CASE STUDY

Adobe Transforms Their Global Indirect Tax Process With ONESOURCE™ Determination
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Learn how Adobe turned a “perfect storm” of tax challenges into an opportunity to leverage ONESOURCE Determination from Thomson Reuters and achieved 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 U.S., 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.

“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,” he said.

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 the legacy tax processes and disparate systems,” Gardner said. “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™ Determination 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.

Achieving results

After implementing ONESOURCE Determination, 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.

Adobe was able 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 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 time it had previously taken to complete sales tax returns was reduced to just 30 minutes with ONESOURCE Determination. 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 on how much tax was paid in specific countries, Adobe’s tax department was able to present accurate metrics in confidence to senior leadership — a benefit that elevated the value of the tax department as a whole.

“With the global tax landscape presenting numerous challenges for today’s tax department, ONESOURCE Determination 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.”

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

Founded in December 1982 by Charles Geschke and John Warnock, Adobe gives everyone — from emerging artists to global brands — everything they need to design and deliver exceptional digital experiences. Visit adobe.com for more information.

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Thomson Reuters ONESOURCE is the industry’s first leading corporate technology platform, facilitating global tax compliance and accounting decision-making. Supporting over 190 countries, ONESOURCE helps companies stay in compliance, avoid penalties and audits, save time, and increase efficiency through every step of the tax lifecycle, including corporate income tax, indirect tax, property tax, tax information, reporting, transfer pricing, data management, and internal processes.

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