

# SUCCESS STORY: ALL WORLD MACHINERY SUPPLY

## Acquiring an All-Around Business Partner



Wipfli is easy to work with and is always responsive. They feel more like a partner, beyond just providing services. They want us to succeed.

- Kyle Koepp, Director of Finance and Administration, All World Machinery Supply



### CLIENT PROFILE: ALL WORLD MACHINERY SUPPLY

Founded in 1993, All World Machinery Supply, Inc. is a highly successful mechanical parts provider in the global industrial marketplace. The company's headquarters are located in Roscoe, Illinois, with branch facilities in Georgia, Ohio and Mexico. All World operates as a subsidiary of Daikin Group and supplies a wide range of mechanical systems, parts and services rarely found from a single source.

#### The Need to Find the Right Fit

As a new subsidiary of Daikin Group in 2008, All World considered joining the ranks of the Japanese company's other subsidiaries in using the same financial statement audit provider. However, after meeting with that provider, All World declined the opportunity. Not only were the provider's fees significantly higher than what the company considered fair, more importantly, the business fit simply was not there.

All World found a better fit with Wipfli. Wipfli's fees were reasonable and fair, and the firm exhibited shared business values as well as manufacturing and distribution industry expertise. In 2008, Wipfli began completing the company's financial statement audits. In 2010, Wipfli transitioned All World to March 31 year-end financials to mirror Daikin's year-end.

Today, All World continues to rely on Wipfli for audits and receives them in record time because audits are due within two weeks from year-end.

#### A Strong Relationship Built Over Time

All World appreciates the strategic mindset Wipfli brings to every engagement. As a result, the firm continues to point out opportunities that will benefit All World as they arise. Recognizing the value of Wipfli's recommendations, All World began using the firm for a variety of additional engagements. Among them:

- **Research and Development (R&D) Tax Credits:** Many businesses overlook a tax incentive for R&D activities at the federal and state levels. During the 2013 audit, Wipfli recognized that All

World would benefit from the R&D tax credit following the discovery that All World engineers routinely made custom modifications to machinery sold to customers and that the company began developing its own products.

- **Cost Segregation:** With All World's move to new, larger headquarters in Roscoe, Illinois, Wipfli recommended the company undergo a cost segregation study. Wipfli conducted an in-depth, engineering-based analysis of the costs associated with the building construction to find accelerated depreciation deductions that increased All World's cash flows and current tax deductions.
- **Tax Planning and Preparation:** In 2016, Wipfli began preparing All World's business tax returns. With a comprehensive view of compliance, taxation and regulation, Wipfli performs the service with a proactive approach to diffuse problems early, eliminate surprises and convert challenges into opportunities. Such an approach has helped All World minimize state, local and international tax issues, further resulting in monetary and personnel time savings.

In addition, All World has worked with various other accounting firms in the past and managed personnel changes in the company's in-house accounting positions. Throughout that time frame, Wipfli provided assistance and guidance in a variety of capacities, including:

- Cash flow analysis.
- Operational advice.

- Quarterly financial reporting.
- Quarterly income tax estimates.
- Tax reform advice.
- Various non-income tax filing requirements/assessments.
- State and local taxes.
- 401(k) third-party administrator fees assessment.

## Benefits and Results

All World believes it has an accounting and tax partner who looks out for its best interests. "There's no limit to how far Wipfli will go to roll up its sleeves and ensure a successful engagement," said Kyle Koepp, All World's director of finance and administration.

One illustration of this commitment came in 2014 as All World was bursting at the seams and preparing to move to new headquarters. To conduct its annual inventory observation as part of the audit, Wipfli representatives climbed into the jam-packed semi-trailers All World used as temporary storage solutions to complete the inventory counts.

Beyond service, All World has benefitted from its partnership with Wipfli in some very distinct and measurable ways:

- By using Wipfli for its financial statement audits instead of the provider used by other Daikin subsidiaries, All World estimates a yearly savings of \$70,000 to \$100,000.
- The cost segregation study performed by Wipfli netted All World a savings of \$210,000.
- R&D tax credits are approaching

nearly \$1 million over five years, with additional credits and benefits going forward as All World evolves toward more R&D opportunities.

- In addition to annual tax preparation, All World receives quarterly projections of its tax liability to reduce overpayments at year-end and increase cash flows.

In addition to the successful engagements with All World to date, Wipfli is fiercely focused on the company's future and is working to help All World with Industrial Internet of Things (IIoT) solutions for current and future products. The IIoT solutions will provide All World and its customers more insights into key performance metrics such as quality, labor and availability, along with predictive maintenance and energy savings opportunities.

Wipfli helps more than 3,800 manufacturers and distributors of all sizes and types by bringing sound solutions, proactive advice and a partnership commitment to every engagement.



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