



Case Study

Forward-thinking path to tax digitalization

How Michelin transformed tax data into strategic
business decisions

blue dot



The company

Michelin is the second-largest tire manufacturer in the world with entities and factories all over the globe. Headquartered in France, the company is also known for its coveted Red Guide awards for restaurants that are highly reputed and respected in the world of catering.

€22 bn

Net revenue

300+

Global entities

125K

Employees

€80 mn

Yearly T&E spend

The challenges

As a global company, Michelin regularly faces huge expenses for business travel. With no T&E system in place and no clear insight into their VAT recovery potential, Michelin needed a solution that would allow them to optimize their recovery using as few internal resources as possible. Also, the company sought to recover foreign VAT from invoices generated over the last two years.

- No clear visibility into global T&E VAT recovery data
- Risk and exposure due to inadequate quality of T&E invoices
- No internal resources available to take on a project of this size

The goal

Michelin's strategic goals were to find an effortless, low-cost technology solution that could provide the following:

1. Clear visibility into global T&E VAT recovery data
2. Improve compliance and manage risk
3. Leverage tax expertise for the deployment of a global T&E VAT recovery process
4. Digitalization and centralization of data and processes



"The strategy in Michelin is tax digitalization and VATBox by Blue dot is one of the simplest solutions that solve what we are doing."

Jose-Manuel Pedron-Garcia, Global Tax Process Leader, Michelin



The solution

Blue dot was chosen to digitalize and centralize Michelin's massive amount of transactional data without any formal T&E system and without involving Michelin's resources.



"We chose Blue dot mainly because of their technology. They transformed our process from a manual, decentralized workflow into a centralized digitized global process. Without any involvement required from Michelin's side. For us, this was very important because we didn't have the resources and time to spend on this activity, even as we have seen it bring us quite a lot of added value."

Jose-Manuel Pedron-Garcia, Global Tax Process Leader, Michelin

Michelin's roadmap to success



Success - Results

The easy onboarding of Blue dot's system enabled the large-scale processing of Michelin's data (over 500K invoices), resulting in a recovery that significantly exceeded Michelin's expectations. Blue dot's portal served as a continuous source of data and insights that allowed Michelin to improve its disqualification rate and continually ameliorate its revenues.

By implementing Blue Dot Michelin gained:

1. Massive boost to Michelin's bottom line



Michelin, for the first time, gained an accurate view of their VAT recovery potential.

Since the start of the partnership, **Michelin has recovered € 3,318,088 in savings from both domestic and foreign VAT as well as Accounts Payable and P-cards.**



2. Data visibility and unrivalled compliance

Since implementing Blue dot globally, no issues have been raised by the authorities, enabling Michelin to have full control over their global VAT and GST recovery process from the macro to the micro transactional level.



"The portal is helping us have good visibility from the moment that the invoice is scanned until the moment of the invoice's refund. This allows us to improve the internal communication and consequently expedite and improve the decision-making process within Michelin's organization."

Jose-Manuel Pedron-Garcia, Global Tax Process Leader, Michelin

3. Improved disqualification rate due to heightened awareness and internal education

- An informative video was created in six languages to educate Michelin's 125K employees about the importance of accurate transactional and company data
- A single regulatory model was deployed for the entire company
- The company-wide educational training effort **resulted in a 16% drop in Michelin's invoice disqualification rate from 42% to 26%**

4. Global digitized workflow

Following the initial success, Michelin expanded its partnership with Blue dot to include new entities. In 2018, the company opened a second RFP to rollout VAT automation throughout all entities and all territories. Blue dot won the business a second time and is now successfully managing Michelin's global coverage across 28 entities since the beginning of 2019.



"One of the key points that help us succeed is change management. Nobody likes change, and we have to work in a productive way and to change the process if required, in order to improve the compliance and to maximize the VAT that can be refunded."

Jose-Manuel Pedron-Garcia, Global Tax Process Leader, Michelin

Jose's four tips for success

1. Involve everyone within the company - get internal buy-in for the process.
2. Change management - help the different country stakeholders understand the importance of having correct invoice data.
3. Deploy a simple model from booking to travel justification.
4. **Lead the change you believe in.**

Jose-Manuel Pedron-Garcia Global Tax Process Leader In Michelin Since 2005

- Jose has a Master's Degree in **Business Administration**
- Uned Madrid Campus, Spain
- **BA Business Administration Tax, Accounting & Auditing** University Of Valladolid, Spain
- **+20 Years In Finance**
- **+7 Years In Tax Compliance**



For a FREE analysis of your company's Vat recovery potential, or to book a demo with the Blue dot team, contact us at www.bluedotcorp.com