

Unleashing the Strategic Potential
of Corporate Tax.

Presenting Vertex Enterprise.™



A new era. A new mission.
A continued commitment.



Jeff Westphal – Vertex, President and Chief Executive Officer

Vertex recently developed a bold new mission statement:

“UNLEASH THE STRATEGIC POTENTIAL
OF CORPORATE TAX WORLDWIDE.”

This represents our mission, and a commitment to our customers. Finding new ways to apply the power of technology to improve the performance of corporate tax. Break down the barriers between tax and finance. Reduce risk and cost. All while delivering strategic tax insights that result in a positive impact on the bottom line. So how do we plan to live up to these ambitious ideals – and support both our customers’ and the tax industry’s efforts to deliver greater contributions to the businesses they serve?

Our solution is Vertex Enterprise™ – a new standard for tax operations excellence.

Vertex Enterprise is an end-to-end solution that integrates all tax processes with host Enterprise Resource Planning (ERP) and Business Intelligence (BI) systems on a single platform. For the first time, a true enterprise technology solution will span the entire tax management process, from data acquisition to audit defense. This represents a real breakthrough for the tax industry – the end of cobbled-together tax software, and the complex data connections and home-grown repositories that go with them.

The purpose of this report is to communicate our strategic direction to Vertex customers, partners and the entire tax industry, including:

- What we believe is driving change in the industry – “hyper-regulation” – and why current direct tax solutions will fail to meet this challenge
- The solutions in place today, including Vertex® Indirect Tax *O Series*,® that provide a proven starting point for the adoption of a true enterprise-level strategy
- The solutions that are in development, including enterprise-level direct tax solutions focused on tax accounting, data management, workflow, and analytics
- How Vertex’s “Future of Tax Operations” webcast series and support of the Tax 2.0 initiative provides exciting new ways to engage in more innovative tax operations management

At Vertex we’re proud of our reputation for reliability and integrity. Our customers consistently tell us that we’re a partner that they can trust to live up to our commitments. I assure you these attributes will never change.

What will change is the breadth and depth of the software, services, support, and tools we provide to reduce cost and manage risk, and provide a platform for better, more intelligent business decisions – unleashing a whole new level of tax performance. This is *our* mission and if it is *your* mission then I encourage you to read on.



President and CEO

The Era of Hyper-regulation.

The rapid pace and complexity of regulatory changes – triggered by the global recession and shrinking government revenues – are beginning to cause systemic changes in how corporations must plan and manage their tax operations.

For many companies, this new era of “hyper-regulation” has already dramatically increased workloads – and risk – for tax departments. The fact is, most tax departments are already overwhelmed and losing ground because of their over-reliance on manual processes and time-consuming “work-arounds.”

With all of these strains on the tax department’s limited resources, the question is – Are the hodge-podge of fragmented applications and processes you depend on today sufficient to handle the excessive workloads heading your way? Are point solutions and spreadsheets going to provide what you need to keep pace?

We believe the answer is no. What are considered *Best Practices* today are definitely not going to be the *Next Practices* of tomorrow.

“The number of major changes coming, and the pace at which they will arrive, is unprecedented,” says D.J. Gannon, a partner with Deloitte & Touche. “You would be hard pressed to see a period of time with as much change as this, all at one time.”

- “FASB Convergence Project Looms; Prepare to Panic,”
Compliance Week, June 2010

“Everybody is looking ahead to what is being called a tidal wave. There’s a lot of attention focused on what’s coming down the road.”

- Scott Taub, former Chief Accountant, SEC.
“Bracing for Tidal Wave of Accounting Changes,” *Compliance Week*, July 2010

“On the technology side, despite a burst of investment after Sarbanes-Oxley, tax still lags the finance and accounting functions. In our 2009 Business Finance Tax Survey of 175 finance and tax executives, we found that many corporate tax departments are still caught up in collecting, manipulating and validating data.”

- John Cummings “Across the Great Divide,”
Business Finance Magazine, Summer 2010



John Viglione – Vertex, Vice President and Chief Technology Officer

THE PROBLEMS WITH CURRENT TAX TECHNOLOGY.

Tax technology is clearly behind the times – dependent on point solutions and spreadsheets, or fragmented applications and databases that are supplemented with a “portal.” While a portal allows for the presentation of data in a common place, it doesn’t enable the integration of data that is passing between and among finance and tax systems, nor does it support creating tax calculations in real time. In short, portals create the illusion of integration without actually achieving it.

