



technicolor



### CHALLENGES

Acquiring large data volumes without IT assistance

Reducing tax risks and tightening controls

Cumbersome data analysis

### SOLUTION

Data Analysis for Teams

### INDUSTRY

Media

### REGION

EMEA

### KEY BENEFITS

Sharing scripts and results with the data repository

Tighter internal controls and tax administration insight

Autonomous, seamless data access

## TECHNICOLOR

### TECHNICOLOR TIGHTENS VAT CONTROLS WITH ACL™ ANALYTICS EXCHANGE

With nearly 25,000 employees in 44 countries, Technicolor delivers technology, services and systems to media and entertainment industry customers worldwide. The company's internal tax department needed a solution that would help identify and limit risks associated with European Value Added Tax (VAT) collection, a complex system with strict regulations to comply to. The team also wanted automatic, continuous access to large data files without the IT department's intervention. After implementing ACL™ Analytics Exchange, Technicolor has developed more effective tax reviews that support tighter internal controls. ACL software helps the team maximize cash recoveries while reducing errors and fraud. The tax department now has direct data access and a powerful analysis solution that promotes audit best practices and deeper business insight throughout the organization.

"ACL ANALYTICS EXCHANGE HAS REVOLUTIONIZED OUR AUDIT METHODOLOGY. WE CAN NOW ANALYZE LARGE DATA FILES FROM SAP AND CROSS-REFERENCE THE INFORMATION TO FIND ERRORS AND CONTROL GAPS."

- THIERRY COURONEAU, VAT MANAGER, TECHNICOLOR

### Customer Profile

Technicolor provides technology, services and systems to international media and entertainment industry customers – including studios, content creators, network operators and broadcasters. With nearly 25,000 employees in 44 countries, Technicolor offers video content, distribution and management systems, plus hardware and software technologies, products and licensing services. In 2007, the company posted revenues totaling €5.62 billion. Technicolor is traded on the NYSE under the symbol TMS and as 18453 on the NYSE Euronext.

### Challenges

The Technicolor tax department was seeking a reliable way to analyze large volumes of accounting systems data without relying on other corporate divisions to provide timely, secure data that met their needs. The goal was to establish an internal system to strengthen Europe-wide VAT controls. The solution needed to be automatic and continuous, enabling the tax department to gain autonomy from IT consulting – both internally and externally – which used to add considerable time to their processes.

Tax reviews used to follow a four-step process that included trade flow mapping and studies; tax review flow analysis; risk assessment and penalties; and conclusions and tax recommendations. The team needed to find a better way to identify and limit risks and maximize opportunities. Technicolor was eager to secure VAT revenues by reducing the possibility of error and fraud, while promoting cash recoveries.

The tax department required an easy-to-use solution that could quickly respond to complex administration issues. Existing spreadsheet software had limited file size capacities, slow calculation speeds, and did not provide Sarbanes-Oxley (SOX) compliance capabilities. Put simply, it was time for a solution that could meet and even exceed the department's needs.



## Solution

The Technicolor tax department first encountered ACL software during third-party tax audits of internal accounting information systems. After reviewing the market, Technicolor chose ACL™ Analytics Exchange for its ability to conduct thorough, insightful analyses of large data volumes.

Tax department staff initially applied ACL to analyze data from a French business entity which is VAT registered in several European countries. The CFO quickly saw the value of the findings and as a result, Technicolor plans to roll out ACL technology to other companies within the Group in order to maximize VAT accuracy, correct risks and recover lost payments. The department views ACL software as the gold standard for promoting audit integrity and strong business controls across the organization.

## Results

ACL Analytics Exchange has completely overhauled VAT audit methodology in the Technicolor accounting systems. With ACL software, staff can analyze large data feeds from SAP (including logistics and accounting) and cross-reference the data to isolate potential issues among specific business entities. These data extractions and subsequent analytics scripts are stored on the ACL Analytics Exchange data repository for other users to share. Technicolor now has greater control of VAT-associated risks and can quickly correct anomalies in the VAT returns – a scenario that helps avoid heavy tax adjustments and penalties.

With ACL data analysis software, tax reviews now test for valid risks; obtain precise results and numbers; process data for the purpose of justification tax; and establish point controls. Potential VAT problems are easier to identify, and the team has a deeper understanding of both the tax administration controls and the tax administrators' issues.

With ACL Analytics Exchange, information access is fully autonomous. Data extraction requests no longer require IT intervention and promptly provide reliable data files for each investigation. Information quality is higher, leading to better risk detection and reduction. Using ACL technology, the tax department has implemented stronger, more airtight controls – empowering stakeholders and improving critical VAT insight.

ACL Analytics Exchange enables Technicolor to achieve:

- Shared scripts and results with the Analytics Exchange data repository.
- Tighter internal controls and tax administration insight.
- Autonomous, seamless data access.

Learn more about what  
your organization can  
accomplish with ACL

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