

# Cost Savings of Indirect Tax Automation with Vertex

## Cost Savings, Process Improvement, and Productivity Gains with Vertex

As global tax and compliance landscapes grow more intricate and digital transformation accelerates, organizations are compelled to reimagine how they manage indirect taxes and modernize their tax strategies. Outdated manual processes, legacy systems, emerging sales channels, and fragmented tax operations not only amplify complexity—they heighten compliance risk, expose tax burdens, and erode operational efficiency. These inefficiencies drain time, capital, and agility, constraining the enterprise's ability to compete in a dynamic marketplace. Yet, despite these challenges, tax departments often face significant hurdles in securing the investment needed for transformative technology.

Vertex delivers scalable, enterprise-grade solutions designed to align seamlessly with organizational growth ambitions and operational priorities. Our comprehensive platform spans the entire tax lifecycle—enabling precise tax determination, streamlined exemption management, automated returns and reporting (including e-invoicing), and robust audit readiness to support strategic planning.

Built for complexity and AI-first, Vertex empowers organizations to simplify and optimize indirect tax management across sales and use tax, VAT, GST, environmental fees, and more. Purpose-built for mid-sized to global enterprises, our technology improves agility and compliance in an increasingly digital, borderless economy.

By automating indirect tax processes, Vertex reduces manual effort, enhances accuracy, and mitigates compliance risk—delivering measurable ROI through improved efficiency, optimized resource allocation, and greater strategic focus. The result: tax becomes a catalyst for growth, not a constraint.

## Building a Business Case for Indirect Tax Automation

Are you ready to quantify the ROI of indirect tax automation for your organization? The following pages demonstrate specific ROI metrics across the business lifecycle. If you're ready to pursue a digital transformation for your tax function, contact Vertex to schedule a complimentary business case assessment with one of our tax automation experts. We'll translate your complex tax challenges into tangible business benefits that resonate with your executive leadership and cross-functional stakeholders. We'll help you show ROI for key metrics such as:

- ✓ Time saved on tax content updates and manual processing
- ✓ Reduction in audit penalties and notices
- ✓ Increase in AP & AR invoice accuracy protecting margins, the books, and buying reputation
- ✓ Faster tax determination and posting times
- ✓ Decrease in cost-per-return filed
- ✓ Reduction in IT support hours
- ✓ Reduced late fees and interest charges
- ✓ Shrinkage in reserves allocated to tax risks

To learn more, visit [vertexinc.com](https://vertexinc.com)

## The Cost Savings of Indirect Tax Technology

Automated indirect tax solutions help businesses streamline operations, protect margins, stay compliant, reduce risk, improve accuracy, unlock productivity across multiple departments and systems, and create reliable business data.

ROI is realized in multiple forms including:

- Reduced compliance costs
- Lower audit exposure and penalties
- Faster processing cycles (AP/AR)
- Improved working capital and cash flow
- Reduced IT and resource dependency
- Lower tax reserve requirements

## Making the Case

Why now? IT budgets are competitive, and tax technology investments are often deprioritized in favor of digital transformation, ecommerce, or analytics initiatives. But the consequences of delaying tax automation are costly—ranging from audit penalties to hidden compliance gaps, master data issues and rework, and missed efficiency gains.

To advocate effectively, tax and tech leaders must:

- Quantify current costs and inefficiencies
- Demonstrate the business value of automation
- Show how technology enables scale and agility
- Highlight compliance risk exposure

## Key Value Drivers by Business Case

Companies can reduce costs, risks, and improve efficiency with indirect tax technology. By investing in automated solutions companies can more effectively manage end-to-end indirect tax processes and improve compliance with the latest global regulations. Learn about common business challenges, associated benefits and ROI of an end-to-end indirect tax solution. An efficient indirect tax solution can have a significant business value impact.

## Elevate Tax from Back Office to Strategic Driver for your Business

Indirect tax automation is more than just a compliance solution—it’s a strategic enabler. By quantifying current pain points and articulating clear ROI, organizational leaders in tax, finance, and IT can shift the perception of tax technology from a cost to a business growth enabler. Investing in the right tax automation platform today means fewer errors, lower costs, and better agility tomorrow. Build your business case now—your future compliance and competitive advantage depend on it.

### ROI Planners in this Guide

Learn about how Vertex delivers measurable gains for the following processes:

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## Automated Tax Research and Regulatory Compliance

Indirect tax teams face growing complexity as they track tax regulations across the globe, update tax matrices, and manage ever-evolving jurisdictional requirements. Manual processes—such as researching tax changes, maintaining rate tables, and configuring compliance settings across disparate systems—create inefficiencies, increase risk, and is costly to maintain.

Vertex reduces this burden by providing pre-configured, continuously updated content – tax, sourcing, supply, e-invoicing, forms and filing rules - across jurisdictions. This allows tax teams to spend less time on research and system maintenance and more on insight, analysis, and strategic initiatives. With built-in tax expertise and scalable tax engines, businesses can truly automate proper invoice billing, payment, and reporting - accurate and timely compliance, with mitigated risk while achieving operational efficiency.

Vertex brings a built-in tax team to each of its purpose-built solutions. Highly skilled, certified, in-house tax experts with extensive expertise tracking laws, regulations, reporting standards, and more throughout the global - rules, rates, fees, legislation, invoicing standards, reporting, filing and audit requirements - affecting place of supply, product taxability, exemptions, free trade zones, collection, invoicing, billing and payment, e-invoicing, e-reporting, forms and return preparation, filing deadlines, audit defense and archiving. Our team includes the Vertex Chief Tax Office providing insight with oversight publishing or conducting hundreds of thought leadership resources and participating in top, tax industry associations and institutions including seats at global counsels tracking major trends to ensure you have what you need when you need it.

