

Edelman Saves Over \$1 Million in Tax Reduction Opportunities

As the world's sixth-largest public relations firm, Edelman Public Relations Worldwide offers specialized services to the healthcare, high-tech, financial, and consumer industries. Founded in 1952, Edelman utilizes a range of proprietary tools to build creative communications solutions for leading companies throughout the world.

Edelman's finance department performs complex depreciation calculations and must keep pace with fast-changing tax laws that affect special exceptions it can take to reduce the company's tax burden. In 1998, Edelman began using the fixed asset management module of its companywide Enterprise Resource Planning (ERP) system to track and depreciate thousands of computer assets located across its 43 locations.

However, Edelman was unable to take advantage of new tax legislation unless the firm upgraded its system. Because the ERP's solution was timeconsuming and costly to implement, Edelman switched to Sage Fixed Assets - Premier Depreciation and Sage Fixed Assets - Reporting in order to reap the substantial tax savings to which the firm was entitled.

Fast, flexible implementation

The first success Edelman experienced was the implementation of Sage Fixed Assets "Our team was in the middle of tax preparation when we discovered we needed a new solution to help us apply the 30 percent depreciation allowance. We needed Sage Fixed Assets up and running fast so that we could take advantage of the tax savings said John Garbaciak, vice president of financial reporting at Edelman. "[Sage] was very accommodating during this stressful time for us. We ordered the software on Monday, it arrived on Wednesday, and was installed by Friday."

Garbaciak was also impressed with how quickly the firm was able to implement the system. He said, "Sage is extremely flexible and easy to use. After we loaded our data into the system, we simply clicked a button, and Sage Fixed Assets automatically analyzed and determined which of our assets could receive the 30 percent allowance."

Customer

Edelman Public Relations Worldwide

Industry

Public Relations

Number of Locations

43

Number of Employees

2,000

System

Sage Fixed Assets - Premier Depreciation

- Sage Fixed Assets - Reporting

Challenge

Take advantage of significant tax savings available under new legislation.

Solution

Sage Fixed Assets - Premier Depreciation—part of Sage Fixed Assets, the industry-leading fixed asset management solution.

Results

Took advantage of the 30 percent depreciation allowance. Saved more than \$1 million in tax reduction opportunities and \$10,000 in yearly audit fees.

Instant return on investment

With Sage Fixed Assets - Premier Depreciation in place, Edelman achieved an instant return on its investment. "Thanks to Sage Fixed Assets, we saved \$1 million in taxes—a significant opportunity we'd have lost if we waited to upgrade our ERP system," said Garbaciak. He added, "And, because it's so easy to do tax reporting in Sage Fixed Assets, we also save about \$10,000 in audit fees every year."

Comprehensive, customizable reports satisfy auditor requests

Using Sage Fixed Assets - Premier Depreciation, Garbaciak has also enjoyed significant time savings. "The standard reports and forms [within Sage Fixed Assets] are comprehensive and very helpful. Our auditors just have to ask a question, and we can pull and present the information they need in a matter of minutes. We no longer have to spend time researching—it's all right there in the system," said Garbaciak.

Sage Fixed Assets - Reporting adds more flexibility to Edelman's reporting processes. Garbaciak said the firm is currently in the process of designing some custom reports to satisfy auditor requests and modifying some of the standard reports to meet internal requirements.

Firm thrives on Sage Fixed Assets - Premier Depreciation

After a profitable beginning with Sage Fixed Assets, Edelman has continued to flourish with the software. "One of the product's strong features is that it's very easy to learn and use, but it also has the power to handle complex calculations. Sage Fixed Assets has even simplified the processing of our tax books, which has been a great advantage," said Garbaciak. "It's been great working with Sage Fixed Assets, because it's flexible, cost-effective, and robust enough to track our dispersed fixed asset base and help us take advantage of considerable tax savings."

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