FORRESTER®

The Total Economic Impact™ Of Avalara TEI Results Webinar

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The biggest thing for me is peace of mind. With Avalara, returns are filed on time, the rates are right, and everything is documented. I don’t worry about waking up to a notice or an audit surprise anymore — I can actually sleep at night.

— CFO, medical device manufacturing

Source: A Total Economic Impact™ Of **Product**, a commissioned study conducted by Forrester Consulting on behalf of <Client>, [month], [year].

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Agenda

- Introduction
- What is TEI?
- Executive summary
- Customer journeys
- Study results
- Financial summary
- Question and answer

Please note:
This slide presentation is an abridged, graphical, and complementary representation of a case study.

For a full explanation of methodology and details on model calculations, please refer to the full case study (The Total Economic Impact of Avalara, July 2026).

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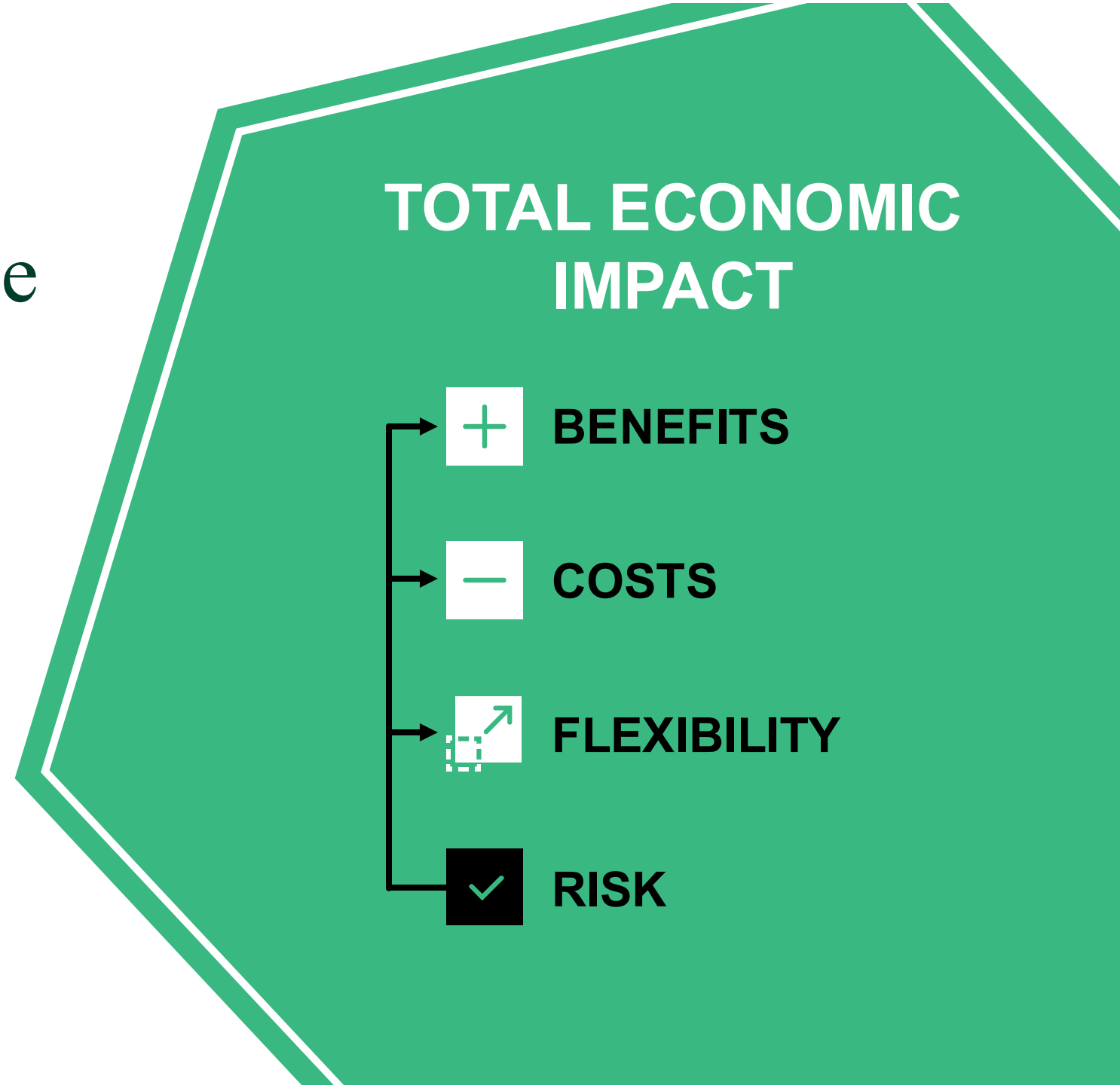
TEI is a proven, consistent, repeatable methodology to justify technology investments.



