



“KPMG has designed a strong managed services solution for tax and finance that allows us to leverage both a global tax compliance platform and their investment in technology to position us for the future.”

— Brian Lynn,
Global Head of Tax,
HP Inc.

HP Inc. reinvents its tax operations with KPMG

HP Inc. partners with KPMG to design tax model of the future

In 2019, HP Inc. (HP) announced a bold plan to redeploy people, improve processes, and update automation in the 60 countries where it operates. The multinational technology company needed to create a future state tax target operating model (TOM) that would be cost effective, well organized, transparent, and meet the demands created by global reporting and local tax regulators.

HP engaged the KPMG Tax team to examine their current operating model and propose a solution to achieve immediate and long-term goals. Critical to the solution was providing a robust career path for HP’s tax professionals. KPMG brought together specialists in tax, finance, technology, transformation, and human resources to work with the company to design a solution that met its objectives. A plan was presented to HP management, and a KPMG transition team immediately began working to design and transform HP’s TOM.

The transition took place during the onset of the COVID-19 pandemic in a completely virtual environment, testing the ability of KPMG to be agile and manage large, global, complex transitions in even the most difficult of circumstances.

Building the HP TOM

Business challenge

HP needed to design and implement a future state TOM in the U.S. and around the world, covering 60 countries in Africa, Asia, Pacific Rim, Europe, Middle East, and the Americas, with a focus on the following tax and controllers functions: global tax reporting, U.S. and global direct and indirect tax compliance, withholding taxes, property taxes, business licenses, global transfer pricing documentation, operational transfer pricing, tax audit accounting support, as well as tax advice and assistance with tax planning.

Global review and local solutions for HP Inc.

The value proposition for HP was strengthened by its capacity to utilize our investment in a global tax compliance platform, which included Digital Gateway, an integrated tax technology platform powered by generative AI. This platform allows HP to access all related tax services, their data, and proprietary analytics. Additionally, the KPMG global delivery network that integrated local country teams with its global center network further supported HP’s tax compliance needs.

Given HP’s global footprint and complex organization, it was critical that KPMG design and deliver a truly global solution driven from multiple locations, including regional delivery centers with the optimal mix of tax technical, process, and technology experience from the KPMG Tax team. Of equal importance was the successful transfer of 125 employees from HP, including employees from their finance hubs in Mexico, Poland, and India, who needed to be seamlessly coordinated into the U.S. and global infrastructure of local KPMG teams, regional specialists, and delivery centers.



“HP is a company that embraces innovation, and we at KPMG share in their commitment to pushing forward with technological advancement.”

— Stacey Mirelez,
Partner, KPMG Tax

Big picture and small details

Listen, learn, and design

To best serve HP, KPMG addressed the company’s global concerns and the unique situations in its many worldwide locations. One key deliverable was an in-depth review of their nine workstreams—indirect tax, intra company transfer pricing, U.S. and non-U.S. direct compliance, U.S. and non-U.S. transaction tax, property tax, business license tax, and transfer pricing processes. The project required being strategic and tactical at the same time—focusing on the big picture and addressing the small but essential details simultaneously.

Leaning into KPMG’s investment in technology and global network

Part of HP’s thought process was the realization that their money could be better spent. Under its current course of direction, it would have continued to allocate significant dollars in technology to support their tax and controller’s function platform.

KPMG offered HP an alternative solution—let us invest so you don’t have to. By entering into a managed service agreement with KPMG, the company will access our multibillion-dollar investment over a seven-year period, providing HP with the power and speed to streamline their tax operations well into the future without significant company investments.

In addition, KPMG solution architects helped HP migrate to a new Enterprise Resource Planning (ERP) system that optimized their compliance management and enabled the platform to serve as the foundation for tax planning, providing the company with access to data as it never has.

Finally, as the world continues to change and companies face more regulatory challenges such as U.S. and global tax reform, such as the implementation of BEPS 2.0, HP will be able to leverage the platform investments that KPMG makes to meet the challenges of this dynamic environment.

KPMG empowers HP Inc. Tax to deliver company-wide value

HP says, “our vision is to create technology that makes life better for everyone, everywhere.” And KPMG’s vision is to fully support HP’s tax operations with technology that is iterative, secure, fast, and continuously improving, as part of a target operating model that includes in-scope workstreams, engaged talent, reliable data, and ethical governance.

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