TOTAL ECONOMIC IMPACT

The Total Economic Impact™ Of Avalara

Cost Savings And Business Benefits Enabled By Avalara

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY AVALARA, JULY 2026

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Executive Summary

According to Forrester research, organizations are facing growing compliance challenges as regulatory requirements continue to expand and evolve, making manual compliance processes increasingly difficult to sustain. To improve audit readiness, reduce compliance risk, and streamline finance operations, leaders are increasingly adopting automation, AI-powered finance technologies, and regulatory intelligence solutions. Tax compliance has also become an important use case within accounts payable and invoice automation initiatives, reflecting a broader trend toward proactive, technology-enabled compliance management that supports operational efficiency and business growth.[1]

Avalara provides an AI-powered platform that automates tax and compliance workflows, including tax calculation, exemption certificate management, tax returns, tax research, e-invoicing, 1099 and W-9, property tax, cross-border, item classification, and business license management. Through agentic workflows, AI-powered assistants and automation capabilities, the platform can help tax teams accelerate research, improve decision-making, and automate routine compliance activities while preserving visibility and control. By centralizing tax content and embedding tax automation into business systems, organizations can improve accuracy, reduce manual effort, and scale tax operations across jurisdictions more efficiently.

Avalara commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) companies may realize by deploying Avalara products and services.[2] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Avalara solutions on their organizations.

322%

Return on investment (ROI)

$881K

Net present value (NPV)

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed seven decision-makers with experience using Avalara. For the purposes of this study, Forrester aggregated the experiences of the interviewees and combined the results into a single composite organization, which is a B2B2C organization with 2,000 employees and $300 million in annual revenue.

Interviewees said that prior to using Avalara, their organizations relied on manual, spreadsheet-based processes and legacy systems to calculate and manage sales and use tax, requiring significant manual effort to file returns, 1099 and W-9 forms, maintain rates, apply exemptions, and file returns. Tax research required time-consuming manual searches or the expertise of expensive, third-party resources. These approaches were inefficient and led to inaccurate tax calculations, inconsistent exemption handling, and heavy reliance on manual work. As a result, these organizations faced material compliance risk, including audit findings, penalties, and back taxes, and spent significant time on reconciliation and filing.

After investing in Avalara products and services, interviewees' organizations automated tax calculation, filing, and exemption management through a centralized, integrated system embedded within their enterprise resource planning (ERP) environments. As a result, they improved tax accuracy and compliance while significantly reducing manual effort and expenditures on third-party services. Key outcomes include meaningful time savings across tax processes and reduced exposure to audit risk, penalties, and incorrect tax treatment.

Key Findings

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Avalara Managed Returns eliminates 570 hours of work, resulting in $93,000 in labor savings.** The composite organization automates sales tax return preparation and filing, reducing manual effort and compliance costs across jurisdictions. Automation ensures filings are completed accurately and on time, which strengthens compliance, minimizes errors, and avoids penalties. The efficiencies gained through automation reduce the time spent on return filing by approximately 95%, allowing tax and finance resources to shift to higher-value activities.

- **Streamlined Sales Tax (SST) program participation results in $38,000 in savings.** The composite realizes savings by participating in the SST program, which reduces or eliminates costs for tax calculation, filing, and remittance in participating jurisdictions. It also avoids third-party service fees and reduces internal labor by using Avalara to manage SST transactions, exemption certificates, and returns, resulting in consistent per-transaction and per-return cost savings over time.

- **Avalara VAT Reporting drives a 90% increase in VAT compliance efficiency, resulting in $53,000 in savings.** The composite automates VAT compliance reporting across multiple jurisdictions with Avalara, replacing manual processes and reducing reliance on external consultants by streamlining data extraction, classification, and report generation. Automation improves report accuracy and consistency by applying country-specific rules, which strengthens the composite organization's compliance as it scales global operations, but does not add headcount.

- **Avalara Use Tax eliminates 45 hours of work, resulting in $267,000 in savings.** The composite organization automates taxable purchase identification and use tax calculation and accrual with Avalara, replacing manual purchase transaction reviews. Its tax and finance teams gain greater control over use tax determination and application while reducing manual review effort, driving stronger financial management for the composite.

- **Avalara Exemption Certificate Management (ECM) eliminates 95% of errors, resulting in $203,000 in labor savings.** The composite organization centralizes and automates ECM with Avalara, reducing the labor required to collect, validate, renew, store, and retrieve exemption documentation. As a result, the composite reduces administrative effort, improves accuracy and audit readiness, and lowers the risk that missing or expired certificates will create compliance exposure.

- **Automated tax calculation and centralized processes saves 36 hours per audit and avoids penalties, resulting in $52,000 in savings.** Using Avalara to automate tax calculation and centralize tax and exemption management processes improves the composite's audit readiness and lowers its exposure to noncompliance penalties through more reliable tax calculations and supporting records.

- **Tax research capabilities saves 18 hours per month, a 90% efficiency gain, resulting in $35,000 in labor costs.** The composite centralizes tax content and research insights in one workflow with Avalara, making it easier to access and apply guidance more consistently. As a result, the composite organization resolves routine tax questions more efficiently, reduces reliance on individual judgment, and improves consistency and confidence in tax decisions while enabling senior tax resources to focus on higher-value work.

- **1099 and W-9 management eliminates third-party provider costs, resulting in $96,000 in savings.** The composite automates 1099 data preparation, validation, and submission within the Avalara platform, reducing its reliance on third-party providers for preparation and filing. This shift replaces manual, error-prone workflows and outsourced support with a more predictable, lower-cost process while improving timeliness and control over compliance.

- **Tax management automation reduces the need for third-party service and additional FTEs, resulting in $317,000 in savings.** Automating tax calculation, filing, research, and document management within the Avalara platform enables the organization to absorb growth in jurisdictions and compliance requirements without proportionally increasing external consulting costs or internal headcount. This automation enables existing tax and finance resources to operate more efficiently and focus on higher-value activities rather than routine compliance tasks. As a result, the composite organization scales tax operations more cost effectively while maintaining consistent compliance execution.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Improved confidence and peace of mind.** By automating tax calculation, filing, documentation management, and research, the composite organization improves confidence in the accuracy and timeliness of tax compliance activities. Using Avalara reduces the composite's reliance on individual expertise and minimizes concerns related to missed deadlines, incorrect rates, or unsupported exemptions. This increased confidence extends to executive leadership, lowering uncertainty and stress associated with tax compliance risk.

- **Scalability without organizational strain.** Avalara enables the composite organization to support growth in transaction volumes, jurisdictions, and regulatory complexity without proportionally increasing headcount or reliance on external advisors. Automation allows its tax and finance teams to absorb additional workload more efficiently, reducing operational bottlenecks as the business scales. As a result, the organization sustains growth while maintaining stable and manageable tax operations.

- **Enhanced customer experience and responsiveness.** Centralized tax determination and research capabilities enable the composite organization to validate tax treatment more quickly and provide authoritative explanations when questions arise. Faster access to supporting rules and documentation improves response times and consistency and strengthens credibility with customers. This responsiveness helps protect customer relationships while reducing friction related to tax inquiries.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Licensing costs for Avalara totaling $236,000.** The composite organization's licensing costs are based on the number of products it deploys, the number of connectors, and the associated professional services costs.

- **Implementation costs of $26,000.** Initial setup involves configuring tax settings, completing jurisdictional registrations, validating data, integrating with ERP or financial systems, and, where applicable, migrating or validating existing exemption certificates.

- **Ongoing management and training costs of $12,000.** Avalara automates most tax compliance activities; however, the composite organization still requires limited ongoing administrative effort to review configurations, manage exceptions, and handle edge-case scenarios. Overall training costs for the composite are low due to the platform's intuitive design, so there is minimal formal training needed.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of $1.2 million over three years versus costs of $274,000, adding up to a net present value (NPV) of $881,000 and an ROI of 322%.

