risk exposure.

In this study, the most common industries reporting on company-provided vehicle programs include:

- Construction
- Chemical Manufacturing
- Machinery & Equipment Manufacturing
- Biotechnology, Pharmaceuticals & Medicine (Life Sciences)
- Healthcare & Medical Services

Cost Benchmarks

The average annual vehicle program spend per mobile worker for company-provided vehicles was reported as $10,768, and support costs were $1,219, for a total annual average cost per mobile worker of $11,987.

	Annual Vehicle Program Spend/ Mobile Worker	Annual Support Costs/ Mobile Worker	Total Annual Costs/ Mobile Worker	Mobile Workers as % of Total Employees
Average	$10,986	$1,219	$11,987	17.87%
25th Percentile	$9,667	$780	$9,941	7.00%
Median	$10,439	$1,125	$11,439	10.27%
75th Percentile	$11,785	$1,856	$13,595	32.00%

- If you deduct an average personal use chargeback of $132 per month, the average total cost per mobile worker for a company-provided vehicle ($10,403) is 11% more expensive than the average vehicle program spend per mobile worker ($9,389).
- On average, reimbursement programs are 32% less expensive than company-provided vehicles.

With a personal use chargeback of:	Company-provided vehicles cost:
$90 / month	**18% more than FAVR**
$105 / month	**16% more than FAVR**
$132 / month	**13% more than FAVR**

DID YOU KNOW?

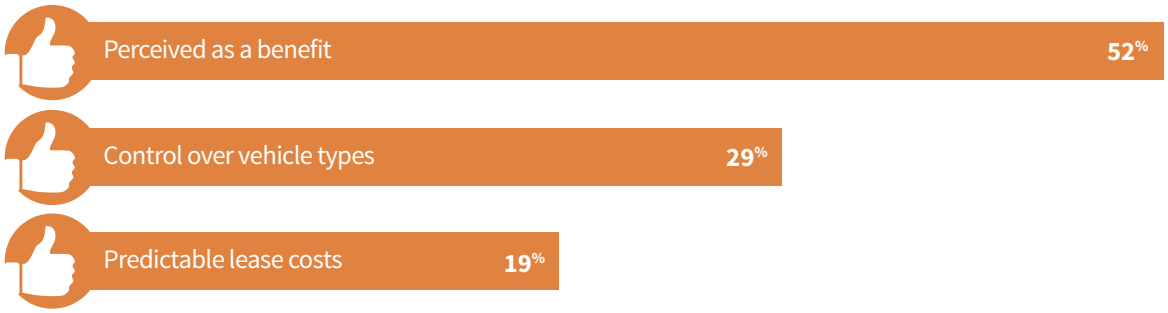
On average, fuel spend makes up

60%

of fleet operating costs.[6]

What do people like about company-provided vehicles?

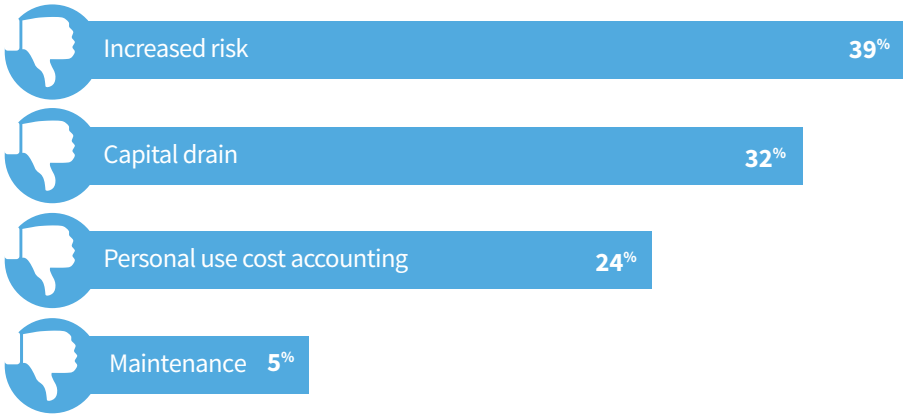
More than half of organizations report that company-provided vehicles are often "perceived as a benefit," and nearly half of organizations that have company-provided vehicles report this as what they like most about the program. Another popular aspect of this program is "control over vehicle types" – in fact, some companies wrap vehicles with logos and taglines to optimize their vehicle investment.



What do people like least about company-provided vehicles?

