E-Book

Top 4 KPIs to Identify When Migrating the Tax Function to the Cloud

Post-Cloud Migration Evaluation Criteria

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Digital Transformations to the Cloud

Cloud migrations are accelerating given the current disruptions to commerce and supply chains that have changed the landscape to a world more reliant on e-commerce, automation and telecommuting. The "new normal" is no longer about if an enterprise takes on digital transformation initiatives to automate business processes, but when. Cloud tax technology offers a high level of automation and remote access as workloads, apps and e-commerce seek agility and speed.

Across borders, channels and industries, organizations are shifting, or have already shifted, to the cloud. In a study completed by IDG and Vertex, out of 100 IT professional respondents, 56% stated that their company will be upgrading or purchasing a cloud-based tax solution in the next 12 months. When these companies do shift to their tax processes to the cloud how will they evaluate the success of their decision? In this e-book, we will dive into factors that should be considered when making the decision to migrate, and how to evaluate the success once implemented.

What Automation and Cloud Means for Tax

The tax landscape for sales and use tax or indirect tax is dynamic and complex. Doing business in the United States alone involves more than 11,000 taxing jurisdictions and constantly changing rules and rates — 6,230 new and updated sales and use tax rates over the past 10 years. For commerce across borders, value-added tax further complicates the picture.

Calculating and reporting sales, use, and value-added tax requirements automatically enable businesses to improve compliance efficiency for where and when they do business. With company tax data, an automated tax solution can help with tax determination, data management, compliance, reporting and documentation management. With all of these functionalities, employees are free to work on other endeavors such as business planning, resource re-allocation, establishing new processes and more.

Companies, especially innovative companies, are turning to cloud solutions as they seek to reduce costs, refocus staff and implement new work processes to gain agility and speed. Cloud-based deployment models allow organizations to not only keep up with the latest tax content, but to gain economies of scale, while ensuring strict security and maintenance protocols.

“There is urgency and a deliberate pivot to cloud as business strategies and technology landscapes are changing. More businesses are multichannel and shifting digitally, while business systems are more likely to migrate to the cloud,” said Chris Livingston, director of product management for the cloud platform at Vertex, Inc., a publicly traded tax technology and service provider that empowers companies across industries.

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Director of Product Management
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What to Look for When Evaluating a Tax Technology Provider

Key criteria to consider when evaluating tax automation vendors offering cloud-based solutions

Experience Level: Number of years in business and experience with cloud-based technology.

Features: The solution that is best for a company will align with your requirements. Though these are not the full list, here are important areas to evaluate.

+ Tax Content: Have the latest rules and rates
+ Easy-To-Use Interface: Clear navigation, consistent elements, and a clean design
+ Integrations To Your Existing Software: ERP, e-commerce, procurement and other systems. All integrations are not alike. Make sure the intergration is fully functional, and can handle various forms of tax to fit your industry

Support & Training: Whether you are in the implementation phase, or your product is live, it is important to have help available every step of the way.

You Migrated to a Cloud-Based Tax Technology. What's Next?

KPIs To Consider When Evaluating A Cloud-Based Tax Automation Solution

Automating the indirect tax function for sales, use, and value-added tax calculations and reporting in the cloud brings scalability and new efficiencies across the following KPIs.

1. Resource Efficiency

Are my resources being used more efficiently?

Streamlined migrations improve efficiencies for both tax and IT departments.

Tax Department

+ Efficiencies from reduced manual resources when processes such as calculations and exceptions are automated; reduced labor costs and mistakes
+ Continuously updated tax content reduces errors and improves accuracy

IT Department

+ Reduced resources and labor from IT required for cloud-based solutions versus on-premise, licensed or CAPEX solutions
+ Minimal hardware, no software updates means faster implementation

2. Cost Savings

Where am I saving money?

- Gain cost clarity with no hidden charges on contracts
- Reduced IT costs, including infrastructure-development time
- Labor savings when manual processes are reduced with automation

3. Scalability

Can my current process handle the volumes if my business grows 30% within the next year?

- Infrastructure when you need it to support promotions and holiday demand for retailers
- Reduced resources and complexity for IT departments when redundancy, backup and failover protection against downtime are provided
- Reduced complexity from integrating a single tax solution with multiple vendors for financial systems, tax systems and enterprise systems, such as ERP with integrations to support the transaction sets performed
- Engineered transaction processes and greater volume capacity enable swift transaction processing of complex, high-volume invoices
- High transaction-processing speeds

4. Brand Reputation and Customer-Satisfaction Ratings

What are my customers saying?

- Quick and painless customer experience due to an optimal transaction process
- Increased cybersecurity measures for cloud applications protect against customer data breaches, with file-level encryption and internal controls
- Integrations from connectors easily process complex transactions

Taking Tax Automation to the Next Level

It is important for a business to frequently monitor their investments to see how they are performing, and a tax automation solution is no exception. When a company puts tax technology first, and measures their performance with the 4 KPIs of resource efficiency, cost savings, scalability and brand reputation, they are building a robust environment for their company to grow sales volume and expand geographically.

Cloud-based tax automation takes indirect tax to the next level for increased speed, reliability and accuracy in an end-to-end life cycle. With a cloud solution that automates tax calculation, manages exemption certificates and files tax returns, companies can reach the competitive edge they are striving for.

Vertex, Inc. is a trusted global provider of indirect tax software and solutions. The company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply and grow with confidence. Vertex provides cloud-based and on-premise solutions that serve specific industries for every major line of indirect tax, including sales and consumer use, value added and payroll. Headquartered in North America, and with offices in South America and Europe, Vertex employs over 1,100 professionals and serves companies across the globe.

To learn more about Vertex Inc.'s solutions, please visit
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