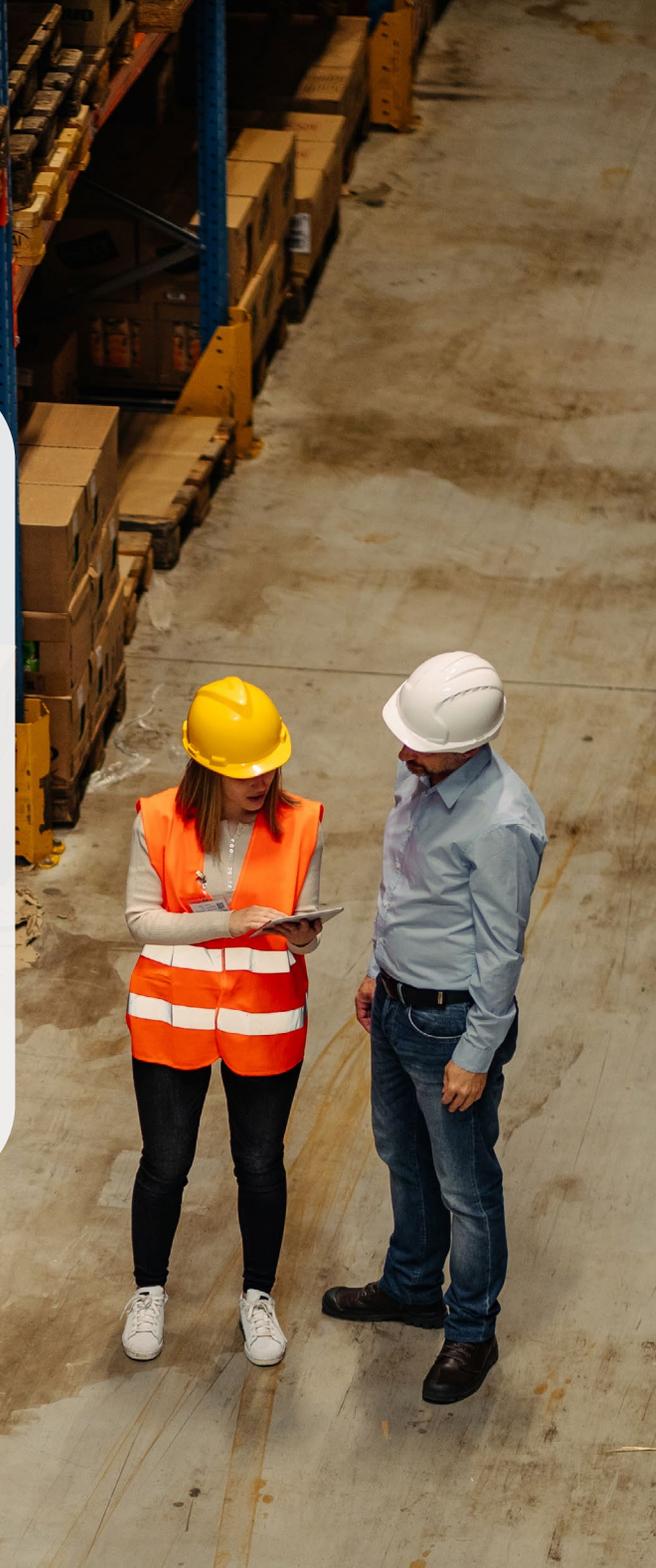# 7 Benefits Manufacturers Gain from Integrating Their Salesforce Software with a Tax Engine

Challenges Affecting the Manufacturing Industry

Chances are if you are in the manufacturing industry you've been affected by supply chain disruption, pricing increases across commodities, and labor shortages. As such, your organization may be experiencing the following:

- The need to expand geographically (*e.g.*, *scale data*, *operations*, *and infrastructure*);

- Exploring new and expanded channels such as digital (*ecommerce and marketplaces*) as well as direct-to-consumer;

- Selling a larger volume and variety of services to a broader segment of customers;

- Migrating to and/or adopting cloud-based solutions to reduce costs, increase scalability and agility complexity

These challenges will require you to have the right tools and technology to keep up to date with changes and accelerate your business forward for future growth.

This eBook was created as a guide to help you understand:

- **How Salesforce helps manufacturers bring together marketing, sales, and service**

- **Why you should integrate a tax engine to your Salesforce** – reap 7 major benefits!

- **Details on 'Vertex for Salesforce' tax calculation solutions**

- **An overview of the Vertex + Salesforce partnership and how to get started**

Introduction: How Salesforce Helps Manufacturers

Salesforce solutions offer a fully integrated CRM, bringing together marketing, sales, and service in one set of solutions. Organizations who choose Salesforce solutions benefit from the automation of their order-to-cash/invoice-to-cash processes, improved reporting, and ability to provide a more seamless, integrated commerce experience. Salesforce solutions also provide you with a means to take a composable approach to building your commerce platform, enabling you to select the modules that you need and integrate them with your other systems — resulting in a more custom solution that supports your business.

And while there is no denying Salesforce automates and powers commerce, the native tax calculation capabilities require you to manually updates tax tables with limited flexibility. Integrating a Vertex tax engine extends those native Salesforce capabilities by automating the tax process with a flexible solution. Let's discuss further….

7 Major Benefits Manufacturers Get by Integrating Salesforce with a Vertex Tax Engine

There are tens of thousands of global tax jurisdictions to keep track of. Each constantly changing their rates and regulations – requiring you to keep up in order to accurately calculate sales, use, and value added tax (VAT) on every transaction.

