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Sean Pourquie  
Senior Manager of Global Financial Reporting, Randstad

**The Challenge**

Randstad’s centralized accounting group is responsible for meeting all IFRS 16 compliance requirements – no small task given the decentralized structure of this large, global company and its huge portfolio of leases, estimated at around 16,000 contracts.

Randstad operates 150 companies in 39 countries. Each operating company has full responsibility for management and reporting of all lease agreements. Therefore, in order to successfully meet IFRS 16 requirements, the Randstad accounting group had to identify and implement a software solution that could be used worldwide, as well as educating all stakeholders in new accounting standards and related processes to ensure consistency in all reported lease-related data.

While most lease contracts are for cars, the solution also had to have the ability to handle leases for buildings and land, technology, and equipment.

**The Objectives**

Once the decision was made to take a full retrospective approach for IFRS 16, Randstad had three overarching objectives:

- To incorporate lease-related data and report its impact in the company’s 2017 annual report
- To perform full retrospective “shadow” reporting in 2018, with monthly like-for-like figures under the new IFRS standard
- To be fully prepared to adopt the new standards by 2019.

**The Solution**

The Randstad accounting group recognized early on that complying with IFRS 16 would be a time-intensive multi-year project. Even before a software selection was made, the group began an intensive evaluation of the company’s lease landscape and performing initial impact estimates. This preliminary work proved to be invaluable, not only in the headstart it gave Randstad in preparing for IFRS 16 compliance, but also in developing realistic use cases for software evaluation. Once the company had identified a short list of four IFRS 16 solution providers, the company tasked each to perform a proof of concept based on 24 lease calculation scenarios it compiled. Only two solutions provided accurate results.

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**Company**

Randstad N.V.

**Industry**

Services

**Uses CCH Tagetik**

Financial Transformation Platform in the Cloud for:

- Consolidation and Closing
- Collaborative Reporting
- IFRS 16 Lease Accounting

**Key Fact**

- Multinational staffing and consulting firm, specializing in flexible work and human resources services; the second largest HR services provider in the world
- Founded in 1960; headquartered in Diemen, The Netherlands
- Approximately 39,000 employees and 4,750 branches and in-house locations in 39 countries
- €23.3B in annual revenue in 2017
However, Randstad had two additional criteria that the solution had to meet. Its user interface had to be intuitive and easy enough for users worldwide to pick up quickly. It also needed to be Excel-based, with an Excel template for uploading all lease data. Not only would such a template be familiar to users in the local operating companies, but it would also automate the upload process and eliminate manual data entry.

CCH Tagetik met all of these requirements and provided “bonus” capabilities for managing workflows and providing audit tracking of all submitted data. Randstad officially selected CCH Tagetik’s IFRS 16 Lease Accounting Solution in June 2017. It held two-day on-site user training in nine locations for approximately 115 system users and stakeholders. The first day of training focused on the details and requirements of IFRS 16 and its accounting impact; the second day focused on the hands-on use of the CCH Tagetik solution. Randstad also provided supporting reference resources to ensure ongoing guidance for interpreting lease-related standards.

The new solution was officially launched at the end of 2017, and it is now being used for “shadow” reporting in preparation for a complete transition in 2019.

**The Result and Benefits**

In addition to helping Randstad fully meet IFRS 16 reporting requirements, the CCH Tagetik solution has proven to have several other benefits, according to Sean Pourquie, senior manager of accounting and reporting. “The solution’s workflow management capabilities and audit tracking force our operating companies to take responsibility for the data submitted and become much more engaged in the process overall,” he said. “Since the system requires them to stand behind their numbers, they’ve also recognized the need to continually improve their processes to ensure data accuracy.”

Pourquie also cited the benefit of adopting the solution early. “As we got into lease details, we identified exceptional cases that required special handling. For instance, one real-estate related lease contract did not require payments for summer months when the facility was not in use. Since we started working with CCH Tagetik early, we have been able to develop workarounds for such exceptional cases which save us a lot of time.”

**About Randstad**

We are a global leader in the HR services industry and specialized in solutions in the field of flexible work and HR services. By combining our passion for people with the power of today’s intelligent machines, we support people and organizations in realizing their true potential.

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