90%

Efficiency gains in audit preparation

> *"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**

Key Statistics

322%

Return on investment (ROI)

$1.2M

Benefits PV

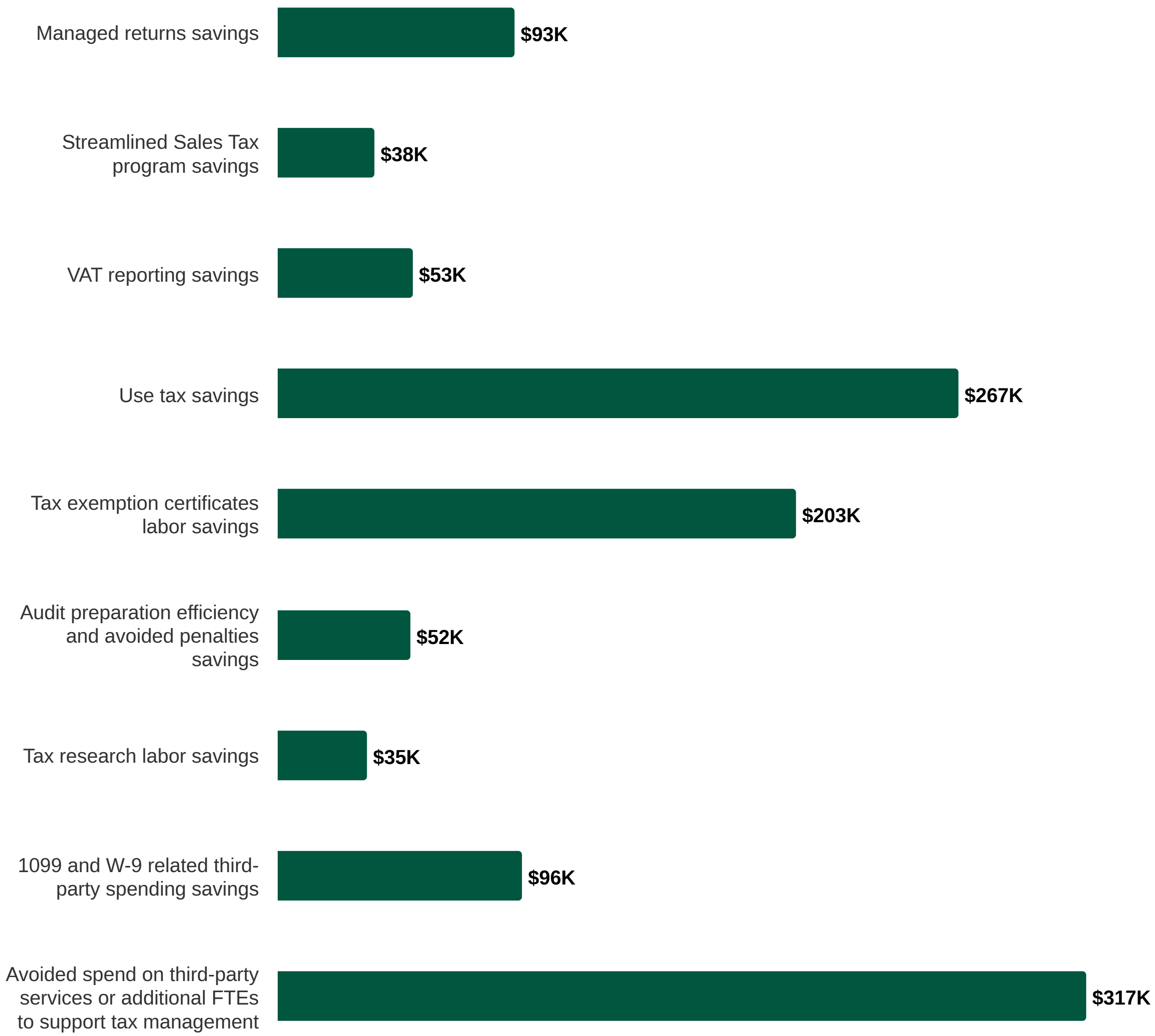
$881K

Net present value (NPV)

<6 months

Payback

Benefits (Three-Year)



The Avalara Customer Journey

Drivers leading to the Avalara investment

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+

Key Challenges

Before deploying Avalara's product suite, interviewees described increasingly complex and indirect tax processes and growing transaction volumes as their operations expanded across jurisdictions. Finance and tax teams had to manually calculate sales and use tax across multiple states, counties, cities, and special tax districts, often while supporting multiple entities with limited staff. Despite this complexity, interviewees' organizations relied on manual, spreadsheet driven workflows and ERP workarounds to determine taxability, apply rates, manage exemptions, and file returns. As a result, addressing these challenges extended beyond monthly close cycles, increased audit and compliance risk, and diverted skilled finance and tax resources away from higher value activities such as analysis, planning, and strategic support.

Interviewees noted how their organizations struggled with common challenges before deploying Avalara including:

- **Manual tax processes.** Interviewees described tax calculation and compliance as time-consuming and difficult to sustain at scale. The tax compliance leader at a global professional services firm explained that before automation, their teams were responsible for calculating tax by transaction. They noted, "We were previously calculating sales tax manually on each client contract that we sold, which was a very cumbersome, slow process." As the organization grew, their product offerings became more complex, causing a larger sales tax impact on their business. He continued: "We realized we needed an automated and integrated solution within [our ERP system]. Each contract required staff to research applicable rates and enter them manually into [our ERP system]. creating operational drag and increasing reliance on human judgment." In several organizations, interviewees reported that tax work alone could consume multiple days or an entire week each month, slowing close cycles and pulling staff away from more strategic responsibilities.

  Similar challenges existed in accounts payable. The finance and tax operations leader at an industrial automation firm said: "We initially went live with our [ERP] without any tax engine, so we manually configured jurisdiction code and added the tax rates every month. It was so painful."

- **Difficulty keeping up with changing tax rates and jurisdictional complexity.** Before investing in an automated tax determination solution, interviewees' organizations struggled to maintain accurate and up-to-date tax treatment across an increasingly complex set of jurisdictions. Interviewees reported that tax rates and taxability rules changed frequently at the state, county, city, and district level, often introducing special scenarios such as tax-free ZIP codes, use tax obligations, nonprofit exemptions, product-specific rules, and freight-forwarding considerations. The director of operations excellence at a manufacturing firm said: "We were literally going to each state's Department of Revenue website, trying to understand why one transaction was taxable and another wasn't. Between special rules, tax-free ZIP codes, and product-specific exemptions, it became extremely difficult to know if we were applying the most current and correct guidance."

Tax teams relied on manual research across multiple Department of Revenue websites to interpret and apply these rules, increasing the effort required to determine correct tax treatment and the risk of using outdated or incomplete guidance. As business operations expanded across products and geographies, interviewees noted that they could not reliably manage the growing complexity of tax rules using individual expertise or spreadsheet-based processes, creating ongoing compliance risk and operational inefficiency.

- **Manual processes increased the risk of incorrect tax treatment and compliance gaps.** Before implementing an automated tax solution, organizations faced a heightened risk of errors, noncompliance, and audit exposure due to manual tax processes. Interviewees reported frequent challenges with misapplied tax rates, incorrect exemption handling, and inconsistent tax treatment across invoices, particularly as transaction volumes and jurisdictional complexity increased. They cited use tax compliance as especially error-prone, as teams relied on manual judgment calls when reviewing vendor invoices and determining taxability. Several organizations experienced back taxes owed, interest, or unfavorable audit findings related to periods before automation. Even when individual errors were relatively minor, interviewees highlighted that the ongoing audit exposure posed persistent compliance risks and operational concerns. The CFO at a medical device manufacturing organization said: "We got audited by the State of Florida for sales and use tax for a period before we went live on Avalara. Auditors found wrong rates and wrong calculations. We had back taxes, penalties, fines, and interest due from before we had Avalara, and we were calculating them manually in spreadsheets."

- **Poor visibility and control over exemption certificates.** Before adopting an automated exemption certificate management solution, interviewees' organizations struggled with limited visibility and control over exemption documentation. Interviewees reported that exemption certificates were stored in different locations, including shared drives, email inboxes, spreadsheets, and even desk drawers, making it difficult to confirm whether valid documentation existed for specific customers or transactions. Teams lacked reliable insight into certificate expiration dates, jurisdiction-specific validity, or whether exemptions appropriately supported audited transactions. As a result, audits frequently required time-consuming manual searches to locate and validate certificates, delaying audit resolution and increasing compliance risk. Several interviewees noted that managing exemption certificates alone could justify a full-time role, particularly as transaction volumes and exempt sales increased. The tax manager at a manufacturing organization said: "All the exemption certificates were basically thrown in a desk drawer. They weren't organized by customer, by date, or by whether they were expired. When an auditor came in, just finding the right certificate could take an enormous amount of time."