Respondents cite "increased risk" (39%) and "capital drain" (32%) as the least-liked factors related to company-provided vehicle programs. These concerns align with other current trends:

- "Increased risk" and "liability" – 68% of companies report recent on-the-job car accidents in company-provided vehicles.[7]
- 71% of organizations allow workers to drive company-provided vehicles at any time.[8]
- "Capital drain" – Due to the Financial Accounting Standards Board's (FASB) upcoming lease accounting rules for public companies, organizations will be required to record assets and liabilities for leased property and equipment beginning in 2019. This will add to the already significant administrative burden that comes with managing company-provided vehicle programs. In fact, company-provided vehicle programs have the highest per-participant support costs.

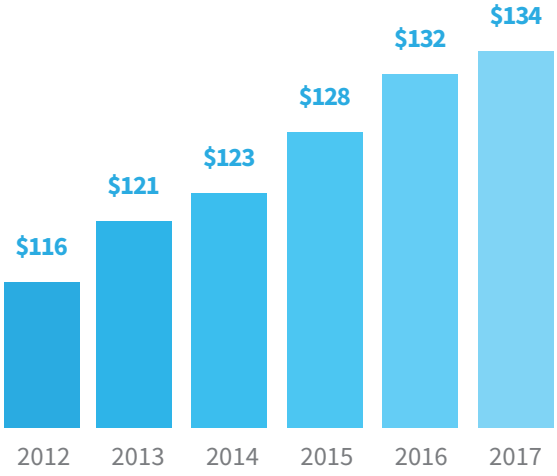


Personal Use of Company-provided Vehicles

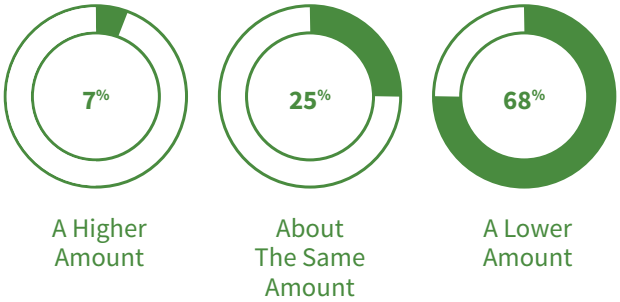
Most respondents with company-provided vehicle programs report "having a personal use policy in place" and "using an imputed income approach" to charge for personal use. Imputed income works on the principle of adding the value of personal use of a company-provided vehicle to a worker's wages. However, 30% of respondents report "not having a personal use policy in place."

Average Personal Use Chargeback

» The average monthly personal use charge was reported at $134 in 2017.[7] This represents a 16% increase since 2012.



» Most respondents (68%) report charging employees "less than $134 per month" for personal use of company-provided vehicles.



Chargeback calculations should be specific to the individual employee — measuring their business mileage against their monthly odometer reading. With fair and accurate chargebacks, mobile employees enjoy the benefits of driving a company-provided vehicle without costing the business.

VEHICLE ALLOWANCES

In a vehicle allowance program, employers pay a flat fee that is deemed adequate to cover driving-related expenses. This is the easiest program to administer and budget; however, the one-size-fits-all approach has potential drawbacks. For example, allowances don't factor in localized costs or the actual number of business miles driven. As a result, mobile workers may receive too much or too little to cover their actual costs. Another drawback is that vehicle allowances also impose a tax burden on mobile workers.

In this study, the most common industries reporting on vehicle allowance programs include:

- Biotechnology, Pharmaceuticals & Medicine (Life Sciences)
- Food & Beverage Manufacturing
- Medical Devices, Equipment & Supplies
- Business & Professional Services
- Electronics & Electrical Equipment Manufacturing

Cost Benchmarks

The average annual vehicle program spend per mobile worker for vehicle allowance programs was $7,301, which is about 16% lower than the average across all program types ($8,734).

	Annual Vehicle Program Spend/ Mobile Worker - includes 7.65% employer FICA tax	Mobile Workers as % of Total Employees	Vehicle Program Spend per Business Mile
Average	$7,301	10.88%	$0.60
25th Percentile	$5,180	7.79%	$0.47
Median	$7,105	9.09%	$0.57
75th Percentile	$9,043	15.00%	$0.70

» 28% of organizations with vehicle allowances provide "some form of reimbursement for fuel costs."

