ADOBE

ONESOURCE TRANSFORMS GLOBAL INDIRECT TAX PROCESS FOR ADOBE

Learn how Adobe turned a “perfect storm” of tax challenges into an opportunity to leverage Thomson Reuters ONESOURCE™ Indirect Tax to achieve total control over their worldwide indirect tax process.

A “PERFECT STORM” DRIVES TRANSFORMATION

As a multinational software company operating amidst a constantly evolving global tax and e-commerce landscape, Brian Gardner, Adobe’s Director of Global Indirect Tax, knew the company needed more control over its indirect tax processes.

With numerous spreadsheets and millions of line items, one wrong input could result in a domino effect of inaccuracies. Further, the company’s three disparate tax systems for US, international and e-commerce related taxes were draining resources, wasting time and inefficient. Due to these unstandardized processes, sales tax returns were taking the tax department nearly two weeks to complete. With the indirect tax system configurations heavily reliant on IT resources, Adobe’s IT director set a goal to remove 40% of this customization from SAP.

Perhaps the most significant driver for an indirect tax process overhaul, however, was the European Union’s tax jurisdiction changes for e-commerce companies, effective January 1, 2015. Instead of paying VAT in the supplier country, it became payable where the customer resides. That meant Adobe had to apply the local VAT rate in any of the 28 European countries based on where their customers were located.

CHALLENGES

- Out of sync tax systems resulted in over $1M of wasted tax process inefficiencies annually
- 2015 EU e-commerce legislative changes demanded customized configurations for indirect tax
- Current tax infrastructure was a drain on IT resources; needed to remove 40% of SAP customization
- Manual tax processes involving millions of line items led to inaccuracies and wasted time
- Time consuming, unstandardized processes resulted in sales tax returns taking two weeks to complete

“It was a perfect storm of tax challenges. Instead of being swept up in it, we decided to use it as a basis for transformation. With indirect tax becoming more and more important to governments around the world from a revenue perspective, we knew we needed a single, global solution with a local focus.”
MAKING THE MOVE

Under Brian’s leadership, the tax department at Adobe began developing a business case for moving to a single, global platform for managing indirect tax. They knew they needed to understand their global environment and take a deep look at their current indirect tax processes to expose what was and what wasn’t working.

“It takes time to unravel legacy tax processes and disparate systems, but it is a necessary step in truly understanding the need and developing a business case for implementing a single, global solution.”

After delving into their current processes and evaluating their options, the choice was clear. ONESOURCE Indirect Tax was the only solution that could meet their compliance needs and address the growing complexity of sales and use tax, VAT, GST and industry and country-specific tax and business requirements around the world.

ACHEVING RESULTS

After implementing ONESOURCE Indirect Tax, Adobe’s tax department significantly reduced the risks associated with indirect tax calculation, reporting and compliance by achieving total control over their indirect tax process.

In the face of changing e-commerce legislation in Europe, ONESOURCE Indirect Tax enabled Adobe to be in complete compliance once the 2015 regulations went into effect, something that would not have been attainable under their previous processes. By exposing the source of their tax risk and moving to a single platform, the company was also able to reduce unnecessary tax management costs resulting in a savings of over $1 million.

When it came to reducing the reliance on the company’s IT resources, the move to ONESOURCE more than doubled the IT director’s original objective, which was to remove 40% of customization from SAP. The end result was a reduction of ABAP coding / SAP customizations related to tax by 95%.

A streamlined and standardized indirect tax process gave way to major time savings as well. The two weeks it had previously taken to complete sales tax returns was reduced to just 30 minutes with ONESOURCE Indirect Tax. The significant time savings allowed the tax department to focus more on tax strategy and analysis, giving many individuals a chance to evolve and expand their roles.

With a much firmer grasp how much tax was paid in specific countries, ONESOURCE Indirect Tax enabled Adobe’s tax department to present accurate metrics in confidence to senior leadership—a benefit that elevated the value of the tax department as a whole.

Today, Adobe's tax department is thriving. Future plans include expanding the use of ONESOURCE in more tax applications around the world.

RESULTS

- Over $1 million in tax savings annually
- Reduction of ABAP coding / SAP customizations related to tax by 95%
- Sales tax returns completed in 30 minutes
- Compliant with 2015 EU e-commerce legislative changes
- Accurate metrics that can be presented in confidence to senior leaders
- More time to focus on tax strategy and data analysis

“With the global tax landscape presenting numerous challenges for today’s tax department, ONESOURCE Indirect Tax provides a centralized approach for increased compliance, accuracy and control that gives tax departments an opportunity to not only address these challenges, but elevate their status within their organizations as a trusted partner to senior leadership.”

INTERESTED IN FINDING OUT HOW ONESOURCE CAN HELP YOU?

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