- **Inability to scale tax compliance with business growth.** Before adopting an automated tax solution, organizations found that existing tax processes did not scale effectively as their business grew. Interviewees explained that expanding into new states, legal entities, or countries significantly increased tax complexity, multiplying the number of rates, rules, filings, and exemption requirements that teams had to manage. Acquisitions further intensified these challenges, as organizations needed to rapidly onboard new tax profiles, integrate disparate systems, and validate exemption certificates while maintaining ongoing compliance. Without automation, interviewees stated that supporting growth would have required additional tax headcount or increased reliance on external consultants. As a result, legacy, manual tax processes were widely viewed as unsustainable in the face of continued expansion.

> *"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**

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the interviewees' organizations, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

- **Description of composite.** The composite is a global organization based in the US that completes 12,000 transactions every year, which yields $300 million in annual revenue. The composite also has operations in one European country. It has 2,000 employees, and its tax department consists of a senior tax manager and an accounts receivable specialist who handles customers' exemption certificates. The composite organization has 2,500 tax-exempt customers and as it grows, it receives 100 net-new exemption certificates every year. The composite files 400 tax returns each year.

- **Deployment characteristics.** The composite organization has a single ERP system and uses a single connector to implement several of Avalara's product offerings, including AvaTax and AvaTax for Accounts Payable for sales and use tax calculation, Managed Returns (including for the Streamlined Sales Tax (SST) program) to file returns, ECM, Tax Research, VAT Reporting, and 1099 and W-9 software. The organization dedicates one IT professional who offers 25% of their time to implementing the Avalara solutions with its ERP system, which requires three months. A senior tax manager dedicates 10 hours of their time to this effort as well. Because Avalara will be automating most of the tax process, a senior tax manager trains for two weeks to understand the system; likewise, an accounts receivable specialist attends a half-day training session to ensure they understand the new exemption certificate process in Avalara ECM.

KEY ASSUMPTIONS

- $300 million annual revenue
- 2,000 employees
- 2,700 exemption certificates
- 100 net-new certificates per year
- 400 managed US returns, 50% of which are filed via the SST program
- 30 hours to complete one VAT compliance filing cycle
- 12,000 transactions
- Sends 1099 forms to 800 vendors
- One Avalara connector

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	Benefit	Year 1	Year 2	Year 3	Total	Present Value
Atr	Managed returns savings	$37,210	$37,210	$37,210	$111,629	$92,535
Btr	Streamlined Sales Tax program savings	$15,385	$15,385	$15,385	$46,155	$38,260
Ctr	VAT reporting savings	$21,151	$21,151	$21,151	$63,452	$52,599
Dtr	Use tax savings	$107,544	$107,544	$107,544	$322,631	$267,445
Etr	Tax exemption certificates labor savings	$80,454	$80,910	$84,109	$245,473	$203,200
Ftr	Audit preparation efficiency and avoided penalties savings	$20,867	$20,867	$20,867	$62,600	$51,892
Gtr	Tax research labor savings	$14,100	$14,100	$14,100	$42,301	$35,066
Htr	1099 and W-9-related third-party spending savings	$38,760	$38,760	$38,760	$116,280	$96,390
Itr	Avoided spend on third-party services or additional FTEs to support tax management	$127,500	$127,500	$127,500	$382,500	$317,074
	Total benefits (risk-adjusted)	$462,970	$463,427	$466,625	$1,393,022	$1,154,461

Managed Returns Savings

Evidence and data. Before adopting Avalara Managed Returns, interviewees' organizations were responsible for preparing, filing, and remitting sales tax returns internally or through third-party firms. These processes required finance and accounting teams to compile jurisdiction-level reports, validate figures, submit filings to multiple states, track deadlines, manage payments, and respond to state notices. As organizations expanded into additional states or experienced transaction growth, the effort required to manage returns increased disproportionately, often consuming weeks of staff time each month and increasing the risk of missed filings, late payments, and penalties.

By shifting sales tax returns preparation and filing to Avalara Managed Returns, interviewees' organizations significantly reduced the ongoing labor required to remain compliant. Interviewees described moving from manual, spreadsheet-driven workflows or reliance on external accounting firms to a model where returns were prepared and filed automatically on their behalf. Avalara eliminated the need to generate jurisdiction-specific reports, monitor filing calendars, and manually submit returns, while also ensuring filings were completed on time by default. In addition, Avalara handled notices and follow-up with taxing authorities, further reducing internal effort during audits or compliance reviews.

- Interviewees emphasized improved timeliness and reliability of filings. The tax manager at a manufacturing firm noted: "Returns were never missed, returns were never late, and Avalara always defaults to filing returns when they are due. We can always amend if we need to fix something, but you're better off paying it and submitting it on time than getting a fine and penalty, so that was tremendous for us."
- The lead financial analyst at a biotech firm highlighted that automation removed the need to "generate the reports on our side and then manually file them with the state for ourselves, saving a half day of work each month."

These improvements translated into measurable productivity gains and cost avoidance. Interviewees' organizations reduced time spent on compliance reporting from up to a full week per cycle to minimal ongoing effort, effectively eliminating the need for manual intervention in return preparation. In addition, they avoided recurring penalty costs associated with late or inaccurate filings. The lead financial analyst at a biotech firm estimated that automation helped avoid approximately $8,000 to $10,000 in late fees and interest annually.

As a result, these organizations realized meaningful labor savings, avoided incremental hiring as compliance scope expanded, and improved consistency and reliability in their returns process. Several interviewees emphasized that Managed Returns effectively removed sales tax filing from their monthly close activities altogether, allowing finance leaders and accounting staff to redirect time toward higher-value initiatives.

> *"Avalara has a much lower price point per return. I think Avalara produces a great product."*
>
> **Tax manager, manufacturing**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- A senior tax manager files 400 returns per year. They spend 600 hours per year streamlining, collecting the necessary documentation, and filing returns in the prior environment. Their average fully burdened hourly rate is $96.
- Avalara saves 95% of their effort and reduces the time spent on managing and filing tax returns to 30 hours per year.
- Of the time saved from deploying Avalara, Forrester conservatively estimates that 80% is recaptured for work on other tasks and initiatives, which is therefore included in the benefit calculation.

Risks. The benefit of streamlining tax filing labor savings will vary based on:

- The internal personnel that support filing tax returns and their respective salaries.
- The size and scale of the organization.
- How likely different employees are to dedicate recaptured time savings back into additional work.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $93,000.

95%

Efficiency gained using Avalara

> *"Never again in my life will I have to file a state sales tax return, and that is the most important part of the returns product. Avalara prepares and files the returns for us, and if we don't tell them to stop, they file them on time by default. We can always amend later, but we don't have late fees or missed returns anymore."*
>
> **CFO, medical device manufacturing**

Managed Returns Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Returns	Composite	400	400	400
A2	Time to prepare each return (hours)	Interviews	1.5	1.5	1.5
A3	**Subtotal: Total time spent on returns (hours)**	**A1*A2**	**600**	**600**	**600**
A4	Efficiency gained using Avalara	Interviews	95%	95%	95%
A5	Avoided managing and filing time per month with Avalara (hours)	A3*A4	570	570	570
A6	Average fully burdened hourly rate for a senior tax manager	Composite	$96	$96	$96
A7	Productivity recapture rate	TEI methodology	80%	80%	80%
At	Managed returns savings	A5*A6*A7	$43,776	$43,776	$43,776
	Risk adjustment	↓15%			
Atr	Managed returns savings (risk-adjusted)		$37,210	$37,210	$37,210
	Three-year total: $111,629		**Three-year present value: $92,535**		

Streamlined Sales Tax Program Savings

Evidence and data. The SST program is a multistate initiative that allows qualified businesses to use certified providers (such as Avalara) to calculate, file, and remit sales tax. Interviewees' organizations were therefore eligible to participate in the SST program and consequently reduced or eliminated costs associated with sales tax calculation, filing, and remittance in 24 participating states (plus Pennsylvania, which operates a separate state-administered compliance program offering similar benefits). In addition, interviewees who leveraged Avalara to manage SST-qualified transactions and returns said they avoided third-party service fees and internal labor required to prepare and submit returns, resulting in ongoing measurable per-transaction and per-return cost savings.

