

GTM ASSISTS \$5B CHEMICAL MANUFACTURER BUILD A TAX DEPARTMENT FROM THE GROUND UP AFTER SPINNING OFF FROM DOW

INDUSTRY: Specialty Chemical

COMPANY:

Trinseo (NYSE: TSE) is a world leader in the production of plastics, latex, and rubber. Part of The Dow Chemical Company (“Dow”) until spinning off as a separate entity in 2010, Trinseo has quickly grown to become a \$5B global organization with over 2100 employees in 27 countries. Company headquarters are in Berwyn, PA (suburban Philadelphia).

SERVICES PROVIDED:

Tax transitional services including the establishment and temporary operation of a full functioning tax department, tax technology automation implementation, and ongoing support for key tax department functions such as provision, compliance, and indirect tax services.

CHALLENGE:

Trinseo was founded in 2010 with limited employee resources from Dow. The newly formed company required public readiness in 2010, which included expedited implementation of a vast range of tax processes over four months.

Trinseo faced a range of challenges from lack of finance personnel to limited institutional company knowledge, systems, and processes. A tax department needed to be established from the ground up. The company was challenged with building a core team of employees and company structure, while also performing effective tax department operations to meet management’s short-term goals of public readiness and long-term goal to manage and sustain tax functions internally.

SOLUTION:

Having an excellent track record working with GTM, Dow referred Trinseo to GTM to assist with tax transitional services. The solution included a 90-day workplan to accomplish short term goals, and future process documentation to meet objectives long-term. GTM began by helping Trinseo identify and develop strategies for all tax department functions, risks and opportunities, as well as assisting in building an internal tax department. GTM worked with Trinseo’s finance leaders to create income tax processes with the goal of transitioning efficient processes going forward to internal resources. The interim tax team included more than 15 GTM tax professionals with varying skill sets to offer experience within all aspects of a tax department. The GTM team assisted in purchase accounting, tax provision, tax compliance, indemnity, transfer pricing, sales and use taxes, and all tax processes required to produce financial statements. In collaboration with tax department leadership, GTM implemented global provision software, including Uncertain Tax Provision (UTP) and Global Access modules. These process automations allowed Trinseo to prepare its consolidated quarterly and annual tax provision in a more timely manner.

GTM assisted with audit documentation, memos, and workpapers for continued sustainability, working closely with internal Trinseo and external audit teams to achieve required results. External GTM resources were scaled back as tax department functions were properly transitioned to internal Trinseo resources. Throughout the entire transition process, GTM maintained constant communication and collaboration with tax department leadership, ensuring Trinseo would have all the necessary components and capabilities to become a highly efficient, self-sustaining tax department.



VALUE DELIVERED

In just two years, Trinseo had a fully functioning, self-sustaining tax department in place. GTM worked together with Trinseo to build a tax process that is easily sustainable by the company. Putting the tax department in place was part of the overall strategy of its private equity owners to take the company public. Trinseo had a successful IPO in June 2014.

CLIENT PERSPECTIVE

“GTM helped us to build sustainable tax processes allowing for automation, efficiencies, and fast response time to management requests. Trinseo continues to leverage GTM’s support for process improvements and SEC registrant requirements, including SOX readiness. GTM is a valued strategic business partner to Trinseo tax department.”

*- Marina Zivik
VP & Chief Tax Officer
Trinseo*

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Trinseo's state of the art rubber production plant in Schkopau, Germany. Photo from Trinseo website (www.trinseo.com/products/rubber), November 2015.

RESULT:

In just two years, Trinseo had a fully functioning, self-sustaining tax department in place. Trinseo now handles all tax provision process and US compliance internally. The company has been maintaining tax department software in house, with very limited external assistance required for software maintenance. Automated reports within the provision software created a process in which the company can continually perform the detailed analytics required, with limited involvement from external sources. Putting the tax department in place was part of the overall strategy of the private equity owners to take the company public. Trinseo had a successful IPO in June 2014.

GTM continues to work together with Trinseo to enhance and automate tax functions as the company evolves. GTM's inherent knowledge of the company allows Trinseo to rely on GTM resources during times of peak demand to support provision and compliance deadlines. Trinseo also calls upon GTM for specific sales and use and tax planning projects as they arise.