

# Sales & Use Tax Monitor

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## Software Technology Vets Chase Goal Of Smooth Integration

*Teleconference focuses on lessons learned in previous projects.*

An expert panel offered up suggestions for minimizing the cost and hassles in implementation of a new tax compliance system during a recent teleconference sponsored by *SUTM* publisher Strafford Publications, Inc.

The proper approach to training staff is crucial, said **Craig Schwalm**, sales, use and property tax manager at **ADC Telecommunications Inc./Minneapolis**, during the "Tax Systems Integration: Achieving a Seamless Transition On Time and On Budget" teleconference. His company has migrated a number of tax departments onto its **SAP 3.0** platform over the last decade due to acquisitions.

"We tried three basic, broad methods," Schwalm said. "We spent a tremendous amount of time and effort and had a company produce manuals. They were very pretty but then, when we got into practice a couple of months later, they weren't very useful. They were so cumbersome that they weren't very functional for day-to-day work."

Hiring a **SAP 3.0** expert to train internal departments proved much more effective, he said. The third approach — now being used at **ADC** — involves intense in-house training. "We set up computerized rooms, and all the sales administrators go to one area," he said. "They stay for a couple of weeks or more and work with our managers. That wasn't as effective as putting an expert on site, even though on paper, in-house training seems the most efficient."

### Regard Tax Systems As Major Investment

**John Cowan**, manager of partner integration services at **Vertex Inc./Berwyn, Pa.**, urged listeners to put tax systems integrations on par with costly commodity purchases.

"In truth, the entire solution is a more integrated, complex network," he said. "Treat this as a project or an investment in a project,

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### Tax Systems

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rather than the purchase of a tax software package."

It's important to plan for possible interference with your existing financial systems during the integration, Cowan added. "It's invasive to the financial system. That's a big deal," he said.

Then, ask "what financial system are you running," Cowan said. "Is it something you built in-house? Is it **SAP**? Is it **Oracle**? Is it **J.D. Edwards**? What type of infrastructure am I running that on? Are we a **Sun** shop? Are we a **Microsoft** shop? Do we have an investment in a relational database? The tax system is going to store data in a relational database. These are things you ought to be cognizant of to make sure that your tax solution aligns with that infrastructure. The more aligned you are with what you have in-house — expertise and software, relational database and hardware licenses — the less change you'll introduce to your environment and the less cost you'll deal with."

Assign someone to the process in a project manager's role, Cowan added. "You could have capital expenses associated with the project, you could have a consulting budget you're trying to manage," he said. "You could have an internal budget. It's a pretty good idea to put someone in charge to have some accountability for the success criteria of the project."

Cowan said it is important to assess how much any new systems would force your company to change how much its existing IT infrastructure works:

- Would the new product support your corporate architecture in terms of application servers, relational databases and desktop technology?
- Are you willing to spend on a product built and tested specifically on your technological platform?

### No Tax Software Is 'Best'

**Tony Turner**, vice president of business development for systems consultant **TaxAutomation Inc./Boca Raton, Fla.**, said a nearly seamless integration is possible if tax departments don't get too

hung up on the common query, "Which tax software program is the best?"

"Each one of the software packages has software environments they fit the best in or environments where they fit not so good," he said. "It would behoove the buyer to bring the technical department into the fold and get those conversations going."

In his presentation, Turner outlined three common mistakes that take place in a software implementation:

- Failing to include the tax department from day one of discussions of whether to upgrade the compliance system, and letting the IT department entirely shape the analysis.
- Regarding tax software implementations as "plug-and-play" and opting for an off-the-shelf program rather than customizing a system to your existing platform.
- Neglecting to properly assess all business requirements up front and focusing too heavily on technological requirements. ☐

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