As a result, corporate tax professionals spend their days doing “work-around” data management instead of high value tax planning. These data management problems are at the very heart of tax technology’s challenge – aligning financial and tax reporting, and managing multiple financial systems and data architectures. Portals do not solve this problem – they are clearly unable to provide reporting and analysis based on truly integrated and reliable data.

Introducing **Vertex Enterprise**.TM

Considering all of the challenges ahead, the only way for corporate tax to reach the next level of performance and strategic relevance is to move away from stand-alone departmental tax solutions and establish a true enterprise tax management platform where:

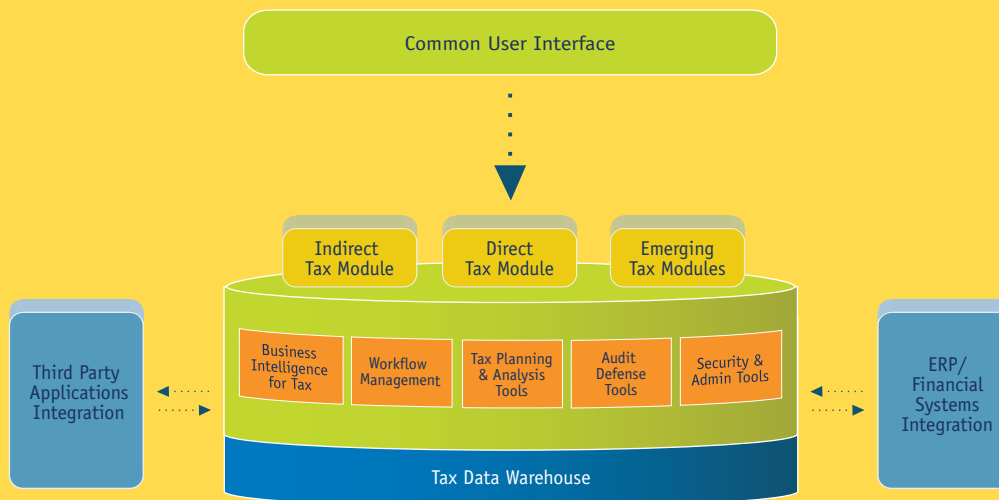
- Data is always current, accurate and reliable
- Users are able to enter information once and apply it to many types of tax management solutions
- All applications and analytics access data from a database populated from ERP and finance systems
- All applications provide a consistent user interface for all tax types

This is only possible when the tax technology solution has been architected to leverage data and technology that runs on a common platform, and all applications are designed to work together. This is the strategic direction used to architect **Vertex Enterprise** – an end-to-end solution that integrates all tax types with ERP and BI systems on a single platform.

Supporting a broad range of strategic and tax management processes including compliance, provision, planning, and audit, **Vertex Enterprise** provides the first truly integrated and flexible enterprise-wide tax solution on the market. For example, users of the Vertex Tax Performance Suite have the ability to integrate either Vertex or other third party tax applications to develop a true best-of-breed approach to corporate tax management.

It will give tax executives at multinational corporations who manage highly-complex tax operations an unprecedented level of control, transparency, and planning and analysis capabilities. It will – we believe – unleash the strategic potential of corporate tax.

Vertex Enterprise™ Platform



Vertex Enterprise integrates the applications and analytics for multiple tax types with host ERP, financial systems, and BI systems on a single platform, all accessible through a common user interface. Financial data is entered once into a Tax Data Warehouse, then automatically applied to multiple tax management solutions. With this single source of data, all users share reliable, auditable data regardless of the application.

Vertex Enterprise features advanced tax solutions in three distinct suites: tax performance management, tax-specific software applications, and value-added professional services, including managed services/outsourcing, as well as partner and end-user training and certification.

Tax Technology Suite

Consists of both direct and indirect tax software applications that automate compliance, provision, and other tax processes. These applications can be configured as end-to-end direct or indirect tax solutions or as single point solutions. The Vertex Tax Technology Suite includes both U.S. and International coverage by tax type and selected industries.

Tax Performance Management Suite

Provides a secure, central, single source of data for all tax applications while providing dashboards, reporting, workflow, document management, and analytics. ERP and financial system connectivity along with performance management capabilities integrate data from multiple sources that is specifically tailored to tax department needs.

Tax Services Suite

Features implementation, tax process automation, and managed services that complement our technology and performance management suites. Vertex also partners with the Big 4 and other service providers to deliver our end-to-end solutions. Finally, we offer robust user training and certification for corporate tax departments.

