



Vertex Research Finds UKI e-Commerce Businesses are Falling Behind EU and US Counterparts in the Digital Transformation Race

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Research shows that delays in optimising inefficient finance and VAT management processes are stifling ambitious growth plans

LONDON, Aug. 17, 2022 (GLOBE NEWSWIRE) -- Vertex, Inc. (NASDAQ:VERX) ("Vertex" or the "Company"), a global provider of tax technology solutions, today released a research report on how businesses selling online can change indirect tax management from inhibitor to enabler. The study surveyed 730 financial decision makers working for companies transacting online on their plans for taking advantage of future growth opportunities as well as the challenges they will meet along the way.

This study found that UK & Ireland (UKI) businesses selling their products and services online are falling behind their European and US counterparts when it comes to digitally transforming their financial processes, including indirect tax management. In fact, 75% of UKI e-commerce businesses admit to being nowhere near completion of their plans to optimise their finance and VAT calculation processes. Similar businesses across the EU and the US are further on in their transformation journeys, with a third claiming to be midway through the process, and 37% are nearing completion.

Delays or failure to transform their indirect tax management processes are highlighted as a significant barrier to expanding their businesses into new territories.

Online businesses looking to sell into new markets must manage the VAT requirements of each new country they enter. However, registering with local tax authorities and ensuring the rules and regulations of the local indirect tax jurisdictions are complied with is a time-consuming, complex task. With many survey respondents still using the basic VAT automation functionality offered by their ERP or finance system or attempting to do it manually, ambitious e-commerce businesses will continue to face unnecessary growth inhibitors in an increasingly complex indirect tax landscape.

Almost half of our UKI-based survey respondents admit that they need to work on minimising the burden of VAT determination on every online transaction. They also recognise that improving inefficient indirect tax processes will help them digitise indirect tax as part of the customer buying journey and reduce their risk of receiving a fine for non-compliance for VAT.

Aside from their growth challenges, when asked about their other concerns over managing indirect tax, 44% of respondents cited possible indirect tax increases caused by Covid-19; for 43%, it's dealing with the changing and complex US sales tax rules; 42% worry about handling the number of emerging destination-based tax rules globally; and for 37% it's managing changes to EU VAT rules.

"The acceleration in adoption of digital technologies over the past two years has been phenomenal," said Peter Boerhof, Vertex VAT director. "As we enter a new digital age, finance and tax teams must look to optimise their processes and keep up with their competitors."

Embracing digitalisation comes with its challenges, and all too often, tax automation transformation is relegated to the bottom of the transformation 'to do' list as digitalisation of other core finance processes often takes priority.

Boerhoff continues, "UKI e-Commerce businesses looking to capitalise on the online sales boom need to be agile in their response to growth opportunities and move quickly into new target territories. Ramping up their efforts to transform their VAT processes by adopting a tax engine to automatically manage the entire VAT calculation and content process, will enable organisations to trade freely without the risk of non-compliance. It will also free up tax professionals to focus on helping their businesses plan their future growth plans effectively."

Download the full research report [here](#).

About Vertex

Vertex, Inc. is a leading global provider of indirect tax solutions. The Company's mission is to deliver the most trusted tax technology enabling global businesses to transact, comply and growth with confidence. Vertex provides solutions that can be tailored to specific industries for major lines of indirect tax, including sales and consumer use, valued 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.

For more information, visit www.vertexinc.com or follow on [Twitter](#) and [LinkedIn](#).

About the research

The research was conducted by Sapio Research UK on behalf of Vertex. 730 financial decision-makers (c-level, directors, and managers) working in businesses selling cross-border products and services online were interviewed, across the EMEA (420), North America (250), and South America (60). Respondents were identified from a pool of B2B and B2C businesses reporting an annual turnover between \$20m and \$400m (or, £14m and £295m).

For more information, press only:

Company contact:

Marisa Norris

Vertex, Inc.

mediainquiries@vertexinc.com

610.283.6284

Investor Relations contact:

Ankit Hira or Ed Yuen
Solebury Trout for Vertex, Inc.

ir@vertexinc.com

610.312.2890