### Common Challenges

- Time-intensive research (rates, rules) and compliance across jurisdictions.
- Constantly evolving global tax laws.
- Manual updates to tax matrices, rate tables, and decision logic.
- Resolving complex tax scenarios across multiple systems.
- Complex configurations for diverse brands, sellers, entities.
- Continuous monitoring of tax data accuracy across jurisdictions.
- Multiple system updates to maintain compliance.
- Managing tax data security, privacy, access controls.
- Limited tax expertise across AR, AP, eComm, IT teams.
- IT resource strain from integrations, cloud migrations, automation efforts.

### Tax Automation Benefits

- Cut time and cost of research.
- Stay current with global tax law changes automatically and as changes impact your systems and transactions.
- Support complex scenarios faster.
- Simplify tax setup for multiple brands and legal entities.
- Maintain compliance with built-in frameworks and testing.



**What if you could save time, improve efficiency, and reduce costs for your tax, finance, compliance, and tech resources with a single software purchase? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Total annual effort to review primary and secondary sources (hours)	2,080	100	-1,980	-95.2%
Total effort for documentation - handover/ticket (hours)	300	30	-270	-90%
Total effort to review and confirm changes (hours)	300	36	-264	-80%
<b>Total cost – Tax personnel</b>	<b>\$114,125</b>	<b>\$5,766</b>	<b>-\$108,359</b>	<b>-94.9%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Tax Determination: Sales Orders, Billing, Invoicing, and Cart

Managing tax across multiple billing systems, legal entities, and product bundles is increasingly complex. Errors in tax application, exemption handling, and credit processing expose businesses to financial risks and compliance issues. Manual reconciliation efforts further consume valuable resources.

By automating tax calculations across the sales process—from quote to cash—organizations can improve invoicing accuracy, reduce correction costs, and ensure tax compliance across sales channels. Streamlined billing workflows and automated data management contribute to faster revenue recognition, improved financial visibility, and reduced compliance costs.

Vertex solutions are designed to automate accurate tax calculation and compliance for multi-channel sales. By automating invoicing, billing, and reversals with tax accuracy, businesses can achieve significant cost savings, improve operational efficiency, and ensure compliance with tax regulations. Streamlined, compliant invoicing with automated workflows and data management eliminates manual data entry and laborious rework. This improves efficiency and reduces the risk of human error.

### Common Challenges

- Inconsistent tax results across systems, entities, and product categories.
- Outdated customer data impacting taxes, invoicing, credits, and exemptions.
- Risk of incorrect tax calculation at invoices, checkout, billing, or payment.
- Inefficient assignment of tax and exempt codes, causing compliance gaps.
- Complex transaction reviews for reversals, credits, and rebills.
- Limited tax expertise across order management, billing, and support teams.
- Manual processes and testing slowing issue resolution and increasing errors.

### Tax Automation Benefits

- Delivers accurate, consistent tax results across all AR touchpoints.
- Automates tax determination by location, entity, and product.
- Ensures proper tax handling for reversals, credits, and rebills.
- Reduces manual adjustments, testing, and IT dependency.
- Prevents underpayments, overpayments, and compliance penalties.
- Streamlines workflows for faster billing, invoicing, and payment.
- Improves visibility, reporting accuracy, and P&L forecasting.
- Lowers costs from errors, audits, and rework while boosting productivity.



**What if you could save time, improve efficiency, and reduce costs for your AR billing and invoicing processes? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Average time to process one AR invoice (seconds)	7	1	-6	-90%
% of AR invoices that require correction for under/over payment or charge	3.0%	0.3%	-2.7%	-90%
Number of invoices that require correction annually	3,000	300	-2,700	-90%
<b>Total cost to process &amp; correct AR invoices annually with AR resources</b>	<b>\$94,306</b>	<b>\$12,347</b>	<b>-\$81,958</b>	<b>-86.9%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Tax Determination: Purchase Order, Invoice Validation, and Accrual

Accounts payable teams struggle with upstream inaccuracies, vendor-charged tax errors, and inefficient manual processes that can lead to compliance gaps and audit risks. Delayed tax updates, inventory classification errors, and misallocated accruals disrupt the flow of operations and strain relationships between AP, Tax, and IT.

An end-to-end indirect tax solution introduces real-time use tax calculations, automated workflows, and accurate tax determination at the point of purchase. This reduces overpayments and underpayments, enhances cash flow, improves strategic planning, and decreases month-end reconciliation efforts—resulting in measurable time and cost savings.

Vertex solutions are designed to help simplify global tax complexity with powerful, automated tax calculation and compliance creating reliable and scalable solutions for purchase handling. Streamline accounts payable processes and systems with automated, real-time, use tax calculations. Reduce unexpected surprises at month end, enhance insight and accuracy, reclaim valuable time, and mitigate risk prior to payment, reconciliation, filing and audit.

Utilizing comprehensive tax automation for managing tax control from inventory through requisition, purchase order, and accounts payable reducing manual work and the need for custom solutions, leading to lower maintenance costs and fewer errors, resulting in long-term savings. Remove manual, indirect tax decisions from the buying process.

### Common Challenges

- Upstream errors lead to tax liabilities, missed accruals, costly adjustments.
- Limited real-time tax insight into liabilities affects financial accuracy and planning.
- Complex, manual AP tax setups require heavy system configuration and upkeep.
- Delayed tax updates cause invoicing and payment errors.
- Risk from manual or partially automated processes.
- Difficulty managing exempt purchases, inventory classification, accruals.
- Inefficient validation of vendor tax and exemption data.
- Challenges allocating tax across locations and multiple delivery points.
- Time-consuming reconciliation, refunds, and tax-only credit handling.

