



TAX PERFORMANCE
ENGINEERING

Client Success Story

COMPANY BACKGROUND

The tax function at a multinational Fortune 500 organization had insufficient processes and technology to accurately complete the company's quarterly SEC filings.

Company Issue

A review of the company's entire tax provision process identified many issues. Left unchecked, the company was exposed to substantial audit risk.

Technology Issues

All tax provision calculations were performed within Excel. Excel is not an effective tool to mitigate the risks of calculation error, data entry error and version control.



Data Issues

The company used multiple systems to capture general ledger data for its 100+ entities worldwide. The data had to be manually converted to a common format and reconciled before it could be used for the provision process. The company's Financial Planning & Analysis team produced forecasted results on a global consolidated basis - not the legal entity basis required for tax.



Process Issues

Transfer pricing adjustments by jurisdiction were key to provision accuracy, but lack of automation in the transfer pricing analysis put significant stress on the provision process timeline.



Workforce Issues

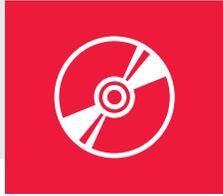
A high level of recent turnover left a team with little historical knowledge of the company. The domestic and international tax processes were incompatible, making the global consolidation process difficult.



BDO's Solution



During extensive whiteboarding discovery sessions with the corporate tax department, BDO reviewed the company's tax processes and identified all data, technology, people and process issues. A plan was created to address each issue.



BDO guided the company through the selection, procurement and implementation of a leading tax software to mitigate the risks of an Excel-based provision and to develop synergies between the tax provision and transfer pricing functions.



BDO customized a previously developed suite of software-integrated workpaper templates to collect data from the various sources, organize and submit it.



The BDO team utilized the tax software's flexible reporting functionality to create custom reporting for the VP of Tax and CFO.



A formal training process was essential for continued success. BDO developed and administered training materials to guide the corporate tax department and the 20+ financial controllers around the world through the newly designed provision process.

Company Benefits



The tax department was **fully engaged** during the software implementation and workpaper template development. After a successful go live, the company took **full ownership** of the redesigned process and the software administration.



Custom reporting gave the VP of Tax and CFO **greater transparency** to the effective tax rate than ever before.



Implementation of selected tax software solutions occurred over the span of **only 6 months**. The tax department reduced close time from 10 to **8 days in year one**, with greater accuracy and more time for review and analytics.



The company was able to adopt an **electronic workpaper methodology** in advance of the pandemic, which suddenly shifted the workforce to remote.