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Project approach

Forrester took a multistep approach to evaluate the impact of Avalara



DUE DILIGENCE

CUSTOMER INTERVIEWS

COMPOSITE AND FINANCIAL MODEL

WRITE CASE STUDY

REVIEW AND FINALIZE

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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Disclosures

The audience should be aware of the following:

- This document is an abridged webinar version of a full case study (Total Economic Impact of Avalara, July 2026).
- The study is commissioned by Avalara and delivered by the Forrester Consulting group.
- Forrester makes no assumptions as to the potential return on investment that other organizations will receive. Forrester strongly advises that readers should use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Avalara.
- Avalara reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.
- The customer's names for the interviews was provided by Avalara.
- Forrester does not endorse Avalara.

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Forrester has determined the following three-year impact:



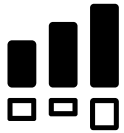
ROI

322%



BENEFITS

$1.2M



NPV

$881K

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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Before Avalara, it would take me about a week at month-end to calculate and file sales tax for just a handful of states. Now, it takes essentially no time. If we had continued doing this manually as we added states, we would have needed at least one additional accountant.

— CFO, Medical device manufacturing

Forrester interviewed seven representatives from organizations using Avalara

Interviews			
Role	**Industry**	**Region**	**Revenue**
Lead financial analyst	Biotech	Global	$10M+
Tax manager	Manufacturing	Global	$500M+
CFO	Medical device manufacturing	Global	$25M
Director of operations excellence	Sports equipment manufacturing	North America	$250M+
Tax compliance leader	Professional services	Global	$2.7B+
Finance and tax operations	Industrial automation	North America	$2.2B+
European tax accountant	Manufacturing/distribution	Europe	$60M+

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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Prior environment challenges

"As we grew and started adding more states and acquisitions, there's no way our old tax processes would have worked. We would have needed more people just to keep up."

- Tax Manager, manufacturing

- Manual tax processes
- Difficulty keeping up with changing tax rates and jurisdictional complexity
- Manual processes increased the risk of incorrect tax treatment and compliance gaps
- Poor visibility and control over exemption certificates
- Inability to scale tax compliance with business growth

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Creating a business case for Avalara

Forrester created a composite organization to convey the aggregate financial analysis.