### Tax Automation Benefits

- Automates AP tax workflows, cutting time, cost, and manual effort.
- Provides real-time tax and cost visibility for accurate planning and P&L forecasting.
- Detects errors before invoicing or payment to avoid disputes.
- Helps ensure accurate G/L tax postings and location-based calculations.
- Eliminates manual rate updates and reduces IT overhead.
- Improves compliance, cash flow, and strategic purchasing decisions.
- Streamlines reconciliation, refunds, and credit processing.



**What if you could save time, improve efficiency, and reduce costs for your AP invoicing and payment processes through accurate tax automation? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Average time to process one AP invoice (seconds)	7.00	0.70	-6.30	-90%
% of invoices that require correction for under/over payment or charge	3.00%	0.75%	-2.25%	-75%
Number of invoices that require correction	7,500	1,875	-5,625	-75%
<b>Total cost to process &amp; correct invoices annually by AP resources</b>	<b>\$235,764</b>	<b>\$33,420</b>	<b>-\$202,344</b>	<b>-85.82%</b>

\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.

## E-Invoicing and Digital Reporting Compliance

Meeting the requirements of constantly changing global e-invoicing and digital tax reporting mandates presents increasing complexity and places greater demands on companies. Multiple jurisdictions and formats, fragmented systems, and a lack of integration with core ERPs only delay processing and raise compliance risk. Automated e-invoicing streamlines AR and AP processes, lowers Days Sales Outstanding (DSO), and accelerates payment cycles. Centralized monitoring, integration, and long-term digital archiving help businesses boost cash flow, cut costs, and reduce audit risk.

Vertex’s integrated platform simplifies multi-country e-invoicing for AR and AP, addressing diverse regulatory requirements and boosting operational efficiency. The platform integrates seamlessly with leading ERP systems and other source systems, enabling secure, real-time data exchange across invoicing workflows. With automated processes that support compliance with Continuous Transaction Control (CTC) regimes, Vertex cuts compliance costs and helps ensure global regulatory adherence. The solution connects to tax authorities worldwide via a universal API, offering one automated gateway.

Investing in Vertex solutions delivers substantial ROI by cutting compliance costs, reducing human errors, and improving cash flow. The platform speeds up payments by lowering DSO, provides reliable infrastructure, and enables end-to-end operational visibility. Vertex’s automation and scalability enhance competitiveness and operational efficiency, while secure data retention aligned with local storage requirements helps ensure compliance and better financial management.

### Common Challenges

- Managing multiple e-invoicing vendors, formats, and integrations.
- Meeting country-specific submission and exchange requirements.
- Fragmented workflow and data silos across financial systems.
- Tracking and storing e-invoices.
- Controlling e-invoicing data costs and reducing manual processing.
- Preventing errors, fines, and partner/customer relationship damage.
- Aligning with digital expectations.

### Tax Automation Benefits

- Connects globally to tax authorities and government platforms through a single secure, standardized framework.
- Adapts automatically to evolving multi-country regulations.
- Leverages a central gateway to simplify data transfer and ensure consistent compliance across jurisdictions.
- Automates AR/AP e-invoicing creation, validation, clearance, and archiving.
- Improves cash flow with faster payments and streamlined workflows.
- Reduces compliance costs, errors, and operational risk.
- Delivers real-time visibility and secure, compliant e-invoice storage.
- Supports sustainability by reducing paper and emissions.
- Automates data flow and minimizes manual work through seamless ERP and source system integration.



**What if you could improve processes, scale, cost, and efficiency for your e-invoicing and digital reporting processes? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Average time to validate one AP/AR invoice for e-invoice reporting (seconds)	180	60	-120	-66%
% of invoices that require correction	3.00%	0.75%	-2.25%	-75%
% of invoices requiring payment and cash management or dispute resolution	3.00%	0.75%	-2.25%	-75%
Average time to archive one AP/AR invoice record (in seconds)	120	0	-120	-100%
<b>Total potential cost savings across 100,000 e-invoices</b>	<b>\$336,000</b>	<b>\$52,000</b>	<b>-\$284,000</b>	<b>-79%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Global VAT Invoicing Process Improvement

Meeting the requirements of multi-jurisdiction VAT determination and constantly changing global e-invoicing and digital tax reporting mandates places greater demands on companies to meet compliant invoicing standards. Vertex’s integrated platform simplifies multi-country compliance for cross border and domestic commercial activity. We facilitate locally compliant business across the global supply chain. Local support built to grow as you expand.

The platform integrates seamlessly with leading ERP systems and other source systems, enabling secure, real-time data exchange across invoicing workflows. With automated processes that support Continuous Transaction Control (CTC), Vertex cuts compliance costs and ensures global regulatory adherence.

### Tax Automation Benefits

- With Vertex, determine and calculate the correct liability up front and meet local e-invoice requirements - all in one.
- Protect and improve compliant order to cash and procure to pay processes, streamline automated tax decisions, facilitating accurate invoicing and report to the correct authorities with minimal touch.