> *"Twenty-four states have formed an agency to help unify their tax rules to make it easier on companies. If you voluntarily file to remit taxes when you don't have full nexus in the state, then they will pay companies like Avalara for all the transactions and for the filing costs. 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**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization saves $6,900 due to its participation in the SST program. It saves 50% of filing costs by avoiding fees in 24 states.
- The composite files 50% of its returns via the SST program at a cost of $56 per return, saving $11,200 annually.

Risks. The benefit from tax-related savings will vary based on:

- The number of returns filed.
- The size, scope, and location of the entities filing tax returns.
- The cost per transaction and the filing cost per return.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $38,000.

50%

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

Streamlined Sales Tax Program Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Value of transactions saved by participating in the SST program	Composite	$6,900	$6,900	$6,900
B2	Total returns filed via SST program	A1/50%	200	200	200
B3	Filing cost per return	Interviews	$56	$56	$56
B4	**Subtotal: Value of return filing saved under SST**		**$11,200**	**$11,200**	**$11,200**
Bt	Streamlined Sales Tax program savings	B1+B4	$18,100	$18,100	$18,100
	Risk adjustment	↓15%			
Btr	Streamlined Sales Tax program savings (risk-adjusted)		$15,385	$15,385	$15,385
	Three-year total: $46,155		**Three-year present value: $38,260**		

VAT Reporting Savings

Evidence and data. Interviewees with complex, multi-country operations reported significant efficiency gains and cost reductions associated with automating VAT returns and reporting using Avalara.

Before investing in Avalara, customers relied on fragmented, manual processes and external consultants to manage VAT compliance across jurisdictions. These processes required extracting transaction data from ERP systems, coordinating with country-specific representatives, and reviewing manually prepared reports before filing. A European tax accountant in the manufacturing/distribution industry explained: “I would manually download all the invoices … and send them over to the consultants. … They’d prepare [the reports]; … it was tough to track everything.” The same interviewee noted that their organization spent more than $500,000 annually on European consultants and external agencies to support VAT compliance activities before automation. After deploying Avalara, they reduced the spend on external consultants by almost 60%.

After implementing Avalara VAT Reporting, interviewees said they centralized and automated VAT reporting workflows, reducing reliance on external consultants and significantly lowering manual effort. The platform automatically applied country-specific rules (e.g., place of supply, delivery, and importer rules), generated reconciled reports, and enabled users to review and submit filings within a unified interface.

In addition to cost savings, interviewees’ organizations realized substantial productivity gains. Before Avalara, VAT reporting required three to four working days per reporting cycle, depending on jurisdictional complexity and reporting frequency (e.g., monthly, quarterly, or bi-monthly filings, as well as additional obligations such as Intrastat and European Sales Listing reporting). With Avalara, reporting preparation was reduced to approximately a half-day or less, as the solution automated data extraction, classification, and reconciliation.

Finally, automation improved accuracy and reduced reconciliation effort. Previously, interviewees' organizations relied heavily on Excel-based calculations and manual filtering, increasing the likelihood of errors and requiring additional time to validate results. With Avalara, automated rule application and system-generated reports reduced manual intervention and simplified compliance across countries, enabling tax teams to manage increasing geographic complexity without proportional increases in effort.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite does business in one European country and has 12 VAT compliance cycles per year.
- Before Avalara, it took 30 hours per cycle to complete the work for the filings.
- After Avalara, the composite saves 90% of the time it took to complete the filing work.
- The average fully burdened hourly rate for a senior tax manager is $96.
- Of the time saved from deploying Avalara, Forrester conservatively estimates that 80% is recaptured for work on other tasks and initiatives, which is therefore included in the benefit calculation.

Risks. The benefit from VAT reporting will vary based on:

- The number of compliance cycles a company experiences.
- The internal personnel who support VAT reporting and their respective salaries.
- The size and scale of the organization.
- How likely different employees are to dedicate recaptured effort savings back into additional work.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $53,000.

> *"The reporting tool identifies the specific country where invoices are subject to place of supply rules, country delivery rules, and importer of goods rules. It performs the filtration and generates the report, and it gives you a reconciled report at month-end. Before that, when you exported data from the ERP to a spreadsheet, you had to do a manual calculation for all those rules. That increased the chance of error and you had more manual work to reconcile. With this reporting tool, what it does is filter out; it makes your life easy and saves time."*
>
> **European tax accountant, manufacturing/distribution**

90%

Efficiency gained using Avalara VAT Reporting

VAT Reporting Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Compliance cycles per year	Interviews	12	12	12
C2	Time to complete cycle before Avalara (hours)	Interviews	30	30	30
C3	Efficiency gained using Avalara	Interviews	90%	90%	90%
C4	Time saved using Avalara VAT Reporting (hours)	C1*C2*C3	324	324	324
C5	Average fully burdened hourly rate for a senior tax manager	Composite	$96	$96	$96
C6	Productivity recapture rate	TEI methodology	80%	80%	80%
Ct	VAT reporting savings	C4*C5*C6	$24,883	$24,883	$24,883
	Risk adjustment	↓15%			
Ctr	VAT reporting savings (risk-adjusted)		$21,151	$21,151	$21,151
	Three-year total: $63,452		**Three-year present value: $52,599**		

Use Tax Savings

Evidence and data. Interviewees reported reduced effort and improved accuracy in use tax compliance after implementing Avalara's AvaTax for Accounts Payable capabilities. Before using Avalara, they manually reviewed purchase transactions to determine taxability, which required significant effort and introduced the risk of error. The lead financial analyst at a biotech firm explained: "Avalara helped us with the calculation of our use tax and filings. Before, we pulled all our purchase invoices and manually calculated which were taxable and which were nontaxable. With the implementation of the Accounts Payable module from AvaTax, we were able to let it run on its own, eliminating all the manual filtering and determining which use tax we need to pay. We were spending up to two days every month to reconcile the use tax portion."

This manual process required employees to analyze large volumes of purchase data, apply tax rules for each transaction, and perform periodic reconciliations to ensure accuracy. Additionally, teams conducted ongoing self-audits to identify any missing taxes on vendor invoices and to verify whether purchases were taxable. After implementing Avalara, interviewees' organizations were able to automate the identification of taxable purchases and the calculation and accrual of use tax. Interviewees said that automation significantly reduced the time needed to analyze purchases and eliminated the necessity for manual filtering and reconciliation.

Automatically identifying transactions and accruing use tax appropriately can significantly reduce the need for manual reviews. This approach led interviewees to experience measurable productivity improvements and financial benefits. For instance, the time required each month to analyze purchase transactions and calculate use tax decreased, eliminating up to two days of work. Teams reduced the time spent on reconciliation and self-audit activities while improving the accuracy of determining taxable purchases and applying use tax rules. Moreover, interviewees' organizations can now more easily identify instances of overpaid or underpaid use tax amounts, thereby improving financial management.

> *"We were spending up to two days every month just to reconcile the use tax portion. With the implementation of the AP module from AvaTax, we were able to let that run on its own, which eliminated all the manual filtering and determining which purchases we needed to pay use tax on."*
>
> **Lead financial analyst, biotech**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Senior tax managers spend 50 hours per month filing use tax returns before deploying Avalara AvaTax for Accounts Payable. Their average fully burdened hourly rate is $96.
- Avalara saves 90% of their effort and reduces the number of hours per month to five.
- Of the time saved from deploying Avalara, Forrester conservatively estimates that 80% is recaptured for work on other tasks and initiatives, which is therefore included in the benefit calculation.
- For the $300 million dollar composite organization, Forrester estimates purchasing spend of 70% of total annual revenue. Approximately 15% of that spend is taxable with a blended use tax rate of 7.5%.
- The error rate for use tax obligation is 12% and the composite recoups 30% of overpayments.

Risks. The benefit from use tax-related savings will vary based on:

- The number of hours spent managing and filing use tax.
- The size, scope, and industry of the organization, as some industries traditionally purchase more goods.
- The use tax rates.
- The error rate for overpayments and the amount of overpayment able to be recaptured.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $267,000.

