Bloomberg BNA

CUSTOMER SUCCESS STORY

CBS Tunes in to Significant Time Savings with Centralized Tax Depreciation System

With *BNA Fixed Assets Web,* CBS eliminated manual efforts while improving accuracy and control.

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Challenge:
Eliminate manual efforts required to consolidate fixed assets data and calculate tax depreciation.

Solution:
BNA Fixed Assets™ Web

Results:
Eliminated manual efforts, which saved two person-months per year. Improved accuracy and control with real-time access to fixed assets and tax depreciation data.

The CBS Corporation is a household name with roots reaching back to the beginnings of the broadcast industry. Today the company reaches audiences in all 50 states and important international markets, and has operations in virtually every field of media and entertainment.

"**BNA Fixed Assets Web** saves CBS more than two person-months each year, which lets us focus on more strategic efforts …"

HAMADI BENGABSIA
Executive Director of Tax Technology,
CBS Corporation

Calculating Depreciation for More than 500,000 Assets

With more than 600 legal entities and hundreds of divisions — each one performing tax depreciation calculations for more than 500,000 fixed assets in total — the corporate tax department had the enormous task of consolidating and reconciling all the data. That's why CBS turned to Bloomberg BNA for help.

Consolidation Results in Significant Manual Efforts

Within CBS, each business unit used different software to calculate tax depreciation for fixed assets. Sometimes an ERP system was used, some business units used general ledger systems, and some relied solely on Excel spreadsheets. This data would then go to the corporate tax department for consolidation and preparation of the tax return.

"It was very labor intensive," said Hamadi Bengabsia, Executive Director of Tax Technology at CBS. "We had to use Excel extensively to consolidate fixed assets data from the various companies and business units, reconcile that data, and calculate bonus depreciation. It took weeks of effort and a dedicated person to do this."

The long cycle time for consolidation also made it difficult for CBS to perform accurate quarterly reporting and projections. "We had no real-time visibility into tax liability and depreciation and no way to perform accurate 'what-if' analyses," commented Bengabsia.

Divestiture Triggers Change

With the major divestiture of Viacom in 2006, CBS faced additional regulatory and reporting requirements which

impacted fixed assets management and tax depreciation. The time was ripe to look for a tax depreciation system that would eliminate the manual efforts and give the corporate tax department at CBS centralized control and visibility of fixed assets tax data.

CBS put together a list of must-have capabilities, including: a centralized database for calculating and reporting tax depreciation, automatic consolidation of data from all the CBS business units, real-time reporting and analysis, and automatic, up-to-date tax depreciation calculations. It was also critical that the solution integrate easily with the SAP, Oracle, and JD Edwards ERP/GL systems in place within the CBS business units, as well as the company's tax compliance package, CORPTAX®.

CBS Chooses BNA Fixed Assets Web

After evaluating several solutions, CBS selected *BNA Fixed Assets Web*, the only system that could meet CBS's requirements. "There are so many reasons why *BNA Fixed Assets Web* was the right choice — from its ease of use to requiring no IT efforts to its flexibility. For instance, some business units load data by class and some by asset type. *BNA Fixed Assets Web* lets us work with both," explained Bengabsia.

The tax depreciation system from Bloomberg BNA enabled CBS to:

• Standardize its depreciation policies for greater accuracy and control

• Ensure accurate and timely tax depreciation calculations

• Perform what-if analyses in real time for improved decision making

• Automatically consolidate and report on fixed assets data

• Perform mass data changes easily

Automatic Consolidation Saves CBS Two Person-Months of Effort

"Our efficiency has improved tremendously now that we have a centralized system and no longer need to manually consolidate data," said Bengabsia. "*BNA Fixed Assets Web* saves CBS more than two person-months each year, which lets us focus on more strategic efforts that can potentially save the company money and help us make better business decisions."

Another time-saver is the seamless integration with CORPTAX, the tax compliance software used by CBS. "It's very easy to export the *BNA Fixed Assets Web*, whether it's for the 4562 or to post the book-to-tax adjustments," added Bengabsia.

Faster Reporting, Real-Time Visibility

"With *BNA Fixed Assets Web*, we now have a very robust and flexible reporting and analysis tool," explained Bengabsia. "The built-in and ad hoc reports provide a substantial added value to the department in analyzing the depreciation data." With real-time visibility into the centralized data, the tax department is able to respond quickly and accurately to requests for reports. Automatic consolidation lets CBS report by division, groups of divisions, legal entities, or the entire corporation, with CBS controlling the groupings.

Stronger Controls, Greater Accuracy

Now that CBS has a centralized tax depreciation system, the business units only need to focus on the book data. Using *BNA Fixed Assets Web,* the corporate tax department handles all the tax depreciation calculations and data, quickly and easily. This not only improves efficiency, but results in more control and better accuracy.

"We were able to standardize our depreciation policies with *BNA Fixed Assets Web* automatically enforcing them, which is a great benefit," commented Bengabsia. "Plus, all the calculations are visible and documented, which is especially valuable for Sarbanes-Oxley compliance."

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CBS Corporation

• Media and Broadcasting: television, radio, outdoor, interactive, publishing, corporate

• #188 in the Fortune 500

• Annual revenue: $14 billion

• Employees: 20,915

• PP&E net value: $3 billion

• Managed assets: More than 500,000

• Accumulated depreciation: $531 million

For more information call 800.424.2938 (select option 3), contact your local Bloomberg BNA Representative, or visit www.bnasoftware.com