#### Example AR processing improvement ROI: Vertex tax determination automation\*

Cost/Function	Current	New	Impact	CHANGE
Average time to process one AR invoice (seconds)	7	1	-6	-90%
% of AR invoices that require correction for under/over payment or charge	3.0%	0.3%	-2.7%	-90%
Number of invoices that require correction annually	3,000	300	-2,700	-90%
<b>Total cost to process &amp; correct AR invoices annually with AR resources</b>	<b>\$94,306</b>	<b>\$12,347</b>	<b>-\$81,958</b>	<b>-86.91%</b>



#### Example AP processing improvement ROI: Vertex tax validation and self-billing automation\*

Cost/Function	Current	New	Impact	CHANGE
Average time to process one AP invoice (seconds)	7.00	0.70	-6.30	-90%
% of invoices that require correction for under/over payment or charge	3.00%	0.75%	-2.25%	-75%
Number of invoices that require correction	7,500	1,875	-5,625	-75%
<b>Total cost to process &amp; correct invoices annually by AP resources</b>	<b>\$235,764</b>	<b>\$33,420</b>	<b>-\$202,344</b>	<b>-85.82%</b>



#### Example digital reporting ROI: Vertex compliant e-invoicing automation\*

Cost/Function	Current	New	Impact	CHANGE
Average time to validate one AP/AR invoice for (seconds)	180	60	-120	-66%
% of invoices that require e-invoicing correction	3.00%	0.75%	-2.25%	-75%
% of invoices that require payment/cash/dispute management	3.00%	0.75%	-2.25%	-75%
Average time to archive one AP/AR invoice record (in seconds)	120	0	-120	-100%
<b>Total potential cost savings across 100,000 e-invoices</b>	<b>\$336,000</b>	<b>\$52,000</b>	<b>-\$284,000</b>	<b>-79%</b>

\*For demonstration purposes only. Examples are based on an average enterprise sized business. Note, automated VAT determination carries additional ROI. For a fuller ROI case study, contact a Vertex associates for more information.

## ERP and Financial System Maintenance

Maintaining tax configurations across ERP, ecommerce, and billing platforms consumes significant IT resources and introduces risk. Businesses struggle with fragmented systems, inconsistent tax logic, and the complexity of managing multiple brands, legal entities, and cross-border transactions locally and across global supply chains.

A centralized tax engine simplifies system maintenance, structures and standardizes tax data across systems, streamlines integration, and ultimately ensures consistent and accurate tax treatment across sales and purchasing. Automation reduces manual intervention, enables faster onboarding of new business units or geographies, and improves compliance while minimizing the need for ongoing IT support.

Vertex enhances commercial systems, providing a controlled tax framework that removes the complexity from your ERP systems keeping the core financial systems clean and ready for upgrade without affecting compliance. It structures commercial transactions for compliant operations, automating costly and time-consuming business activity while creating control. Our proprietary tools are built to scale - managing multiple jurisdictions, regions, and systems including highly complex rate formulas, tax jurisdiction assignments, exemption management, threshold tracking, registration validation, granular product mapping, multi-system integration support, master data cleansing, automated calculation, invoicing, and returns prep. Vertex solutions automate these processes, reducing the manual effort required and the likelihood of errors. Integrate a single Vertex tax engine with the systems you use today and easily connect to new systems as you grow and expand.

### Common Challenges

- Managing complex tax setups across brands, entities, channels.
- Manual fixes for data normalization and tax mapping.
- Custom tax configurations for industry-specific compliance.
- Onboarding new vendors, products, and markets often requires data cleanup.
- Handling multi-leg transactions, drop shipments, warehousing, deemed suppliers, situs/rate complexities, etc.
- Navigating cross-border transactions.
- Coordinating sourcing, service types, order flows, self-billing, accruals, etc.
- Managing complex billing, bundled invoicing, and line-item taxability.
- Maintaining consistent tax accuracy across all channels and touchpoints.

### Tax Automation Benefits

- Centralizes and streamlines tax management across entities, channels, and regions for invoicing, accruals, reporting and filing.
- Simplifies complex billing and taxability scenarios with ease.
- Enables fast expansion of markets, verticals, and system transformation without added tax risk.
- Adapts to changing pricing and packaging models without impacting tax accuracy.
- Reduces upkeep via cloud-based expert-backed solutions.
- Embeds indirect tax into financial systems without disrupting upgrades.



**What if you could save time, improve efficiency, and reduce costs for your ERP and system maintenance processes? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Monthly effort to maintain tax codes, jurisdictions and rates in ERP (hours)	50.00	5.00	-45.00	-90%
Monthly effort to customize systems for complex tax scenarios (hours)	45.00	5.00	-40.00	-88.9%
<b>Total cost (incl. labor) to maintain tax in Financial Systems</b>	<b>\$57,000</b>	<b>\$6,000</b>	<b>-\$51,000</b>	<b>-89.5%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Establishment, Registration, and Thresholds

Understanding when and where tax obligations begin—due to economic nexus thresholds or situs rules—is critical, yet difficult to manage manually, especially in the United States, and across borders in Europe and Latin America. Failure to track and act on new obligations can result under collection penalties, and registration and CTC delays.

Automated solutions provide real-time threshold tracking, nexus monitoring, and registration validation across entities and jurisdictions. Businesses can proactively establish collection requirements, reduce compliance risk, and maintain visibility into their evolving tax footprint—especially as they scale or enter new markets.

Automation that can help instruct nexus (when to register and collect) and identify buyer type (B2B vs B2C) is a win. More so, if it can be done at the federal, state/provincial, county, parish, city, or district level. Vertex users can automate threshold tracking, set and test establishment, store or validate registrations in seconds, track obligations in real time, and minimize under-collection or under-payment issues. For companies doing business globally, Vertex handles system setup, worldwide VAT ID validation, and administrative registration to help ensure VAT determination is handled accurately and ready for real-time and period reporting.

### Common Challenges

- Determining when to register and collect tax in each jurisdiction.
- Managing economic nexus under Wayfair and evolving state rules.
- Addressing nexus impacts for holding locations and drop shipments.
- Aligning nexus with the correct legal entity.
- Tracking procurement nexus alongside sales obligations.
- Maintaining visibility across all channels and adapting systems for new obligations.

