

CASE STUDY

THE ART OF THE POSSIBLE: DATA BOOSTS A GLOBAL CHEMICALS COMPANY'S AGILITY



OVERVIEW

In 2018, after years of acquisitions, Florida-based chemicals company Element Solutions Inc faced a good problem: how to integrate and harmonize data from all the various technology systems it owned after such significant growth.

The business had multiple enterprise resource planning platforms—which weren't compatible with one another—and reams of data it wasn't using effectively.

The global company's chemical solutions and materials enable their customers' manufacturing processes for everything from autos to electronics to energy and beyond—products as ubiquitous as the data the business sought to harness. Element Solutions had worked with RSM for years on the internal audit front, and the firm helped the company navigate many other projects. So it seemed natural for Element Solutions to turn to RSM to learn what data analytics solutions might make sense to integrate, says Colm McKenna, vice president of Internal Audit and Sarbanes-Oxley Compliance at Element Solutions.

RSM had already implemented Microsoft Power BI and Alteryx to analyze audit data, so the team worked on leveraging those tools across other parts of the business. That included:

- Developing an inventory dashboard to show trends and supply information in real-time
- Implementing robotic process automation to streamline various tasks
- Creating a global travel and entertainment expense dashboard to summarize employee expenses for leadership
- Visualizing accounts receivable and nonfunctional currency balances globally through automation and dashboarding

Element Solutions has worked with 13 different RSM teams across more than 30 countries on multidisciplinary collaborations that have allowed the chemicals company to become more efficient using data analytics. Those projects have included tax work, due diligence, operations assessments and robotic process automation, to name just a few.

"I've challenged the RSM team to leverage new technologies, and then they come and show me the art of the possible," McKenna says. Though he is cautious about overselling data as "the key to everything," he also says harnessing data has positively affected Element Solutions' business, especially with real-time visibility into supply and demand.

"Data analytics has allowed us to make more agile business decisions as well as make peoples' jobs easier by giving them more complete and accurate information," McKenna says.

Solutions on a global scale

The inventory dashboard was one of the biggest game changers of the data analytics project that RSM worked on—and something that turned out to be especially strategic over the last two years of constant supply chain whiplash. Using the dashboard, an Element Solutions employee in one country can easily look at real-time warehouse supply information at the company's operations across other countries. This dashboard streamlined a previously manual and time-consuming process.

That dashboard also allows the company to:

- Easily monitor quantity and value data for inventory, including unit measures and conversions to common currencies
- Harness underlying data from various ERP systems and map the information into a common data set
- Adjust warehouse space needs accordingly across global operations
- Analyze inventory trends and draw comparisons across different regions

The fact that these capabilities were in place when the pandemic hit helped Element Solutions adapt quickly because much of the company's supply function was already data-enabled.

Other data-driven solutions RSM helped the company implement—in a compressed time frame of months rather than a year—include:

- Process mining to visualize events within business processes—for instance, mapping the flow of specific documents across the company
- Using software to schedule repeatable data workflows and setting up continuous monitoring of those workflows in areas such as ledger activities and expense programs

The continuous monitoring is also transforming the way RSM conducts audits for Element Solutions; the team can look for anomalies consistently and ask real-time questions when the data shows irregularities.

There is something of a learning curve to using data analytics, McKenna says, because sometimes people don't understand the benefit of it until they see it in action. But RSM's team showed Element Solutions' people the benefits of using data without scaring them away with overly technical analyses.

"The RSM team was very agile in pivoting to different requirements, so it would actually become usable," McKenna says. And given the global supply chain constraints over the last couple of years, "there's been a need for real-time information."

As a business with facilities across more than 50 countries, Element Solutions' global needs were a major focus throughout the data analytics project. The company needed more regional and global visibility to understand cross-border supply movements and any regional constraints with great precision.

RSM helped the company gain improved visibility with a central-coordination approach. While Element Solutions leverages RSM's offices in many different jurisdictions, a core team is available to discuss challenges and issues as they arise and streamline responses from RSM's side.

"The central coordination is key for us," says McKenna. "I definitely value the consistency and relationship-building."

From RPA skeptic to believer

With data analytics applications already in place, RSM also worked with Element Solutions to implement robotic process automation (RPA) to boost efficiencies. McKenna acknowledges he was initially skeptical about the potential of RPA, which might seem overhyped to companies not yet implementing it.

"As someone who is used to a traditional audit background, you hear about these technologies, but you think, 'That doesn't apply, we have standards to follow, what if it failed,'" he says. But RSM's team helped to "demystify it," he adds: "They explained it in a way you can really understand it, and how it impacts you."

So given the trust built over time between the two companies and their history of working together to embrace new technologies, he leaned in.

The RPA effort started among a small internal resource group within Element Solutions' information technology function, upskilling team members and integrating automation to reduce time on repetitive tasks. McKenna says that pilot paid for itself within a year, and other departments across the company have since embraced automation. Some of the results have included improving the consistency of audit documentation and saving a significant amount of audit hours.

For instance, IT resources previously had to capture screenshots manually to review them. But now, bots capture the data and use it to populate a template for the auditor to review. A person still reviews the data at the end of the day, but the information gathering is automated.

Not every process can be automated, of course, and that's another area where RSM helped Element Solutions—understanding what might be possible and using technology to tap into areas potentially ripe for improvement.

Continual evolution

Global solutions and tapping into data to improve visibility and efficiency have helped streamline Element Solutions' operations as supply chain uncertainty has become the norm. RSM's collaborative approach over the years has helped equip Element Solutions to strategically use data, automation and other technologies as its business continues to evolve.

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