



# The Importance of Financial Systems in the Age of Digital Transformation

Streamline and simplify tax determination by moving to the cloud

## »» Introduction

Companies worldwide are in the midst of a rapid digital transformation that has only accelerated during the COVID-19 pandemic. This transformation includes crucial financial systems and the ways in which businesses are handling myriad requirements impacting tax determination and reporting.

In their efforts to streamline operations, more and more enterprises over the last few years have been transforming and modernizing their enterprise resource planning (ERP) systems by migrating them to the cloud.

In this evolving environment, enterprises that reinvent their processes to stay agile with the best, cutting-edge tools are most likely to excel through innovation and by better serving and accommodating their customers.

### Legacy finance systems can't keep up

For years, businesses have made do with clunky, outdated legacy finance systems, which for some have continued to multiply throughout years of partnerships and acquisitions. As a result, enterprises have gotten by employing temporary fixes and adjustments.

At the same time, the sheer number of complex financial transactions today can be daunting. A typical customer has around 100,000 transactions a day globally, half of which require value-added tax (VAT) compliance calculations involving countless rules and rates.

In this environment, many businesses are finding that these band-aid solutions are no longer working. Executives know they must modernize to keep up with shifting markets, evolving customer needs, agile competitors, regional expansion, and fast-changing technologies. Companies need to transform so they can innovate and grow. Executives understand that transforming their financial system, which is at the heart of operations, is critical.

“Digital transformation is crucial when it comes to managing enterprise financials because decisions have to be made quickly these days,” said Sheera Deepak, Principal Product Manager, Integrations at Vertex, Inc.

The COVID-19 pandemic has accelerated the shift to digital-first, cloud-first models as businesses face a new normal of customers and clients who expect seamless, on-demand access to financial systems and data. Enterprises have also grappled with the challenges of managing a dispersed workforce that's often not on-site, with employees working in hybrid and remote environments.

Meanwhile, companies have moved more toward automation because of ever-changing regulations and compliance requirements. And the expectation is that regulations will continue to evolve, becoming even more stringent.

Some 83% of organizations say they're facing different digital transformation challenges than they were two years ago, according to [Gartner, Inc.](#) Yet less than one-third of surveyed chief financial officers are confident their current technologies are aligned to ensure the future success of their organizations.

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*Principal Product Manager, Integrations at Vertex, Inc.*

To remain competitive, companies require increased agility to support new business models, geographic expansions, and growth, helping them increase efficiencies and reduce operational costs. Efficient management of financial opportunities, billing, and taxes is key, but can become complicated when dealing with multiple business units across continents.

“You need to be able to consolidate,” Deepak said. “It is becoming more and more critical to move to digital applications and bring data together. It’s important to have a digital transformation system in place to be successful. You should be able to see the visual aspects of your financial data in real time.”

Yet, corporations and executives are often hesitant to make significant changes to their ERP systems. Past upgrades and migrations may have been expensive, time-consuming, and disruptive, leaving them wary of additional change.

“The number-one roadblock is change management,” said Deepak. Teams have gotten used to managing applications in their own silos, and change can be difficult. Budget is the second biggest roadblock to transformation, Deepak added.

## Benefits of cloud infrastructure

Still, the companies that are making the shift are seeing major, almost immediate benefits. By transferring outdated financial systems to the cloud and combining complex business models and applications in a single platform, enterprises are able to innovate and work more nimbly.

The cloud allows enterprises to scale more easily and gain valuable business insights in just minutes, making overall operations more efficient. Other benefits include cost savings, higher speeds and reliability, enhanced data storage capacity and security, and automatic updates.

Moving to the cloud also helps companies gain a competitive advantage—and keep their customers happy. “Your customer satisfaction is number-one and without this type of modernization that’s going to be impacted and your competition is going to be ahead of you,” Deepak said.

Without the agility that digitization and the cloud provides, “you’re missing out on opportunities,” he added. “The cloud solution is really the answer in today’s world.”