### Tax Automation Benefits

- Monitors state thresholds in real time via dashboard.
- Enables jurisdiction tax collection with a single click.
- Manages nexus by legal entity for complex structures.
- Supports global trade with VAT ID setup, validation, and storage.



**What if you could save time, improve efficiency, and reduce costs for your nexus and threshold management processes? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Weekly effort to monitor thresholds, nexus, and updated all systems (hours)	10	1	-9	-90%
<b>Total cost annually to manage thresholds and nexus</b>	<b>\$26,000</b>	<b>\$2,600</b>	<b>-\$23,400</b>	<b>-90%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Exemption Certificate Management

Mismanaged exemption certificates can lead to audit exposure, incorrect invoicing, lost productivity, inaccurate reporting and disgruntled customers or auditors. Manually collecting, validating, and tracking certificates across systems is resource-intensive and error-prone, especially when dealing with complex exemption rules or limited use exemptions. The difficulty compounds where related customers purchase through multiple channels or across your legal entity structure.

The Vertex-built exemption certificate management system automates collection, embeds intelligent validation, and streamlines the renewal process while keeping businesses audit ready. The self-service portal and centralized recordkeeping, reduces processing time, increases invoice accuracy, and minimizes the risk of penalty due to expired or invalid certificates.

Vertex is built to save time, money, instantiate order and create predictability. Vertex helps businesses take control of exemption management, with a purpose-built tool designed for efficiency, to stay in front of the paper chase, streamline collection, stay compliant and minimize risk meanwhile diligently adhere to tax regulations and ensure proper application of exemptions to transactions with auto-assigned reason codes for return prep.

### Common Challenges

- Validating exemption certificates and applying them correctly.
- Tracking online sales exemptions and correcting short-pay invoices.
- Managing renewals, expirations, and jurisdiction-specific forms.
- Preparing for and responding to increased audit activity.
- Manual, decentralized certificate collection and management.
- Adapting to new or changing exemption legislation.

### Tax Automation Benefits

- Centralizes and secures all exemption certificates for easy access.
- Automates application, tracking, and expiration alerts.
- Offers customer self-service to update exemptions and cut manual work.
- Ensures compliance with automatic regulation and form updates.
- Speeds audit preparation and retrieval of exemption data.
- Handles complex exemption scenarios, reducing errors and short-pays.



**What if you could save time, improve efficiency, and reduce costs for your exemption certificate management? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
% of mistakes done in the application of certificates	3.0%	.5%	-2.5%	-83%
Supervisor effort to approve new certificate (minutes)	3	0.5	-2.5	-83%
Effort of certificate management - Scanning, Storing, Documenting (minutes)	6	0.6	-5.4	-90%
Effort to review expired certificates, contact customers for new certs (minutes)	30	5	-25	-83%
<b>Total cost to manage certificates annually</b>	<b>\$93,763</b>	<b>\$14,297</b>	<b>-\$79,466</b>	<b>-84.75%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Legacy System Replacement

Outdated or homegrown tax systems often lack scalability, create security vulnerabilities, and limit automation. Tax teams become dependent on IT for updates, and maintenance costs spiral due to complex workarounds and insufficient functionality.

Replacing legacy tools with secure, cloud- and hybrid-cloud-based indirect tax solutions helps eliminate manual work and unnecessary technical debt, take advantage of agentic technology, improve integration capabilities, and improves data privacy, interoperability, and compliance. Businesses benefit from increased system performance, reduced IT overhead, and a more agile, future-ready tax environment.

Vertex offers purpose-built, secure software designed for tax users and tested for IT. Vertex solutions integrate seamlessly with many ERP systems, billing systems, e-commerce platforms, procurement and supply chain platforms, thereby reducing the communication gap between disparate systems. Our compliance systems are purpose-built to ensure data privacy and secure exchange. Vertex manages software and content updates, reducing internal maintenance and staffing costs. Integrate multiple systems to a single Vertex tax engine, invoicing and compliance system to ensure continuity throughout your organization. Enable tax and finance with flexible systems designed to provide a controlled tax framework and retire old and inefficient partial solutions and costly hardware.

### Common Challenges

- Customization or anomalies pose risk despite low-cost.
- Partial solutions force manual processes that reduce efficiency and consistency.
- Specialized expertise needed for complex tax scenarios outside IT’s natural domain.
- Inefficient tools increase workload, limit automation and/or require costly hardware or EOL charges.
- Outdated or inefficient tech creates key resource dependency and architecture to support tax is inflexible.
- Training new tech resources slows knowledge transfer and increases errors.
- System updates require extensive testing to avoid issues
- Complex role and permission setups demand heavy IT support.
- Increasing data security and privacy rules add compliance burden.

### Tax Automation Benefits

- Cuts cost, time, and operational disruption.
- Prebuilt integrations and flexible deployment options.
- Lowers security, privacy, and compliance risks backed by third party data, system and content audits- certified.
- Brings business continuity plans and AI forward architecture under a pragmatic approach
- Redundancy options include edge for secure failover.
- Standardizes permissions, tax logic, and workflows creating continuity across financial systems.
- Reduces IT burden to better support tax and finance with simplified maintenance replacing outdated tech.
- Automates process, integration and market entry
- Offers real-time data under a unified model for data interoperability.



