



Case Study

Name	Apex Tool Group
Industry	Manufacturing
Employees	~7000
Revenue	1.3 Billion USD
Countries	30+
Headquarters	Sparks, Maryland
Auditor	E&Y
Company Type	Private



Apex Tool Group

Leveraging industry-leading lease accounting software for a global lease portfolio.

Leases

300+ Leases

Lease Type

Equipment, Vehicle, Real Estate

Standard

ASC 842

Apex Tool Group (ATG) is one of the largest manufacturers of professional hand and power tools in the world, serving the industrial, vehicle service and assembly, aerospace, electronics, construction and serious DIY markets.

Their portfolio of innovative powerhouse brands includes SATA®, GEARWRENCH®, Crescent®, Cleco®, Weller®, and APEX®. They also manufacture select, premier private label mechanics tools. Across the board, their tools stand for quality, innovation and value.

ATG works collaboratively with distributors, retailers and larger customers across the globe to make sure end users have the tools they need to solve real-world problems. Their unique category management approach provides customers with end-user data, market research and voice of the customer insight, which helps drive inventory, display and promotion decisions.



Selecting the right software

Why Visual Lease

As a widespread company holding leases across multiple locations, ATG was searching for a tool to streamline ASC 842 lease accounting compliance efforts. With a heavy focus on manufacturing-related leases, it was necessary to find a solution to simplify the consolidation of more than 300 leases.

ATG's Leases by the Numbers

40%

Vehicles

30%

Equipment

30%

Real estate

Real estate leases are significantly more complex and expensive than other leases. Significantly more than half of ATG's leased financial obligations are made up of real estate leases, despite representing only a small fraction of their entire lease.

With leased assets located across the globe, ATG looked for a robust lease accounting system that could serve as a single-source for their large lease portfolio, including multiple complex leaseback real-estate agreements. It was clear to ATG the best way to achieve lease accounting compliance was through software that seamlessly fit into their business.



What Visual Lease delivered



A tailored experience

Visual Lease's fully configurable SaaS system meant ATG could easily capture specific fields relevant to their business. They were drawn to the simplicity of being able to access, amend and remeasure any lease within their portfolio in one place.



Simplified user interface

When evaluating various lease accounting providers, ATG's main priority was finding a system that was easy to use and intuitive. ATG found the look and feel of Visual Lease to be incredibly useful; the logical user interface meant they could spend less time inputting leases and generating reports.



Intuitive reporting

Visual Lease's reporting dashboard and configurable ad-hoc and standard reporting options stood out against the competition. Users have the option to select different ways to generate various reports, which makes it easier to produce reports such as amortization schedules and journal entries.

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Using Visual Lease, the ATG team has been able to quickly produce quarterly reports.

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Like many other companies preparing for lease accounting compliance, gathering a complete inventory of leases proved to be the most time-consuming and painful part of the implementation process for ATG. Before any lease data could be populated into the Visual Lease system, the ATG accounting team sent out surveys to various business units to identify leases across the company.

In doing so, ATG identified over 300 potential leases to be represented on the balance sheet. However, ATG ended up recording roughly 120 leases in Visual Lease due to their materiality thresholds. For example, some vehicle leases could be consolidated due to the same lease terms (i.e. start and end date); however, any vehicle leases with different contract terms needed to be separately represented within the system. In addition, for complex leaseback agreements, ATG had to identify what information was required or not applicable to capture within the system.



Visual Lease's in-house implementation expertise and configurable import templates were critical in capturing the relevant lease information within the system. ATG also partnered with Deloitte consultants throughout implementation to set up the Visual Lease platform.

Implementing Visual Lease

Visual Lease's expert, hands-on implementation structure set up ATG for success.



Designated implementation managers

Right from the onset of implementation, our hands-on implementation managers provide guidance through each step of the process and ensure consistent, ongoing communication every step of the way.



Identified project milestones

Clearly defining each step of implementation, Visual Lease provides a documented implementation project plan to meet your needs right from the start.



Platform configurations

Every field and report within Visual Lease is configurable. We work with you to get your system set up right – and reflect your organization's terminology.



Validation and testing

Dedicated to ensuring your information is represented accurately, we build in the time to test your data during setup of the Visual Lease platform.



Lessons learned from implementation

Promptly gather data

Although **ATG started gathering lease data 18 months prior to implementation**, this was a major challenge for the company. No matter how much you prepare beforehand, there is almost always more lease information that will need to be gathered. Before ATG started implementation with Visual Lease, contracts changed and there were new leases and amendments to be made, which caused more work to be done than anticipated. It is very time-consuming to locate and gather the required fields within each lease. Leases are ever-evolving, and as leases continue to change to this day, ATG continues to sort through updated lease information.



Take advantage of trainings

Visual Lease provides a variety of different trainings on how to use the platform, including topics like reports. ATG uses specific pre-saved and ad-hoc reports on a monthly basis. Through proper training about Visual Lease's reporting capabilities, ATG is prepared to utilize various specific reporting features available to them.

Communicate between teams

As a global business, ATG has to manage coordination between a decentralized team. With over 60 entities located throughout the world, Nick DeNichilo at ATG and his accounting team partnered with Deloitte and more than 15 accounting teams located globally throughout the business to achieve lease accounting compliance. Having consistent, ongoing and clear communication between each team was incredibly helpful to ensure every lease was accounted for – and done so properly.

Post adoption



Solving major gaps with Visual Lease

ATG successfully adopted ASC 842 with Visual Lease as their lease accounting software provider of choice. Since doing so, Nick DeNichilo, Director of Financial Reporting and Technical Accounting, and his team touts the simplicity and ease of performing monthly and quarterly lease accounting calculations. Visual Lease has enabled the ATG team to quickly produce quarterly reports (such as: FASB journal entry summary and year-to-date balance sheet/income statements) entirely within the system, without needing to rely on further outside manipulation.

In addition to running concise, complete reports, ATG is now able to quickly deliver sufficient support and backup to external auditors using the software's Financial tab, which provides a breakdown of all necessary lease information.

With every leased asset in one centralized location, it is incredibly easy to distribute various lease information to individualized areas across ATG's global business. The accounting team can quickly login to the system, view lease-level details and lease information however they need to, and provide information on different levels depending on who's asking the question within the business.

ATG also stays on top of ensuring there are controls and approvals around updating, editing and approving any changes to their leased assets.

Major pain points prior to Visual Lease

Prior to Visual Lease, ATG did not have a detailed centralized repository of all relevant financial information for their material leases. They utilized Excel for other calculations, reported on a summary level, and realized it would not be feasible to use for the hefty calculations required for ASC 842.

Through successful implementation, now, ATG is able to run all necessary calculations, and easily access any leases that need to be adjusted.



About Visual Lease (VL)

Visual Lease (VL) is the premier platform for integrated lease management and lease accounting, trusted by enterprises worldwide to navigate complex portfolios with precision and ease. As the centralized system of record for all lease-related financial, operational, and legal data, VL is purpose-built to support every team involved in managing a company's leased and owned assets. Informed by nearly three decades of experience, our platform integrates lease management, lease accounting, and sustainability reporting, enabling organizations to save time, mitigate risks, reduce costs, and support sustainability initiatives. Our award-winning software is used by 1,500+ organizations to manage more than 1 million real estate, equipment, and other leased asset records globally. For more information, visit visuallease.com.