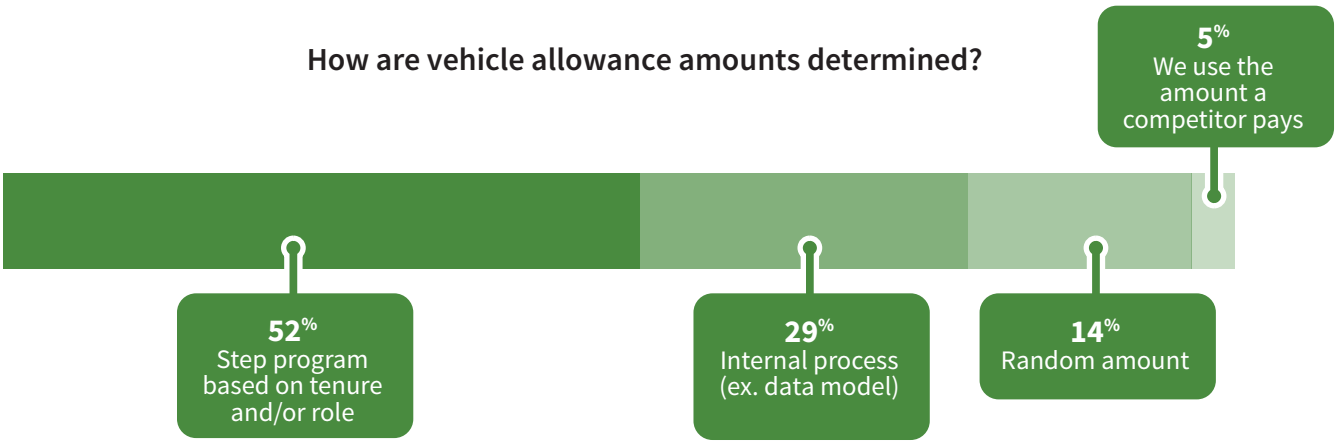
DID YOU KNOW?

Organizations report an average monthly allowance amount of

$565.

52% of organizations report "using a step program based on role or tenure" to determine allowance amount. Only 29% report "using an internal process" to determine if the amount they pay employees correlates to the costs of owning and operating a vehicle.

How are vehicle allowance amounts determined?



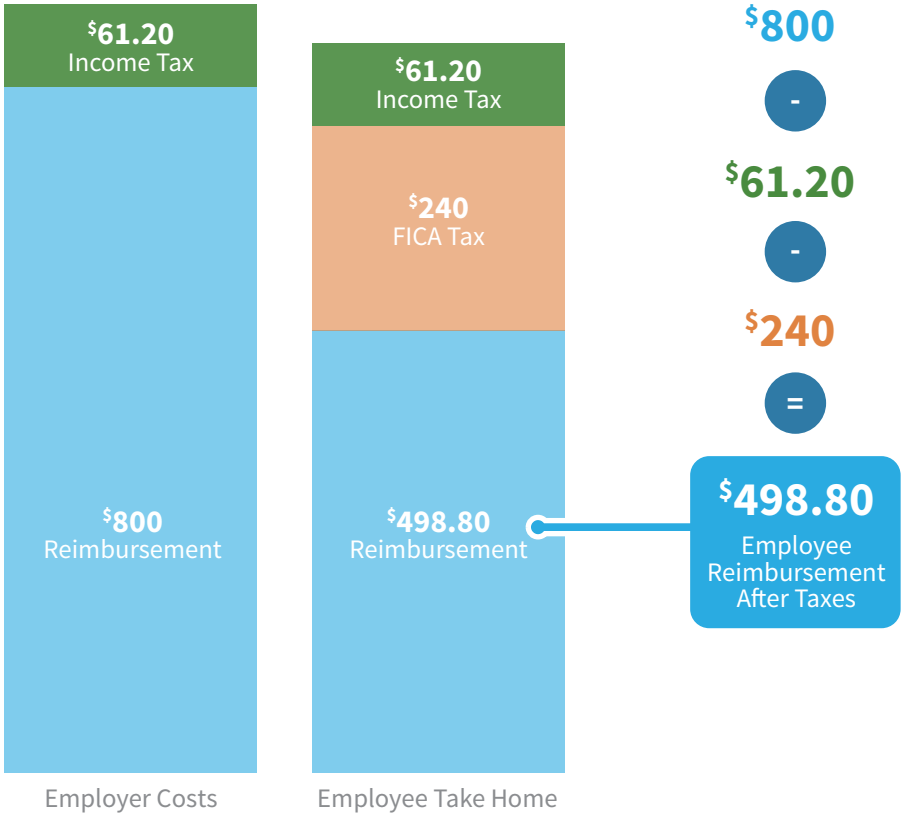
Frequency of Allowance Review

More than one-third of organizations "have not reviewed their vehicle allowance amounts within the past six years." Over the past five years, the U.S. national average costs to own and operate a vehicle have varied by as much as 13%, and this doesn't account for the geographic variance in driving costs.

