

## CUSTOMER SPOTLIGHT

SAP SOFTWARE SOLUTION PARTNER

**lenovo**

**LENOVO**

Personal computer giant Lenovo is centralizing tax operations for 65 countries using Sabrix Application Suite. The consolidated transaction tax management solution has automated processes to determine and update tax rates, facilitate tax filings, and manage environmental handling and other fees.

### COMPANY AND PARTNER AT A GLANCE

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**Company**

Lenovo

**Location**

Morrisville, North Carolina

**Web Site**

[www.lenovo.com](http://www.lenovo.com)

**Industry**

High tech

**Employees**

23,900

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**Software Solution Partner**

Sabrix Inc

**Location**

San Ramon, California

**Web Site**

[www.sabrix.com](http://www.sabrix.com)

**Partner Solution**

Sabrix Application Suite

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**SAP® Solutions and Services**

SAP® ERP application

**Hardware**

IBM

**Operating System**

IBM AIX

### BUSINESS CHALLENGES

**Build a Tax Department from Scratch**

Formed when the China-based Lenovo Group purchased the personal computing division of IBM in 2005, Lenovo is a global leader in developing, manufacturing, and marketing high-quality computer products and services. With operations in 65 countries, the new company had to create business processes to suit both its international reach and specific local needs. This balance was particularly important for Lenovo's tax department.

**Automate Processes with Multiple Data Sources**

"We needed an IT solution that could automate various manual processes, maintain data for more than 1,500 tax authorities, and adapt to ongoing changes in tax rules," says Dennis Culin, director of business transformation at Lenovo. The solution also had to support tax calculations for multiple data sources – as well as a variety of tax types, including environmental handling fees.

### OBJECTIVES

**Create a Centralized Global Tax Solution**

To address these challenges, Lenovo sought a centralized global tax solution that would replace multiple systems previously in use supporting customer quotes, customer billing, Web sales, and vendor invoicing.

**Integrate with Software from SAP and a Third-Party Database**

Lenovo chose Sabrix Application Suite for its international scope and smooth integration with the SAP® Business Suite software, which the company was installing for other key business processes. Lenovo minimized support costs by using the Sabrix solution as the central repository for tax rates and product exceptions.

To maximize accuracy, Lenovo sends data from transactions executed in the SAP software for order-to-cash and purchase-to-pay processes directly to the Sabrix solution, which returns tax calculation results to the SAP software.

**SABRIX**

**Sabrix Inc.**

12647 Alcosta Blvd, Suite 155  
San Ramon, CA 94583  
United States  
Phone: +1 925-543-0110  
Fax: +1 925-543-0114  
Email: [inforequest@sabrix.com](mailto:inforequest@sabrix.com)  
[www.sabrix.com](http://www.sabrix.com)

"The Sabrix software has performed even better than we expected."

Dennis Culin  
Director of Business Transformation  
Lenovo

## IMPLEMENTATION HIGHLIGHTS

### Rollouts in Multiple Countries

Implementation of the Sabrix software began in India. This was followed by deployments in Canada and additional Asia-Pacific countries. Lenovo hired KPMG LLP to assist with initial setup and configuration in Europe and Asia and DuCharme, McMillen and Associates Inc. for help in Canada and the United States.

"These partners helped us establish the processes to produce country-specific tax calculations to meet Lenovo's needs," Culin says.

### Standard Configurations

Lenovo utilizes methodologies and industry best practices to minimize customizations in its IT system environments. This approach emphasizes standard SAP and Sabrix configurations wherever possible. The project has further benefited from a robust change management program for key business users.

## BENEFITS

### Rapid Rate Adjustments

"The Sabrix software has performed even better than we expected," Culin says. "Shortly after we deployed the Sabrix solution in February 2007 in India, the government instituted significant tax rate and policy changes. We were able to bill using the new rates two days after they were announced. In the past this would have taken at least 10 days."

The software has increased accuracy and reduced the workload of the tax department. It is also being used to help Lenovo manage environmental handling fees. "Our tax team can now easily manage changes in tax rates and fees to comply with country laws with little IT support," Culin notes.

## GOING FORWARD

In addition to continuing its global rollout, Lenovo plans to integrate the Sabrix solution with the SAP Customer Relationship Management application to create Web sites where customers can make purchases with their credit cards.

"Lenovo will continue to build fully integrated processes that meet the needs of the individual countries where we do business," Culin says.

## KEY BENEFITS

- Automated tax rule changes for 65 countries
- Reduced filings and filing adjustments
- Streamlined processes for environmental handling fees
- Minimized need for IT support

**SAP® Certified**  
Integration with SAP Applications



SAP software solution partners provide solutions that extend and add value to SAP solutions.