

## Reengineering the Tax Platform and Processes to Transform the Business of Tax

FLSmidth, a leading supplier of equipment and services to the global cement and minerals industries, prides itself on competence, cooperation and innovation. However, when it came to the domestic and international tax function, the company found itself challenged with outdated systems and frustrating processes.

Led by Tax Director Deborah Williams, FLSmidth commenced a systematic campaign to upgrade its tax technology. The overall goal was twofold: (1) improve the U.S. tax team's responsiveness to the demands of their international parent and (2) boost the capacity and productivity of the team itself.

### Starting with the End in Mind

With over 20 U.S. legal entities at the time of initial deployment, the shortcomings of existing processes were amplified, including:

- Consistently missing provision timelines
- Excel-based workpapers requiring manual data entry, risking inaccuracies and errors
- Inconsistent file storage and naming conventions that made it "horrible" to find documents
- Difficulty in tracking open tasks, notices and deadlines
- Inefficient communications and data sharing with controllers in remote offices

It wasn't hard to build a business case for change.

### Compliance: From Cumbersome to Clear

Prior to Corptax®, FLSmidth's compliance processes were time-consuming and error-prone. Both import and export functions were insufficient to handle the volume of data, and it was practically impossible to map account charts, make adjustments and track changes. "We would send out data requests via Excel spreadsheets and we would get tons of paper in return. Even though everything was scanned and stored on a dedicated drive, there was no consistency to how and where documents were saved. It was horrible," said Williams.

Now, journal entries and tax adjustments are done once, in one place, and changes automatically flow from provision through to the return. "We automate as many adjustments as possible," said Williams. "It makes for a nice, clean workpaper."

### Problem-free Provision

Based in Denmark, FLSmidth's global footprint creates tight turnarounds for foreign subsidiaries to provide financial information for consolidated reporting. Because tax is the last to post, the U.S. would consistently miss filing deadlines.

"Tax was always late because you never get your trial balance working on provision without the auditors making changes," said Williams. When changes inevitably came along, tax would have to manually re-run the process to ensure adjustments hit every workpaper correctly, slowing things down.

### Client Profile

FLSmidth is a leading supplier of equipment and services to the global cement and minerals industries. Employing over 15,000 people worldwide in more than 50 countries, FLSmidth specializes in world-class products, facilities and systems, backed by tailored consultancy and support services.

### Business Situation

The volume and diversity of work addressed by FLSmidth's U.S. tax department led the firm to explore strategies for greater data access and automation. Hampered by outdated systems and manual processes, the team sought a new, consolidated approach to overcome poor tracking, communication challenges and missed deadlines.

### Solution

FLSmidth turned to Corptax to implement a complete tax software solution to reduce risk and gain process efficiencies. The company also undertook a campaign to redesign its compliance, provision and audit management workflows and documentation using Corptax WorkSpace.

### Results

FLSmidth completely transformed its tax workflows and processes, creating a centralized and realtime hub as its system of record for critical tax and financial information. The Corptax solution dramatically improved the tax team's productivity and responsiveness, enabling faster processing and reporting throughout the financial, tax, compliance and audit landscapes.

# FLSmidth

Now, tax no longer holds up the process. Because everything is in the same place, tax has the option to report or re-post trial balances, without missing a beat. Williams added, "We're close to a zero-day close. Within two days we've turned around the provision for 22 divisions, as opposed to almost four weeks. It's very efficient."

## Everything in One Place with WorkSpace

The heart of the FLSmidth tax solution lies in the centralized workflow tools enabled by Corptax® WorkSpace. Corptax worked closely with the tax team to craft a logical gameplan for document management and project tracking across a multitude of functions.

Williams knew conceptually what she required to effectively track and access information, and Corptax helped refine that vision with targeted examples and best practices. Williams explained, "Corptax was fantastic. They provided a very usable system that enables us to add and modify categories as needed with ease." Practical applications cover scenarios, such as:

### Audit tracking

With Corptax, requests and deadlines are readily accessible in a single database, providing a clear audit trail. "I can go straight to WorkSpace, straight to the audit, and find what I'm looking for," said Williams. "It's right there."

### Provision and compliance processes

FLSmidth's U.S. tax group signs off on tax accounting from remote division controllers.

WorkSpace defines priorities and provides a central repository for questions, comments and concerns. The central repository reduces risk by providing visibility into potential problem areas and bottlenecks, and identifies areas for improvement.

In addition to the intuitive interface and seamless workflows across all modules, Williams values the flexibility Corptax delivers. "We have a small department and need to be flexible in our work arrangements. With Corptax, if something comes up while I'm traveling or out of the office, I can just pull up WorkSpace anywhere to get what I need. I can be responsive anytime, from any place."

## Results At-A-Glance

- Improved flexibility and productivity for a lean U.S. tax department
- Transitioned from "always late" to under a two-day provision turnaround
- Designed a comprehensive document management system for all tax and compliance data
- Mitigated risk with fewer manual processes and data touches
- Established workflows and accountability for remote controller functions
- Minimized tax exposure for late/missed filing of compliance documents
- Enabled enhanced knowledge sharing across departments and geographies

*"We're close to a zero-day close. Within two days we've turned around the provision for 22 divisions, as opposed to almost four weeks. It's very efficient."*



corptax.com  
800.966.1639