When was the last time organizations reviewed their allowance amount?

Monthly Tax Waste in Vehicle Allowances

The chart below illustrates one of the challenges that employers experience with vehicle allowance programs – the IRS considers a vehicle allowance to be taxable income. So, when an employer pays an $800 allowance, it costs the employer $861.20 and the employee only takes home $498.80 after taxes.

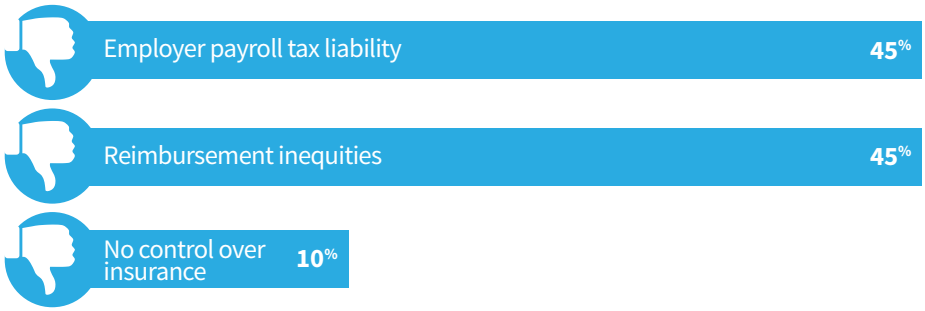


What do people like about vehicle allowances?

The freedom of choice that comes with "employee-owned vehicles" was the most-liked aspect of vehicle allowance programs (52%). This aspect contributes to employee satisfaction, as employees choose the make and model of the vehicle they drive. "Predictable costs" were also highly regarded by survey respondents (43%).

What do people like least about vehicle allowances?

"Employer payroll liability" and "reimbursement inequities" were cited as a tie (45% apiece) for the least liked aspect of the vehicle allowance program. While payroll tax liability is an easy stand out, reimbursement inequities are also a commonly reported pain point for organizations. Sometimes allowances result in significantly over - or under - reimbursing mobile workers depending on their location, mileage and driving patterns.



DID YOU KNOW?

for every

$100

flat allowance,

$38

is lost to taxes.

CENTS-PER-MILE (CPM)

Cents-per-mile (CPM) is the most common vehicle program. In fact, 66% of organizations report "using CPM for at least some of their employees. A CPM program is a one-size-fits-all approach, where employers reimburse mobile workers for the business use of their personally-provided vehicles. Organizations reimburse at either the IRS Safe Harbor Rate – a national standard rate used to calculate the deductible expenses of using a vehicle for work – or at a custom rate. Many companies manage CPM reimbursements in their expense management systems, and this expense is easily overlooked.

» Did you know? Many organizations overspend in CPM programs. For example, an employee would be reimbursed $10,900 for driving 20,000 miles in a program that uses the IRS Safe Harbor Rate.

In this study, the most common industries reporting on cents-per-mile programs include:

DID YOU KNOW?

Mileage is a

TOP 10

expense category for most organizations.

- Wholesale
- Retail
- Healthcare & Medical Services
- Medical Devices, Equipment & Supplies
- Food Service & Restaurants

Cost Benchmarks

The more a mobile worker drives, the more important it is to have insight into their vehicle program spend. CPM programs often encompass a wide range of mobile workers – from those who occasionally drive for business to those who drive more frequently. The average vehicle program spend for mobile workers that drive more than 3,000 miles per year in CPM programs was reported as $6,773.

More Than 3,000 Business Miles

	Annual Vehicle Program Spend/ Mobile Worker	Mobile Workers as % of Total Employees	Vehicle Program Spend per Business Mile	Annual Miles per Mobile Worker
Average	$6,773	10.62%	$0.535	12,660
25th Percentile	$3,617	5.42%	$0.535	6,761
Median	$5,833	7.33%	$0.535	10,903
75th Percentile	$8,022	15.59%	$0.535	14,994

