



MAINTAIN EXCISE TAX COMPLIANCE WHILE REDUCING COSTS

LEADING REFINER,
DISTRIBUTOR AND
MARKETER

A PEGA ENERGY CASE STUDY

Business Goals

- Create automated tax data transformation platform with intuitive interface
- Improve timely and accurate compliance with tax law changes and automate delivery of tax-related data
- Reduce or eliminate resource investment in manual data management

Results

- In 16 weeks the platform was up and running with a consistent, approachable interface
- Improved reporting capabilities provided sophisticated audit trails for ensuring compliance
- Savings of \$3-\$5 million annually in resources related to headcount

“Pega has automated the process of data transformation, which minimizes exception handling and allowed us to maximize straight through processing. Our tax experts can also self maintain tax rules directly in the application, which decreases our reliance on IT. **”**

Executive
Leading Refiner, Distributor and Marketer

The dashboard features a sidebar with links to Dashboard, My Work, Calendar, Reports, Recent (Exception EX-11833, Exception EX-11834, Daily Batch DB-860, Exception EX-11825, Daily Batch DB-847), and Following (No cases are being followed). The main content area shows a map titled "Exceptions by State Current Month" with states colored by count: Texas (green, 23), Florida (red, 27), Missouri (red, 25), Illinois (red, 23), Indiana (red, 23), Michigan (red, 23), Ohio (red, 23), Pennsylvania (red, 23), New Jersey (red, 23), New York (red, 23), Connecticut (red, 23), Rhode Island (red, 23), Massachusetts (red, 23), Vermont (red, 23), New Hampshire (red, 23), Maine (red, 23), and Washington (blue, 17). Below the map is a section titled "Urgent work" with a table:

ID	Description	Category	Due	Urgency	Owner
TU-197	Select Transaction Type to Import: Transaction Import			10	Mark Covrig
DB-546	Upload Movement Data	Daily Batch		10	Mark Covrig
DR-542	ProcessTransactions	Daily Batch		10	Mark Covrig

Vision: Automating Data Transformation

A leading energy industry refiner, distributor, and marketer made a commitment to automate its data transformation process, creating a mechanism for the tax organization to update excise tax rules directly in a tax filing system. While the refiner had already automated the process of extracting and loading the data, transformation required manual management by approximately 35 resources. Responding to the inevitable changes in tax laws would demand even more dedicated resources over time.

By moving to automated data transformation, the refiner anticipated more effective, timely excise tax compliance and significant reductions in cost. Pega's track record with providing similar solutions for numerous prominent tax analysts played no small part in cementing the partnership.

Execution: Solution Operational in 16 Weeks

Over the course of 16 weeks, the refiner worked with Pega to automate the process of extracting, transforming, and loading tax information into a system designed to file the appropriate tax returns.

Pega's user interface capabilities delivered a consistent, intuitive look and feel, ensuring successful adoption of the solution. Dashboards were configured to balance workload across the tax department. Pega's robust integration capabilities ensured that data from point solutions, ERPs, databases as well as systems of record would be extracted

precisely. Furthermore, the data was transformed within the Pega platform, and then pushed seamlessly to their tax system of record for tax filings to occur. Pega's reporting capabilities provided the refiner with an auditable trail to ensure compliance to complex tax laws.

Outcome: Increased Agility and \$3-5 Million Annual Savings

Eliminating the manual resources previously required to transform tax data resulted in significant headcount reallocations, saving \$3 million annually. Also eliminated was the additional investment in systems and headcount that would be needed to keep pace with frequent tax law updates, saving an additional \$2 million annually. Having implemented the Pega platform, ongoing changes to processes and business rules are now made directly by the tax organization, improving agility and reducing reliance on the IT infrastructure. Subsequent enhancements took as little as six weeks to bring to market.



ABOUT PEGASYSTEMS

Pegasystems develops strategic applications for sales, marketing, service and operations. Pega's applications streamline critical business operations, connect enterprises to their customers seamlessly in real-time across channels, and adapt to meet rapidly changing requirements. Pega's Global 500 customers include the world's largest and most sophisticated enterprises. Pega's applications, available in the cloud or on-premises, are built on its unified Pega 7 platform, which uses visual tools to easily extend and change applications to meet clients' strategic business needs. Pega's clients report that Pega gives them the fastest time to value, extremely rapid deployment, efficient re-use and global scale.