

## CASE STUDY

## CDK GLOBAL

## CDK Global Drives Best-in-Class Automation and Efficiency with ONESOURCE

### OVERVIEW

CDK Global, a \$2 billion multinational software solutions company serving the automotive dealership industry, was a new, standalone public company, after being spun off from human resources management giant ADP.

In their first year-end close they faced significant inefficiencies and realized they needed a software solution that would drive automation and efficiency throughout the tax lifecycle.

After making the decision to move away from their parent company's tax software and switch to Thomson Reuters ONESOURCE™, CDK Global not only realized tremendous time savings and increased efficiency, but also transformed their income tax and tax provision processes into ones that became known as "best-in-class" by their external auditors and garnered the tax team an award for "New Tax Department of the Year".

### CHALLENGES

As a recently separated public company operating in numerous jurisdictions around the world, CDK Global experienced significant challenges during their first year-end close with their tax software used at that time, including:

- + Severe constraints in obtaining useable reports for tax provision and financial reporting
- + Limited views of data that were required for compliance
- + Complicated navigation and software processes resulting in wasted time during critical close period
- + Trouble getting data out of their tax system and into Excel in a usable format
- + Cumbersome process for computing and approving tax adjustments
- + Lack of integration between the tax provision and tax compliance data
- + Lack of ability to manage FX rate variances

Given these pain points, CDK Global's tax department embarked on a journey to leverage efficiencies and technology to automate as much as possible. Key to this decision was comprehensive tax technology that would support the full tax life cycle. With several tax department team members already familiar with ONESOURCE and its powerful capabilities, the choice was clear.

### SPOTLIGHT ON CDK GLOBAL INC.

- Annual Revenue: \$2.1 billion
- Industry: Provides integrated technology solutions to automotive dealerships throughout North America, Europe, the Middle East, Africa, Asia Pacific and South America
- Headquarters: Hoffman Estates, Illinois
- Tax Department: 10 (8 in the U.S. and 2 internationally)

### CDK GLOBAL CURRENTLY LICENSES:

- ONESOURCE Income Tax
- ONESOURCE Tax Provision
- ONESOURCE Transfer Pricing
- ONESOURCE Excel Add-In

*"After facing frustration in our first year-end close as a public company, we knew we needed to implement a tax solution that enabled automation and efficiency. Switching to ONESOURCE was a massive step forward in our transformation process."*

**Michele Balnius**

Director, Tax Operations,  
CDK Global Inc.



## CHOOSING ONESOURCE

Given the company's global footprint, CDK Global was looking for a tax technology solution that would provide a sense of comfort from a S-Ox perspective, as well as the ability to consolidate and optimize data from 40+ international tax packages.

When assessing their options, the tax department ultimately chose ONESOURCE because of its abilities to:

- + Collect data once from many jurisdictions and house it all in one place
- + Provide comprehensive "all in" views within a single report (for effective tax rate and deferred tax reports)
- + Easily transfer reports from tax provision directly into Excel with minimal formatting issues (such as pure numbers, column width, etc.) and allowing the user to quickly make any notations and manipulations within Excel
- + Seamlessly integrate both the general ledger data and tax adjustments into tax provision, then to tax return (and subsequently back to tax provision to perform return-to-provision adjustments)

ONESOURCE also provided a simple interface and quick learning curve. Even employees who had not previously used ONESOURCE picked up on the software quickly.

*"We now have the ability to respond to questions and issues during close, instead of being buried with our heads down. We are comfortable even before we even do our reviews that everything will compute properly."*

**Michele Balnius**, Director, Tax Operations, CDK Global Inc.

## ONESOURCE IN ACTION

After implementing ONESOURCE, CDK Global gained several major strategic benefits including the ability to utilize tax basis balance sheets to do cumulative temporary difference tie-outs and import their 40+ country tax packages. Another major strategic benefit resulted from using the trial balance bridge and tax automation functionality, in addition to pushing both the trial balance and tax adjustment data between ONESOURCE Tax Provision and ONESOURCE Income Tax to begin the tax return process. They are also able to push the data back to ONESOURCE Tax Provision in order to compute the return-to-provision.

Further, the tax department was able to quickly and easily map manual Excel files with the ONESOURCE Excel Add-In for importing and utilize reports directly from ONESOURCE Tax Provision for footnote reporting, without offline manipulations.

*"Technology is really important to our department. Down the road, we will continue to look for ways to utilize additional modules of ONESOURCE to drive further automation and efficiencies across the tax lifecycle."*

**Michele Balnius**, Director, Tax Operations, CDK Global Inc.

With ONESOURCE in full swing, the company was able to meet an aggressive close schedule both domestically and internationally. Most notably, they reduced their review time of the 40+ international tax packages from 6 days down to 4 days—and shaved 3 days off their tax close.

External auditors described CDK Global's work-paper support as "best in class" and the tax team won "New Tax Department of the Year" at the Thomson Reuters SYNERGY Users' Conference.

## LOOKING AHEAD

The goal of CDK Global's tax department is to continue to automate and increase tax process efficiency in any way they can. They are specifically looking at a handful of new projects on the international side, as well as journal entry.

### CONTACT US TODAY

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*"With ONESOURCE, our data is cleaner and easier to access, allowing us to complete our external responsibilities for the finance group a lot faster. With less maintenance time between quarters, we are able to spend time on the current quarter issues, handling tax audits, and various other projects."*

**Michele Balnius**

Director, Tax Operations,  
CDK Global Inc.

### WITH ONESOURCE, CDK GLOBAL:

- Reduced the review time from 6 days to 4 days for 40+ international tax packages
- Shaved 3 days off tax close
- Saved significant time compiling 10K support using footnote reports directly from the software without manipulation
- Enabled an early earnings release
- Automated approximately 60% of Schedule M's
- Eliminated Excel provision reports in favor of ONESOURCE Tax Provision report
- Freed up time to focus on value-added activities

*"With ONESOURCE, there was no mystery about where the numbers were coming from. Reports are laid out the way you would complete the provision, versus the strange patchwork of our previous software. It was easy to get up to speed and teach our team how a tax provision should be computed via a standard approach."*

**Michele Balnius**

Director, Tax Operations,  
CDK Global Inc.

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