

Cisco Systems
San Jose, CA
www.cisco.com



Year Founded
1984

Annual Revenues
\$24.8B (FY 05)

Number of Employees
34,000 (2004)

Industry
High Technology

Sabrix Products Used

- Sabrix Sales Tax Manager
- Sabrix Use Tax Manager
- Sabrix VAT Manager
- SabrixConnection™ Toolkit for Oracle Database

Platform
Oracle 11i E-Business Suite

Cisco improves their tax department's ability to respond rapidly & accurately

The Customer

Cisco Systems, Inc. is the worldwide leader in networking for the Internet. Cisco provides the broadest line of solutions for transporting data, voice and video within buildings, across campuses, or around the world. Their products and services help customers build their own network infrastructure and allow communication with customers, prospects, business partners, suppliers and employees. Cisco's IP networking solutions are the foundation of the Internet and most corporate, education, and government networks around the world.

Tax Challenges

- With tax professionals and systems distributed world-wide, tax consolidation and visibility became a challenge.
- Due to its rapid expansion into new markets and increased channels of distribution, Cisco desired a central audit and compliance database.
- Need for a truly global solution that could address global business practices
- Ability to provide real-time, global tax determination for each and every transaction

Why Sabrix?

- Sabrix enabled them to respond quickly in support of all business and system changes globally.
- Sabrix simplifies and improves tax automation processes through globally distributed management and control.
- Sabrix achieves real time, global tax visibility.
- Reduces costs

Business Benefits

- Tax professionals worldwide now have the ability to rapidly implement and control tax changes in support of business and system changes.
- Cisco's corporate team has worldwide visibility and control over all transaction tax.
- Able to ensure no underpayments, overpayments, or penalties will be incurred, reducing risk and exposure
- Improved strategic tax planning and optimization
- Sabrix enabled Cisco to increase efficiency and save money by reducing transaction tax management costs and the IT group is no longer burdened with tax policy, rules and content maintenance.

" The Sabrix Solution has given us the confidence that we will be able to handle the volume of transactions we have, and to streamline compliance on a global basis."

*-- Glen Rossman,
Vice President of Tax*

The Technical Requirements

Cisco's technical team required a single, centralized tax solution that could connect to all of their systems world-wide with the scalability and performance capabilities necessary to support their significant global transaction business volume. To ensure an effective rollout in 2003, Cisco required that the chosen tax solution meet all business and technical requirements of a rigorous pilot test during 2002.

The Business Requirements

A tax solution that provided Cisco's tax professionals with the ability to respond to and fully support the company's rapidly changing global business environment was a top priority. They needed a solution that would empower them to quickly and easily implement tax, business, and system changes without requiring substantial support and custom programming by IT.

To be appropriately responsive, Cisco tax professionals in each country wanted access to the tax system so they could manage tax determination for their business units and insure that they correctly met the requirements of the tax authorities where they did business. They needed a configurable solution which provided real-time control and visibility over all tax data and changes that impacted their areas of responsibility. In addition, their list of requirements included tools to facilitate planning and modeling for strategic decision making as well as global exemption certificate and product exception management and application.

The global transaction tax solution needed to seamlessly integrate with their mission critical Oracle 11i E-Business Suite Applications and provide accurate tax determination for all sales and purchase transactions at the line and item level as well as at the total invoice level.

The Solution

Cisco selected the Sabrix Solution. Sabrix's Global Tax Manager Application combined with Global Tax Research for over 100 countries, was chosen for pilot test in 2002. Sabrix and Cisco worked together on the pilot and the Sabrix Solution successfully met or exceeded all technical and business requirements. Cisco is now deploying the

Sabrix Solution globally. Cisco's decision to centralize and automate transaction tax operations was driven by:

- The need to improve the tax department's ability to respond rapidly and accurately to business change. Cisco estimates that with the centralized Sabrix Solution, they will be able to significantly increase the accuracy and consistency of sales, use, and VAT determination on all sales and purchase transactions worldwide.
- The need for global visibility and control. With Sabrix, Cisco has real-time visibility and control through the Sabrix Compliance Dashboard which graphically identifies their transaction tax exposures for all transactions worldwide. In addition, they have one, centralized audit and compliance database of all transactions for reporting, auditing and compliance requirements. With the Sabrix Solution, Cisco is now able to reduce the time required for returns processing, enabling more available time for strategic tax planning and analysis.
- The requirement to reduce unnecessary IT and tax costs. With Sabrix, they are able to reduce costs related to system maintenance and increase responsiveness and efficiencies for their global sales and procurement activities. The Sabrix Solution also allows Cisco to eliminate their highly customized, and expensive to maintain, VAT system which would have also significantly complicated their Oracle 11i upgrade.

By automating global transaction tax through the Sabrix Solution, Cisco will achieve significant reductions in their costs of compliance and tax system maintenance as well as added business responsiveness, global visibility and control and seamless integration with their sales and purchasing business processes.

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