



"It was a perfect example of flexibility and adaptability. KPMG conducted an assessment of our tax department – top to bottom and provided an analysis and recommendations that will have an impact on our tax department efficiency."

— Tax Manager,
Fortune 100
Automotive company

A global automaker rounds the turn on tax enhancement

Meticulous KPMG assessment helps multinational level-set U.S. tax operations

Multinational corporations cannot achieve global success without strictly following tax signs and warning signals everywhere they operate. This legendary automotive company brings its exacting standards for vehicles to everything it does. That same drive for excellence inspires its behind-the-scenes operations – from the back office to the factory floor. When the company's Tax leadership considered how to fine-tune its U.S. Tax function, it asked KPMG LLP's Tax Reimagined team to conduct a meticulous baseline assessment. KPMG surveyed roles, processes, workstreams, and technologies, and delivered a detailed series of recommendations. With help from KPMG, the company can enhance an already strong U.S. Tax function to meet its higher global standard.

Business challenge

The global headquarters needed better visibility into the U.S. tax operation to assess efficiency, analyze costs, find possible bottlenecks, right size the operation.

A bumper-to-bumper review

The KPMG team did a forensic assessment that examined work processes, workstreams, collaboration, accounting methods, reporting functions, data access, and availability and effectiveness of automation. Target operating model recommendations were developed following numerous individual interviews, detailed examinations of process hour build-ups, and extensive data analysis.

Results



Clear visibility into current state U.S. tax operation

Every dimension of the company's U.S. tax operation – processes, people, technology - has been comprehensively measured and benchmarked for efficiency and leading practice.



Provided global headquarters with critical insights into U.S. tax operations

KPMG gave the global headquarters a complete gap analysis, comparing current U.S. tax state to a leading practice tax operation and recommending how to get there.



Delivered highly detailed recommendations based on forensic investigation

Recommendations are supported by empirical evidence that helps show where U.S. tax operational investments and resources should be made.



"We examined everything and were able to deliver the framework for U.S. tax operations to match their global standards."

—Thomas Theodoropoulos, Partner, KPMG Tax

Driving through the maze of global tax requirements

The company has production and assembly facilities in multiple countries and sales networks in more than 140 countries. Local, state, and national tax authorities require accurate and transparent tax reporting in all those jurisdictions. The company requires the same degree of tax operation experience and efficiency across its global footprint.

As the public awareness of U.S. tax issues increased it was imperative to do a deep dive of the U.S. tax operations. The company wanted a tax service provider capable of combining global perspective and resources with on-the-ground U.S. tax expertise – all delivered to its exacting standards.

Listen, learn, assess

Time for an automation update

Currently all their U.S. tax operations are based on labor-intensive, legacy applications that lagged the company's global automation advances. The absence of a centralized data repository or warehouse produced time-consuming manual workarounds to complete virtually every tax function. The challenges surfaced in hurdles to retrieving data from their system, structuring that data, and loading it into downstream tax reporting systems.

Delivering recommendations to drive better performance

Wherever the company's cars are assembled, sold, and driven, they famously meet high standards for performance, quality, reliability, and innovation. The company strives to let that same mission and brand promise permeate everything it does: from the proprietary design touches that the customer sees, to the behind the scenes support from the tax function.

In seeking a team to assess their U.S. tax operations, the company wanted a service provider that matched their meticulous attention to detail and demonstrated commitment to operational principles of efficiency and transparency. That team was the KPMG Tax Reimagined team.

Delivering a deep-dive gap analysis along with more than 70 actionable recommendations covering optimum staff levels, outsourcing and co-sourcing opportunities, technology investments in automation, and overall cost reductions, the KPMG team helped position the U.S. tax function for overall operational improvement. All areas of tax including direct, indirect, transfer pricing, disputes, and information reporting were addressed. The company is now looking into proper staff alignment, better technology integration, and more coherent work streams to better support the growing demands of their tax function and achieve an optimal target model.



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