DELIVERING BREAKTHROUGH RESULTS IN THE PUBLIC SECTOR
OVERCOME CHALLENGES WITH COLLABORATION

The SAP® ecosystem helps public agencies harness and share collective knowledge, best practices, and a wealth of resources. These resources can lead to greater efficiency, lower costs, faster results, and reduced risk in initiatives for innovation. Communities of innovation as well as partner solutions and services within the SAP ecosystem serve the public sector to drive co-innovation and communication to the mutual benefit of all participants.

The public sector faces largely the same challenges as any private sector business. Public agencies are striving for greater efficiency, cost-effectiveness, and responsiveness to change. Cost pressures, increased public scrutiny, and the accelerating pace of change in policies and regulations are prompting public sector organizations to look for a proven and efficient approach to comprehensively address their key challenges. To overcome the cost burden and the limitations of their existing IT solutions, public agencies need to find future-proof alternatives – within budget and within realistic time frames.

Gaining Advantage Through Collaboration

Instead of engaging in risky experiments, public agencies are seeking standard solutions that have proven their worth in real-life scenarios. The most effective way of finding such solutions is to share thoughts with peers or industry experts. And that's exactly where the SAP ecosystem comes in. The SAP ecosystem accelerates innovation and improves return on IT investment by bringing together public sector organizations with best-in-class partners and thought leaders to foster collaboration around their most critical needs.

The SAP® Ecosystem Advantage

The SAP® ecosystem enhances the customer experience through co-innovation with a vibrant community of customers, partners, and individuals that have specific industry requirements. By working together on critical business needs and ideas and sharing technical and business expertise and experiences, the SAP ecosystem helps accelerate innovation for breakthrough results and enhanced return on investment.

Industry-Focused Excellence
Deep industry-specific knowledge as well as information and expertise around best business practices result in:
- A comprehensive and consistent approach to enabling business solutions
- Industry-relevant partner solutions and services
- Industry-specific communities and forums within communities

Community-Powered Results
A role- and task-based approach connects a network of valuable resources to meet specific needs. Organizations can participate in communities that:
- Facilitate a trusted environment to quickly get the information needed
- Bring together diverse resources and groups to help create the next generation of solutions in concert with SAP

Orchestrated Co-Innovation
An integrated approach draws on the collective wisdom of SAP, its customers, and its partners. Within the SAP ecosystem, organizations can:
- Harness best practices and expertise to solve business process or technology issues
- Find or develop best practices and ready-to-deploy solutions
- Proactively address integration

THE BEST-RUN BUSINESSES RUN SAP™

SAP

FLORIDA DEPARTMENT OF REVENUE
COLLABORATION DELIVERS UNIFIED TAX MANAGEMENT SOLUTION

> "Our custom-built applications had boxed us in. Over time we had gotten to a point where we spent 99% of our time on maintenance and keeping up with legislative changes."
>
> **Louis Panebianco,** Project Manager for SUNTAX, Florida Department of Revenue

Florida Department of Revenue (FDOR) replaced a complex set of outdated and maintenance-intensive tax administration technologies with a single standards-based solution called **S**ystem for **Uni**fied **Tax**ation (SUNTAX). The results? Radically improved service for the taxpayer, immense cost savings, substantial additional revenues, and a 75% reduction in receivables outstanding. Networking within the SAP ecosystem has been instrumental to this success.

Addressing Rising Expectations

Headquartered in Tallahassee, Florida Department of Revenue is responsible for collecting taxes and fees in accordance with state, local, and federal laws. FDOR administers 36 taxes and fees, collecting funds critical to supporting schools, health care, transportation, prisons, environmental protection, and other essential services.

Florida's citizens and policymakers demand that state agencies continuously cut costs, increase productivity, and improve services. With taxpayer data scattered across 22 different computer systems running on multiple mainframes, FDOR lacked a comprehensive, single view of the taxpayer. In spite of stiff penalties to tax offenders, receivables outstanding remained at high levels. With about ten million financial transactions to handle each year, FDOR was under pressure to modernize its tax and revenue management (TRM) systems.

Boxed In by Legacy Systems

Technical limits had been reached. With outdated, custom-built technology in place, FDOR simply could no longer meet the rising expectations from citizens, and it struggled to keep up with ever-changing tax policies and regulations.

> "The collaboration with SAP and Deloitte Consulting really helped us switch our perspective from how different we are to what we have in common with other businesses."
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> **Louis Panebianco,** Project Manager for SUNTAX, Florida Department of Revenue

To overcome the limitations of its legacy TRM systems as well as the huge maintenance cost and effort these disparate systems required, FDOR decided to look for a unified solution that would provide a single view of the taxpayer and significantly improve tax management efficiency.

FDOR's Introduction to the SAP Ecosystem

Looking for the best way forward, FDOR investigated a number of options, including another custom-built solution. "Originally we thought that tax and revenue agencies were so different from everyone else that the only thing we could really look for was a financial system. We figured everything would have to be custom built, from tax-return processing to auditing, collections, and the registration system," recalls Louis Panebianco, SUNTAX project manager at FDOR.

