

How HMD Global/ Nokia Accelerated IFRS 16 Compliance with Trullion

Case Study

About the Customer

HMD Global Oy (“HMD”) was established in late 2016 as the new Home of Nokia Phones, when HMD entered a strategic licensing agreement with Nokia for global exclusive rights for Nokia brand in mobile phones and tablets. In addition to the devices, HMD offers value-added services such as extended warranty plan, Nokia phone insurance and HMD Connect global data roaming service.

The HMD team is based around the world in over 50 locations and the current lease accounting portfolio consists of approximately 40 office leases.

The Challenge

HMD Global converted from local Finnish GAAP to IFRS compliance and had no previous process for lease accounting in place. With the daunting task of reporting on office leases in nearly 30 different countries and a “handful” of car leases to analyze over the transition period, the finance team realized that “30, 40 leases with multiple currencies might get complex.”

Website

www.hmdglobal.com

Industry

Telecom & Consumer Electronics

Headquarters

Espoo, Finland

Employees

~750

of Leases

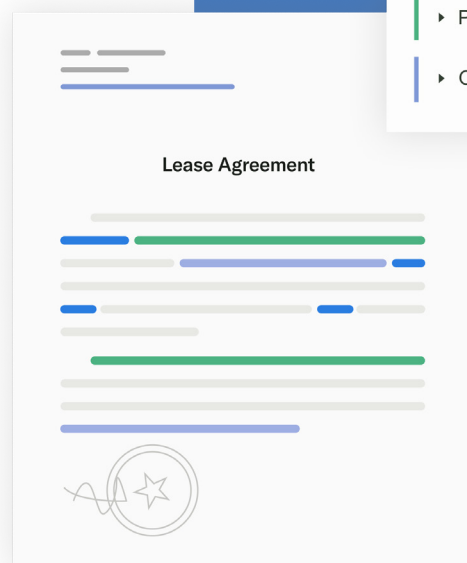
40 Real Estate

Auditor

PwC

AI Contract Extraction

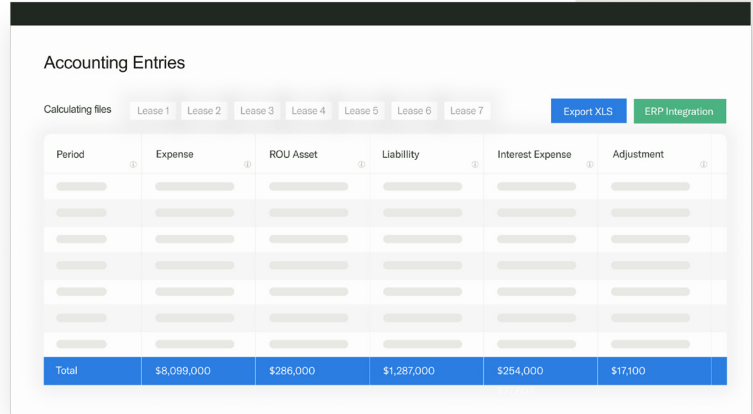
- ▶ Dates
- ▶ Payments
- ▶ Options



The Process

Ville Räsänen, HMD Global’s Senior Finance Manager, and his team began looking for lease accounting software vendors locally. “We knew a couple of players from the Finnish market which have come to the market share and would be the go-to guys. We interviewed those guys and attended demo sessions.”

When Trullion was thrown into the mix as an option for a vendor, Räsänen was immediately taken by the AI capabilities, as well as the look and feel of the platform. He explains that the platform “felt like using an Apple Store or kind of native app.... One of your customers called it the most beautiful accounting software. So, I could support that.”



Period	Expense	ROU Asset	Liability	Interest Expense	Adjustment
Total	\$8,099,000	\$286,000	\$1,287,000	\$254,000	\$17,100

The Solution

For HMD, Trullion had an advantage over other vendors in that it can integrate with, yet is a separate tool from, their ERP system. “It’s a completely separate tool and separate system where you run the reports and then you upload it to the ERP or through your consolidation as a topside churn out. And for us, that was a positive because we didn’t need to have a heavy involvement from our IT team and no costly implementations between the systems. So we felt that this, for us, as a startup, was a more flexible and a lighter option, better than having SAP (or Oracle or other big players) own these calculations.”

Saving Time and Money

Trullion proved to be a cost-effective solution for HMD. “As a startup, we make every investment count, so we needed to have a cost-efficient solution and we felt with artificial intelligence, and how fast it was to analyze and document everything, there was an upside that it could also save us time and money.”

In addition to saving the team money, the Trullion platform has reduced the amount of manual work the finance team is investing in the compliance project.

"From experience, when we tried to do the kind of manual Excel calculations in the beginning, documenting all of that, without Trullion we would have spent at least twice as much time. And then we would have had to prepare such a consolidated disclosure report that we are able to get from Trullion. I’m not sure how many weeks that would have taken us...I would say that it’s at least twice as fast with Trullion."

HMD also noted that simulating all the impacts that the different transactional and functional currencies would have on the final consolidated reporting might have been extremely demanding.



TRULLION



Improving Accuracy

Another advantage of Trullion, explains Räsänen, is the accuracy of the reporting and the calculations. “There are true benefits that you will have the journals and disclose notes from the same source. Everything from the systems or the quality of the documentation is much better when it’s in the tool that you can check the calculations. With Excel, there’s always the possibility of running into human error, so you mess up a formula and that kind of thing.”

Streamlining IFRS 16 Compliance

HMD is using Trullion to document past periods of 2019 and 2020 for IFRS, as well as moving forward. **The reporting feature in the Platform has played a significant role for HMD’s transition into IFRS compliance, particularly their appreciation for “the consolidated reports that you can run from the system, especially because IFRS 16 has quite comprehensive disclosure requirements. You are able to get them from one source system and it ties to that kind of bookkeeping entries and that is saving us a lot of hassle going forward that everything ties together. And it’s a neat report, basically answers all our disclosure requirements.”**

Conclusion

In addition to all of the benefits mentioned above, Räsänen highlights the standout customer support and responsiveness he receives from the Trullion team. “One of the big positives and kind of appreciations that we have for Isaac and the team is that they listen to us...whenever we have any kind of needs, they can kind of identify that it’s not just us saying, but this might be - and will be - something that the other clients would be asking in the future. They took those initiatives and put them into the production. We have been very satisfied, and we are obviously very happy that we are comfortable to also share with our network that Trullion is a player to consider if anyone is looking for a lease software.”

About Trullion

Trullion is an AI-powered SaaS platform that automates accounting workflows for CFOs, Accountants and Auditors. Our Platform unifies the unstructured and structured worlds of accounting by reading PDFs and Excel, and translating them into financial workflows, such as Lease Accounting and Revenue Recognition. With offices in New York and Tel Aviv, we are backed by Aleph, Greycroft, and financial executives from SAP, Ernst & Young, AirBnB and Dropbox.