

Hewlett Packard

Palo Alto, CA
www.hp.com



Year Founded

1939

Annual Revenues

\$ 79,905.0M (FY04)

Number of Employees

151,000 (2004)

Industry

Computer Hardware

Sabrix Products Used

- Sabrix Sales Tax Manager
- Sabrix Use Tax Manager

Platform

SAP

Hewlett Packard gains complete visibility and control over sales and use taxes

The Customer

HP is a leading technology solutions provider for consumers and businesses and offers solutions that span IT infrastructure, personal computing and access devices, global services, and imaging and printing. HP's \$4 billion annual R&D investment fuels the invention of products, solutions and new technologies so that HP can better serve customers and enter new markets. HP invents, engineers, and delivers technology solutions that drive business value, create social value and improve the lives of their customers.

Tax Challenges

- Faced with supporting over 150 business applications throughout the enterprise.
- Requires a system to calculate U.S. Sales and Use tax and other transaction taxes at a rate of millions of transactions a day.
- Challenged with complicated transactions that cross multiple U.S. and international taxing jurisdictions.

Why Sabrix?

- Sabrix provided a centralized and standardized tax software and tax process which enabled major savings for both the IT and Tax Department.
- Sabrix improved cash management by eliminating the costly mistakes of overpayment, underpayment, Days Sales Outstanding and recovery timing which leads to millions annually.
- Sabrix enabled the tax professionals to manage their tax system without lengthy model and implementation changes.

Business Benefits

- Reduces the need for IT involvement which further lowers costs
- The efficiency of Sabrix's automation and tracking for tax liabilities has freed up the tax team
- Sabrix enabled HP to improve cash management by eliminating avoidable costly tax determination mistakes.
- Empowered Tax Professionals with the ability to quickly model and implement changes using the Sabrix Solution.

" HP's tax professionals have never before had this type of direct control over tax content, and our IT team benefits by managing only a single tax solution. This is truly a groundbreaking global transaction tax management solution."

*-- Dan Kostenbauder,
Vice President,
Transaction Tax.*

The Business Requirements

HP's tax professionals needed a centralized solution that empowered them to model and implement changes in a single location for the entire enterprise without the need for custom programming or IT involvement. They required real-time, centralized control and visibility over tax data and changes as well as tools to facilitate planning and modeling for strategic decision making. Also critical on the list of business requirements was a solution that would allow rapid rollouts of new products and services in new markets – without transaction tax management being a bottleneck.

The Technical Requirements

HP's technical team required a tax solution that utilized industry standard J2EE and XML technology and would easily integrate with their existing disparate ERP systems worldwide. The solution also had to be capable of processing HP's millions of daily transactions. The Sabrix Solution met or exceeded all of these requirements and it also significantly reduced the tax system maintenance burden on the IT department.

The IT costs associated with supporting HP's separate transaction tax solutions were significant. Not only did HP deal with custom programming, tax system updates, installation, and ongoing maintenance costs for their separately maintained tax engines, they also supported a high number of home-grown, custom interfaces to business applications for sales, quoting, purchasing and finance.

The Solution

HP Corporate, looking for ways to streamline operations and avoid unnecessary costs, launched the "T-Square Program" – a new Global Transaction Tax solution to consolidate, simplify and centralize its transaction tax management efforts worldwide. To that end, HP has created a set of centralized tax management services that will replace their separately maintained tax engines, supporting 150+ business applications, world-wide. HP estimates that the investments for the new solution will be recovered within a two year period through reduced IT costs, more efficient cash management, and increased tax accuracy and compliance.

Hewlett Packard chose The Sabrix Global Tax Manager and Sabrix Global Tax Research as core components empowering their new transaction tax management solution. "The

Sabrix Solution was the only transaction tax solution that met or exceeded all of our business and technology requirements at HP", said Dan Kostenbauder, VP of Transaction Tax, Hewlett Packard.

"Sabrix provided the solution components for global transaction tax determination and calculation that HP was searching for", says Kostenbauder. "The Sabrix Solution delivers real-time, centralized transaction tax determination, calculation, and control to my tax professionals along with sophisticated tax planning and modeling functionality they've never before had."

The Sabrix Global Tax Manager and Sabrix Global Tax Research meet the T-Square program requirements that all solutions be based upon J2EE, providing a standard platform for integration and extensibility and ensuring transactional security. Based on three-tier architecture and built on industry standard J2EE technology and object oriented design principles, The Sabrix Global Tax Manager is a highly scalable and reliable centralized taxing service for all business applications that need tax determination, calculation, management, and reporting.

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