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## **How Sabrix Has Achieved a New Level of Brand Awareness Through the SAP Ecosystem**

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*Sabrix, a tax management solutions provider headquartered in San Ramon, California, was seeking to build brand awareness and differentiation in its chosen market. Sabrix invested in a partnership with SAP and purposefully engaged in the SAP customer-facing ecosystem to support these goals. Sabrix has seen tangible results and has leveraged SAP's investments in these areas to drive brand awareness, improve credibility, and increase customer engagements. Based on this momentum, Sabrix plans to continue to invest in resources to grow its partnership further.*

The following questions were posed by SAP to Steve White, program director for the Software Solutions Alliance Leadership Council, which is part of IDC's Software Business Strategies group. Steve had the opportunity to interview SAP partner Sabrix Inc., specifically CEO Steve Adams and Director of Alliances Ross Morris, about its partnership with SAP.

**Q. Who is Sabrix, and what does the company offer?**

- A. Sabrix Inc. is a leading provider of transaction tax management for companies of all sizes. The company's solutions cover compliance for sales tax, use tax, value-added tax (VAT), excise tax, and other international and industry-specific taxes and fees. Sabrix's goal is to enable its customers to achieve tax compliance with a high degree of confidence and, more specifically, in an accurate, timely, and cost-effective manner.

Sabrix offers both on-premises and hosted tax solutions and has been working with SAP as a partner since 2002 when Sabrix first started shipping product. The company offers tax management solutions to the SAP customer community — ranging from SAP's Global 2000 clients through midsize and small businesses. Sabrix also partners with SAP resellers through the SAP Business One marketplace.

In the past 12 months, Sabrix has made a conscious decision to make a more focused investment in the SAP partnership, and the company is already seeing dramatic shifts in its brand awareness and business outcomes.

**Q. What is the market/industry context that made partnering with SAP a solid strategic choice?**

- A. Sabrix's existing competitors in the tax market have been around for 25 years, so Sabrix wanted to build differentiation, not only through its product offerings but also through its commitments in the marketplace. As a smaller company with a relatively new brand, Sabrix wanted to achieve a degree of critical mass in terms of market presence and customer evidence.

Sabrix felt that engaging more fully with SAP's customer ecosystem was an opportunity to support its differentiation goals. The company's executives also thought that making a commitment to the SAP PartnerEdge program and SAP EcoHub (the latter an online marketplace for SAP ecosystem solutions) could enable them to grow awareness and presence of their company in the marketplace.

As Sabrix executives told IDC, the bottom line of a growing business is to make money. They saw their partnership with SAP as a key driver to achieve this goal — building awareness of both their brand and tax solutions as well as furthering credibility with customers and ultimately increasing business success on the top and bottom lines.

Making a timely investment in the SAP partnership was viewed as an opportunity to accomplish these goals.

**Q. What was the strategic reason that Sabrix decided to partner with SAP, and what was the specific "trigger" that made the company decide to invest in its partnership with SAP?**

A. Sabrix had been partnering with SAP over a number of years in a fairly informal fashion. This partnership had been mainly on a technical level, in terms of certifying its products with SAP, but Sabrix executives saw an opportunity to expand the relationship to support their market goals.

In terms of a specific trigger, Sabrix saw that its business growth needs intersected perfectly with SAP's new customer-focused ecosystem approach, as well as SAP's initiatives to drive the SAP PartnerEdge program and the SAP EcoHub approach in a new strategic direction. After initial meetings with the SAP leaders of these programs, Sabrix executives found that the intersection and the alignment of objectives were very strong, and they saw this situation as a great and timely opportunity to support Sabrix's business goals.

Presented with this intersection and opportunity, Sabrix worked to define a core mission for its engagement with SAP. Sabrix executives summarize this mission as "maximizing our visibility, understandability, and credibility within the SAP ecosystem." Coincidentally, these objectives were among the core goals of SAP for initiating SAP PartnerEdge and SAP EcoHub, so Sabrix felt that its strategy was being validated.

Sabrix made a commitment to engage with the SAP PartnerEdge program and SAP EcoHub, which involved becoming a pilot partner and providing meaningful and candid feedback, with a view to growing alongside both.

It's important to note that Sabrix made a dedicated and concerted investment in people and resources when it recognized the magnitude of the opportunity. The timing was almost perfect, and the alignment of SAP's and Sabrix's strategies allowed Sabrix executives to see that an investment of dedicated resources would yield good returns.

**Q. How has the company engaged with the SAP ecosystem?**

A. Sabrix's increased investment in its SAP partnership started formally in August 2008, when executives met with SAP's leaders of the SAP PartnerEdge program and the SAP EcoHub initiative. At this stage, SAP EcoHub was not yet online, but the Sabrix team immediately bought into the SAP vision of a customer-focused ecosystem using Web 2.0 technology.

