

# SUCCESS STORY OF GMAC



## About the company:

GMAC is a global investment company operating on the territory of North and South Americas, Europe and Asian-Pacific region. It was founded in 1919. Today GMAC serves over 15 million clients all around the world. Being a subsidiary of the international automobile concern General Motors, GMAC provides a wide range of financial, insurance, broker and consulting services to automobile businesses. GMAC specializes in financing of deals related to acquisition of automobiles, real estate, insurance, as well as on-line banking. Today the group is represented in over 30 countries worldwide, including Russia. At present the consolidated assets of GMAC amount to 178 billion US dollars. The control stake is owned by the state.

The history of GMAC in Russia began in 2007 when a decision on registering GMAC LLC was taken. The main activity of the Company is wholesale of vehicles and rendering services in the field of accounts receivable. The first revenue from auto sale and rendering services was in February 2008, the Company had been in the set-up stage up to that moment.

In the period of cooperation the average number of the Company's employees amounted to 30 people. The main source of the Company's income is profit from resale of vehicles which have been bought from General Motors CIS LLC to Russian dealers and profit from rendering services in the field of accounts receivable, e.g. giving dealers indulgences, operating credit risks, etc. Profit from services related to control and monitoring of availability and the distribution of automobiles beginning with the moment of the dealer's placement of order and finishing with the moment of transfer of ownership to the dealer is distinguished from other business segments. The Company also provided the dealers with exclusive information systems ensuring control of availability and the distribution of automobiles, performed control and audit of the dealer's activities related to keeping of the terms of the contract.

The Company's chief accountant together with the head office took the decision on transferring of payroll accounting and staff administering to an outsourcing basis.

"We are satisfied with the cooperation with the outsourcing division of BDO. I can recommend BDO as a reliable partner in the field of outsourcing."

Valeria Geizerova,  
chief accountant of GMAC LLC

## 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.

## Tasks:

- To free financiers of GMAC from the necessity to control the payroll accounting and staff administering thoroughly
- To provide confidentiality of the payroll data
- To obtain services related to the maintenance of staff records and payroll accounting in the Company in accordance with all requirements of the legislation from a professional provider
- To get qualified consultations on changes in the current legislation

## Outsourcing division of BDO:

The outsourcing division of BDO was recommended to GMAC by the international automobile concern General Motors. At the moment of taking the decision the outsourcing division of BDO had already provided payroll services to the Russian representative office of GM. The key factors in the choice of a provider for rendering a complex service related to the maintenance of staff records and payroll for the Russian representative office of GMAC were as follows:

- adequate price and quality ratio,
- affiliation with the BDO International brand,
- clients recommendations.

## Performance and the amount of the rendered services:

- Performing payroll for 30 employees in the Company, including 2 payroll calculations per month, including calculation of bonuses, sick pay, leave pay, compensations, payroll and tax register preparation, preparation and submitting of all necessary reports to the Tax Service, Social Insurance Fund and Pension Fund, as well as preparation of payment documents for transfer of salary and taxes.
- Maintenance of staff records for 30 employees in accordance with the requirements of the Russian labor legislation. Preparation of documents in the Russian and English languages.
- Providing consultations for representatives of the head office on payroll in English.
- Methodological consultations on controversial points of the labor legislation and reflecting the salary expenses in accordance with the requirements of the Tax Code of the Russian Federation.
- As a result of rendering services the circulation of staff documents is systematized, regular control of availability of the required unified forms is performed.
- Internal staff policies were developed and prepared jointly with the head office in two languages.
- Qualified assistance in development of normative documents, as well as in official registration of complex staff matters in the GMAC office was rendered.
- Confidentiality of GMAC personal data storage and retrieving was provided; it was one of the main conditions of the contract. In order to keep confidential the employees of the outsourcing division of BDO who took part in the GMAC project contacted only one contact person who was the GMAC authorized representative.

## Result

As a result of cooperation with outsourcing division of BDO the tasks which have been set by the Client were successfully performed. GMAC recommended the outsourcing division of BDO as a provider to another company of GM - CMAC Insurance Consortium, cooperation with which will start in 2010.

## 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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