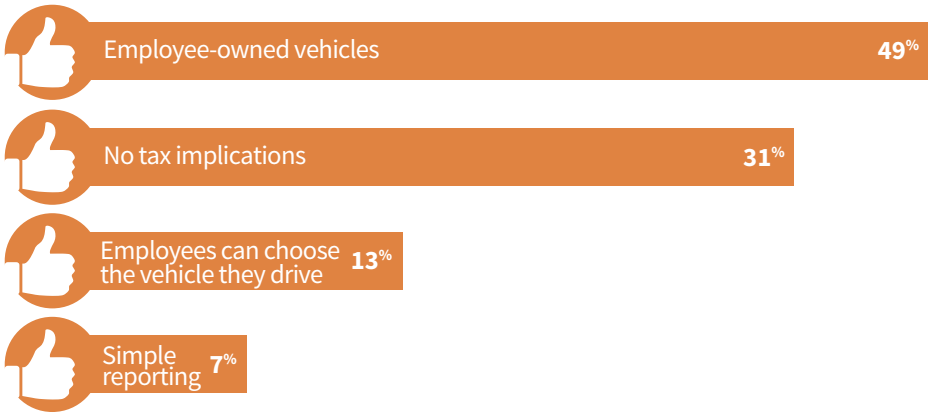
The average vehicle program spend for mobile workers that drive less than 3,000 miles per year was reported as $487.

3,000 or Fewer Business Miles

	Annual Vehicle Program Spend/ Mobile Worker	Mobile Workers as % of Total Employees	Vehicle Program Spend per Business Mile	Annual Miles per Mobile Worker
Average	$487	44.21%	$0.535	910
25th Percentile	$286	35.29%	$0.535	535
Median	$441	41.18%	$0.535	824
75th Percentile	$657	51.21%	$0.535	1,228

What do people like about cents-per-mile programs?

Like organizations with allowance programs, the most-liked aspect of CPM reimbursement was use of "employee-owned vehicles" for business driving (49%). Another favorable attribute of this approach is "no tax implications" (31%). To meet IRS criteria for tax-free CPM reimbursements, employees must report every trip's start and end location, time and date, reason for travel and total distance. Additionally, the per-mile rate must be less than or equal to the IRS Safe Harbor Rate.

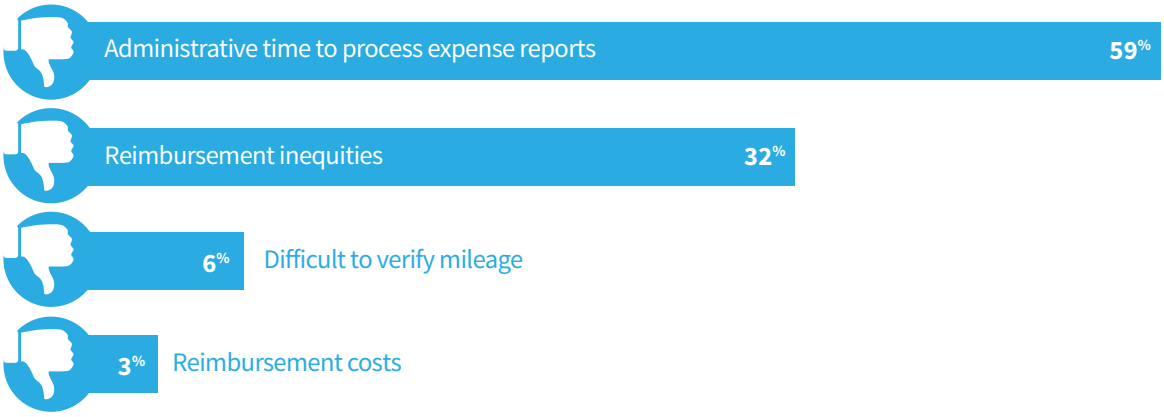


IRS

Organizations must comply with IRS criteria to qualify for tax-free CPM reimbursements.

What do people like least about cents-per-mile programs?

Most respondents (59%) cited "administrative time to process expense reports" as the least-liked aspect of CPM reimbursement. One way to minimize time spent on processing expense reports is to automate the program using automated mileage tracking. "Reimbursement inequities" were also identified (32%) as a disliked aspect of CPM reimbursement. Inequities are typically the result of a one-size-fits-all approach to reimbursement, which is based on national averages, rather than individualized reimbursement rates.



Managed Cents-per-mile Programs

The key to running IRS-compliant CPM programs is to implement solid policies and controls. Manual mileage logging practices increase the administrative burden on employees and are a frequent method of expense fraud.

