

Case Study: Oxford Journals Trusts ADP



At a Glance

ADP Products & Services Used

▶ Sales and Use Tax System

ERP System

▶ The Publisher's Advantage Computing System

Oxford Journals is a division of Oxford University Press (OUP) which itself is a department of the University of Oxford. They publish more than 200 journals, many in collaboration with learned societies and other international organizations. Its works include some of the world's most prestigious titles and are distributed on a global basis. The global nature of the business requires Oxford Journals to rely upon an automated transaction tax solution in order to calculate the taxes, fees, and levies due to the relevant local government from each sales transaction.

Making a Choice

When Oxford Journals was implementing The Publisher's Advantage Computing System as its new subscription system, they knew that any tax product would have to be able to integrate directly. As such, they asked the vendor for advice over which tax system to select. Andrew Wright, Advantage Systems Analyst at Oxford Journals, explained, "Advantage already had a strong relationship with ADP, and the recommendation they were able to give us left little doubt that this was the right path to follow. Advantage has the ability to deal with some of the more basic tax calculations, but ADP had the depth of product that would match our global reach and cover all the specific rules that apply to the publishing industry."

The strength of the relationship between ADP and Advantage Computing Systems, Inc., was instrumental in Oxford Journals' choice, with the evaluation team feeling confident that the two vendors worked very well together, with issues going back and forth being resolved very quickly. Furthermore, ADP's long established practice of providing monthly updates gave Oxford Journals confidence that maintaining the system would present little burden for its staff.

Half a Million Tax Transactions Per Year

Every time an order is placed with Oxford Journals by a new or existing customer, it is entered into the Advantage system, either manually by staff or passed straight through from a web interface. When this happens, up to 280 different taxation scenarios have to be evaluated by the ADP software, all in real time, to determine the relevant taxes that will be applicable. This can include elements such as where the journal was published, the location of the purchaser, whether there is a freight forwarder, the location of the end user, whether it is a book or a journal, and how many pages are categorized as advertising versus editorial. With so many variables to take into consideration, accuracy is critical which is something that ADP excels with its multi-national tax research staff.

Matthew S. Walsh, Director of Tax Research at ADP notes, "It's no easy task monitoring tax changes around the globe, but we have a sizeable, multi-national team keeping track of the ever-changing legislation. Updates are sent to clients once a month – and sometimes more often – and from there it's just a few simple clicks for the relevant databases to be updated."

Some half a million transactions are passed through the ADP system each year by Oxford Journals, with a total order value in the range of £30-£50 million (\$60 - \$100M USD).

Benefiting from a Single Vendor Solution

Oxford Journals has been using an ADP solution since 2002 and remains convinced that it is the right solution to meet its growing needs in global tax reporting and compliance. Mark Stowe, Oxford Journals Chief Accountant, added: "The rules surrounding sales taxes on publications around the world aren't getting any easier to understand. Knowing we can rely on one supplier – ADP – to help us calculate these liabilities accurately and quickly is a significant business benefit. Without advanced tax solutions like this, we would be encumbered with keeping on top of the myriad of tax law changes and applying these calculations to each transaction we undertake."