EXECUTIVE
VIEWPOINT

Larry Mellon
Senior Director, Global Tax

Larry Mellon is responsible for providing insights, thought leadership, and customer-centric direction to Vertex functional groups, supporting the continued expansion of Vertex indirect tax solutions and overall enterprise strategy. He has over 30 years of experience in sales and use tax compliance, risk assessment, jurisdictional audits, administration, and management, as well as VAT compliance.

How To Make the Right Choice for Tax Compliance

Optimizing tax compliance is a matter of understanding your organization's needs, whether on-prem, on-demand, or in the cloud.

All companies are obliged to pay taxes — it's an inescapable duty. Whereas some companies are mired in manual processes for tax compliance, many more are moving to tax compliance software, whether on-premises or in the cloud, to improve accuracy while saving time and money. But how can you tell which — cloud or on-prem — is right for your company? And how can you carry out a smooth cloud migration if that's the best choice for your organization? Larry Mellon, senior director of Global Tax – Chief Tax Office at Vertex, explains how to evaluate your company's needs and choose wisely on your tax compliance journey.

Vertex offers its tax compliance solution in three ways: on-premises, on-demand, and cloud. How can I tell which is best for my company?

Every company is different and has different needs. For example, a larger company would have an ERP [enterprise resource planning] system in place and might prefer to run Vertex on-premises. If the company is already in a cloud environment, then implementing a tax solution in the cloud would make more sense. A company that is now handling their taxes on-premises might want to go to an on-demand or private cloud approach. The Vertex EDGE solution enables companies to locate their tax engine locally, close to the points of transactions, which reduces

latency, increases performance, and protects against disruptions. Mainly, the best approach depends on the volume of work and how the company currently operates.

Why do organizations hesitate to move their tax systems to the cloud?

The primary concern often revolves around security — decision-makers want to know how their data will be treated in the cloud. However, sometimes IT groups simply don't want to make a change, because they have a system in place already. While the system might work well enough, inertia or corporate bureaucracy stands in the way of improvement. They simply might not realize how much they are paying for outdated hardware and software. There are also budget considerations — decision-makers ask if there would be ROI [return on investment] when they change from on-prem to private or public cloud.

For companies that choose the cloud, what benefits can they expect?

When the cloud is the best choice for a company, they can expect many benefits, starting with lower cost because the infrastructure, staff, and maintenance expenses that go with an on-premises implementation are not needed. And because many employees, such as tax and IT staff, work from home, it's easier and faster for them to access a cloud-based system than to go into the office every day. You can also

EXECUTIVE
VIEWPOINT

add other cloud-based solutions to your cloud environment. And, of course, one of the greatest benefits of the cloud is scalability. When a company grows either organically or through acquisition, the cloud can scale rapidly.

How can organizations avoid a major "lift-and-shift" operation when moving tax compliance to the cloud?

Of course, most companies would want to minimize the disruption of lift-and-shift. A company's preparedness for cloud migration is very important. Companies that have carried out cloud migrations previously have processes in place to make future migrations go smoothly. Because Vertex is a SaaS [software as a service] company, we have seen many different migration scenarios, and we have experience helping companies move to a cloud environment when it's the right choice for their business. We can help a company go live on the cloud quickly and without hiccups.

How does Vertex integrate with existing environments, such as ERP systems?

Vertex partners with all major ERP platforms and has written prebuilt connectors to assure seamless integration with those vendors' ERP systems. Typically, what's needed is to connect the ERP system's financial reporting module to the Vertex system so that taxes can be calculated. Our partnerships with those ERP providers are very important. As those companies work with their customers to determine which tax solutions would be best, Vertex is top-of-mind for each of them.

What about customers that would like to work with accounting and consulting firms?

When companies realize they might need a purpose-built tax solution, they might ask one of the "big four" companies or others for their advice. Thanks to our partnerships with these leading firms and others, they recommend Vertex when it's the best fit. They understand that, whether deployed on-premises or in the cloud, the Vertex tax solution streamlines tax workflows while increasing accuracy and integrating with popular ERP systems. They know that Vertex tax experts keep the software regularly updated so that compliance with taxes is assured, regardless of jurisdiction.

Discover how Vertex can enable you to transact, comply, and grow with confidence. Click here to learn more today.