Global Transaction Tax Solution
Facilitating transaction tax management for improved compliance, better cash flow, and a stronger competitive advantage
Are you managing your transaction tax system? Or is it managing you?

As marketplaces globalize and e-Business proliferates, the new model requires that enterprises conduct business across nations, trade zones, and multiple interaction channels. The old paradigm that dictated one channel for both the buy and sell sides of an enterprise does not hold true today. There are multiple channels—direct, indirect, and electronic. In an environment of constant growth and change, corporate tax and IT departments are scrambling to satisfy a greater number of partners and differing customer expectations. Mergers, acquisitions, and the deployment of numerous enterprise systems further complicate managing transaction taxes across the globe.

You can demand more

If you are facing these challenges, and if you believe it is possible to demand more accountability, agility, and a better return on IT from an enterprise transaction tax system, HP can help.

During a sweeping investigation of its own enterprise environment, HP discovered more than 150 application-specific tax calculation engines—and a high total cost of ownership (TCO) for its transaction tax system. HP is currently replacing these systems with a single, global transaction tax service. This new service not only addresses transaction tax compliance but also strengthens competitive advantage through reduced operating costs. It also helps to lower the cost of goods sold by improving transaction tax accuracy on the buy side of the enterprise.

Global enterprises like yours need a transaction tax system that improves compliance, reporting, and administration of ever-changing transaction tax laws and regulations. The system must also provide timely, accurate information to customers and business partners. Transaction tax systems should be capable of managing and consolidating compliance reporting and meeting filing requirement deadlines without undue stress and with minimal manual work.

In the age of increased government scrutiny, tax compliance has taken center stage for senior-level executives. The complexity of transaction tax processes can lead to inaccurate tax payments, impacting the corporate bottom line and triggering audits. A unified global transaction tax solution offers finance and tax executives a single view of enterprise transaction tax liabilities. Equally important, it improves tax calculation accuracy, reducing non-compliance exposure.

For IT executives, dealing with a decentralized tax system means incurring the costs of maintaining multiple tax engines as well as grappling with potential issues when upgrading or consolidating systems. In addition, significant IT resources must be dedicated to creating and maintaining a custom many-to-many interconnect that links all systems required for reporting. A single global transaction tax system—offered as a service to business groups that need to perform transaction tax calculations—means a smaller custom code base to manage, freeing software specialists to work on more strategic projects.
Driving business transformation with a single, global transaction tax solution

In a decentralized transaction tax environment, tax professionals must often rely on IT professionals to help them implement new tax rules and rate modifications. By contrast, the HP Global Transaction Tax Solution makes it possible for tax professionals to make these changes themselves through easy-to-use, controlled-access interfaces.

The HP Global Transaction Tax solution is already delivering value. HP expects to recover its design and implementation investment within two years of deployment.

Benefits for tax and IT

The HP Global Transaction Tax Solution helps increase business agility, processing speed, and accuracy by providing a single, global service and consistent processes for managing transaction taxes enterprise-wide. This robust solution is designed to address the needs of both tax professionals and the IT organization on multiple fronts, including these:

**Reduced cost**

By consolidating multiple systems into a single, global service, this innovative HP solution can positively impact your bottom line by streamlining the tax content maintenance and reporting processes and therefore reducing exposure to tax overpayments, underpayments, audits, and penalties.

**Improved accuracy and compliance**

Through its support for advanced transaction tax analysis and its ability to provide and manage tax content for more than 50 countries, the HP Global Transaction Tax Solution can improve transaction tax accuracy and compliance across the globe significantly.

**Enterprise-class accountability**

Developed by HP for HP—to manage its own highly complex transaction tax process—this advanced solution brings enterprise-class accountability to your organization.

**Reduced effort, increased return**

Because the HP Global Transaction Tax Solution eliminates the need to develop custom reporting tools, it potentially increases return on IT (RoIT). In addition, through consolidated tax compliance and reporting, it reduces the tax maintenance effort and audit exposure—potentially increasing return on the tax function.

**Improved agility**

With its ability to provide accelerated support for new business systems, the HP Global Transaction Tax Solution can increase your enterprise’s worldwide business agility, helping it to deal more effectively with events such as mergers and acquisitions that drive change to the business systems landscape.

