

# Tackling state-to-state domestic withholding with Topia Compass

## The Challenge

As a growing company with offices in several states and countries, Watlow constantly has employees on the road. Mike Buescher, Watlow's Director of Global Tax, struggled to manage the tax challenges created by all of that travel.

What was a minor headache became a major issue in 2013, just after Watlow acquired a company based in California. "We had an unusually high amount of travel and we knew it was going to be continuing. That was the impetus to look for a solution," says Buescher.

Business travelers were creating substantial exposures for Watlow, but managing those exposures was a time-consuming process. Watlow prides itself on running lean and the payroll and tax teams simply didn't have time to document and manage the exposures manually. They tried coordinating with the company's travel department to download all of the company's travel, but knew they needed a better system. "It was not a fun job," says Jim Arnold, Tax Manager at Watlow. "We were doing a manual process and it just wasn't very efficient."

Furthermore, many company executives weren't even aware that travel was creating tax exposures. "While the VP of HR and the CFO were certainly aware of it, we had to do a lot of education for everybody else," explains Buescher. Travel was creating liabilities for both the company and its employees; the problem had to be addressed.



## About Watlow

Since 1922, Watlow has designed and manufactured all of the components for state-of-the-art thermal systems. The company now holds more than 415 patents and employs 2,000 employees working across nine manufacturing facilities and three technology centers in the United States, Mexico, Europe, and Asia.

- Headquartered in St. Louis, Missouri
- Technology manufacturing
- 2,000+ employees
- 9 manufacturing facilities



## The Solution

After implementing Topia Compass, Watlow was able to proactively manage multi-jurisdiction tax issues. **“We have better and earlier visibility into where people travel, which makes us better off,”** says Buescher. Buescher and Arnold can see the company’s travel patterns in real-time on dashboards and receive early warning alerts before tax thresholds are triggered.

An unexpected side benefit of implementing Topia Compass was enabling others at the company to see the travel patterns and the tax risks they caused. “The travel patterns were a surprise to a lot of other people on the company’s management team,” says Buescher. “Even though they’re directing a lot of that travel, I don’t think it occurred to them how much time people actually travel. It was an eye-opener.” Having hard data on the company’s travel patterns enabled the tax division to make a stronger case to other departments.

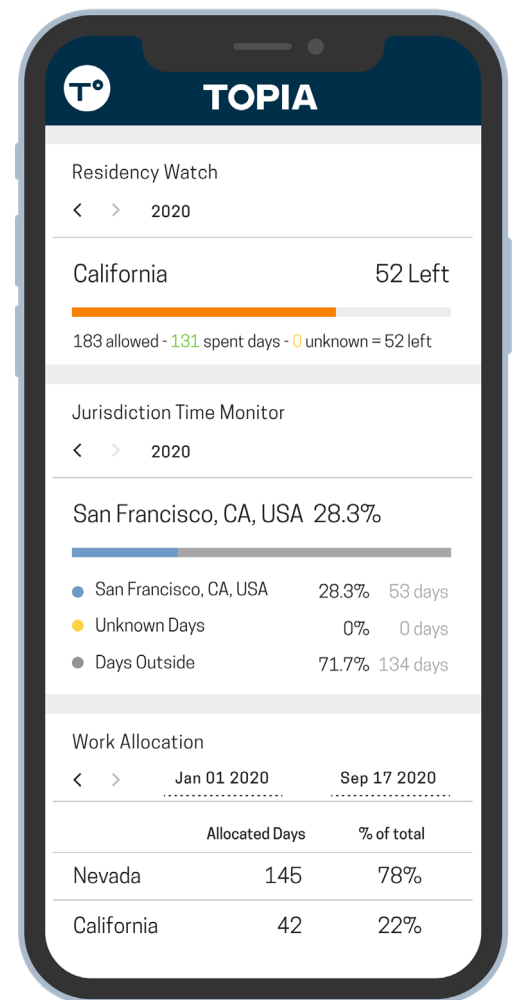
## The Results

Topia Compass has provided Watlow with a number of benefits including:

- High-quality, real-time data on company travel patterns
- Streamlined payroll withholding, saving time for both the Travel and Payroll departments
- Early warnings alert both travelers and the Tax department as thresholds are approached
- Hard data to protect the company in the case of an audit

