



# COMPLIANCE IS NOT A POLICY, IT IS A MINDSET

## ABOUT

The world largest biotech company based in Switzerland committed to developing sustainable strategies that benefit both industry and society. With more than 90,000 employees working together across more than 100 countries, the company's focus on biotech, oncology, in vitro diagnostics and hospital markets resulted in an income of more than CHF 48 billion in group sales during 2015.

## THE CHALLENGE

The multinational healthcare giant had contracted with an external vendor to deal with the extensive VAT recovery effort inherent in a large global workforce. The vendor worked in conjunction with an in-house team that worked in coordination with local branch employees to overcome any language barriers with local tax authorities. Due to the tax complexities of the company's global operations, the vendor failed to meet required deadlines, which resulted in huge amounts of unrecovered VAT – a significant financial loss for the company.

In the face of these losses, coupled with a shortage of internal resources to manage the project, the company sought a better solution to manage VAT recovery across the entire enterprise, without straining the company's staff.

“We were extremely impressed with VATBox's work, particularly with the financial gain and reliability of their result. Our company simply did not have the manpower to deal with the complexities of VAT reclaim and analysis.”

Global Head of VAT

## THE SOLUTION

The company contracted with VATBox in a pilot effort, in which VATBox would focus its VAT recovery efforts on thirteen countries within one Business Unit. Together, these countries were estimated to have a potential VAT refund of \$50K.

VATBox hit the ground running as its platform easily integrated with SAP, the solution the company used for T&E expenses. By implementing VATBox's Snap app, the company tapped into an automated VAT refund solution that identifies foreign VAT spend and reclaims it effortlessly. Employees simply snapped a picture of their invoices, and the VATBox technology uploaded the data and analyzed it in real-time using intelligent knowledge-based automation. VATBox then quickly and seamlessly refunded all eligible foreign VAT, with a substantial financial benefit for the company. In addition, the company gained visibility into all global transactions, and the corresponding VAT spend. VATBox offered insights regarding the VAT refund potential in each country and in various domains, such as Accounts Payable, Conferences and Shipping. The pilot's outcome showed a recovery success rate of 85%.

In addition to the significant revenue recovered, VATBox analyzed the 4% of invoices that were disqualified from eligibility, and presented the company with smart policies and clear steps to take in order to have a higher success rate in the future. The company has already begun the process of contacting vendors to ensure that any concerns are resolved prior to the next invoicing cycle.

The company assessed VATBox's reliability and assistance in future invoice recovery as an important part of the project, and expanded the scope of the partnership to all other countries and entities. VAT Recovery for other domains will be added starting 2017.

## THE BENEFITS

By partnering with VATBox, the company gained:



Real-time visibility into VAT data for all global entities



Reliable, airtight compliance



Control from a single interconnected system



A uniform, enterprise-wide VAT recovery process



Reduced overhead and streamlined recovery



Attention to a high volume of small-amount invoices with recoverable VAT



Actionable insights: assistance in improving future invoice recovery

## ABOUT VATBOX

Since its establishment in 2012, VATBox has been revolutionizing the automated, cloud-based VAT recovery space. With offices in London, Paris, Munich, New York and Tel Aviv, the company's global reach provides enterprises with full control over their indirect tax spend.

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