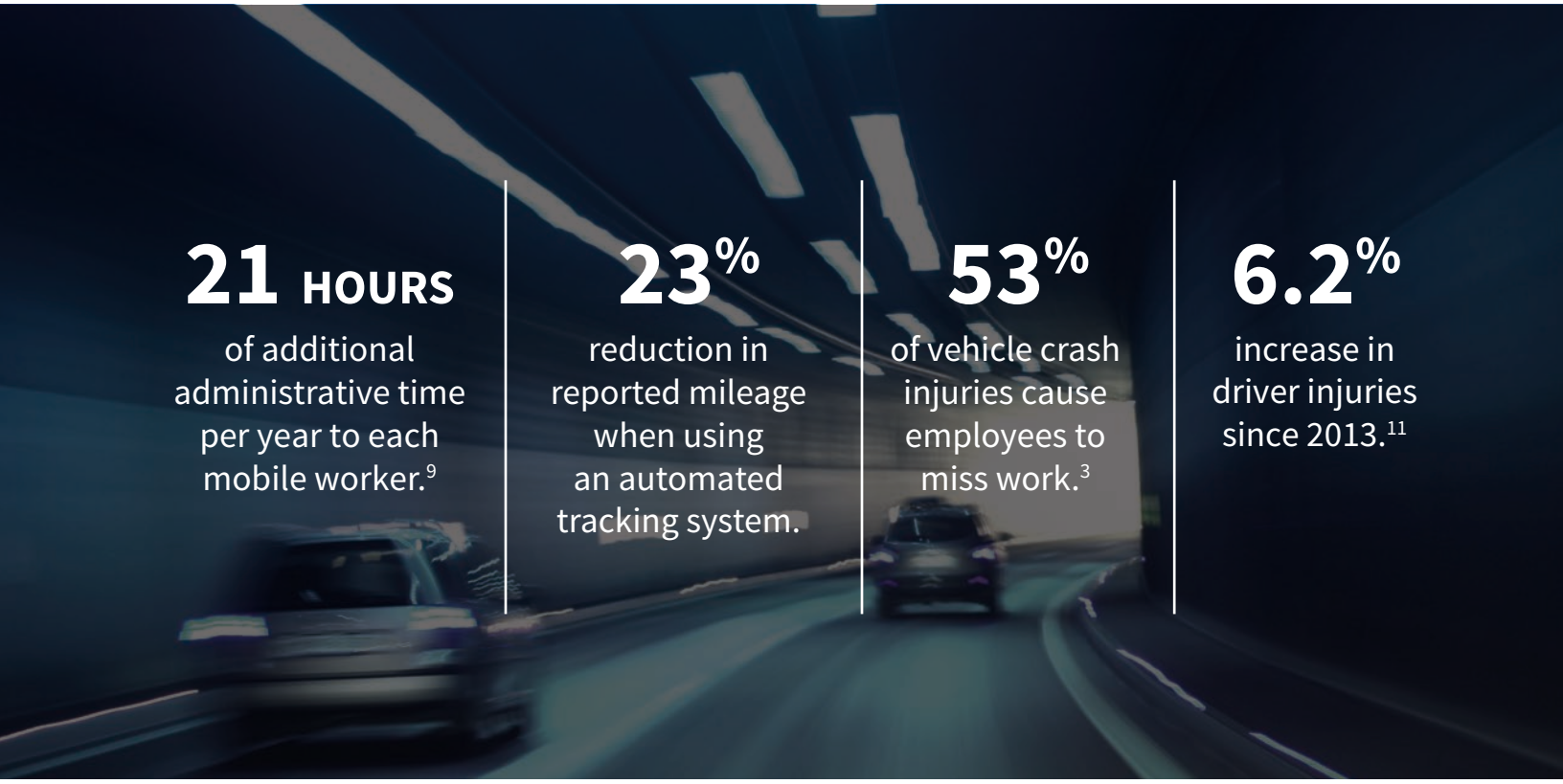
When organizations using self-reported mileage adopt GPS-verified mileage tracking, they realize several benefits. The accuracy of mileage reporting improves, resulting in lower costs per business mile. Implementing GPS-verified mileage is more than an investment in accuracy – mileage data is transformed into valuable insights to drive superior workforce productivity.

Employers running self-reported CPM programs may be flying blind to a potential productivity drain. Defining insurance requirements that employees must meet to qualify for the reimbursements helps organizations minimize their exposure in the event of accidents or other on-the-road violations. Taking a proactive approach to driver safety to reduce the likelihood of driving accidents also improves workforce productivity.

DID YOU KNOW?

35%

of expense fraud is an exaggeration of the cost of business mileage.[10]



21 HOURS

of additional administrative time per year to each mobile worker.[9]

23%

reduction in reported mileage when using an automated tracking system.

53%

of vehicle crash injuries cause employees to miss work.[3]

6.2%

increase in driver injuries since 2013.[11]

FIXED AND VARIABLE RATE (FAVR) REIMBURSEMENT

Based on the IRS guidelines, Fixed and Variable Rate (FAVR) reimbursements cover both the fixed and variable costs of driving for business. FAVR reimbursements are based on the actual costs of driving for work, so your mobile employees receive a fair and accurate individualized reimbursement rate.

