Mis 535 project proposal

Economics, Tax

MIS 535 PROJECT PROPOSAL STAGE: INITIATION AUTHOR DATE: September 19, 2012 TWOINONE SALE & USE TAX Table of Content Brief Overview of Company 3 Problem to Be Resolved 4 Proposed Enterprise Technology 4 Implementation / Timeline 6 Operations Management 7 Risks 8 Benefits 9 How to Measure Success 10 Bibliography 11 A.) Brief Overview of the Company or Enterprise Twoinone Stores, Inc. was founded in 2001 by CEO Billy Yates and it's based in Dallas Texas Twoinone Stores Inc. operates as a specialty retailer of fine jewelry; they manufacture and import diamonds, gemstones, and gold jewelry mostly from Southern Africa (SADC Countries) and some from South America. The company also offers platinum, silver, titanium, tungsten, cubic zirconium, and pearls. The company operates 200 stores in more than 40 states, and they employ between 500 — 1000 employees. Below is the organization hierarchical: Revenues and expenses are expected to increase on average by 4% and 3%. Below is the estimated profit for the next four years. B.) Problem to be resolved Currently we have two full-time accountants that process the sales & use tax returns manually for 43 states and 33 jurisdictions. The problem with a manually system is that its more prone to errors, possibility of more frequent tax audits with a wider scope, filing cabinets full of paper returns and dozens of spreadsheets to get the data needed, and manual process increases the time needed to complete filing. The accountants spend 90% of their time researching the latest tax laws and rates, filing returns, cutting checks and setting up wire payments. To cut cost and move from a manual processing system for reporting sales & use taxes I propose we invest in Twoinone Tax solution by Billy Yates. C.) Describe Proposed Enterprise Technology Twoinone is a

breakthrough tax product platform provided by the Tax & Accounting business of Chings Solutions. It enables tax departments of all sizes to better manage compliance and risk. Twoinone delivers easy access to data, better control of compliance processes, and consistent, streamlined tax practices. The design of our solutions and services are a result of Thomson Reuters global vision. A vision that integrates worldwide corporate tax compliance, combined with the strength of local and international expertise. Twoinone Indirect Tax can accept all tax decision, reporting and filing-relevant data sent from sales or purchasing applications so that tax and finance professionals can accurately determine, calculate and record sales and use taxes. OneSource Sales & Use Tax solution provides up-to-date forms, rates and reports for every state and local jurisdiction. This system stores historical and current sales and used tax information that can be used to conduct tax analyses produce audit data and customize report. This tax solution can automate the sales and use tax return preparation to produce timely and accurate returns. Twoinone sales & use tax product is available in both outsourcing and software solution. It also offers tax rules and algorithms for over 13, 000 jurisdictions and a wide range of reporting capabilities, which enable tax professionals to create a documented view of your tax system, policies, and processes - a critical requirement for ensuring compliance. This specific technology was chosen because the software solution is more appropriate for our needs and it's much cheaper than outsourcing. Our sales data will be exported into their compliance system which then aid in the preparation and filing of the returns. The signing of the return, cutting of the checks and wires will be done in house. OneSource will

be used to file the returns and produce signature ready forms. Hardware & Software Workstation Minimum Needed Recommended | Operating System | Microsoft Windows XP Professional (SP2 or SP3) | Microsoft Windows Vista Business or Ultimate (SP1)1 | Hardware Minimum2 | Intel 1. 8 GHz processor1 GB RAM | Intel Dual Core processor1. 5 GB RAM | Internet Browser | Internet Explorer 6 or 7 | Internet Explorer 73 | Core Microsoft Components | . NET Framework 2. 04. NET Framework 3. 0 or WSE 3. 0 (RS only)5Microsoft Office (InSource Exchange only)6 | Database Drivers7 | Microsoft MDAC 2. 8 SP1 | Screen Resolution | 1024 x 768 or higher | Network Protocol | TCP/IP | Printers8 | Supported Drivers | Memory for 600 DPI | HP Laser Printers | HP Universal Print Driver for Windows (PCL 5 or 6) | Consult manufacturer guidelines | Non-HP Printers | Native PCL 6 Driver | Consult manufacturer guidelines | RS Connectivity | Network Communication | Internet Service Provider | Bandwidth Requirements9 | 256 Kbps per 10 users | Firewall Requirements | Server address must be transparent to the workstation (no proxy). The workstation address can be hidden (proxy) when read from the Server. Ports 443 and 242910 must be open for outbound connections. No limitations can be set on the number of TCP sessions. | Network Diagram: D.) Timeline — Implementation: The startup cost for this system is $18, 800 after which $2, 500 will be charge yearly for use of the One Source Sales & Use Tax solution. There is no IT hardware or software maintenance cost so that is a big benefit for the company. Implementation can take up to 2 months with a week of training which is including in the startup cost. Additional training will cost $150 per hr.