> *"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**

Use Tax Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Time spent analyzing purchases for use tax per month (hours)	Interviews	50	50	50
D2	Efficiency gained using Avalara	Interviews	90%	90%	90%
D3	Time saved managing and filing use tax per month with Avalara (hours)	D1*D2	45	45	45
D4	Average fully burdened hourly rate for a senior tax manager	Composite	$96	$96	$96
D5	Productivity recapture rate	TEI methodology	80%	80%	80%
D6	**Subtotal: Use tax labor savings**	**D3*D4*D5*12**	**$41,472**	**$41,472**	**$41,472**
D7	Total annual revenue	Composite	$300,000,000	$300,000,000	$300,000,000
D8	Percentage of total annual revenue to estimate total purchasing spend	Composite	70%	70%	70%
D9	Estimated taxable purchasing spend (15% of total purchasing spend)	Composite	15%	15%	15%
D10	Blended use tax rate	Composite	7.5%	7.5%	7.5%
D11	**Subtotal: Total amount paid in use tax**	**D7*D8*D9*D10**	**2,362,500**	**2,362,500**	**2,362,500**
D12	Error rate for overpayment on use tax obligation	Composite	12%	12%	12%
D13	Percentage of recouped overpayments	Composite	30%	30%	30%
D14	**Subtotal: Avoided overpayments**	**D11*D12*D13**	**$85,050**	**$85,050**	**$85,050**
Dt	Use tax savings	D6+D14	$126,522	$126,522	$126,522
	Risk adjustment	↓15%			
Dtr	Use tax savings (risk-adjusted)		$107,544	$107,544	$107,544
	Three-year total: $322,631			**Three-year present value: $267,445**	

Tax Exemption Certificates Labor Savings

Evidence and data. Interviewees said that Avalara Exemption Certificate Management (ECM) reduced labor by moving exemption certificate administration out of fragmented, document-by-document workflows into a centralized, exception-based process. Before automation, teams manually requested certificates, verified dates and exemption numbers, uploaded documentation into customer records, and corrected invoices when expired or missing certificates resulted in tax being incorrectly applied. Several interviewees described exemption certificate renewals as a recurring multi-month effort that required customer outreach, follow-up communications, manual uploads, and manual validation, often supplemented by temporary resources during peak renewal periods.

Interviewees also highlighted the value of Avalara's AI-enabled exemption certificate management functionality. Rather than manually reviewing, keying, and indexing exemption certificates, interviewees said they forwarded documents into Avalara, where AI then extracted certificate details, identified relevant customer information, populated required fields, and prepared records for validation. Interviewees described the process as shifting from manual data entry to a simple review-and-confirm workflow, reducing certificate processing time to less than 2 minutes per document while improving consistency and reducing administrative effort.

Interviewees said their tax teams could redirect effort away from routine certificate management toward higher-value compliance and advisor activities due to ECM providing a centralized repository for certificate capture, storage, monitoring, and retrieval. They noted that the AI-powered extraction helped their organizations keep records current with less manual effort. And rather than conducting broad renewal campaigns, their teams used expiration reporting to identify certificates near renewal, automate outreach, and focus only on exceptions that require intervention.

Finally, interviewees linked ECM to faster audit response and stronger documentation controls. Instead of reconstructing support from multiple systems or searching historical files, teams could retrieve certificates and supporting records directly from the platform. Although their organizations still maintained oversight of certificate quality and exemption decisions, interviewees said that AI-assisted capture and centralized certificate management materially reduced the administrative burden of supporting exempt transactions and lowered the risk that missing, incomplete, or expired documentation would create compliance exposure during an audit.

> *"Once we receive an exemption certificate from the customer, we upload it and the AI (functionality in Avalara ECM) pulls up all the information and feeds it into the customer account. Avalara is good because it gives me a list of customers whose VAT is expiring and when it is expiring. There is a report showing that of, say, 5,000 customers, 600 are VAT-exempt and 200 are expiring in the next month. Once we get back the certificates, I send them to ECM, where the software calculates, gathers all the information, feeds it to, and saves it in the customer profile. Before saving, it will just ask for confirmation that the numbers are correct. Avalara pulls everything, and from there it's easy."*
>
> **European tax accountant, manufacturing/distribution**

> *"Avalara saves a lot of human effort. You still need a little bit of human eyes, but most of the work is done automatically."*
>
> **European tax accountant, manufacturing**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization processes 100 net-new exemption certificates for a total of 2,600 by Year 3.
- Before Avalara, 50% of the certificates were filed with errors, and it takes 35 minutes to correct each one.
- Avalara reduces the number of certificates filed with errors by 95%.
- In the previous environment, it takes an accounts receivable specialist 1 hour to collect, manage, correct errors, and file an exemption certificate. With Avalara, this effort decreases to 2 minutes.
- Forrester assumes an 80% productivity recapture rate for this benefit as not all accounts receivable specialist time savings will be redirected toward productive work.

Risks. The benefit from tax exemption certification labor savings will vary based on:

- The number of tax exemption certificates that companies collect and the number of net-new tax-exempt customers companies gain each year.

- The percentage of certificates filed with errors in the prior environment.
- The internal personnel who support ECM and their respective salaries.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $203,000.

95%

Reduction in certificates filed with errors with Avalara

> *"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**

Tax Exemption Certificates Labor Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
E1	Exemption certificates collected and processed	Composite	2,500	2,500	2,600
E2	Net-new exemption certificates processed	Composite	0	100	100
E3	**Subtotal: Exemption certificates processed annually**	**Y1: E1+E2** **Y2 and Y3: E3PY+E2**	**2,500**	**2,600**	**2,700**
E4	Percentage of certificates filed with errors in prior environment	Interviews	50%	50%	50%
E5	Inaccurately completed certificates in prior environment	E3*E4	1,250	1,300	1,350
E6	Reduction in certificates filed with errors with Avalara	Interviews	95%	95%	95%
E7	Time spent correcting each certificate (hours)	Interviews	0.33	0.33	0.33
E8	**Subtotal: Time saved correcting certificates with Avalara (hours)**	**E5*E6*E7**	**392**	**408**	**423**
E9	Time spent managing certificates per certificate in prior environment (hours)	Interviews	1	1	1
E10	Time spent managing certificates per certificate with Avalara (hours)	Interviews	0.03	0.03	0.03
E11	Subtotal: Time saved on management (hours)	E1*(E9-E10)	2,425	2,425	2,522
E12	**Subtotal: Time saved on certificates with Avalara (hours)**	**E8+E11**	**2,817**	**2,833**	**2,945**
E13	Average fully burdened hourly rate for an accounts receivable specialist	TEI methodology	$42	$42	$42
E14	Productivity recapture rate	TEI methodology	80%	80%	80%
Et	Tax exemption certificates labor savings	E12*E13*E14	$94,651	$95,189	$98,952
	Risk adjustment	↓15%			
Etr	Tax exemption certificates labor savings (risk-adjusted)		$80,454	$80,910	$84,109
	Three-year total: $245,473		**Three-year present value: $203,200**		

Audit Preparation Efficiency And Avoided Penalties Savings

Evidence and data. Beyond filing compliance, interviewees emphasized reduced audit exposure and downstream financial risk from incorrect tax calculations, particularly given the complexity of tax rate management across jurisdictions. Before Avalara, manual rate maintenance created significant audit risk. The tax manager in the manufacturing industry explained: “There are over 13,000 tax rates. … If you’re trying to maintain that manually, … it’s never going to be current, and it’s never going to be correct.” They noted that this inaccuracy could translate directly into material audit liabilities: “You could be talking $60,000 to $80,000 that no longer had to come out of our pocket because we mischarged.”

This interviewee also shared that the impact extended to audit cycle efficiency, particularly through improved documentation and certificate management. Before Avalara, exemption certificates were often unorganized and difficult to retrieve, significantly prolonging audits. After implementing Avalara’s ECM capabilities, the tax manager in the manufacturing industry said that audit timelines decreased substantially: “Our shortest audit we completed with Avalara was three months. … It’s night and day.”

Other interviewees reinforced that Avalara improved audit defensibility and reduced findings by ensuring accurate calculation and documentation at the transaction level. For example, the CFO at the medical device manufacturing organization noted that prior manual processes resulted in errors and audit adjustments: “There were wrong rates, there were wrong calculations. … We had back taxes, penalties, fines, and interest from when we did not have Avalara.” In contrast, this interviewee said that after adopting Avalara, audit findings were minimal and primarily limited to isolated configuration issues rather than systemic calculation errors. They noted, “The only things they found wrong once we adopted Avalara were that we had exempted some customers that shouldn’t be exempt.”

