

CUSTOMER SUCCESS STORY


Goodyear Australia Stays One Revolution Ahead of its Tax Compliance and Reporting with Multiple Solutions from Wolters Kluwer

Summary

Company profile

Name:	Goodyear Australia
Region:	Australia and New Zealand
Operation:	FMCG
Products:	Tyres
Employees:	69,000
Website:	http://www.goodyear.com.au
Revenue:	US\$9.1 billion (first half of 2014)

Challenges

- Improve tax compliance reporting efficiency and productivity outcomes
- Automate 8 entities' across two countries data and manage tax needs for restructure
- Reduction needed in workload for accounting and financial advisors
- Quickly understand immediate changes to legislation

Solution

- CCH *Integrator*™ is a cloud-based corporate reporting and compliance solution
- CCH *FBT Organiser* is an easily scalable FBT compliance solution
- CCH *IntelliConnect*® is an online research platform for tax

Value

- Reporting and accounting improvements 'very well received' globally
- Month-end trial balance and compliance reporting times slashed by 80 per cent
- Audit risk profile reduced and audit fees reduced by over 90 per cent
- Reduction in IT headcount for tax team
- Single provider cloud platform provides greater transparency and enables strategic features in a lower cost environment
- Up to date understanding of FBT and general legislative changes

Situation

Goodyear opened its first factory in Ohio in 1898, and with the company growth mirroring the rise of the motor car, today Goodyear is one of the world's largest tyre companies.

With the demands of a restructure plus compliance and reporting for multiple local entities in Australia for one of the world's most fastest moving consumer goods (FMCG) organisations, tax administration needed streamlining to meet strategic business needs. With a lean tax team of four accountants, Goodyear needed to migrate from its back-office network tax solutions and implement a cloud-based environment, reducing task times and creating more time for the strategic management of the company's overall tax position.

Solution

When it came to managing its Australian tax liabilities and planning strategies, Goodyear had been using a network-based tax compliance and reporting solution that was heavy on manual uploading administration needs. When Zoran Havranek joined Goodyear in 2009 as regional tax accounting manager, Asia Pacific, he felt that it wasn't meeting the reporting requirements for the company, nor was he confident it would meet the company's future tax reporting needs.

The challenge for Zoran was that the company needed to manage tax compliance and reporting requirements for eight entities in Australia and Goodyear was entering into a restructure, with multiple sites that needed to be included – Melbourne, Sydney and Clayton, its training site.

This created dramatic change and we not only needed to incorporate the physical restructure of the business but to manage divestment of assets such as property holdings.

Zoran Havranek,
Regional Tax Accounting Manager
Asia Pacific, Goodyear

So it was that in 2009, when Goodyear moved eight of its local Australian business entities into the CCH Integrator™ cloud-based platform, followed in 2010 by its New Zealand operations. Within an environment that easily integrated to its SAP business applications, Goodyear has today shaved 80 percent off its month end journal processing times with CCH Integrator™ and significantly decreased its external auditing costs by over 90 percent.

With CCH Integrator™ creating a true point of difference, Goodyear looked to extend the streamlining of the complex and demanding category – Fringe Benefits Tax (FBT). Goodyear undertook a market review and elected to extend its use of Wolters Kluwer solutions with the CCH FBT Organiser module. This would provide a level of continuity and ensure that the tax team streamlined the compliance and reporting of its highly complex FBT returns.

The CCH FBT Organiser module is appropriately priced but punches above its weight when it comes to industry updates and excellent after sales service and resolving helpline queries. We also rely on this module for trending requirements and it is part of our overall plan to manage change and promote the right tax outcomes.

Underpinning this has been the company's decade long use of CCH IntelliConnect®, the online tax research platform. Goodyear has relied on IntelliConnect® as the first point of call for external queries relating to GST, FBT, PAYG income tax and to assist in the preparation of working and position papers.

Results

From its previous network-based, highly manual tax reporting and compliance system, Goodyear has now architected a cloud-based compliance and reporting system with Wolters Kluwer solutions for greater reach into the company and faster and more accurate outcomes for a range of tax requirements. At the same time the company has made significant budgetary savings for external audit processes and is confident that it is producing highly strategic and clear tax indications for its operational success.

Transactions drive an FMCG business and we have been able to reduce our risk profile in managing these transactions, easily validating and verifying our balance sheet in a cloud environment. The cloud platform and hosted external back-up is entirely managed by Wolters Kluwer and this has reduced our need for dedicated IT support.

"The addition of the FBT module and our reliance on IntelliConnect® has created a highly transparent tax platform. This is ideal for a future extension to additional Asia Pacific countries that we manage including China, Taiwan, Philippines, Malaysia, India, South Korea, Vietnam, Japan and Thailand. The Asia business is not as complex but CCH Integrator™ will increase our transparency into these regional requirements and increase our oversight of regional tax issues".

The new CCH suite, and the reporting and accounting improvements that have resulted were very well received by Goodyear's global management team, he said. Adding how very impressed he was that a trial balance was available in one hour for such a large and complex business.

The modular capabilities of CCH Integrator™ will see Goodyear implement the Australian GST module in the future. The module further reduces the risk framework for GST for client-specific business processes.

Contact us for a live demonstration ... anywhere in Australia and New Zealand

AUSTRALIA

Phone: 1300 342 501

Email: software@cch.com.au

NEW ZEALAND

Phone: 0800 452 333

Email: software@cch.co.nz

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