--- 2 Weeks of Training Purchase Software

Implementation Cut Over April May June July August September October November December Acceptance Receive software Month of Testing E.) Operations Management After completing the installation and training process we will have several months of testing thru the process of running it parallel with the manual process to ensure everything is working properly. The software solution must be maintained while it is in production to correct errors, meet requirements, or improve process efficiency, which will be managed and operated by the accounting team. The Asst. VP of Accounting will ensure the system is properly maintained and oversee the staff to make sure it's operating correctly. F.) Risks Proper planning reduces risk in new technology acquisition. Because the new technology will only effect the accounting department the risk associate with the operation is low. The requirements for implementation are clear and straightforward so the processes are easily defined. We know exactly what we want and what the system should do so this project runs a very low risk. Automating this process might reveal new problems and make things more cumbersome but in the long run this task will become more efficiently and effectively. We may encounter technical problems that may need advanced knowledge of the product and more time will be needed to complete the returns because the team is unfamiliar with the software. This solution will only affect the accounting department; after gaining experience with the solution our process time and workforce will reduce which in turns will decrease our operating cost. G.) Benefits As a company we risk the possibility of meeting deadlines, taking advantage of discounts and avoiding penalty. This system can cut the number of people that file the sales and use tax returns to one

full-time employee, decrease return processing time, eliminate the manual process, immediate rate updates and electronic return archiving. The graph below shows that without the implementation of the new technology we will continue to be profitable at a steady flow over the next four years but our expenses are high. Implementing this new technology would be a great way to cut operating costs. Although someone will lose their job it's in the best interest of the company streamline the sales & use tax process. This new technology will make it possible for us to manage our information and improve our business process. With this implementation operating expenses is expected to decrease by 1% causing our profit to increase over the next four years. In the first year of implementation expenses is expected to increase with the new technology which is due to the costs associate with the new technology; over time our profits increase significantly. The graph below visualizes the effect of the new technology. Investment in this new solution will improve our process and increase our bottom line. The graph below compare profits with and without the new technology, in the fourth year profit is expected to double. Having management backing will ensure that the project will receive sufficient funding and resources to be successful. H.) How to Measure Success The engine is designed to help businesses increase their calculation accuracy, consolidate the determination of indirect taxes into a single system, regardless of the type and location of the customer's enterprise resource planning and financial systems, and centralize control of tax policy by the tax department with a single set of rules for sales and use taxes. The Software: * Available anywhere, anytime * Increased productivity — there are no software updates and no servers to

maintain * Improved functionality — easier access, review, and control of your information * Superior precision — tax-authority-level processing provides accurate reporting * Reduced risk — rates, forms, and calculation methods are always current with state statutes * Increased control and flexibility through configured translation of user-defined tax types, exemptions, GEO codes, product types and more * Boost efficiency with single sign-on access to all of your ONESOURCE solutions * Elimination of monthly maintenance updates * No internal server requirements * Reduced data manipulation and adjustments * Minimal IT involvement * Ability to map sites precisely to the tax authority level * Point-in-time processing for accurate amended returns and reporting * Automatically reclassifies sales data to the reporting tax type and tax authority * Automatically reclassifies internal exemption codes by tax authority * Assigns filing frequency by legal entity and tax authority * Gives the user complete control over which tax authority to report: country, state, county, city, and district * Enables easy adjustments, reclassifications, and credits through work papers * Provides easy access to multiple years of prior period returns and data * Flexible importing from all tax calculation, ERP, POS, e-commerce, and custom-developed systems * Customizable gadgets that enhance data importing, reporting, and charting The thinking behind OneSource Sales & Use Tax web incorporates the knowledge and experience developed over years of both sales & use tax return software development and a unique 'tax practitioners perspective' stemming from the fact OneSource is also the nation's largest sales and use tax department, filing over 80, 000 returns per-month for our managed services customers. Knowing all these facts I would say OneSource

Sales & Use Tax software will help your company tremendously! Bibliography

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