



A case study:
Midwest-based trust turbocharges
paperless tax



One of the large, well-known investment firms in Chicago has a broad remit when it comes to determining where, when and how it places its capital: Essentially, it invests in virtually any industry, pursues controlling and non-controlling interests, views investments from both short-and long-term horizons, and is open to putting money in at any point in an economic cycle.

It's hard to imagine a more accurate definition of "agile investing."

And it's a philosophy that the company's leadership has adopted deftly in generating a multifaceted business powerhouse that today has a myriad of successful private equity investments in logistics, health care, manufacturing, energy, and real estate.

With that diversity in originating, rescuing, and growing companies comes a natural complexity in tax management – especially if you're the team charged with back office support for tax planning and compliance for both the investing entities and the trust that serves as the family office for three generations of the company's founding family.

Harnessing the power of paperless

The firm's tax team leader, who helps structure investments and manage tax and estate planning for the family, discovered when she joined the firm in 2011 that it hadn't yet fully embraced a paperless approach to tax.

"Back then, a lot of time was spent literally trying to find out who had a file," she explains. "The files were always there, of course, but you didn't know if it was in someone's office, in our giant file room, or misfiled somewhere. So it was a bit of a culture shock when I first came in the door."

And the company's tax and accounting team has plenty of files to keep track of: Its typical workload includes managing accounting books and records, audited financial statements and day-to-day transactions, as well as closing books. It also completes hundreds of tax returns annually, supports other teams with structuring investments and divestments, and

handles tax and estate planning for the family office.

Both the sheer volume of that work – and its varied nature – provide a strong counter to a common perception of tax and accounting.

"A lot of people outside of our business think that all I do is just file returns. And while that is a large component of it, there is so much more in terms of 'process,'" she adds.

"A big part of what I do in terms of technology is looking at our processes and figuring out, 'Are we doing things the most efficient way possible?' As time has gone on, things get more complicated. The IRS wants more information on our investors, for example, so we have to figure out how we collect information, turn it around, and then float it through our structure as efficiently as possible."

And that's where corporate tax and accounting solutions from Wolters Kluwer came in.





Growing naturally with Wolters Kluwer

Initially, it wasn't only the quantity of files that the tax team had to manage that prompted a serious interest in going paperless at the company. Understanding the current status of any given document was just as critical.

"If I opened an electronic file, one thing I'd never have to worry about was, 'Was there a note printed somewhere and attached to this file that I wasn't aware of?'" the tax team lead explains. "If everything was electronic to begin with, you at least knew what version of a document you had in front of you."

She came from a public accounting firm that was paperless, so, when she started at the investment house and family office, integrating electronic tax and workflow solutions from Wolters Kluwer came naturally.

"We started by taking all of our work papers paperless with CCH® ProSystem fx® Workpaper Manager," she said. "Within the following tax season, we implemented a standalone version of CCH Axxess™ Portal so that we could collect K1s and other information from outside investors securely without having to send out a million password-protected emails."

The company also relied on CCH® ProSystem® fx Tax and CCH® ProSystem® fx Workstream to improve internal workflow and reduce opportunities for errors.

"Using Workstream allowed us to track the different work steps within our tax return process and be able to electronically assign tasks between preparers, reviewers and our tax director," she says. "That way, everyone knows when documents are ready for them, we have an easy way to track all of our e-filings and paper



filings, we know what estimated payments have been made, and all that good stuff.”

She adds that the company eventually opted to shift from CCH ProSystem fx to the cloud-based CCH Axcess suite, a move that met with little resistance from management.

“Making the decision to move to CCH Axcess was a no-brainer,” she explains. “My supervisor had started sending me to the Wolters Kluwer user conference a few years ago, so I was able to see the components firsthand and gain a better appreciation of what each module brings to the table and how they interact with each other. When I ultimately presented my recommendations [about CCH Axcess] to our financial leadership, it was a slam dunk.”

Winning over members of the tax team and the financial leadership were key to successful implementation of CCH Axcess at the company, but so, too, was getting buy-in from the organization’s IT group.

“CCH Axcess is great, because all that our IT group has to do is ensure that we have what we need installed on our computers,” she says. “So, from their standpoint, they were happy about it. They analyzed how things are secured and encrypted through CCH Axcess, and they were fine with it. Yes, there's a cost associated with it, of course, but when we looked at the efficiencies we were going to gain from it, everyone was fine with the decision.”



Taking efficiency to the next level

Optimizing efficiency through successful adoption of paperless tax couldn't come at a better time for the company's tax team.

The family office side of the business continues to grow, with returns for the trust and high-worth individual returns adding to the tax workload. The private equity side of the business, meanwhile, has to keep close watch on changing tax regulations that could impact its investment partners (whether those organizations are startups or mature but struggling enterprises looking to rebound). And a tight, coming-out-of-COVID labor market means ensuring tax and compliance on "both sides of the house" will favor tax solutions that are already familiar to prospective future employees and provide secure,

anytime-anywhere access to data. CCH® solutions check all the boxes – and remain primed to help the company's tax team successfully address any new issues that add even more complexity to its work.

"Our group has stayed pretty much the same size, but we do more returns," the tax team lead explains. "We've taken on the back-office work for one of our sibling companies in the past few years, so the volume of the returns that we do in the same time period has gone up with the same number of staff.

"Time always ends up equaling money at some point, and if your employees are spending less time to get the same amount of work done, you know that translates into less overtime for them and, ultimately, probably a much happier employee," she says.



A prime partnership with Wolters Kluwer

Headquarters: Chicago, Illinois

Industry: Family Office & Trust Company

Challenge: Digitally transform tax function to improve team's productivity, collaboration and client's experience.

Solution

- CCH® Axxess™ platform, including the following modules:
 - Tax — an intelligent, scalable, and fully integrated tax preparation, compliance, and workflow solution that's been developed specifically for the cloud and is suitable for firms of all sizes.
 - Document — electronically organizes and stores all types of client documents and business communications in one place to support a truly paperless work environment.
 - Portal — secure, bi-directional electronic document exchange and storage for client files of all sizes.
 - Workstream — streamlines work and ensures consistent project management processes by monitoring due dates, managing projects, and mapping processes into standardized steps.
- CCH® ProSystem fx® Workpaper Manager supports better corporate workflow by allowing data to flow automatically into CCH Axxess Tax and all related workpapers. This time-saving solution enables you to roll forward the entire binder with every workpaper and report in place, import trial balance data easily from any general ledger system, and more.

- CCH® AnswerConnect the most comprehensive and current tax research authority in the industry. It offers a unique combination of the text and explanations of tax law, and examples of how to apply it in real world situations. The all-encompassing material ensures you always have the right answers to your tax questions.

Why CCH® solutions

- **Functionality** — the nature of the company's business implies a lot of trust and partnership returns. "The trust returns, specifically that we have, are very complex and there is no other software available out there at least that we are aware of that can handle them as well as the CCH software does," its tax team lead explains.
- **Integration** — the ability to integrate and use solutions seamlessly throughout the entire process.

Results

- The tax department is now paperless, which enables the team to be more productive.
- The efficiency brought by integrating CCH solutions into department workflow improved efficiency and let deliver more returns with the same amount of resources.
- The clients' document exchange is now more secure and organized, allowing them to deliver a better customer experience.
- The tax expertise, news, and changes are delivered to the team without spending valuable time on research.



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About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services. Wolters Kluwer reported 2021 annual revenues of €4.8 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,800 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

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