Deloitte Consulting LLP (Deloitte Consulting), an active member of the SAP ecosystem, was well aware that most of FDOR's requirements were covered by core financial enterprise resource planning (ERP) functionality provided by SAP. Deloitte Consulting suggested that FDOR investigate additional functionality found in standard ERP systems.

While Deloitte Consulting's suggestions implied nothing short of a paradigm change, the promise of huge cost savings through standard software prompted FDOR to evaluate commercial off-the-shelf ERP solutions available from the major players.

Capitalizing on Shared Knowledge

Drawing on the experience, knowledge, and skills of Deloitte Consulting in evaluating alternatives, FDOR opted for the SAP ERP application as a foundation for its SUNTAX initiative. This opened the door for FDOR to leverage the whole breadth of expertise, best practices, and resources found in the SAP ecosystem.

The SAP ecosystem has continued to be of high value to FDOR, providing access to proven best practices and expertise from not only the public sector but all industries. "Our goal has always been to act more like a business and achieve business-like efficiency for our department. From that perspective, best practices are critically important to us," says Panebianco. "We get these through networking, through various SAP communities, and by gathering information from the SAP ecosystem."

"Networking has become a key way for FDOR to determine better ways to operate. Through leveraging our own contacts, Deloitte Consulting's network, or various SAP communities, we quickly find out whether others have come across a similar issue and how they resolved it."

Jim Evers, Program Director for General Tax Administration, Florida Department of Revenue

Collaboratively Building a New Solution

During the entire SUNTAX development and implementation process, FDOR, SAP, and Deloitte Consulting worked hand in hand sharing critical business needs, ideas, and technical and business experiences, knowledge, and skills to co-innovate and enhance the SUNTAX solution.

In close collaboration, Deloitte Consulting and SAP helped FDOR roll their requirements into the SAP road map and solution development for tax and revenue management. As Jim Evers, program director for general tax administration at FDOR, points out, "The tax and revenue management solution offered by SAP today was a direct result of the co-innovation that happened between FDOR and SAP."

Key Pillar in Ecosystem Model Is Broad Partner Participation

Deloitte Consulting, a key contributor of co-innovation in the SAP® ecosystem, is deeply engaged in the Industry Value Network group for tax and revenue management. Deloitte Consulting is also an Enterprise Services Community member and has been actively engaged in the community definition group for tax and revenue management. To date, over 50 tax and revenue enterprise services have been defined, and one multichannel tax and revenue management enterprise services bundle has been specified and delivered.

The public sector ecosystem includes a large number of independent software vendors who collaborate on the development of solutions that fill emerging critical needs identified by the communities. One such company is Haley Ltd (formerly RuleBurst), a member of the Industry Value Network program and an SAP software solution partner that offers an SAP-endorsed business solution. Haley produces solutions for the public sector focused specifically on tax, social services, immigration, and defense. Peter Jeavons, managing director for Haley, says, "Our users very much welcome that our solution works in an SAP environment, it integrates with SAP software, deployment is very easy, and it is powered by the SAP NetWeaver® technology platform. We have spent a lot of time through the Industry Value Network program to build integration that has allowed us to deploy effective solutions for our customers. We get great value from collaborating with other partners and systems integrators in the program, which directly benefits our customers."

Improving Return on Investment

Today, SUNTAX enables taxpayers to resolve issues related to many different taxes through a single contact point with FDOR. SUNTAX improves service, reduces costs, and encourages more uniform compliance with tax laws, resulting in an equitable administration of Florida's tax system. Receivables outstanding have dropped from US$2 billion to less than $0.5 billion. SUNTAX has also allowed FDOR to eliminate 22% of the General Tax Administration Program's workforce, for a cumulative cost savings of over $96 million. Overall, the SUNTAX investment of $90 million has resulted in financial benefits of more than $844 million, which is a 9-to-1 return on investment.

A Lifestyle of Collaboration and Networking

FDOR's participation has not ended with the implementation of SUNTAX. Pursuing a lifestyle of collaboration and networking, FDOR is actively sharing its insights and experiences with tax and revenue agencies in other states as well as in other countries.

The SAP ecosystem provides the ideal forum for that, helping public sector organizations from around the world to benefit from FDOR's experiences, capitalize on best practices, and get in touch with a rich network of best-in-class partners and individuals to overcome similar challenges.

For More Information
To find out how you can benefit from the SAP ecosystem, visit www.sap.com/ecosystem.

To find solution and service partners serving the public sector and all industries, visit SAP Software Solution Partner Catalog at sspcatalog.sap.com/catalog.

To Join or Visit Online Communities
Business Process Expert Community: www.bpx.sap.com

Enterprise Services Community: www.esc.sap.com

Industry Standards: www.sdn.sap.com/irj/sdn/standards-and-opensource

Industry Value Network: www.sap.com/ecosystem/communities/ivn

SAP Developer Network: www.sdn.sap.com

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