

CASE STUDY: FOOD PRODUCTION

R&D Credit Case Study

KEY FACTS

Industry:

Food Manufacturing

Employees:

200-500

Revenue:

\$100M-\$200M

R&D Credit:

\$300k-\$400k per year

OVERVIEW

This client creates and produces retail and commercial food products within its production facility. The company has over eighty years in the wholesale food products business, serving both regional consumers and national accounts. They continually strive to develop new products as well as making product improvements to stay competitive and on the leading edge of service quality.

For years, this client was performing qualifying activities, but never captured the R&D credit. Once they partnered with CFO Services, they created year over year value for their competitive development.

APPROACH

Initially, CFO Services educated engineering, product development, manufacturing, and quality on the activities that would qualify for the R&D credit. This not only included direct research activities, but supporting individuals such as production, tooling, and project management.

Once the activities were qualified, CFO Services worked with the client to determine the qualified expenses. This ranged from wages, ingredients for new product trials, and special equipment designed uniquely for the client.

Once the biggest areas of value realized was line trials. These test performed were able to be qualified and generated significant R&D credit.

CONCLUSION

The client was always performing qualifying activities, but until CFO Services provided the roadmap for qualification, they were not capturing this benefit. Through the initial analysis, which generated a large refund, and ongoing every year, this client is able to realize a significant benefit to its bottom line.



The food industry has many qualified areas ranging from improved raw ingredients, developing efficient process equipment, all the way to designing new packaging for product delivery.