## Automated payroll withholding

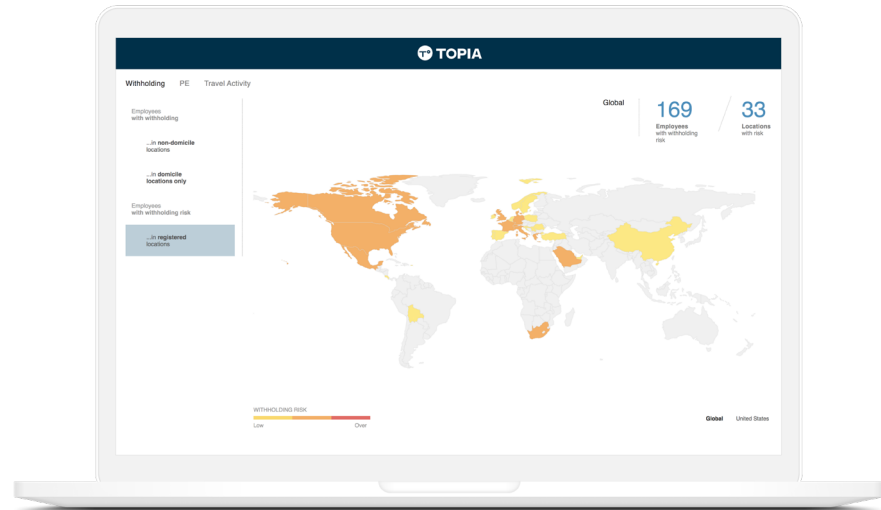
Withholding pay across state borders also became easier after implementing Topia Compass. Topia Compass integrates with Watlow’s Infineon payroll solution, automatically withholding payroll tax to the appropriate states. **“The automation is a major benefit,”** says Arnold. “The old process was so manual, having something seamless is huge for us.” Allocating pay to the appropriate state at each paycheck also means there is no “catch-up” at the end of the year. This not only eases the load on Watlow’s payroll department, it also saves time for employees at year-end. Employees now don’t have to worry about catching up on nonresident taxes at the end of the year and receive W-2s for every state in which they must file.





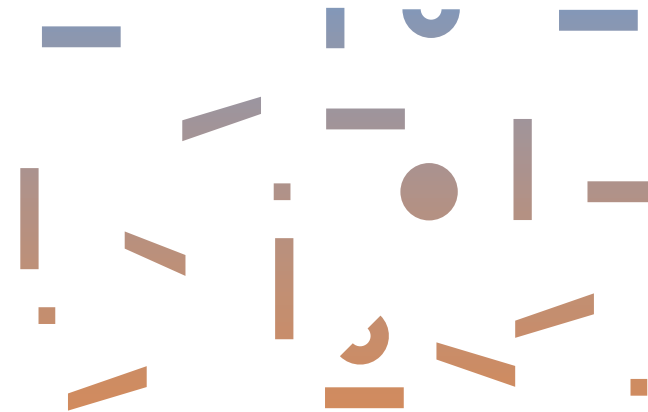
## Flexibility

Topia Compass' entirely customizable rules make it easy for Watlow to update the system as their company grows and their needs change. Adding or removing travelers, adjusting thresholds or adapting the system to new legislation is a quick, simple process. **“Not only is Topia Compass a comprehensive solution, it's easy-to-use and it can be adjusted as our needs change,”** says Buescher. For a growing company, such flexibility is necessary for any software solution.



## Audit readiness

Both Buescher and Arnold cite the peace of mind that comes with audit readiness as a major benefit of implementing Topia Compass. **“We want to comply with the various state laws and Topia Compass helps us do that,”** says Arnold. Buescher adds, “We’ve established a company policy that has a practical approach. Topia Compass really helps us from a compliance perspective.” Implementing Topia Compass has made Watlow more efficient and more compliant, saving the company money on both existing and potential costs of business travel.



## About Topia

Topia is the leader in Global Talent Mobility. We empower enterprise HR teams to deploy, manage and engage employees anywhere in the world. The Topia Global Talent Mobility platform enables businesses to deliver mobility as part of a broader talent and business strategy with enhanced employee experiences. This drives competitive advantage by ensuring the right people in the right place at the right time. The Topia platform automates the entire global talent mobility process, from scenario-based planning, compliance risk management, expat payroll, reporting and more. Topia powers global talent mobility programs for many of the world's most trusted brands, including Schneider Electric, Dell, Veolia, Equinor, AXA. Topia has raised over \$100M from New Enterprise Associates (now NewView Capital), Notion Capital and others, and is a global company with offices throughout the Americas and EMEA.

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