Finally, interviewees emphasized that centralized, traceable audit records significantly reduced audit preparation time, enabling their organizations to respond quickly to auditor requests. In one case, responding to a large audit request that would have taken weeks manually was completed in hours with Avalara. The director of operations excellence at the sports equipment manufacturing organization said, “If I had to go in and try to figure those transactions out myself, it would have taken me weeks. … I was able to get through the list in under half a day.”

> *“Avalara, without a doubt, made us more consistent, which has significantly helped with audits. Filing 500 to 600 returns a year means that, at any one time, there are a couple of audits going on in the US. Having an automated solution has removed the human error aspect. That’s made us a lot more consistent and a lot more reliable, which has made audits quicker and easier.”*
>
> **Tax compliance leader, professional services**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization experiences four audits per year.
- Before Avalara, a senior tax manager needs 40 hours per audit for audit preparation; after Avalara, they need 4 hours. This is a 90% improvement.
- The average fully burdened hourly rate for a senior tax manager is $96.
- No software or solution will have the ability to eliminate all penalties; however, because of Avalara’s record centralization and automatic tax calculations, the composite organization avoids one penalty per year due to its compliance.
- The average penalty fee for noncompliance is $32,500.
- There is a chance of an audit occurring once every three years, represented in the model by 33% per year.

Risks. The benefit of audit preparation efficiency and avoided penalties savings will vary based on:

- The number of compliance audits each year.
- The internal personnel who prepare audits and their respective salaries.
- The number of penalties companies must pay each year and the number of penalties they avoid each year.
- Penalty fees, which range from $10,000 to more than $1 million depending on their severity. Organizations that have a history of noncompliance may see more severe penalties than others.
- The support an organization has from external personnel during the audit process. Despite having appropriate software in place, some organizations may still opt to have external personnel support during the audit process.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $52,000.

90%

Efficiency gained in audit preparation

> *"Auditors ask you to provide your documentation electronically. We say, 'Yes, we're on Avalara.' The first thing they say is, 'Oh, well, that just made the audit easier because I don't have to audit the software. I know the software is premium, and it's giving the right conclusion based on the input. What I have to audit is your company's input into the system because garbage in is going to be garbage out.' Using Avalara makes the auditors more comfortable. Auditors are familiar with Avalara's reputation and the output from the platform."*
>
> **Tax manager, manufacturing**

Audit Preparation Efficiency And Avoided Penalties Savings

Ref.	Metric	Source	Year 1	Year 2	Year 3
F1	Audits per year	Composite	4	4	4
F2	Audit preparation time per audit by senior tax manager in prior environment (hours)	Interviews	40	40	40
F3	Efficiency percentage gained with Avalara	Interviews	90%	90%	90%
F4	Time saved per audit by a senior tax manager for audit prep (hours)	F2*F3	36	36	36
F5	Average fully burdened hourly rate for a tax manager	A6	$96	$96	$96
F6	**Subtotal: Labor cost savings with Avalara for audit preparation**	**F1*F4*F5**	**$13,824**	**$13,824**	**$13,824**
F7	Penalties incurred for noncompliance	Composite	1	1	1
F8	Average penalty fee	Composite	$32,500	$32,500	$32,500
F9	Chance of audit occurring	Composite	33%	33%	33%
F10	**Subtotal: Avoided penalty savings**	**F7*F8*F9**	**$10,725**	**$10,725**	**$10,725**
Ft	Audit preparation efficiency and avoided penalties savings	F6+F10	$24,549	$24,549	$24,549
	Risk adjustment	↓15%			
Ftr	Audit preparation efficiency and avoided penalties savings (risk-adjusted)		$20,867	$20,867	$20,867

Three-year total: $62,600 **Three-year present value: $51,892**

Tax Research Labor Savings

Evidence and data. Before adopting Avalara Tax Research, interviewees' organizations relied on either manual approaches or expensive third-party resources to answer taxability questions and interpret jurisdiction-specific rules. Finance and operations leaders described researching tax treatment by navigating individual state and local Department of Revenue websites, reviewing statutes and rulings, and comparing inconsistent guidance across jurisdictions. These activities were often performed reactively — triggered by customer disputes, internal questions, or audit inquiries — and required significant time from senior staff with specialized knowledge. As transaction complexity increased, especially across states and counties, tax research became increasingly burdensome and difficult to scale.

By implementing Avalara Tax Research, interviewees' organizations centralized access to taxability rules, rulings, and explanations within a single platform. Interviewees emphasized that Tax Research significantly reduced the time required to interpret sales and use tax treatment by jurisdiction and enabled faster, more consistent responses to internal teams and customers. Instead of researching rules state by state, users could quickly identify relevant guidance and, in some cases, share supporting documentation directly with customers or stakeholders to resolve disputes.

- The director of operations excellence in the sports equipment manufacturing industry said: "The overall relationship with Avalara is easy. They're quick to respond with some of the Avalara tax research. We also get tax advice so we can work with their tax experts, and if we have a question, they get back to us within 24 hours, which is incredible. They provide rulings and give us everything we need as a business to understand why a decision was made, which has been great. Before Avalara, we would have gone to our external tax experts and waited for them to respond, since we all know how consultants work. It's on their own time. We could have very angry customers wanting to know why they were taxed, what they were taxed on. Being able to answer those questions quickly helps your customer relationships."

- Interviewees described how Avalara's AI-powered tax research capabilities helped them quickly access authoritative tax guidance without relying on external consultants or escalating questions to specialized tax experts. The European tax accountant in the manufacturing and distribution industry described using Avalara's AI-enabled agent (Avi) to answer complex VAT questions, explaining, "If I'm confused what the VAT supply rules are for this country, I just ask [Avi] and it'll just give me an answer and the link."

In addition to labor savings, Avalara Tax Research improved confidence in tax decision-making. Interviewees noted that having documented, authoritative guidance readily available reduced reliance on individual judgment and lowered the risk of inconsistent tax treatment across similar transactions. Although their organizations continued to escalate complex or novel scenarios when necessary, Tax Research materially reduced the volume of routine inquiries and the time required to resolve them, allowing senior staff to focus on higher-value activities.

The European tax accountant described an example where access to Avalara's tax research expertise and compliance guidance reduced uncertainty when entering new markets. Avalara helped accelerate the organization's international expansion by providing timely guidance on country-specific tax and compliance requirements. Rather than engaging external agencies and waiting weeks for legal and tax reviews, the organization was able to receive authoritative guidance directly from Avalara within days. This allowed the company to quickly determine where additional registration or compliance activities were required and move forward with confidence. As a result, the European tax accountant said, "It made life easy and for that reason we launched seven markets in one month, where before I would have started with one or two countries, and it would have taken months of back and forth with external agencies and our legal department."

> *"Before Avalara Tax Research, I was going directly to each state's Department of Revenue website and trying to understand the tax laws and rulings. Now I can go into Avalara, find the ruling, and even send it directly to the customer so they understand why they were taxed."*
>
> **Director of operations excellence, sports equipment manufacturing**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- One senior tax manager spends 20 hours per month on tax research in the prior environment. Their average fully burdened hourly rate is $96.
- Avalara saves 90% of their effort and reduces the tax research time per month to 2 hours.
- Forrester assumes an 80% productivity recapture rate for this benefit, as not all senior tax manager time will be reinvested into productive work.

Risks. The benefit of tax research labor savings will vary based on:

- The internal personnel supporting tax research efforts and their respective salaries.
- How likely different employees are to dedicate recaptured effort savings back into additional work.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $35,000.