More and more executives are coming to understand this myriad of benefits and are making the shift to the cloud, or planning to. According to the Gartner report, some 56% of organizations surveyed said they planned to upgrade or purchase a cloud-based tax solution.



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## Investing in Oracle Cloud Infrastructure

A significant number of businesses are electing to adopt Oracle Cloud Infrastructure (OCI), which was created to run any application faster and more securely without draining budgets. OCI is a complete cloud infrastructure platform with the services that companies need to migrate, build, grow, and scale all their IT workflows.

“If you were to do everything on your own, with your own hardware, it’s going to cost significantly more in terms of IT budget,” Deepak said. “OCI has everything built in, with the right blend of applications and the tech to support data visibility.”

Companies with OCI subscriptions pay for what they use—which saves money, because they don’t have to hire additional dedicated staff to [manage and oversee the technology](#).

OCI is especially beneficial for joint customers of Oracle and Vertex, Inc., one of the first tax technology partners to provide validated integrations for Oracle solutions available on OCI. Partners for over [25 years](#), Oracle and Vertex have over 1,500 joint customers, and Vertex is a preferred Cloud Infrastructure Partner.

Vertex’s products seamlessly integrate into Oracle’s ERP platform. OCI’s built-in security, high availability, and superior price-performance help Vertex customers automate transactions and stay compliant without having to worry about capacity constraints. Joint global customers saw a 35% performance boost on OCI versus other environments when leveraging Vertex’s Indirect Tax O Series solutions integrated with their Oracle applications.

## The Vertex Indirect Tax Accelerator for Oracle Fusion Cloud ERP

Now, with the Vertex® Indirect Tax Accelerator for Oracle Fusion Cloud ERP, Vertex is helping to further transform businesses. The Vertex Accelerator is a global transaction tax determination end-to-end solution for Oracle Fusion Cloud ERP users that brings critical benefits to enterprises.

Hosted on OCI, the Vertex Accelerator is a single, automated solution that helps enterprises integrate their payables and receivables. It simplifies processes with its easy-to-use, intuitive onboarding dashboard, and allows for nearly push-button setup of the Vertex tax engine. With its powerful interface, it streamlines integration processes and reduces implementation risks.

The Vertex Accelerator also calculates tax in real time while automatically taking into account evolving regional and local regulations and rules. It improves accuracy on tax calculation, which is crucial for businesses, and helps enhance reporting and avoid costly penalties associated with inaccuracies.

“The accuracy of tax results is not only a risk factor when it comes to internal and external auditing,” Deepak said, “but it’s an important factor when charging your customers and vendors the right taxes.”

The Vertex Accelerator automates and streamlines previously manual tasks, makes self-service easy, enables companies to consistently stay compliant, and reduces audit risk—all while enhancing staff productivity.



“The Vertex Accelerator expedites growth and helps companies to move to the next step in their digital transformation,” Deepak explained. “It’s the sweet spot for anybody thinking about digital financial transformation, with everything in one place.”

One company in the natural gas, drilling, and transportation space needed to move from more than a dozen complicated legacy systems—built up over time due to acquisitions—to a leaner, more streamlined approach to managing its complex taxes, which include both customs and duties.

“It was a major pain point for them,” said Deepak, “and they were looking for a single solution.” The company also wanted to lighten the load on its IT budget, so they made the switch to OCI and the Vertex Accelerator.

With more visibility into their financial data, team members across the organization now are able to access data in real time without having to wait on colleagues. “They really appreciated the ability to navigate to specific resources so they could get to quicker answers, and processes overall are much more efficient,” Deepak said.

As companies continue this crucial digital transformation of their financial systems, solutions like OCI and Vertex® Indirect Tax Accelerator for Oracle Fusion Cloud ERP are critical in helping businesses to become nimbler, grow efficiently, and reduce risk in these challenging times.

**Learn more about the Vertex Accelerator [here](#)**

## About Vertex

[Vertex](#) is a leading 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 solutions that can be tailored to specific industries for major lines 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 1,300 professionals and serves companies across the globe.

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



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