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success story

Large Online Company Solves “Taxing” Problem using Merrill DataSite™

Company Profile

With a market capitalization of over \$40 billion, this global online company (the Company) has built one of the world's largest online marketplaces. The Company operates in all 50 U.S. states and numerous international countries, and has more than 50 subsidiaries under its global umbrella.

Background

When responding to a historical Internal Revenue Service tax audit, the Company's team of audit department staff members typically spent two to three weeks retrieving information from the tax document storage rooms, photocopying the necessary materials and compiling document sets to be shipped to the appropriate authorities.

After the materials were received by the authorities, the audit department often dealt with follow-up requests for information, which required the staff to repeat the information gathering process.



Challenge

Preparation for response to state, national and international tax audits was a paper-intensive and time-consuming process for the Company, due to its strict policy prohibiting the use of e-mail for that purpose. It quickly proved to be too cumbersome to manage a workload that included preparations for all 50 U.S. states, as well as federal and international audits.

The Company was seeking a solution to manage their audit processes more effectively and efficiently. The Company's vice president for tax accounting described his challenge as one of providing real-time access to all subsidiary tax documents for select employees and accountants (more than 100 individuals), as well as the need to control that access (accountants vs. employees) and the ability to be able to securely post documents whenever necessary, noting that documents could not be sent via e-mail. In summary, the Company wanted:

- An easy-to-use tool that would allow quick and secure access for all relevant parties.
- Control over what information could be viewed and downloaded by tax auditors.
- Tools to audit users' document review activities.
- Robust and flexible search functionality.

Merrill Solution

To meet the Company's requirements, Merrill proposed a Merrill DataSite online document repository for tax documents based on approximately 50,000 pages of information. This included all information on hand, dating from the founding of the Company. For the first phase, the Company uploaded 10,000 pages, assisted by a Merrill DataSite project manager who helped sort through the files and load the pages. The volume of documents on Merrill DataSite quickly exceeded the initial estimate of 50,000 and now exceeds 160,000 pages of historical documents, with additional documents being added every month.



Results

By implementing Merrill DataSite as an online document repository for historical tax documents, the Company has realized the following benefits:

- **Highly organized electronic document index.** A Merrill DataSite project manager worked onsite and within one day, was able to organize a flexible electronic index for more than 250,000 pages of paper. This enabled the client to quickly and efficiently transition their paper document room into a flexible virtual data room.
- **Faster, more efficient audit preparations.** It is no longer necessary to dedicate staff resources to researching, compiling and photocopying document sets for tax audits. Documents are stored in an online repository, where they can be researched and retrieved by authorized personnel.
- **Time savings.** With online access to the document repository, staff members can prepare documentation for upcoming audits in a matter of minutes instead of weeks. Merrill DataSite's powerful search tools allow auditors to quickly locate the information they are seeking.
- **Reduced costs.** Shipping costs related to sending document sets to auditors are eliminated.
- **Secure configurable online access.** The audit department can quickly and easily invite authorized users such as auditors, employees and accountants to the site, assign the appropriate security rights, and in a matter of minutes, provide them with access to the information they need.
- **Analysis capabilities.** Merrill DataSite's tracking and audit tools allow the audit department to zoom in on specific activities such as pages viewed by specific users, time spent on specific documents or pages, etc. This information helped the Company's team determine areas of interest and anticipate potential questions.

Merrill DataSite has enabled this Company to transform its paper-driven audit preparations into a flexible, online environment that facilitates fast and efficient response. Merrill DataSite scaled to handle the large number of documents and pages without issue, and delivered on all challenges. With over 160,000 pages of content indexed and accessible via Merrill DataSite, this Company is now able to manage tax audit preparations in a fraction of the time.

To learn more about Merrill's solutions, email us at inquiries@merrillcorp.com.

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Merrill Corporation

225 Varick Street
New York, NY 10014
888.867.0309

Corporate Headquarters

One Merrill Circle
St. Paul, MN 55108
800.688.4400

*Offices in major cities
throughout the world*

www.merrillcorp.com/datasite