Bridging the Enterprise – from Indirect to Direct Tax.

Over the last 20 years, Vertex has developed tightly integrated, database-driven tax technology solutions for indirect tax that are considered the most advanced and reliable in the industry. In fact, the Vertex Indirect Tax *O Series* solution is by far the most widely implemented, enterprise-level tax solution available today.

Vertex is expanding its market-leading indirect tax platform to encompass enterprise-level direct tax and data management solutions under the brand name **Vertex Enterprise**.

Beginning with direct tax data management and global provision solutions, **Vertex Enterprise** will provide end-to-end solutions across all major tax types and encompass tax accounting, tax compliance, tax planning, and audit defense processes. This includes a truly global tax accounting solution that addresses both interim and year-end provisioning, and enables enterprise-wide standardization and optimization of the tax accounting process.

“For the tax department, it is not about changing the domain expertise, but improving support around the operations. The biggest functional area in tax that can be improved centers on how data is managed and interacts with processes and people.”

- “What should a CFO know about tax?”
Financial Executive, January/February
2010

At its core **Vertex Enterprise** features a suite of industry standard tax data warehousing products capable of providing a “single source of truth” for tax on a global basis. One database, designed specifically for tax, containing all relevant tax data, with built-in flexibility to address new data types or uses, control data access, and provide an audit trail to ensure security.

In this way, **Vertex Enterprise** will put all the crucial data you need to do your job – accurate and secure – at your fingertips.

Sue Baker – Vertex, Vice President of Software Development

VERTEX O SERIES – THE ENTERPRISE STANDARD FOR INDIRECT TAX.

Vertex is currently leading the tax industry in complex, enterprise-level solutions. Today, more than 700 companies depend on Vertex® Indirect Tax *O Series*® – our enterprise-class indirect tax system, to drive process efficiency and, as a result, save millions of dollars every year.

Vertex O Series accesses data in real time from over 75 of the leading ERP systems – including SAP and Oracle, automating tax processing, reducing audit risk and freeing staff to do more high-value tax planning. It covers all indirect taxes, including sales tax and consumer use tax. What's more, it is a truly global platform – supporting VAT and other global transaction taxes in over 200 countries and territories, including Brazil, China, and India.

Vertex O Series serves as the blueprint for **Vertex Enterprise** direct tax solutions. As an integrated end-to-end platform, **Vertex Enterprise** will empower the entire spectrum of direct tax processes, from accounting for income taxes to compliance, planning, and defense.





Jack Ferraioli – Vertex, Vice President of Customer Relationship Development

CONTINUING THE CONVERSATION.

Vertex Enterprise is an important strategic initiative – with the potential to revolutionize a tax industry severely hampered by tumultuous global influences and a lack of adequate technology. With this vision, and decades of practical experience, we understand that the right approach would not be to acquire or hastily cobble together a technology suite, but to deliberately architect a long-term solution that can adequately address the new challenges ahead.

In that regard, we invite you to learn more about the path we are taking – solutions in place today, and the solutions in development – and explore how this applies to your individual challenges. Here are some of the ways we can continue the conversation.

Vertex Enterprise Resource Center

Visit vertexinc.com/enterprise to view videos, white papers, webcasts, surveys and other content that describes strategies and the roadmap for **Vertex Enterprise**. You can also subscribe to our **Vertex Enterprise** update service or contact us at **800-355-3500**.

“The Future of Tax Operations” Series

Register for our three-part webcast series: “The Future of Tax Operations”: from Hyper-regulation, to Best Practices vs. Next Practices, to Building a RoadMap to the Future. We’ll discuss some of the bold new ideas, strategies and technologies that will prepare you for the challenges that lie ahead.

Tax 2.0 Initiative

Vertex is a founding partner of Tax 2.0, tax2point0.com – an emerging community for corporate tax leaders, whose mission is to drive performance excellence by fostering innovation and defining best practices in tax administration.



Call **800.355.3500** to talk to a **Vertex Enterprise** representative about the solution, the planned roadmap, and opportunities for early adopters and tax consultants.

Founded in 1978, Vertex is a privately held company that employs more than 600 professionals at its headquarters in the U.S. (Berwyn, PA) and its offices in Europe (London), South America (São Paulo, Brazil), Atlanta, Chicago, Dallas, Phoenix, Sarasota, and Washington, D.C. To learn more about Vertex and our powerful suite of innovative enterprise tax management solutions, visit our website at vertexinc.com.

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