



How a Global Energy Company Reinvented Provision: Conquering TCJA, a Divestiture, and Three Disparate Systems

Business Issue

With the 2018 provision deadline looming, the “Company” faced a triple threat: their first provision as a newly-divested company, the just-released Tax Cuts and Jobs Act, and pressure from above to use technology for faster turnarounds. Senior management asked the team to furnish data for analytics and planning quicker, reduce manual work, and increase efficiencies.

According to the Tax Manager, the staff faced challenges including:

- Maintaining legal entity data stored in numerous complicated spreadsheets
- Reconciling data located in three systems by hand
- Tying back to the financial system manually
- Reconciling late entries from overseas entities — requiring top-side adjustments to consolidate financial statements

This perfect storm provided an ideal opportunity for a new provision process to automate and streamline data management and reporting. The Senior Director of International Compliance and Reporting sums it up: “We were a new company that inherited some data we didn’t prepare. We wanted to get all of our historical data into a new system and make sure everything tied out, so when we rolled into the ‘18 scenario, we’d be starting from a good place.”

Solution

The Company chose CSC Corptax[®] Provision and CSC Corptax[®] Entity Management to build a new, sustainable workflow for the 2018 provision. They engaged CSC Corptax[®] Professional Services to help their team implement at warp speed, incorporate best-practice business processes, and ensure both domestic users and foreign controllers fully leveraged single-system benefits.

Results

Now, reporting emanates from one database instead of three with information centrally stored at the appropriate level of granularity. The Company uses Corptax as a tax and entity data warehouse which allows the tax team to slice and dice data on demand for upper management.

A single system with completely current entity data allows Tax to furnish information to other departments by simply defining fields to retrieve that information. The ability to automatically update entity data in other departments’ spreadsheets saves at least 20 hours per quarter. Storing all entity data in Corptax Entity Navigator eliminates the need to reconcile multiple tracking spreadsheets.

Secured data helps foreign controllers see anomalies at a glance. Everything is reconciled and booked for international entities prior to closing the books, and top-side entries are history.

Client Profile

A \$2.1 billion, high-performance electrical company with 9,000 employees, that delivers value to industrial, commercial, residential, energy, and infrastructure customers.

CLIENT SUCCESS STORY

An Energy Company

The power to automate reconciliations in one system instead of struggling with three systems lets staff members use their talents on value-added activities. Five members of the Provision group save approximately 60–75 hours at year-end using the following tools in Corptax:

- Standard reports to aggregate data for footnote reporting
- Workflow automation to save time and preserve accuracy
- Entity Navigator to eliminate the need to search for and extract data from Excel

The web-based system and Corptax automation lets company staff members work remotely and eliminates late nights in the office—dramatically improving work-life balance. The Senior Director offers proof no one can argue with: “My wife jokes she’s a year-end widow, especially because her birthday falls during the year-end close. After 21 closes with me, she said this year was the best one she’s ever seen me have.”

The Senior Director sums up their overall success this way: “We are very pleased, and our VP of Tax is very pleased, with how seamless the 2018 provision went. We were so efficient implementing the solution, we actually came in under budget.”

The team appreciates that “Corptax is a centralized database built from a foundation and not a bolt-on system created through a series of acquisitions.” They know a common platform makes cross-training easy, and, as the Senior Director adds, provides “the ability to leverage and utilize data across the company, which is invaluable.”

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—Senior Director,
International Compliance
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