90%

Research efficiencies gained using Avalara

> *"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**

Tax Research Labor Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
G1	Senior tax managers	Composite	1	1	1
G2	Time spent per month for tax research per senior tax manager in prior environment (hours)	Interviews	20	20	20
G3	Research efficiencies gained using Avalara	Interviews	90%	90%	90%
G4	Research effort time avoided per month with Avalara (hours)	G2*G3	18	18	18
G5	Average fully burdened hourly rate for a senior tax manager	A6	$96	$96	$96
G6	Productivity recapture rate	TEI methodology	80%	80%	80%
Gt	Tax research labor savings	G4*G5*G6*12	$16,589	$16,589	$16,589
	Risk adjustment	↓15%			
Gtr	Tax research labor savings (risk-adjusted)		$14,100	$14,100	$14,100
	Three-year total: $42,301		**Three-year present value: $35,066**		

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

Evidence and data. Before adopting Avalara's 1099 filing capabilities, interviewees' organizations relied on manual, fragmented processes to prepare, manage, and submit 1099 and W-9 forms. Finance and accounting teams managed 1099 reporting using disparate spreadsheets, paper forms, and ad hoc workflows. During peak year-end filing periods, their organizations frequently engaged external accountants or third-party service providers to bridge capability gaps. These stopgap measures required internal staff to compile vendor data, validate information, generate forms, and manage submissions — a time-consuming cycle that introduced compliance risk and proved difficult to scale.

By adopting Avalara's 1099 filing solution, interviewees' organizations reduced or eliminated their reliance on third-party providers and manual processes for annual 1099 compliance. Interviewees noted that Avalara streamlined the end-to-end 1099 workflow, from data preparation through submission. This internal consolidation eradicated the need for external support, lowering the out-of-pocket costs associated with outsourced filing services.

Interviewees also said that Avalara significantly reduced the administrative burden and stress associated with the year-end close, emphasizing that automation minimized the risk of manual errors and missed filings. Regardless of form volume, interviewees noted that Avalara successfully transformed a recurring compliance hurdle into a predictable, highly scalable, and lower-cost operation.

The CFO at a medical device manufacturing organization said: "We only have about 10 to 20 1099s to file, and we had been doing it with pen and paper. Once we started using Avalara — boom, boom, boom — and they're done."

> *"Before Avalara, for our 1099 vendors, we had to go through and export all of their remitted payment information. Then, we actually used an external service that we then sent all that information to and they handled all the 1099 remittance. We tried to do it ourselves last year so we could send everybody their 1099 by the end of the year. Now, it will be a much simpler process since all of it will just live inside of Avalara."*
>
> **Director of operations excellence, manufacturing**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization sends 1099 forms to 800 vendors.
- By handling this transaction with Avalara, the composite saves $57 per form.

Risks. The 1099-related third-party spending savings will vary based on:

- The number of 1099 forms sent out.
- Whether the organization used a third-party resource before Avalara and how much it spent per form.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $96,000.

$57

Savings per 1099 form

> *"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**

1099 And W-9-Related Third-Party Spending Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
H1	Vendors who receive 1099 forms	Composite	800	800	800
H2	Savings per form after Avalara	Interviews	$57	$57	$57
Ht	1099 and W-9-related third-party spending savings	H1*H2	$45,600	$45,600	$45,600
	Risk adjustment	↓15%			
Htr	1099 and W-9-related third-party spending savings (risk-adjusted)		$38,760	$38,760	$38,760
	Three-year total: $116,280		**Three-year present value: $96,390**		

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

Evidence and data. Before adopting Avalara, interviewees' organizations relied heavily either on external accounting firms and consultants or on internal headcount growth to support expanding tax compliance requirements. As they entered new jurisdictions, increased transaction volumes, or added regulatory obligations, tax management complexity increased disproportionately. Interviewees noted that manual processes and fragmented tools made it difficult to scale efficiently, often forcing their organizations to choose between accepting increased compliance risk or investing in additional resources to keep pace.

By implementing Avalara's automated tax management solutions, interviewees' organizations reduced their dependence on third-party service providers and avoided the need to hire incremental full-time staff. Interviewees described using Avalara to absorb growth in transaction volume, jurisdictional complexity, and compliance scope without increasing internal tax or accounting headcount. Instead of engaging external advisors for routine compliance tasks or adding internal roles to manage expanding workloads, their organizations relied on Avalara's automation to handle tax calculations, filings, document management, and reporting at scale.

In addition to direct cost avoidance, Avalara enabled interviewees' organizations to redeploy existing staff more effectively. Interviewees emphasized that automation reduced pressure on senior tax and finance personnel, enabling them to take on broader responsibilities without becoming bottlenecks. Although their organizations continued to leverage external advisors for complex or strategic tax matters, Avalara materially reduced the need for ongoing, operational support from third parties and delayed or eliminated the need for incremental FTEs as their businesses grew. The finance and tax operations leader at an industrial automation organization said: "If we didn't have Avalara, we would absolutely need another person just to keep up. As we've expanded into more states, Avalara has allowed us to scale without hiring additional tax staff."

> *"Depending on how far up the chain a question needed to go, we were charged between $100 and $300 per hour. Even if a consultant was answering a simple question and it took 2 minutes, we were billed for an hour. It's been a huge time savings on external consultants that we have to work with, not only on the tax question side of things, but also on use tax and 1099s, for example."*
>
> **Director of operations excellence, manufacturing**

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite uses one consultant or additional FTE dedicated to tax management per year.
- The annual rate for a third-party consultant or FTE is $150,000.

Risks. The avoided spend on third-party services or additional FTEs to support tax management may vary based on:

- The organization's previous use of third-party services or additional FTEs.
- The cost of third-party services or the average fully burdened annual salary for an FTE.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $317,000.

> *"Using Avalara eliminates the need to add another AP specialist as we continue to restructure our organization. We don't need to keep growing my team. We need to start training individuals inside of each area of the business on how to manage and change processes and use automation as needed. Instead of hiring somebody, we can now transition responsibilities. 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**

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

Ref.	Metric	Source	Year 1	Year 2	Year 3
I1	Consultants or FTEs dedicated to tax management	Composite	1	1	1
I2	Annual rate for a third-party consultant or FTE	Composite	$150,000	$150,000	$150,000
I3	Percentage reduction of work	Composite	100%	100%	100%
It	Avoided spend on third-party services or additional FTEs to support tax management	I1*I2*I3	$150,000	$150,000	$150,000
	Risk adjustment	↓15%			
Itr	Avoided spend on third-party services or additional FTEs to support tax management (risk-adjusted)		$127,500	$127,500	$127,500

Three-year total: $382,500 **Three-year present value: $317,074**

Unquantified Benefits

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Improving confidence and peace of mind.** Interviewees consistently described greater confidence in the accuracy and timeliness of tax compliance activities. By automating tax calculation, filing, documentation management, and research, Avalara reduced reliance on individual expertise and minimized concerns about missed deadlines, incorrect rates, or undocumented exemptions. This confidence extended to executive leadership, reducing stress and uncertainty related to tax compliance. The director of operations excellence said: "We've actually run into a lot of state sales tax audits this year, all of which we have passed with flying colors. Everything that is being sent out is formatted exactly as it appears in our system.

This means that the actual invoice numbers and all relevant address details are included. When questions arise, we can easily locate the requested information in our ERP system, extract it, and forward it to the Department of Revenue as needed."

- **Supporting scalability without organizational strain.** Avalara enabled interviewees' organizations to support growth in transaction volumes, jurisdictions, and regulatory complexity without adding proportional headcount or increasing reliance on external advisors. Interviewees noted that automation allowed their tax and finance teams to absorb additional work without becoming bottlenecks, helping the organization scale more smoothly.

- **Enhancing customer experience and responsiveness.** Avalara enabled interviewees' organizations to validate tax treatments quickly and provide authoritative explanations to customers. Interviewees said that without this capability, delayed responses could negatively impact customer relationships and credibility, whereas Avalara allowed their teams to share supporting rulings and explanations quickly. For example, ECM helped improve processes for salespeople trying to validate certificates and interviewees noted that rather than putting the ownership on sales teams to validate exemption certificates with customers, Avalara ensured that all information was filled out before an exemption certificate was submitted. This saved salespeople time and effort as they avoided back-and-forth communication with customers to update their exemption certificates.

- **Reducing shipping errors due to address confirmation.** Avalara provided the interviewees' organizations with address validation on all shipments. This reduced the number of shipping errors and returns shipments. The CFO at a medical device manufacturing company elaborated on their experience, sharing, "It has reduced the number of shipments to bad addresses."

- **Gaining access to reliable expertise.** Not all organizations can afford to hire a tax expert; by having Avalara's software in place, interviewees noted that their organizations could partner with Avalara's internal team to ensure all their compliance requirements were met. For example, they could send any tax notices to Avalara to research and resolve, like the CFO at a medical device manufacturing company, who shared: "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."

