

SONEPAR USA REDUCES EXPOSURE RISK & SAVES WEEKS OF PROVISION PREP AND REVIEW TIME BY AUTOMATING THE TAX PROVISION PROCESS

INDUSTRY:

Distribution - Electrical & Industrial Products

COMPANY:

Sonepar USA (“Sonepar”), headquartered in Paris, France, is an independent family-owned company with global market leadership in B-to-B distribution of electrical products and related services. Today, the Sonepar Group is represented by 167 operating companies spanning 44 countries on five continents. In the USA, Sonepar is represented by 15 locally managed electrical and industrial distributors with over 700 locations and coverage in all 50 states.

SERVICES PROVIDED:

Corporate tax software implementation and optimization

“Automating the provision process has saved Sonepar USA’s tax team upwards of 120 hours (in aggregate) for the 2017 tax-year alone. The GTM team facilitated a smooth transition from our manual Excel approach to take immediate advantage of ONESOURCE Tax Provision (OTP) software. Our new provision process has been recognized positively up to the senior finance executives, raising the visibility and value of our tax department’s contributions to the bottom line.”

- Nick Vanderlyke
Senior Manager, Income Tax,
Sonepar USA



CHALLENGE:

Sonepar’s small tax team has the challenge of completing the time sensitive recurring task of income tax provision preparation and review, coupled with an acquisition strategy that brings new entities into its portfolio on a regular basis. Its income tax department has approximately 2 ½ weeks to complete the entire provision, including tax entries and tax footnotes, making it difficult to meet deadlines and concentrate on quality review and other tax deliverables. After spending too much time on rolling over and linking excel schedules and facing increased pressure from audit risk, Sonepar made the decision to break away from Excel and find an automated solution that is more effective and efficient.

SOLUTION:

After deciding on Thomson Reuters ONESOURCE Tax Provision (OTP) as the automation tool, Sonepar sought an implementation partner and collected repeated referrals for GTM from their peers. They engaged GTM to help lead and manage the OTP software implementation. GTM’s implementation plan included a phased approach for Integration, Journal Entry, Workpapers, Training and Documentation, Hard Close ‘Parallel’ Support, and Year-End 2017 ‘Go-Live’ Support. Effective implementation of OTP allowed Sonepar’s acquisitive business to scale without incurring more non-value add tax department time.

RESULT:

- ▶ **Risk Reduction:** One of the primary business drivers and selling points to revise and improve tax provision processes.
- ▶ **Provision Preparation Time:** Removed direct inputs into MS Excel files reducing non-value add time by 40 hours.
- ▶ **Provision Review Time:** Changing from MS Excel to OTP enabled the team to save 3 days tracking cell linkage, etc. and gain review time that added value and assurance to the process. (estimated to save 8 hours during 2017 provision preparation/review)
- ▶ **Personnel Time (Tax Reform Federal Rate Change):** Utilizing and computing the rate change with OTP was monumental as opposed to the old MS Excel process. Personnel time saved is estimated to be an aggregate of 32-40 hours on the Federal rate change impact alone. Additionally, significant time was saved by the external auditors in reviewing the rate change impact.
- ▶ **Award-winning innovation:** Thomson Reuters awarded Nick Vanderlyke and Sonepar in the 2018 Taxologist of the Year category for using technology to find innovative ways to create value for their businesses. The implementation process was 100% seamless.

VALUE DELIVERED