Fixed costs are constant month over month but vary from employee to employee. They include things like:

- Insurance premiums
- License and registration fees
- Taxes and depreciation

Variable costs vary month over month and are based on number of business miles driven. They include things like:

- Fuel
- Oil
- Maintenance
- Tire wear

In this study, the industry segments that reported using FAVR programs most frequently include:

Biotechnology, Pharmaceuticals & Medicine (Life Sciences)

Food & Beverage Manufacturing

Manufacturing

Medical Devices, Equipment & Supplies

Wholesale

Cost Benchmarks

The average annual vehicle program spend per mobile worker for Fixed and Variable Rate (FAVR) reimbursement was $8,815. The average annual vehicle program spend per mobile worker is less than 1% higher than the average across all program types ($8,815 vs. $8,734).

	Annual Vehicle Program Spend/ Mobile Worker	Annual Support Costs/ Mobile Worker	Total Annual Costs/ Mobile Worker	Support Costs as % of Vehicle Program Spend	Total Vehicle Costs as % of Revenue	Mobile Workers as % of Total Employees	Mobile Workers Served by 1 Support Full-Time Equivalent
Average	$8,815	$609	$9,424	6.91%	0.33%	16.27%	130
25th Percentile	$6,943	$459	$7,401	3.28%	0.13%	11.38%	38
Median	$8,459	$564	$9,023	5.96%	0.27%	15.60%	78
75th Percentile	$10,327	$749	$11,076	9.96%	0.46%	20.24%	197

On average, FAVR programs are

15%-20%
LESS EXPENSIVE

per mobile worker than company-provided vehicles.

$9,424 (FAVR) vs
$10,986 -$11,987 (company-provided vehicles)

$

91%

of surveyed customers **realized a return on investment** in

6 - 12 MONTHS

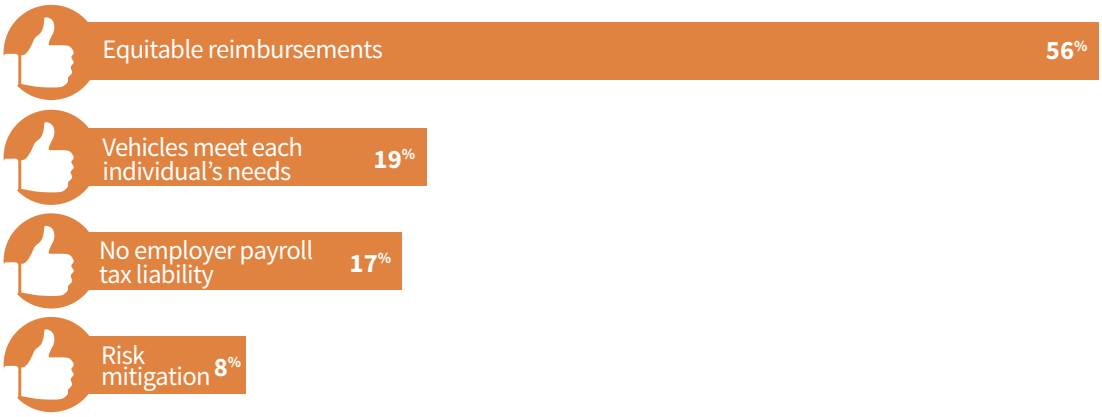
or less using Motus.

Source: TechValidate TVID:66B-569-367

What do people like about Fixed and Variable Rate (FAVR) reimbursement?

Most respondents (56%) cited "equitable reimbursements" as the most-liked aspect of Fixed and Variable Rate (FAVR) reimbursement. FAVR reimburses mobile workers based on how much they drive and where they drive. Fair and accurate reimbursements make it easy to comply with labor laws like the Fair Labor Standards Act (FLSA) and California Labor Code 2802. You can also protect your business from labor-related lawsuits using accurate and defensible mileage reimbursement rates.

Nineteen percent of organizations like the flexibility for mobile workers to drive "vehicles that meet each individual's needs." For example, a large SUV might best suit your family or maybe you'd prefer to drive a Lexus for a smoother ride. Also, with no restrictions on who can drive the vehicle, you can let your partner borrow the car when theirs is in the shop.



Fair, Accurate and Defensible

74%

of surveyed Motus customers searched for a vehicle program provider because they were looking to create a fair and accurate program.