**What if you could improve efficiency and reduce costs by replacing your legacy tools and systems? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Annual license cost of custom middleware and software that can be retired	\$400,000	\$0	-\$500,000	-100%
Annual hardware cost that can be retired	\$200,000	\$0	-\$100,000	-100%
Annual maintenance & upkeep cost - Software	\$5,000	\$1,250	-\$3,750	-75%
Annual maintenance & upkeep cost - Hardware	\$5,000	\$1,250	-\$3,750	-75%
<b>Total cost to maintain legacy systems</b>	<b>\$610,000</b>	<b>\$2,500</b>	<b>\$607,500</b>	<b>-\$607,500</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Returns Filing, Reporting, and Treasury Management

Managing indirect tax reporting and filing across jurisdictions is complex and time-consuming. Manual processes, disparate outsourcing firms, and inconsistent data lead to delays, errors, and increased workload for tax teams. Automation simplifies data prep, form filling, filing, and reporting—reducing effort, improving accuracy, and lowering compliance costs. Centralized management, digital reporting, and integrated forms support streamlined operations and audit readiness freeing up tax professionals for strategic work.

Vertex operationalizes global compliance so companies can transact at scale —and enforce it with certainty - across jurisdictions, reporting regimes, and deadlines.

In North America, the challenge generally falls to the sheer quantity of sales, use, and GST filings and frequent regulatory changes across federal, state, provincial, and local jurisdictions. Vertex’s compliance solution automates the full process—from data consolidation to electronic submission and payment—improving accuracy and consistency across entities while handling registration, remittance and notices.

In VAT regimes, cross-border business models and varying degrees of regulated e-invoicing mandates create the challenge— varying rules, formats, deadlines, administrative bodies, and submission systems, to name a few. The Vertex VAT Compliance solution automates data collection, reconciliation, and submission globally, centralizing information from tax engines, ERP systems, and financial platforms for accurate reporting. With support for electronic filing and real-time validation, Vertex reduces manual work, lowers the risk of late or incorrect filings, and provides better insight into tax liabilities.

### Common Challenges

- Managing multi-jurisdiction compliance drives up costs and delays.
- Coordinating filings across business units and entities is complex.
- Maintaining workflows, deadlines, and approvals consumes time and resources.
- Inaccurate records and data errors delay submissions.
- Resource-heavy validation of tax and reason codes.
- Costly reconciliation of inventory movements and collection discrepancies.
- Disputes, late fees, and digital compliance requirements increase expenses.
- Limited staffing and technical issues hinder timely, accurate filing.

### Tax Automation Benefits

- Cuts manual compliance costs and improves process control.
- Consolidates and centralizes data for greater accuracy and faster reporting.
- Automates workflows, e-filing, and document management improving cash flow visibility, and forecasting within treasury teams.
- Reduces errors, penalties, and audit risks.
- Tracks payments with full G/L coding and manages credit balances.
- Simplifies audits with detailed records and audit trails.
- Strengthens data security and frees resources for strategic work.



**What if you could save time, improve efficiency, and reduce costs for your returns filing, reporting and treasury management processes? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Labor cost (Tax professionals)	\$50.00	\$5.00	-\$45.00	-90%
<b>Total cost to prepare and file tax returns</b>	<b>\$30,000</b>	<b>\$3,000</b>	<b>-\$27,000</b>	<b>-90%</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Penalties, Interest, and Defense Charges

Keeping up with ever-evolving tax law changes and filing requirements can be challenging, resource-intensive and risky, with errors or delays leading to penalties and reputational harm. Limited visibility and outdated processes worsen these issues. A centralized tax solution ensures compliance through real-time updates, validation workflows, and structured reporting. Automated tools reduce the likelihood of errors, provide audit-ready insights, and strengthen risk governance. Businesses save time and costs while protecting their brand and treasury performance.

Vertex tax automation solutions are designed to help businesses manage tax compliance and reduce the chances of penalties, interest, and defense charges. Our platform automates and centralizes tax processes to improve accuracy in tax calculations and facilitate downstream preparation, which helps decrease errors and compliance issues. Vertex supports automated filing with validation workflows for accurate reporting in various jurisdictions. During audits, the system provides detailed transaction and compliance records, allowing businesses to respond efficiently and limiting the need for additional professional services. This approach lowers the probability of penalties and helps maintain compliance standards.

Vertex automation makes managing tax simpler—accurate calculations, streamlined filings, and robust audit records all help minimize compliance risks. Vertex offers a single, scalable solution with streamlined maintenance that integrates with CRM, ERP, ecommerce, and billing systems for consistent tax control, adapts as your business expands, and maintains compliance across jurisdictions.

### Common Challenges

- Limited staff for researching and maintaining compliance with evolving tax laws.
- Difficulty identifying tax savings and improving compliance efficiency.
- Inconsistent internal controls increasing audit exposure and overpayments.
- Gaps in governance documentation and audit readiness.
- Errors in tax calculations and systemic process issues.
- Complex multi-jurisdiction compliance coordination.
- Labor-intensive filings with high risk of delays or inaccuracies.
- Limited visibility into risks, exposures, and VAT recovery opportunities.

### Tax Automation Benefits

- Improves accuracy to reduce penalties, interest, and audit risk.
- Centralizes and structures tax data for faster validation and reporting.
- Automates workflows to ensure timely, compliant filings.
- Provides prebuilt dashboards for proactive audit risk management.
- Enhances visibility into risks and exposures for leadership decisions.



**What if you could improve accuracy and efficiency, and reduce costs for your audit defense? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Average penalty during last annual cycle	\$250,000	\$12,500	-\$237,500	-95%
Average interest paid during last annual cycle	\$100,000	\$5,000	-\$95,000	-95%
Consulting & attorney fees during last annual cycle for audit defense	\$50,000	\$10,000	-\$40,000	-80%
<b>Total annual cost for penalties, interest, and audit defense</b>	<b>\$400,000</b>	<b>\$27,500</b>	<b>-\$372,500</b>	<b>-90%</b>

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## Audit and Tax Position Defense

Audit preparation and defending tax positions across complex entities can be highly disruptive. Teams often spend valuable time collecting data, resolving discrepancies, and manually justifying decisions—resulting in operational inefficiencies and heightened audit risk.