REVENUE

$300 million

EMPLOYEES

2000

EXEMPTION CERTIFICATES

2,700



MANAGED RETURNS

400

TRANSACTIONS

12,000

AVALARA CONNECTOR

1

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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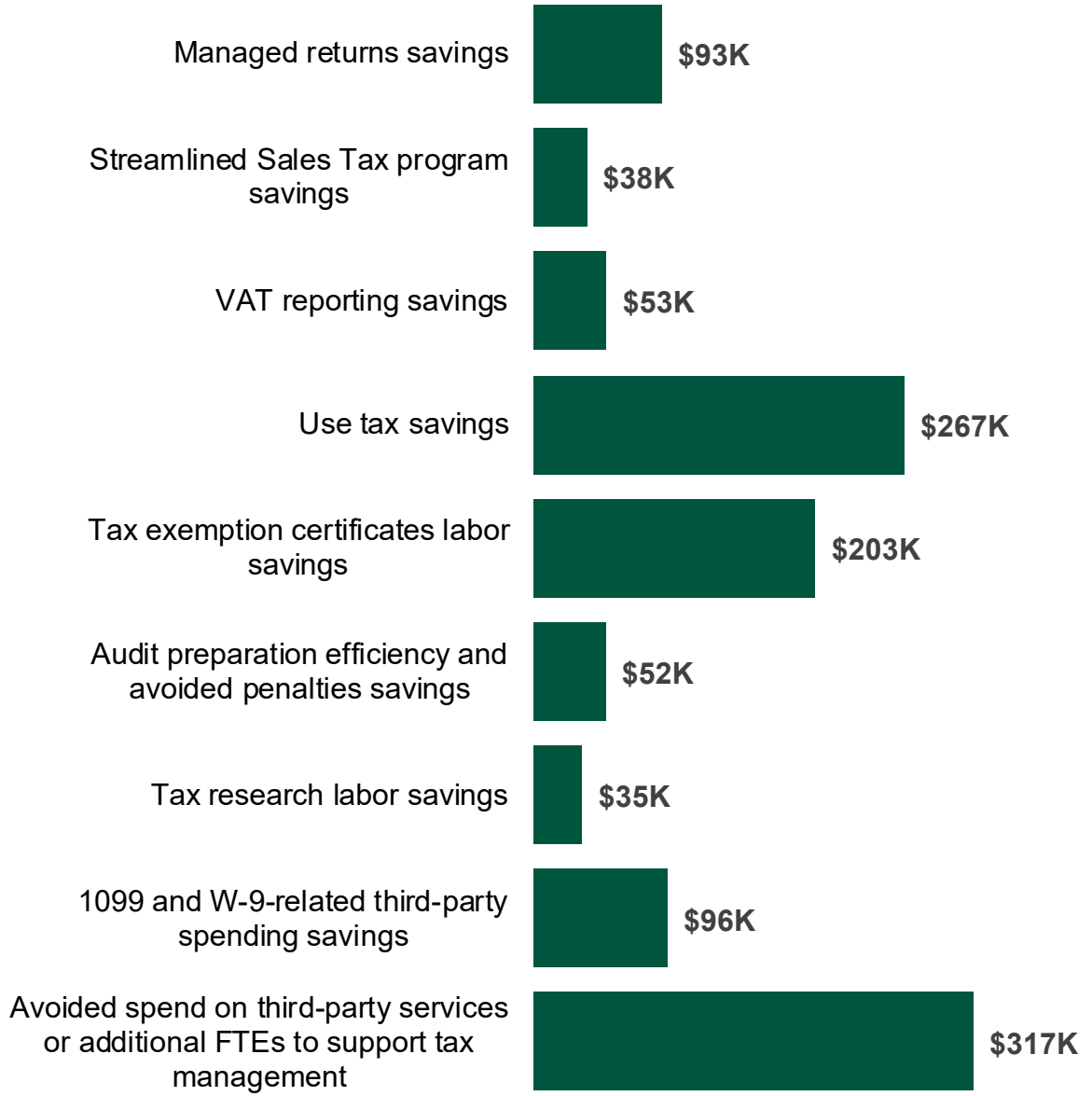
Three-year, risk-adjusted benefits

Based on the composite organization



Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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Managed Returns Savings

CUSTOMER EXPERIENCE

"Avalara is much lower price point per return. I think Avalara produces a great product."

— Tax manager, manufacturing

CAPTURING VALUE

95% Efficiency gained using Avalara

FINANCIAL IMPACT

$93K

3-year present value

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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Streamlined Sales Tax Program Savings

CUSTOMER EXPERIENCE

"Twenty-four states have formed an agency to help unify their tax rules. I don't have to pay Avalara for those 24 states, which is huge. It saves about half of my Avalara costs."

— CFO, medical device manufacturing

CAPTURING VALUE

50% Savings in returns and transaction fees by participating in the SST program

FINANCIAL IMPACT

$38K

3-year present value

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VAT Reporting Savings

CUSTOMER EXPERIENCE

"The reporting tool identifies the specific country, performs the filtration, and generates the report. With this reporting tool, what it does is filter out; it makes your life easy and saves time."

— European tax accountant, manufacturing/distribution

CAPTURING VALUE

90% Efficiency gained using Avalara VAT Reporting

FINANCIAL IMPACT

$53K

3-year present value

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Use Tax Savings

CUSTOMER EXPERIENCE

“Before, we were pulling invoices and doing a lot of gymnastics just to figure out what was taxable and what wasn’t. Now Avalara calculates it for us automatically, and we don’t have to worry about missing something or getting it wrong.”

— Lead financial analyst, biotech

CAPTURING VALUE

90% Efficiency gained using Avalara

FINANCIAL IMPACT

$267K

3-year present value

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Tax Exemption Certificates Labor Savings

CUSTOMER EXPERIENCE

"If we didn't have Avalara managing exemption certificates, we would absolutely need additional headcount. The automation around tracking, validating, and storing certificates probably saves the equivalent of at least one full-time person across the organization."

— Tax compliance leader, professional services

CAPTURING VALUE

95% Reduction in certificates filed with errors with Avalara

FINANCIAL IMPACT

$203K

3-year present value

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Audit Preparation Efficiency And Avoided Penalties Savings

CUSTOMER EXPERIENCE

“Using Avalara makes the auditors more comfortable. Auditors are familiar with Avalara's reputation and the output from the platform.”