Source: TechValidate TVID: 0F3-CC7-DF9

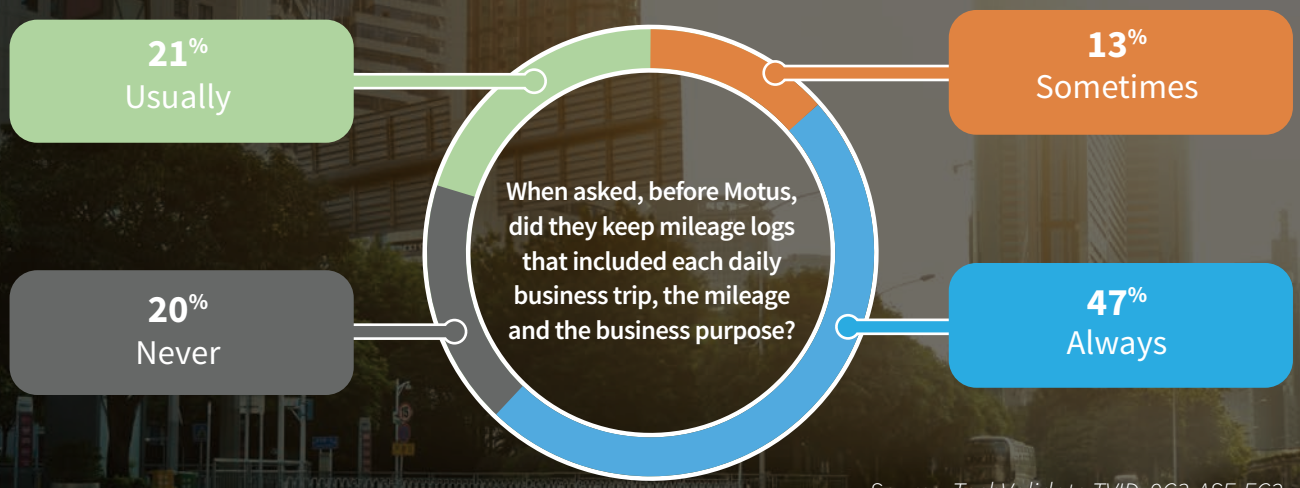
IRS

FAVR is the only IRS-recommended reimbursement method.

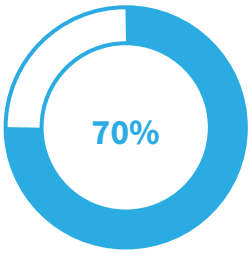
What do people like least about Fixed and Variable Rate (FAVR) reimbursement?

Most respondents (70%) cited "mobile worker education" as the least-liked aspect of FAVR reimbursement. With automated training tutorials as part of a FAVR program, mobile workers can more easily understand their Fixed and Variable Rate (FAVR) reimbursements. Some respondents (24%) report "implementing an accurate and IRS-compliant plan" as the least-liked aspect of FAVR. With a technology platform and automated mileage tracking through a mobile app, companies can more easily implement these types of programs.

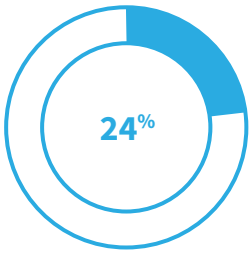
Before Motus, 54% of surveyed users were not keeping compliant mileage logs.



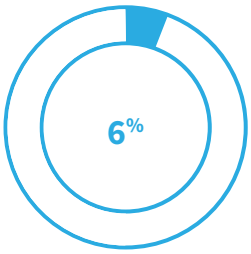
Source: TechValidate TVID: 9C3-ASE-EC2



Mobile worker education



Implementing an accurate and IRS-compliant plan



Administrative overhead

motus

MOVING FORWARD

Choosing the right vehicle program can be difficult for businesses with mobile workforces. The goal of this benchmark report is to make it easier for businesses to make informed decisions about how they reimburse and support their mobile workers. The benefits of a leading vehicle program platform extend beyond compliance with labor laws, fairness and accuracy help companies control costs within their T&E budget.

Contact Motus

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11. *Network of Employers for Traffic Safety. Cost of Motor Vehicle Crashes to Employers—2015.*

About Motus

Motus is the definitive leader in mileage reimbursement and driver management technologies for businesses with mobile workers and fleets of all sizes. Only Motus leverages deep insights captured across the world's largest retained pool of drivers to calculate personalized and compliant vehicle reimbursements, keep drivers productive and safe, and ultimately maximize returns and minimize risk for all aspects of the mobile workforce. Motus data expertise also underpins the annual Internal Revenue Service (IRS) business mileage standard, the amount an individual can deduct for business vehicle expenses. For more information about the company, please visit www.motus.com or connect with us on Twitter, Facebook, or LinkedIn.