With an automated indirect tax system, companies gain access to structured, accurate, and centralized data. Transaction-level visibility, historical records, and built-in compliance documentation simplify audit defense and reduce time spent on reconciliations. The result is a more resilient tax function and lower audit-related costs. Automation enables tax departments to operate more efficiently throughout the entire tax lifecycle including tax position defense. Vertex is designed to enable corporations with medium to complex tax structures to increase tax data transparency and facilitate tax accuracy the first time with the ultimate goal of improving tax expense and tax risk management.

Vertex’s proven and trusted indirect tax technology can help you streamline customer and audit defense while improving audit performance through sales, purchasing, billing, returns and filing across your entity structure, providing automated accuracy and structured data built for compliance with historical data, look-up features, and archiving.

### Common Challenges

- Complex tax compliance across systems and jurisdictions while managing tax disputes and overrides.
- Time-consuming transaction analysis, audit trail validation, and reconciling data discrepancies.
- Preparing audit reports and responding to auditor inquiries.
- Maintaining detailed, compliant tax documentation.
- Cross-team collaboration during audits and error resolution.

### Tax Automation Benefits

- Streamlines and consolidates tax data to support compliance and governance.
- Reduces validation time with jurisdiction-specific tax rule automation.
- Ensures full audit trails and transaction accuracy across the organization.
- Streamlines invoice adjustments and tax credit processing.
- Delivers comprehensive historical audit and compliance reporting.
- Strengthens risk analysis and internal controls for better financial reporting.
- Improves efficiency of audit prep and discrepancy resolutions.



**What if you could save time, improve efficiency, and reduce costs for your audit and tax position defense? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Average effort to gather transaction reports (hours)	2.0	0.5	-1.5	-75%
Average effort to analyze transaction reports (hours)	3.0	1.5	-1.5	-50%
Effort to gather transaction/invoice data (hours)	5.0	2.5	-2.5	-50%
Effort to analyze transaction/invoice data (hours)	3.0	1.5	-1.5	-50%
Effort to submit transaction reports and supporting documents (hours)	2.0	1.0	-1.0	-50%
Providing/receiving audit finding recommendations (hours)	4.0	2.0	-2.0	-50%
Evaluate audit exposure (hours)	2.0	0.5	-1.5	-75%
<b>Total cost annually to support audit and tax defense</b>	<b>\$8,156</b>	<b>\$4,094</b>	<b>-\$4,063</b>	<b>-49.8%</b>

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## Reserves Reduction

Inaccurate tax calculations, manual processes, and uncertainty around compliance often force finance teams to maintain larger reserves. These reserves tie up capital and constrain business growth.

By improving tax accuracy and reducing compliance risk, automation enables finance leaders to confidently reduce reserve requirements. This frees up working capital, improves cash flow, and enhances financial planning—contributing directly to the organization’s bottom line.

Using Vertex indirect tax solutions, your business can create a controlled tax framework automating tax accuracy upfront; structuring consistent data for invoicing, billing, payment, reporting and filing; and automating compliance processes and business functions tracking and updating requirements for efficiency and governed control. Automating procurement and sales with Vertex within a controlled tax framework delivers beneficial impacts for a wide range of stakeholders. For example, it can improve your financial statements. When tax errors occur with any frequency, finance and accounting teams tend to post larger reserves to cover underpayments and potential audit penalties or overbudget for tax liability overpayment (knowingly or unknowingly). Heightened tax compliance accuracy gives them the confidence to reduce the level of reserves they maintain. Improvements in the accuracy of tax payments can also free up working capital.

### Common Challenges

- Tax law changes create uncertainty in calculations and reporting.
- Maintaining accurate product taxability and exemption status is critical.
- Errors in ordering/procurement data lead to tax miscalculations and credits.
- Complex supply chains risk under/over-collection and costly adjustments.
- Expanding markets and channels increase compliance complexity and risks.
- Inaccurate addresses and missed nexus thresholds cause tax liabilities.
- Limited tax expertise drives need for reserves to cover compliance gaps.
- Non-compliance risks lead to potential fines, penalties, and legal reserves.

### Tax Automation Benefits

- Automates tax calculations, reducing error and dispute reserves.
- Keeps tax rules, rates, and standards current to minimize uncertainty.
- Provides real-time compliance to reduce penalty and fine reserves.
- Monitors nexus and thresholds to prevent unexpected liabilities.
- Maintains historical data and exemption documentation for audits.
- Improves data accuracy to lower error-related reserves.
- Identifies tax-saving opportunities to impact high liability reserves.
- Supports audit readiness, reducing related expense reserves.



**What if you could improve tax accuracy and reduce costs, and reduce your reserves? See the example ROI delivered with Vertex tax automation\*.**

Cost/Function	Current	New	Impact	CHANGE
Error rates on total revenue due to tax issues	8.00%	0.8%	-7.2%	-90%
<b>Total cost to annually manage invoicing and reserves</b>	<b>\$10,400,000</b>	<b>\$7,800,000</b>	<b>-\$2,600,000</b>	<b>-25%</b>

\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.

## Technology Implementation

Technology alone doesn't ensure success—effective implementation is essential. Poorly configured systems create inefficiencies, workarounds, and limit ROI. Without strategic guidance, technology can become misaligned with tax policy and operational needs.

The Global Professional Services team at Vertex provides experienced tax, financial, and technology consultants that design and implement customized indirect tax solutions to ensure accuracy, flexibility, and lasting value. Their expertise covers everything from entity-level setup; ERP, online, and procurement systems; to architecture and automation helping maximizing an organization's tax technology investment.

