

## WITH BASIC FUNCTIONS IMPROVED, A LIFE SCIENCES COMPANY CAN FOCUS ON STRATEGY

Covance, a global contract research organization, was determined to improve its approach to managing global reporting and compliance requirements.

As a contract research organization, Covance provides a number of clinical and commercialization services to its global pharmaceutical and biotechnology clients. As such, it has operations around the world where testing trials take place for chemical, agrochemical and food industry products.

Founded in 1997, the company has operations in North America, Europe, Latin America, Africa and the Asia Pacific. As operations began in these regions, the company retained the services of existing local service providers within each country for its statutory filing, regulatory and legal compliance, and accounting needs.

As a result, information was fragmented and the administrative burden for the company was onerous. There were no standardized processes across operations and, with no common technology platform, access to timely updates was difficult, if not impossible. If an issue arose, the local controller had to contact multiple service providers to get it resolved. Simply assessing the status of a tax filing required time and effort. Changes to service provider information were made manually on a spreadsheet, which then had to be shared across the firm, resulting in multiple documents available that made it difficult to be certain who had the most up-to-date information.

### Improving global compliance and reporting

This decentralized approach was not sustainable, and the company was determined to improve its approach to managing its global compliance requirements. The company's tax director had been impressed by the work RSM had done at a similar clinical research organization and the firm's knowledge of the life sciences industry. RSM's single point of contact as well as

its ability to meet the company's needs in 50 countries around the world would also help them meet their need for greater efficiency on a global scale. Management was impressed with the attention they would be given by the RSM team and the customization of the services RSM would provide.

With the help of RSM's proprietary software, the RSM team built a tailored solution for Covance that included:

- **Visibility:** Immediate access to information in every country, including milestones, supporting documentation, deliverables and the appropriate contacts for the full spectrum of reporting and compliance concerns.
- **Notifications:** Reminders for filing and other related issues are sent to the client and local providers, as needed. Management is kept up to date on the status of its global compliance in each country, and is able to anticipate and address issues before they become problems.
- **Key performance indicators:** Performance metrics allow the company to gauge progress in each country, enabling management to prioritize resources based on need.
- **Global contacts:** A comprehensive list of service providers is kept up to date in a central location.

Currently, the U.S.-based RSM team is in touch with members of Covance's regional and local compliance teams on a daily basis, and through monthly status meetings, to keep everyone informed.

The company has seen major improvements in cycle time:

- Processes are now consistent across regions.
- Management has better visibility into what's going on in each country.
- Bottlenecks have been eliminated.
- Incidences of missed deadlines have been eliminated.
- Risks are more clearly understood.
- Issues are addressed proactively before they become problems.

Notably, the costs of having one service provider are substantially less than what the company was paying for their previous dispersed arrangement.

## Benefits of a long-term relationship

Because the RSM team understands Covance so thoroughly, the relationship has extended to other areas of service. When the company closed a location in France, the RSM team in the United States developed an approach that made the closing more tax efficient in both countries. The RSM team also supported complex transactions in the Netherlands. Long-standing issues in Mexico that had been had not been identified by previous service providers were addressed by the team.

Ultimately, the project improved the company's overall reporting, accounting processes and tax compliance. With the baseline functionality of its compliance covered, Covance is able to turn its attention to more strategic issues. Opportunities that in the past may have been discussed informally are now being formally analyzed and developed.

As one executive director put it, the control over compliance that was gained is "a huge win" for Covance.

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