

VPTax Helps Envivio Decode its International Tax Matters in a Flash

In 2011, Envivio was enjoying strong revenue growth and preparing for an IPO. Based in South San Francisco, Envivio makes software systems that code and decode video streams for cable and Internet service providers to maximize the quality and volume of video that can be pumped through the world's networks. Envivio's technology was originally developed at European wireless company O2. Envivio was spun out and relocated to Silicon Valley. Its customer base is worldwide.

For the IPO, Envivio needed to prepare three years of audited financial statements. There were a number of complexities involving the valuation of Envivio's intellectual property (IP) for taxation purposes. Envivio brought in VPTax to take the lead on all tax matters in connection with the S-1 filing required for an IPO.

Envivio Controller Tim Gray found VPTax easier to work with, and significantly less expensive, than a large accounting firm. "VPTax has the technical abilities to understand and explain complex issues and make sure we have the correct structures in place," Gray says. "They are much more responsive than a large accounting firm. When I call one of the principals at VPTax, I get immediate answers—I don't get passed off to a manager or review partner as at some other firms."

For the valuation of Envivio's IP, VPTax retained the services of an independent economist specialized in transfer pricing. The valuations were completed quickly and more cost-effectively than if they had been done by the in-house valuation department of a large accounting firm. "At VPTax, we function in the role of an outsourced tax director, bringing specialist resources in as needed," explains VPTax Principal Todd Suchevids. "We are able to look out for the company's interests, both from a tax and budgetary standpoint."

Envivio wanted a quick turnaround on their S-1 so they could get on file. Considering the short window (less than 60 days), Controller Gray relied upon VPTax to get the work done. Envivio's auditors approved without material comment the tax provisions and memos produced by VPTax for the S-1 and Envivio was able to meet their internal deadline of getting the audit completed and S-1 on file in less than 60 days. Envivio joined the Nasdaq in April 2012 (NASDAQ: ENVI).

"We use VPTax for income tax, sales and use tax, and payroll tax," says Controller Gray. "They are a full-service one-stop shop for all our tax needs, and I feel I can call them if I have a question on any tax issue--and get an immediate high-level response."

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-Tim Gray, Controller, Envivio