Vertex provides a universal tax framework across the indirect tax lifecycle designed to operate within a controlled and automated environment, standardizing business ready tax data and compliance activity across multiple systems. This framework aims to maintain consistency in processes such as ordering, billing, and compliance throughout the organization. The Global Professional Services team has significant experience implementing Vertex solutions that set up an organization for growth and avoid unnecessary customization, enabling proper mapping and configuration from the outset.

Vertex serves enterprise, mid-market, and growing businesses with implementation services and tools that support scalable tax solutions. Our experienced Vertex consultants have implemented highly complex to moderately simple tax policies and automation needs. Their expertise helps ensure your system is setup correctly from the start, customized for your industry, and adaptable to future policy changes. With broad experience in tax policies and automation, Vertex consultants streamline processes to maximize the value of a Vertex solution.

### Common Challenges

- Understanding tax policies for each legal entity and jurisdiction.
- Evaluating supply chains, delivery methods, and nexus thresholds.
- Classifying products/services and applying correct rates and regulations.
- Managing exports, intercompany transactions, and fulfillment locations.
- Coordinating sales, procurement, and source system integrations.

### Tax Automation Benefits

- Adjusts processes and systems to each entity's tax requirements.
- Automates tax determinations across sales, purchasing, invoicing, and filings.
- Streamlines tax decisions, reducing IT reliance and boosting efficiency.
- Supports structural changes with minimal disruption.
- Leverages expert guidance for returns preparation, compliance, and ROI.



**What if you could reduce your costs and gain confidence in ROI through experienced implementation services? See the example ROI delivered with Vertex tax automation\*.**

Tax Automation Expenses	Fee YR 1	ROI YR 1	ROI YR 2	ROI YR 3
<b>Total quantifiable savings annually across tax lifecycle</b>		<b>+\$2,421,590</b>	<b>+\$2,421,590 &gt;</b>	<b>+\$2,421,590 &gt;</b>
Outside consulting fees for current tax system	-\$20,000	0	0	0
<b>One-time implementation consulting fee</b>	<b>\$TBD</b>	<b>- Fee</b>	<b>Full ROI</b>	<b>Full ROI</b>
Free implementation tools and configuration agents	0	>	>	>
<b>License Fee</b>	<b>\$TBD</b>	<b>ROI - Fees</b>	<b>+&gt;ROI - Fee</b>	<b>+&gt;ROI - Fee</b>

*\*For demonstration purposes only. Examples are based on an average enterprise sized business with high complexity.*

## Portfolio ROI based on Quantifiable Outcomes

Vertex delivers real-time tax accuracy and insight, optimizing operations for growth with AI-forward architecture – compliance built on trust and control at scale. Our indirect tax platform safeguards margins, cash flow, and projections while reducing reserves and eliminating friction across channels, regions, and industries. With flexible architecture and advanced technology, Vertex empowers businesses to operate at speed and scale in a controlled, compliant environment—protecting relationships and avoiding brand erosion.



### Example ROI with Vertex indirect tax lifecycle automation\*

Reduced Cost By Function	Current Cost of Managing Tax	Reduced Operating Cost with Vertex	Positive Impact to Bottom Line	% Savings
Total annual cost: Tax personnel research and taxability matrices	\$114,125	\$5,766	-\$108,359	-94.9%
Total annual cost: process & correct tax on AR invoices w/ AR resources	\$94,306	\$12,347	-\$81,958	-86.9%
Total annual cost: process & correct tax on AP invoices w/ AP resources	\$235,764	\$33,420	-\$202,344	-85.8%
Total potential cost savings across 100,000 e-invoices	\$336,000	\$52,000	-\$284,000	-79%
Total annual cost (incl. labor) to maintain tax in Financial Systems	\$684,000	\$72,000	-\$612,000	-90%
Total annual cost to manage certificates annually	\$93,763	\$14,297	-\$79,466	-84.75%
Total annual cost to manage thresholds /establishment	\$26,000	\$2,600	-\$23,400	-90%
Total annual cost to maintain legacy systems and middleware	\$610,000	\$2,500	-\$607,500	-99.6%
Total annual cost to prepare and file tax returns	\$30,000	\$3,000	-\$27,000	-90%
Total annual cost for penalties, interest, and audit defense	\$400,000	\$27,500	-\$372,500	-90%
Total annual cost to support audit and tax defense	\$8,156	\$4,094	-\$4,063	-49.8%
Total annual cost for tax consulting services	\$20,000	\$1,000	-\$19,000	-95%
<b>Total quantifiable savings annually across tax lifecycle</b>			<b>\$2,421,590</b>	<b>86.31%</b>

Tax Automation Expenses	Fee	ROI YR 1	ROI YR 2	ROI YR 3
Outside consulting fees for current tax system	-\$20,000	0	0	0
<b>One-time implementation consulting fee</b>	<b>\$TBD</b>	<b>- Fee</b>	<b>Full ROI</b>	<b>Full ROI</b>
Implementation tools and configuration agents	0	>	>	>
<b>License Fee</b>	<b>\$TBD</b>	<b>ROI - Fee</b>	<b>&gt;ROI - Fee</b>	<b>&gt;ROI - Fee</b>

Annual Reserve Reduction	Commercial & Compliance Reserves	Reserve ops budget back to revenue	Reserves post improvements	% Reduction
<b>Total cost to annually manage invoicing, mitigate risk and exposure</b>	<b>\$10,400,000</b>	<b>-\$2,600,000</b>	<b>\$7,800,000</b>	<b>-25%</b>

\*For demonstration purposes only. Examples are based on an average enterprise sized business with moderate complexity.