

# Success story of the world leader in biotechnologies



## About the Company

International company is a world leader in biotechnologies. It develops and produces medicines on the basis of protein, introduces new therapeutic approaches for treatment of oncological and nephrological diseases. Specializing in conduction of clinical tests and development of new medicines the Company had introduced several unique products to the market, in development of which the company used its own solutions. Today it is international network, which includes more than 500 offices around the world. A representation office in Russia works since 2007.

## Objectives:

- To setup a system for parallel accounting according to Russian and international standards, allowing reduction of labor costs in accounting.
- To maintain corporative record keeping in accordance with the corporative chart of account, which is an inherent part of a contract for providing of accounting services. The corporative chart of account is same for all representation offices of the international network.
- To develop an instruction for formation of entries and update it according to updating of the corporative chart of account.
- To build a system for parallel accounting in relation to the existing cost-centers of the Company, distributed according to types of clinical studies and according to regional characteristic of congresses and symposiums, in which representatives of the Company take part. To automate the process of input of data collected from suppliers of large nomenclature of services.
- To eliminate mistakes in accounting and tax accounting with regard to recognition of expenses, incorrect accounting of accounts payable, etc., to make reconciliation of data provided by Russian and corporative accounting.

## Why BDO outsourcing department?

- A decision to switch for outsourcing in BDO was caused by: the Company's desire to eliminate mistakes made by the previous providers in conduction of parallel accounting and the Company's desire to have an opportunity to collaborate on the basis of outsourcing with personnel of BDO outsourcing department, whose aggregate experience at the moment is one of the most convincing in the market.

International company, a world leader in biotechnologies: outsourcing of accounting functions (parallel accounting according to Russian and international standards)

## Outsourcing division of BDO

- The division specializes in outsourcing of business processes in the area of accounting, tax compliance, payroll processing and HR administration for companies of different forms and with different organizational structures.
- The division was awarded with the First Prize in the nomination of "Outsourcing of financial functions" in the 1st All-Russian Award in the field of outsourcing named "Business Atlantes" organized under the aegis of International Association of Outsourcing Professionals (IAOP).
- The division has successful experience in development and implementation of processes of staff salary settlements for outsourcing clients.
- The division employs around 200 specialists and has more than 200 clients.
- Professional risks are insured by OJSC "Rosno" and by United Global System of insurance of professional liability BDO International.

## Solution and volume of provided services

- On the bases of 1C platform there was formed a corporative chart of account, which is divided into 2 and in some cases into 3 levels of analytical data. When posting of a document it allows reflecting of all information in registers of corporate accounting.
- An effective system of parallel accounting was setup as a result of which: expenses were translated from 1C to the corporative accounting system, a number of expenses, which can be reflected in both systems of accounting, was defined, that allows simultaneous formation of two entries with one document. The setup facilitates corporative accounting and allows correct formation of data.
- The principle of reflection of expenses for payments is in the basis of the corporative accounting. In this connection bank account statement as the document forming major part of entries of corporative accounting had required considerable adaptation. Additional requisites and opportunity of simultaneous formation of entries in accordance with two standards allowed considerable reduction of labor costs.
- In order to collect, systemize and manage information on the orders an ICPO PO Management system was developed in addition to the 1C platform, in which parallel accounting is conducted. PURCHASE ORDER - a corporative order for purchasing with full responsibility - is the most popular form of order of goods and services in Western countries. The setup allows accounting of ICPO in 1C system. Introduction of PO Management system allows not only formation of such a document as purchase order, that is not provided for in the Russian system of accounting, but also accounting of transactions connected to it. PO has principal opportunity to form data of corporate reporting, because it makes possible to follow strictly a principal of time property of expenses. The developed system allows using of such parameter as date of PO closing for automatic accrual of expenses in the corporate accounting.
- Upon the Client's request additional types of operations were added to the 1C system that gave an opportunity to account some expenses separately, for example, write-off of expenses for insurance or write-off of lump-sum lease payments in accordance with principles of corporative policy.
- In order to automate input of data collected from suppliers of large nomenclature of services additional operations, which allow loading of electronic documents received from the suppliers into 1C system with obligatory reflection of expenses in the correspondent analytical data, were developed.
- Mistakes in accounting and tax accounting were eliminated

## Result

In the opinion of Financial Director of the Company the provider had conducted considerable volume of work in the year of 2009: "Specialists of BDO outsourcing department have managed to reorganize and adjust parallel accounting, fine-tune and regulate defects of the previous periods, automate a lot of processes improving their quality and effectiveness. Cooperation with BDO gave me a chance to understand that accounting can be of quality, responsible and professional even in outsourcing!"

## BDO group

BDO group in Russia – audit and consulting group with 100% Russian capital, presented in the Russian market starting from 1989. In 2002, it joined BDO international, the 5th largest network of independent auditing and consulting companies in 115 countries. Currently, BDO group in Russia offers a complex support to its clients in the areas of audit, tax and legal consultations, financial consulting, management consulting, implementation and maintenance of business-applications. 50% of the Russian TOP-100 companies are our clients. BDO group employs more than 2,000 people in its offices located in all Russian Federation federal regions. The group's turnover reported for 2008 is over RUB 4.1 billion.

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