**High scalability, reliability, and security**

Built on state-of-the-art Web services technology, the HP Global Transaction Tax Solution can scale to handle millions of transactions a day. Its J2EE standards basis supports the highly reliable, available, secure environment that is critical to tax processing. HP has applied for patents on several key components to protect its intellectual property.
## Before—and after

This chart presents an overview of a typical enterprise transaction tax scenario and the improvements your organization can reasonably expect after deploying the HP Global Transaction Tax Solution.

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<th>Business process</th>
<th>Current situation</th>
<th>After the HP Global Transaction Tax solution</th>
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<td>Sell-side tax calculations</td>
<td>• Multiple, application-specific calculations</td>
<td>• Calculations driven by business process rather than by individual application</td>
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<td></td>
<td>• Multiple, geographically separated calculation systems</td>
<td>• A single, global calculation service</td>
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<td>(accounts receivable)</td>
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<td>• Manual tax verification</td>
<td>• Automatic rule-based tax verification</td>
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<td>(accounts payable)</td>
<td>• User-selected business scenarios</td>
<td>• Business case-driven calculation</td>
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<td></td>
<td>• Multiple data sources</td>
<td>• A single, global calculation service</td>
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<tr>
<td></td>
<td>• Custom software required to connect multiple processes and systems</td>
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<td></td>
<td>• Historical details available only by querying individual business systems</td>
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<td></td>
<td>• Manual data entry for tax filing</td>
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<td>Compliance reporting</td>
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<td>• A single, global data source with detailed transaction tax-specific data</td>
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<td></td>
<td>• Dedicated connectivity to individual business systems</td>
<td>• Dedicated connectivity to individual business systems not required</td>
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<td></td>
<td>• Historical data readily available</td>
<td>• Historical data readily available</td>
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<td></td>
<td>• Manual data entry for tax filing</td>
<td>• A single, global view</td>
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<td>• Tax-relevant documentation distributed over multiple business systems</td>
<td>• Automatic tax filing</td>
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<td>Transaction tax content maintenance</td>
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<tr>
<td></td>
<td>• Specific content required for each process/system</td>
<td>• Centralized content maintenance</td>
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<td>• Third-party content updates</td>
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<td>• Complex content maintenance procedures</td>
<td>• Industry-specific content</td>
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<td>Ad hoc analysis</td>
<td>• Access to multiple data sources required</td>
<td>• A single interface for access to a central data source</td>
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<td>• No single point of truth for tax-related data</td>
<td>• Pre-defined queries</td>
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<td>• Comparison of tax-driven business scenarios</td>
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When you implement the HP Global Transaction Tax Solution, you are improving the ability of your enterprise to respond to change.

What do you get?
The HP Global Transaction Tax Solution consists of a strategically focused package of components and services, from HP and trusted solution partners, including these:

- State-of-the-art tax calculation components
- Tax reporting templates
- A tax content service with specific content for a variety of vertical industries
- Integration services
  - Adapter templates for key enterprise applications such as SAP R/3 and Oracle 11i
  - Adapter templates for tax engines from companies such as Sabrix and Taxware
  - An advanced data model for tax reporting and analysis
  - Software modules for transaction tax routing
- Software services for adapters for customer-specific business applications
- Testing services
  - End-to-end functionality testing
  - Stress testing
  - Automated tax content update verification
- Infrastructure services
  - High-availability and fail-safe design
  - Capacity planning
- Move-to-production services
  - Migration and deployment services worldwide
- Continuous solution engineering
  - Software enhancements
  - Technology refresh
- Operational and engineering support
- Optional hosting services

Put the HP Global Transaction Tax Solution to work for you
An effective transaction tax system is a necessity in today’s ever-changing global markets. But there’s no need to reinvent the wheel. HP Services will work with you to deploy the enterprise-class transaction tax solution you need to meet your compliance and reporting requirements well into the future.

When you implement the HP Global Transaction Tax Solution, you are leveraging the experience of a company that developed a comprehensive solution to meet the needs of its own complex tax situation. Equally important, you are improving the ability of your enterprise to respond to change and, in so doing, are putting in place a key building block of the Adaptive Enterprise.

For more information
To learn more about the HP Global Transaction Tax Solution, contact your local HP sales representative.