— Tax manager, manufacturing

CAPTURING VALUE

90% Efficiency gained in audit preparation

FINANCIAL IMPACT

$52K

3-year present value

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Tax Research Labor Savings

CUSTOMER EXPERIENCE

"Tax Research has probably saved me at least 50 hours a year. Instead of hunting down rules state by state, I can compare treatment across jurisdictions in one place, which makes it much faster to answer questions correctly."

— Director of operations excellence, sports equipment manufacturing

CAPTURING VALUE

90% Research efficiencies gained using Avalara

FINANCIAL IMPACT

$35K

3-year present value

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1099 And W-9-Related Third-Party Spending Savings

CUSTOMER EXPERIENCE

"Before Avalara, we relied on outside help to make sure we didn't miss anything during 1099 season. Now we can handle it internally without needing to bring in a third party."

— CFO, medical device manufacturing

CAPTURING VALUE

$57 Savings per 1099 form

FINANCIAL IMPACT

$96K

3-year present value

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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Avoided Spend On Third-Party Services Or Additional FTEs To Support Tax Management

CUSTOMER EXPERIENCE

"Avalara will save us needing to add at least one person, if not more, especially as we continue to grow as a company."

— Director of operations excellence, manufacturing

CAPTURING VALUE

X% XX

FINANCIAL IMPACT

$317K

3-year present value

Source: A Total Economic Impact Of Avalara, a commissioned study conducted by Forrester Consulting on behalf of Avalara, July 2026.

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There are benefits to using Avalara that customers couldn’t quantify

- Improving confidence and peace of mind
- Reducing shipping errors due to address confirmation
- Supporting scalability without organizational strain
- Gaining access to reliable expertise
- Enhancing customer experience and responsiveness
- Improving voluntary disclosure agreement processes

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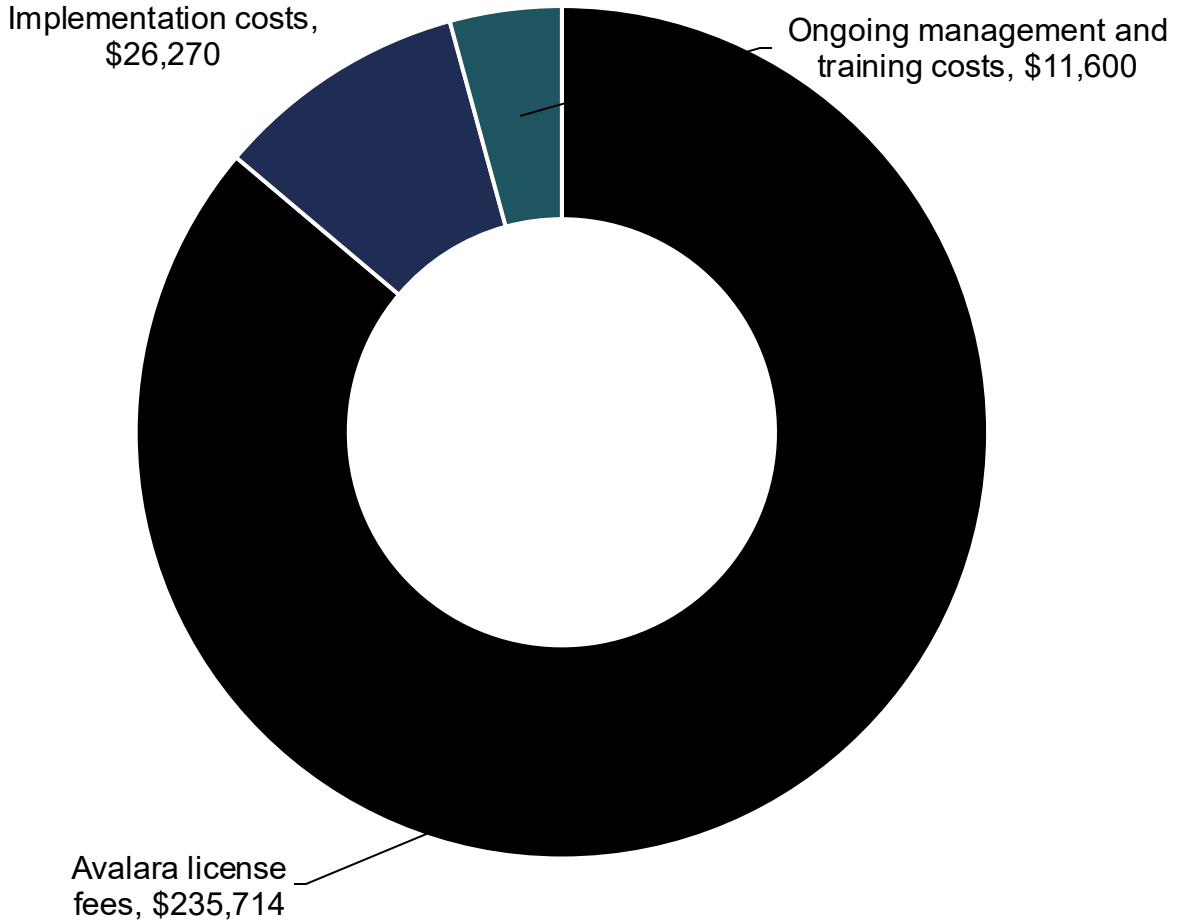
Three-year, risk-adjusted costs

