

Watkins Completes the Tax Provision in Record Time & for a Fraction of the Cost



Location
Atlanta, GA



Industry
Private holding company
that operates in multiple
industries



Key Result
Completed the
tax provision in record time
for a fraction of the cost

Based in Atlanta, Watkins Associated Industries is a private holding company with an extremely diverse portfolio that spans everything from seafood processing to insurance services to door and window manufacturing, and more. With hands in so many businesses, it may surprise you to learn that the tax department consists of only three people. Make that two.

“We’re at two now,” says Danny Groves, VP of Tax and Corporate Secretary. “We’re looking for another person to come in.”

Another surprising fact? With minimal staff, until recently, the tax department prepared the annual income tax provision manually.

“We prepared the provision manually through Excel. Very manually,” says Danny. “We hard-keyed numbers. We could have a sum of three numbers in a field, and we had no way to track them, no traceability. It was arduous trying to figure out what was going on.”

While Danny wasn’t exactly in the market for a provision solution, the company’s needs were clear. “Accuracy was the number one concern,” he says. “We also needed the ability to answer questions if someone asked. It was nerve-wracking.”

Time was also an issue. Danny had worked with staff who didn’t understand the provision, and he didn’t have the bandwidth for long, involved training. At the companies Danny worked for previously, he was able to complete the provision in three to five days after the trial balance was finalized. “Here, it took two to three weeks to get it together.”

Smooth Implementation, Significant Savings

Danny has been at Watkins for just about two years. However, he previously worked for several multinational companies. At one company, he became an Exactera transfer pricing client. When he moved to the next company, he enlisted Exactera Transfer Pricing again. Watkins, however, is a domestic company—there's no cross-border transfer pricing, but when provision needs arose, he reached out to Exactera.

"I took a demo at the end of 2023, but it was too late to get anything started," he said. "I did another demo in 2024 and got implemented."

He was pleased right away. "It was very smooth. Basically, it was 'give us your spreadsheets and data from the prior year, and it was duplicated in the Exactera system. Any questions were fixed, and very quickly, we had the prior year provision in the system that matched our financials.'"

Previously in Danny's career he had started a tax provision implementation with another solution, but it was impossible to connect to our ERP system—and it was costly.

"We paid \$30-\$40K for the implementation alone, and we paid a consultant for another two months," he said. "In the end, it was too complex, and there were too many manual entries, which destroyed any efficiencies. We dropped that implementation and went back to preparing the income tax provision with spreadsheets."

Another consideration? Groves was focused on improving reports and support. Other systems Danny investigated provided reports that did not include formulas and were extremely hard to follow. Exactera's income tax provision reports included formulas. Each number can be traced back to a calculation or the trial balance accounts.

"I loved the idea of having our own license to the software," he says. "It wasn't hard to make the case for Exactera. The cost was extremely reasonable compared to other options."



"Exactera was 60% of the cost of the alternatives, and Exactera's price included support and the professionals from Exactera are amazing."

Staff picked up on the provision software easily. "Our senior manager picked up on the system very quickly."

Danny's auditors were happy, too. Exactera Tax Provision's "exposed formula export" feature was praised by their external auditors. It provides visibility into the calculations. "We didn't give our auditors access to the system, although that was an option. We gave our auditors the reports with the formulas," says Danny. He also wished Watkins had used Exactera when he transitioned to the company, as it would have made it easier to understand the flow of the income tax provision.

"I spent 20% of the time on the provision after using Exactera compared to the time I spent in the previous year." Proving that even a small tax department can increase efficiency and improve its audit trail with the right partner.