The Sabrix team went to work in earnest and started the process of engagement. Initially, the team focused on getting the company's product certifications up to date and added them to the SAP EcoHub online marketplace for SAP ecosystem solutions. Sabrix then engaged its own director of marketing to understand the SAP EcoHub marketplace, sharpen its messaging, and build out its SAP EcoHub storefront presence.

Next, Sabrix published its first customer profile in the *SAP Customer Spotlight* publication. In addition, because Sabrix was a pilot partner of SAP EcoHub, company executives appeared on stage at the SAPHIRE 2009 trade show, offering a candid testimonial on the initiative.

Sabrix very deliberately chose to become a pilot partner given that its vision aligned so well with the SAP ecosystem objectives. The company took part in a specific set of initiatives and purposefully engaged in and provided candid feedback in a timely manner.

Sabrix employees also take advantage of relevant parts of the SAP ecosystem, such as the Sabrix technical team engaging with the SAP developer community and the company's tax experts blogging within the SAP environment as business process experts. This activity is in addition to the marketing team's focus on the SAP EcoHub storefront. Sabrix sees definite benefits to having the relevant personnel engaged on multiple fronts of the SAP ecosystem.

The scale of these investments should not be taken lightly, but, as Sabrix executives so clearly put it, "It's all about time, investment, execution, and delivery."

**Q. What has been the impact for Sabrix?**

A. Outcomes of strategic partnering can often be a little abstract. However, Sabrix has seen an impact in a number of ways, both qualitative and quantitative.

At a high level, the company has seen its involvement with SAP's customer ecosystem translate into engagements around products, sales processes and new opportunities, and implementations. With the SAP EcoHub metrics dashboard, the company can also track specific leads driven through the SAP EcoHub storefront.

Sabrix has seen its credibility and visibility increase within SAP and with SAP's customers, who view the SAP underwriting of Sabrix and its storefront presence on SAP EcoHub as a kind of laboratory stamp of approval.

Sabrix executives also cited substantial cost efficiencies and cost containment. For a smaller business, the ability to invest in this type of market awareness would be a financial challenge, so leveraging the SAP tools has been highly cost-effective.

**Q. What have been the key lessons learned for Sabrix, and what advice do the company's executives offer to other firms?**

A. Steve Adams, Sabrix's CEO, had an interesting way of envisioning the opportunity as he saw it: "If you wanted to put fuel in a car, but you didn't know where the gas tank was, you might end up just pouring gas all over the car." The key, said Adams, was recognizing that the SAP PartnerEdge partnership opportunity was the opening of the gas tank to Sabrix's business engine. Then it became a matter of funneling the necessary resources into the partnership to help drive business growth.

With this in mind, Adams stressed that this is a multidimensional partnership and opportunity, which requires dedicated resources and a long-term commitment, hence his decision to hire Ross Morris to lead the effort. Ross has spent considerable time up front understanding the value of the partnership for both sides and ensuring that Sabrix has champions who align with SAP counterparts.

Sabrix's advice for other firms is not to think that they can just sign up and expect success. What was key for Sabrix was to define its partnership mission, build a solid plan of engagement, and exploit the partner vehicles as they became available. It was also important to understand the necessity of having champions within the business who align with technical areas in the SAP customer ecosystem.

**Q. What, in your opinion, is the ecosystem's "best kept secret" that Sabrix found valuable?**

A. Sabrix executives cited SAP's propensity and willingness to partner and, in particular, SAP's responsiveness. Large software companies can develop reputations for being unresponsive, but Sabrix has found that if you make the investment and are customer focused, SAP will be very responsive. However, partners who may feel like they can just show up and the SAP machine will pull them along would be mistaken.

Sabrix executives believe that the reason for their success is that they invested in the partnership and made it happen. Granted, SAP provided the tools, but the onus was on Sabrix to invest the smart, dedicated people who made the most of those tools.

Sabrix viewed this opportunity in a building-block fashion and worked on specific areas to invest in and target across the SAP ecosystem. In this respect, Sabrix saw the opportunity to build an engagement presence with SAP's customers, SAP itself, and SAP's partners.

**Q. How does Sabrix plan to leverage the SAP ecosystem in the future?**

A. Now that the initial foundation is in place, Sabrix is looking to focus efforts to make sure that awareness of its brand is turning into a pipeline of opportunities and closed business. The company is measuring the success of the partnership based on customer acquisition.

Sabrix's focus aligns very well with SAP's goals to evolve the SAP EcoHub initiative to the next level. Sabrix wants to continue to be a leading pilot partner as SAP and its partners monetize the ecosystem. Sabrix is evaluating a new set of marketing initiatives — in effect, a bundle of marketing resources from SAP — to make an investment to drive results as one of the early adopters for this next phase.

**ABOUT THIS ANALYST**

*Steve White is program director for the Software Solutions Alliance Leadership Council (SSALC), which is part of IDC's Software Business Strategies group. Steve works with the SSALC members to define and research the key topics that affect strategic alliance investments and provides analysis into alliance trends, best practices, and benchmarking. In the past two years, this has included in-depth council discussions on SaaS, key performance indicators, and alliance organizational best practices.*

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