

Direct Tax Case Study

Key ingredients to tax optimisation for global confectioner.

One of the challenges facing the three-person income tax department of a global confectioner was the lack of a streamlined compliance process.

Overview

When looking to standardise its processes, the company's tax department turned to the Thomson Reuters ONESOURCE™ suite of tax products. The main decision criteria for choosing ONESOURCE Tax Provision was to automate the process and gain the ability to reuse data in ONESOURCE Corporate Tax, which it has used for many years.

Challenges

- ✗ Over dependence on manual data-entry, such as manually typing disclosure items into the tax return software.
- ✗ Time-consuming processes, such as balancing the provision in Microsoft® Office Excel.

Results

- ✔ Utilising the Workpapers module directly mapped the tax department's custom calculations into ONESOURCE Tax Provision, saving substantial time on currents and deferred items.
- ✔ Book-tax differences and adjustments for compliance purposes were already available in ONESOURCE Tax Provision, ensuring one single set of calculations and workpapers for all income tax processes.
- ✔ Leveraging the ONESOURCE provision and return integration solution saved time on their return to provision true-up adjustment, as well as automatically entering all the disclosures in the tax return.

“As part of the original decision making process, one of the main reasons for choosing to license ONESOURCE Tax Provision was the fact that it integrated with our existing ONESOURCE Corporate Tax.”

Michelle S
National Tax Director



Tax department uses a 360° global tax solution, including:

- ✔ ONESOURCE Tax Provision
- ✔ ONESOURCE Workpapers
- ✔ ONESOURCE Corporate Tax



Customer Spotlight

Offering more than 250 menu items, this global confectioner has been satisfying customers across the globe for over three decades. The Southern California-based corporation is considered an industry leader with more than 260 upscale, casual, and full-service dining restaurants in across the United States and over 20 franchisee operations across the Middle East and the Asia Pacific.



Tax Executive Spotlight

Michelle S, MBT, CPA:

- ✔ Working in tax since 2001
- ✔ National Tax Director
- ✔ Involved in compliance and planning across both direct and indirect taxes.



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Implementing Onesource

Implementation of ONESOURCE brings with it new experiences and lessons learned. The integration between ONESOURCE Tax Provision and ONESOURCE Corporate Tax coupled with the ability for a return to provision true-up posting directly into provision has been helpful for the small, but growing tax department. According to Michelle S, National Tax Director, one of the key benefits of having the provision in the software will be the time saved because the provision calculation will always be balanced.

A major drawback of relying entirely on spreadsheets is the lack of controls and the potential for errors, especially when the spreadsheets include a large, complicated calculation and allow multiple people to make changes. One of the primary challenges was trying to balance the provision and related journal entry, an effort that could take up to a week using only Excel. In the past, Michelle spent many late nights working to achieve a balanced provision. She is looking forward to working normal hours next January and avoiding such a heavy reliance on spreadsheets.

Additionally, Michelle says her tax department is experiencing tremendous time savings using ONESOURCE Workpapers. Primarily, Michelle uses this spreadsheet-like solution to bring in all her currents. *"I have it mapped so that I calculate my current items just like I do for quarterly estimates. Then, I take that spreadsheet, attach it to my mapping tab and load it into ONESOURCE Tax Provision. All my currents are in and my deferred items are calculated!"*

In deciding how to implement this critical software function, the tax department opted for an on-site implementation where the Thomson Reuters professional services team could review data and ask questions in person before heading back to the office to begin the bulk of the process. This face time was critical to assuring an efficient and thorough software setup and getting the implementation done right the first time.

“Balancing the provision in spreadsheets is usually the cause of all my late nights in January, and can take me up to a week. If I could do the whole provision in ONESOURCE Tax Provision and not need to worry about trying to get the journal entry to balance in Excel, that would save me a week of time during year-end.”

Michelle S
National Tax Director



Outcomes

Post-implementation, the tax department has since automated a majority of manual processes through the entire tax lifecycle, and are continually refining their provision process to become more efficient. This has realised significant reductions in risk from manual entries, as well as man-hours of over a week at year end, per tax team member.

Furthermore, she understands that more can be done with the functionality in ONESOURCE Workpapers, and looks forward to learning more about how others in the industry are utilising it, for purposes such as customised tax reporting.

The implementation of ONESOURCE Tax Provision and enhanced integration with ONESOURCE Corporate Tax has involved training and organisational development, but it has helped the tax compliance department work smarter and faster.



For more information contact your Business Development Specialist today.

 1800 074 333

 info.anz@thomsonreuters.com

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