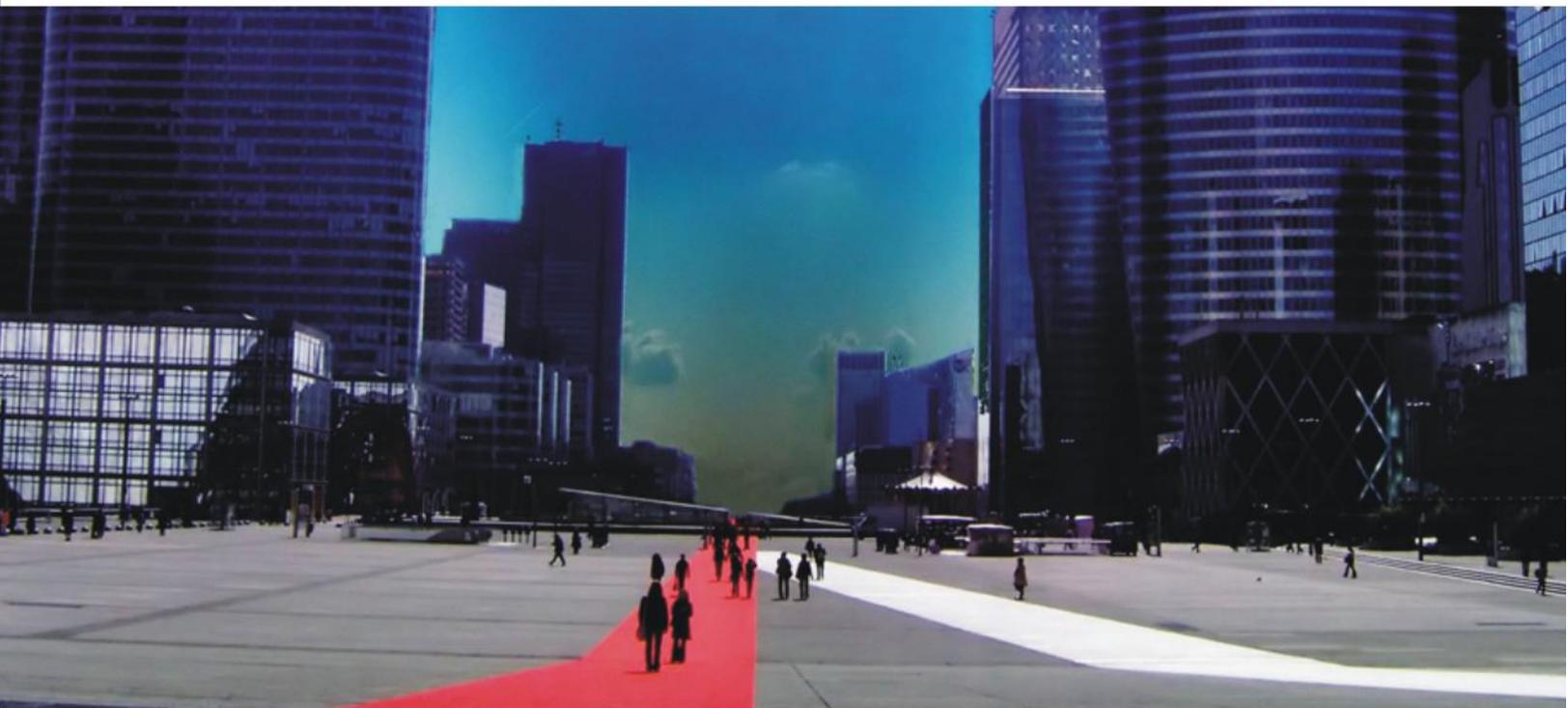


OneTax

Financial/Insurance Case Study



1. Customer Overview

The client is an international insurance company with 88 million clients in over 130 countries. It works in commercial, institutional, and individual capacities, and is the largest underwriter of commercial and industrial insurance in the US. The client company has a revenue of \$77.3B and 57,000 employees across the world.

2. Business Challenge

The goal for the Tax Transformation initiative is to transform the client company's Income tax process, data, reporting, and technology capabilities to allow for a more efficient and effective Global Tax Organization. The key challenges for the Tax organization are the multiple data sources and the high degree of manual effort (time and internal labor costs) for data aggregation and reporting. In addition, little transparency exists between the operating subsidiaries and the Corporate Center. There is a total reliance on manual processes and complex spreadsheets for recording, tracking and reporting on the large amounts of data. It is hoped that the resulting initiative will allow the organization to better manage the company's \$28B deferred tax assets.

3. The Solution

The Discrete Items application is used by tax users from around the world to create, update, review and track their issues. It forms the core of a multi-system solution called "OneTax" that aligns with a 'best of the breed' strategy. Appian integrates with Cognos for financial reporting, pushes financial tax provisioning data to TaxStream, and sends over documents with the associated metadata to IBM Content Manager.

The application also replaced large complex spreadsheets allowing users to enter information in the wizard format of Appian forms providing the end users with built-in validations and calculations.

In addition to integrations and complex forms, the solution also involved a significant data conversion effort to migrate all historical issues from hundreds of spreadsheets into the system.

4. Process Overview

From a tax perspective, discrete items are defined as items that need to be excluded from a company's calculation of their effective tax rate. The first release of the initiative the focus was on processes related to the following tax subject areas.

- Uncertain Tax Positions (“UTP” or known as FIN48)
 - As the name suggests a FIN48 is an issue that the taxpayer believes its interpretation may be challenged by a tax authority (e.g. the IRS in the US). Thus the issue needs to internally submitted, approved and recorded. In addition, the appropriate financial amount needs to be set aside in reserves.
- Tax Authority Audit Adjustment (“TAAA”)
 - A TAAA is recorded when a tax authority audits the company and all correspondence as well as the financial impact needs to be recorded.
- Other Discrete items
 - Other types of discrete items that need to be recorded.

5. Anticipated Benefits

The OneTax system provides significant benefits from the earlier paper based and spreadsheet driven manual processes at the client company. Some of the key benefits of the system are:

- Standardized process flows for the submission of discrete items to ensure that all business units are completing information uniformly and accurately
- Better visibility to the status and approvals of discrete items
- Consistent and automated reporting
- Facilitation in the realization of significant Tax assets
- Better management for the \$4.3B in reserves for uncertain tax positions
- Reduced labor cost for generating key financial reports

6. About Princeton Blue

Princeton Blue is the leading provider of business transformation solutions delivered thru strategy consulting and technical implementation of **BPM** and **Rules** platforms. With an exclusive focus in this discipline since we started in 2006 and with 150+ successful projects under our belt, we bring the deepest BPM and Rules expertise to help your organization provide a better customer experience with a leaner and more transparent set of underlying business processes. More details at www.princetonblue.com.