Incremental cost and effort to implement and use Avalara



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Where the customer expects to see more value from Avalara in the future

FLEXIBILITY

Avalara provides an organization with the ability to engage in future initiatives for additional benefits.

- Ability to expand into new jurisdictions with reduced compliance risk
- Opportunity to adopt additional modules and extend automation
- Future efficiency gains through continued automation and AI capabilities
- Support for ongoing system and ERP transformation
- Supporting merger and acquisition activities

"As we grow and add more states, Avalara just scales with us. We don't have to rethink our tax processes or add people every time the business changes — it's already built to handle that complexity."

— Tax manager, manufacturing

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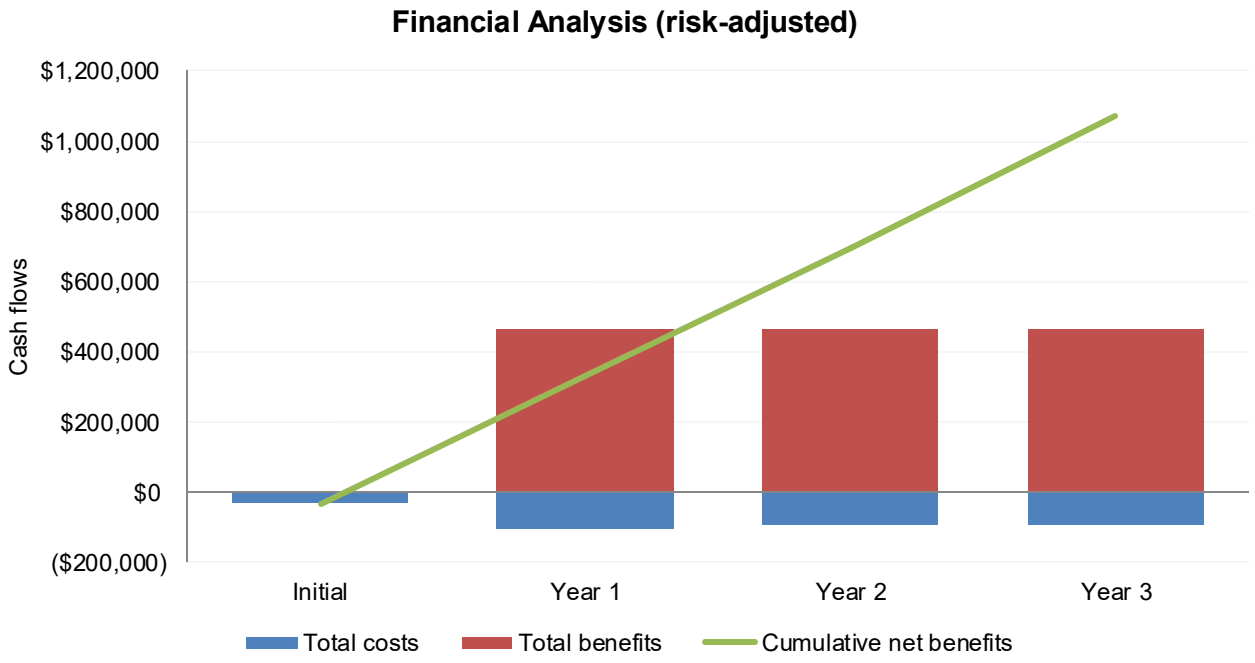
Three-year impact:



ROI
322%

BENEFITS PV
$1,2 million

NPV
$881 million

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“Before, I would have had to figure out what needed to be done. Now, Avalara resolves it. They have been a very good partner for us.”

— CFO, medical device manufacturing



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Thank You.



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Business case definitions 101

Present value (PV)
The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net present value (NPV)
The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

Return on investment (ROI)
A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Payback period
The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

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