

# CASE STUDY: HOW RSM HELPED A MULTINATIONAL MANUFACTURING COMPANY WITH ITS IMPLEMENTATION OF ASC 842

## Client situation

Our multinational consumer products client, a manufacturer of high performance specialty coatings, sealants and building materials headquartered in the Midwest, has 156 manufacturing facilities in 26 countries, and it sells its products in 170 countries and territories. The client sought to partner with a first-choice advisor to implement ASC 842 together with LeaseAccelerator, the selected lease technology solution.

## Solution

As the client began its ASC 842 journey, RSM collaborated with management to customize the project to suit the company's unique requirements and coordinate the implementation schedule across its global subsidiaries. The project plan supported the client with all aspects of implementing ASC 842, including lease completeness procedures, identification and assessment of embedded leases, lease abstraction, and assistance with designing and implementing LeaseAccelerator. RSM prepared transition and accounting policy memos, provided financial reporting support for its public filing after the transition, and assisted the company with designing its future state global lease administration process for ongoing compliance with ASC 842. RSM also assisted the client's external audit process.

This ASC 842 project had significant complexities inherent in a decentralized global company, including identification, collection and organization of leases across the organization. The company had more than 450 real estate leases and 3,200 equipment and auto leases in 20 languages and more than 30 currencies. RSM International member firms in Germany, Mexico and Hong Kong helped the lease abstraction process, which was coordinated by one person on RSM's technical accounting consulting team.

## Results

RSM helped the client quantitatively and qualitatively assess its lease portfolio to develop a practical approach and realistic timeline to implement ASC 842 in the context of the company's lease portfolio, size and organizational structure. After the adoption of ASC 842, RSM provided significant support to transition ongoing lease abstraction to the company using a phased approach. RSM also provided live support with the LeaseAccelerator system.

Additionally, RSM collaborated with the client to conduct numerous training sessions throughout the project to educate its global accounting personnel on the new lease accounting standard, execute technical reviews of ASC 842 journal entries and use LeaseAccelerator.

As a first-choice advisor:

- RSM assisted the client throughout the ASC 842 project and related software implementation, including providing best practices for lease technology design.
- RSM's cross-functional team of professionals has extensive experience with multinational, decentralized organizations and can design a plan to meet any client's needs.
- No lease portfolio is too big or complex for RSM. From conventional real estate leases to complex embedded leases that can be challenging to identify, RSM can tailor an implementation approach that aligns with a client's unique lease portfolio.

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