To prevent tax errors from getting in the way of a successful sale, many manufacturing organizations choose to integrate a third-party tax engine to Salesforce solutions. In doing so, they reap the following added benefits:

1. **Automate tax calculation and the maintenance of tax data:** When your Salesforce solutions are connected to a tax engine, it automates the maintenance of tax data and tax calculation across all Salesforce applications. The changing tax content is automatically maintained and updated in one central platform, then leveraged across multiple Salesforce applications. It serves as the single source for the latest tax data, complex tax calculations, and robust tax reporting for compliance and audit-readiness.

2. **Eliminate manual processes, freeing tax and IT resources:** And as business models, supply chains, and suppliers change — and cross-border transactions increase — M&Ds are subject to a higher volume of tax regulations, with more complexity than ever before. When organizations try to fill in the gaps manually, it can lead to an increased risk of errors and a higher risk of audit penalties. A tax engine automatically updates the tax rules and rates, so you don't have to. It also reduces the burden on IT teams because a single tax engine can integrate with multiple Salesforce applications, allowing you to standardize tax management

and boost visibility and control. Plus, your internal IT staff are freed from the monotonous task of applying updates and can work on more strategic tasks.

3. **Improve tax compliance and help reduce audit risk:** As mentioned previously, there are tens of thousands of global taxing jurisdictions with rules and rates that can change at any time. Maintaing the latest content in the native tax tables can be time-consuming and limited. Salesforce native tax functionality can handle SUT/VAT rate storage and simple tax calculation, but the Salesforce native functionality requires manual updates to tables for each and every tax related dependency including:

- Tax code updates
- Rate updates
- Jurisdiction update/addition
- Complex three-party scenarios
- Complex VAT scenarios
- Product Master for legislative, regulatory and country rule updates

Ultimately, if your team makes one small tax error, when scaled across hundreds or even thousands of transactions, it can wind up being extremely costly. However, with a tax engine, you automate tax updates as well as complex tax calculations for improved compliance.

4. **Reach greater economy of scale:** More and more manufacturers are racing to meet omnichannel business demands. Many others are beginning to sell direct-to-consumer (DTC) as an emerging business model. No matter what changes your organization implements, a tax engine is built to adapt to everything from supporting new sales channels, to increasing product lines, expanding into new markets as well as company acquisitions. Tax engines fully support your growth, leading to greater economies of scale.

5. **Effectively manage exemptions and regional requirements:** Tax exemption can be complicated for a manufacturer. Michael Bernard, Chief Tax Officer of Vertex, explains, "Some states are broad where they cover the full manufacturing workflow, whereas other states limit it only to the specific direct production. Some states allow for a full tax exemption for any qualifying purchase or sale, and other states only allow a partial exemption. This means that in some cases, even if they qualify, they are still charged tax, but it's at a lower tax rate. Organizations must verify each state's specific requirements and adjust accordingly."

   Salesforce native tax capabilities have limited ability to handle complex exemptions. A tax engine enables companies to manage the complex exemptions in each tax calculation, and can also offer add-on document management tools for this laborious paper-heavy process, which can help in audit preparation.

6. **Streamline the quote-to-cash process:** With B2B commerce, sales teams often provide customers with multiple quotes as order pricing and volumes are confirmed. Ensuring that tax is applied consistently and accurately as the line-items within each quote change can be challenging. By integrating a tax engine with Salesforce Revenue Cloud modules, you can ensure that whether an order requires recurring billing, or is a standalone transaction, tax will be accurately and consistently calculated right through to the final order and invoice.

7. **Deliver a better customer experience:** Regardless of whether you are selling B2B or direct-to-consumer (D2C), there's no room for errors. Customers expect a frictionless experience regardless of how, when, or where they engage with businesses. And mistakes can lead to serious consequences where indirect tax is concerned. Lag time in processing taxes can delay your ability to process a quote, send an invoice, and collect accurate payment. When Salesforce is integrated with a tax engine it automates tax calculation, providing a more frictionless buying experience.

As you can see, there are multiple reasons why manufacturers can take their business to the next level by adding a tax engine to their Salesforce system. In doing so, you can improve tax accuracy, reduce audit risk, seize business expansion opportunities, better manage exemptions, and create a more streamlined buying process for customers.

Tax Calculation Integrations Across the Salesforce Ecosystem

Vertex solutions for Salesforce enable organizations to streamline global tax determination throughout the invoice-to-cash process for B2B and B2C commerce.

- **Vertex for Salesforce Revenue Cloud:** Integrations between Vertex and Salesforce Billing, CPQ, and Subscription Management enable users to automate processes:
    - Tax determination within the invoice-to-cash process
    - Recalculating quotes and orders
    - Handling single and recurring transactions without increasing service costs

- **Vertex for Salesforce Sales Cloud:** An integration between Vertex and Salesforce CRM enables users to automate tax determination on every sales transaction in real time.

- **Vertex for Salesforce Commerce Cloud:** Integrations between Vertex and Salesforce Order Management, B2B "Classic", Lightning B2B and B2C, and Headless Commerce, enables users to automate tax determination within the invoice-to-cash process.

Vertex + Salesforce Partnership

For years, Vertex and Salesforce have worked together to develop technology to automate tax processes to help our joint customers drive efficiency, improve the customer experience, and accelerate global commerce.

By leveraging Vertex for Salesforce, you can reduce manual processes, stabilize process efficiency, improve audit performance, and reduce risk. You can also establish a tax process that's more reliable and scalable to support business growth.

Vertex has a 40-year history of automating tax calculation and is a proud Salesforce partner. Available via the Salesforce AppExchange, Vertex solutions seamlessly integrate with Salesforce, offering flexible deployment options and scalability to support enterprise growth across the organization and around the world.

To get started, visit **vertexinc.com/partners/salesforce.**

About Vertex

Vertex Inc. 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.

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