- **Improving voluntary disclosure agreement processes.** With Avalara's updated and historical data centrally stored, the interviewees' businesses proactively approached the state tax authorities to disclose any past noncompliance related to sales tax, income tax, or other state taxes. Avalara ensured that states automatically registered to remit the tax and avoided any misses in tax collection.

> *"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**

Flexibility

Flexibility represents the additional value an organization could realize by using Avalara to support future business initiatives and changing compliance needs. Although these benefits were not included in the quantified financial analysis due to uncertainty in timing and scope, interviewees described several ways Avalara positioned their organizations to adapt more easily over time. There are multiple scenarios in which a customer might implement Avalara products and later realize additional uses and business opportunities, including:

- **Ability to expand into new jurisdictions with reduced compliance risk.** As organizations expand into new states, add transaction volume, or introduce new business models, tax complexity increases disproportionately. Interviewees noted that Avalara provided a scalable foundation that could support growth without requiring tax process reengineering, additional headcount, or increased reliance on third-party advisors. This flexibility reduced friction associated with expansion and allowed organizations to pursue growth opportunities with greater confidence. The tax manager in manufacturing said: "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."

- **Opportunity to adopt additional modules and extend automation.** Interviewees described expanding their use of Avalara to areas such as AP/use tax automation, 1099 processing, and participation in programs like SST, creating additional efficiency and cost-saving opportunities beyond initial deployment.

- **Future efficiency gains through continued automation and AI capabilities.** Interviewees said they anticipate future value from evolving capabilities such as automated validation of exemption certificates and further reductions in manual review effort as Avalara enhances its AI-driven functionality. The CFO in medical device manufacturing said: "I'm looking forward to the next level of using AI where it looks at a state's rules and an exemption certificate and validates whether it meets the state's rules for exemption. When Avalara gets to that next level on AI with ECM, they will do the validation of the certificate and see if it meets state laws a whole lot better than my people can."

- **Support for ongoing system and ERP transformation.** Interviewees said that Avalara's ability to integrate with multiple ERP and commerce platforms provided flexibility to evolve their core systems without disrupting tax operations, reducing risk associated with future system migrations and digital transformation initiatives. The director of operations excellence in sports equipment manufacturing said: "The ease with which we can connect Avalara to our ERP was the big driver in selecting Avalara. And it just so happens that three ERPs later, the implementation to use Avalara is still literally just a click of a button."

- **Supporting merger and acquisition activities.** Some of the interviewees' organizations acquired other companies. Avalara's ECM technology created an acquisition letter for the newly acquired customers and requested that they add their appropriate certificates. This eased additional administrative burden on these organizations' future growth.

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Jtr	Avalara license fees (yearly)	$6,180	$92,299	$92,299	$92,299	$283,077	$235,714
Ktr	Implementation costs	$26,270	$0	$0	$0	$26,270	$26,270
Ltr	Ongoing management and training costs	$0	$9,874	$1,663	$1,663	$13,200	$11,600
	Total costs (risk-adjusted)	$32,450	$102,173	$93,962	$93,962	$322,547	$273,584

Avalara License Fees (Yearly)

Evidence and data. Interviewees said their companies paid activation and annual licensing fees to use Avalara solutions and incurred ongoing subscription costs based on the specific products and usage levels. These fees typically included subscriptions for AvaTax (sales tax calculation), Avalara Managed Returns, AvaTax for Accounts Payable (use tax), ECM, Tax Research, and 1099 filing. VAT Reporting pricing depended on each organization's compliance needs. Pricing varied based on factors such as transaction volumes, number of jurisdictions, and modules in use.

Forrester modeled these costs as recurring annual expenses over the three-year analysis period. These costs represent the primary ongoing investment required to maintain Avalara's automated tax compliance capabilities. Pricing may vary. Please contact Avalara for details.

Modeling and assumptions. Based on the interviews, Forrester assumes that the composite organization pays $6,180 in initial activation fees and $92,299 in annual licensing fees.

Risks. Forrester recognizes that these results may not be representative of all experiences, and the licensing fees will vary depending on use cases.

Results. To account for these risks, Forrester adjusted this cost by 0%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $236,000.

Avalara License Fees (Yearly)						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
J1	Avalara license fees	Avalara	$6,180	$92,299	$92,299	$92,299
Jt	Avalara license fees		$6,180	$92,299	$92,299	$92,299
	Risk adjustment	0%				
Jtr	Avalara license fees (risk-adjusted)		$6,180	$92,299	$92,299	$92,299

Three-year total: $283,077 **Three-year present value: $235,714**

Implementation Costs

Evidence and data. Interviewees' organizations described Avalara as straightforward to deploy, particularly when integrated with existing ERP systems, although it still required initial setup activities. These included configuring tax settings, completing jurisdictional registrations, validating data, and integrating with ERP or financial systems. In some cases, interviewees' organizations also invested time in migrating or validating existing exemption certificates during deployment.

The tax manager at a manufacturing organization said: "Talk about cost savings: I implemented Avalara myself with a little help from IT to make some of the linkage work, but I was able to, as a tax person, get Avalara working. [With our legacy system], there is no way — we had a team of around nine IT people for over a year getting everything to work. We hired outside consultants in the six figures to help implement it."

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization needs two months to implement the solution and dedicates one additional month for troubleshooting the integration between Avalara and its ERP system.
- Two IT professionals dedicate 25% of their time to support the implementation of Avalara.
- The average fully burdened hourly rate for an IT professional is $65.
- One senior tax manager dedicates 10% of their time to support the implementation of Avalara.
- The average fully burdened hourly rate for a senior tax manager is $96.

Risks. The cost of internal staff implementation will vary based on:

- The complexity of the organization's ERP system. As with any software integration, a more complex ERP system may have a higher risk of complications; therefore, the implementation time may differ. Interviewees noted that even with an out-of-the-box configuration, they still needed to dedicate time to ensure the integration was set up successfully.
- The skill set of the internal team.
- The average fully burdened annual salary for a team member.

Results. To account for these risks, Forrester adjusted this cost upward by 20%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $26,000.

> *"When we make an acquisition, we wind up putting them on Avalara because Avalara is easier to implement than [our legacy system], much more cost efficient than [our legacy system], and user friendly."*
>
> **Tax manager, manufacturing**

Implementation Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
K1	Implementation time (hours over a three-month period)	Composite	520			
K2	IT professionals supporting implementation	Composite	2			
K3	Percentage of time dedicated to implementation	Interviews	25%			
K4	Average fully burdened hourly rate for an IT professional	Composite	$65			
K5	Senior tax managers dedicated to implementation	Composite	1			
K6	Percentage of time dedicated to implementation	Interviews	10%			
K7	Average fully burdened hourly rate for a senior tax manager	A6	$96			
Kt	Implementation costs	(K1*K2*K3*K4)+(K1*K5*K6*K7)	$21,892	$0	$0	$0
	Risk adjustment	↑20%				
Ktr	Implementation costs (risk-adjusted)		$26,270	$0	$0	$0
	Three-year total: $26,270			**Three-year present value: $26,270**		

Ongoing Management And Training Costs

Evidence and data. Although Avalara automates many tax compliance activities, interviewees' organizations indicated that they still required some internal effort for ongoing administration. This included periodic review of tax configurations, handling exceptions, reviewing returns prior to filing, and responding to edge-case compliance scenarios.

Interviewees reported that training demands were low due to the solution's intuitive design and automation and did not require dedicated resources or extended ramp-up periods. Employees often learned the system through day-to-day use rather than structured training programs.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- To maintain the Avalara environment, one senior tax manager dedicates 10 hours per year.
- The average fully burdened hourly rate for a senior tax manager is $96.
- Initially, the senior tax manager spends two weeks training on Avalara, after which they spend 1 hour per quarter training on software updates.
- An account receivable specialist spends one day in training to learn Avalara's ECM solution, after which they spend 1 hour per quarter training on updates to the product.
- The average fully burdened hourly rate for an accounts receivable specialist is $42.

Risks. Ongoing management and training costs will depend on:

- The number of Avalara users.
- The number of hours organizations dedicate to training.
- The average fully burdened hourly rate for personnel.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $12,000.

10 hours

Time dedicated annually to Avalara maintenance

Ongoing Management And Training Costs

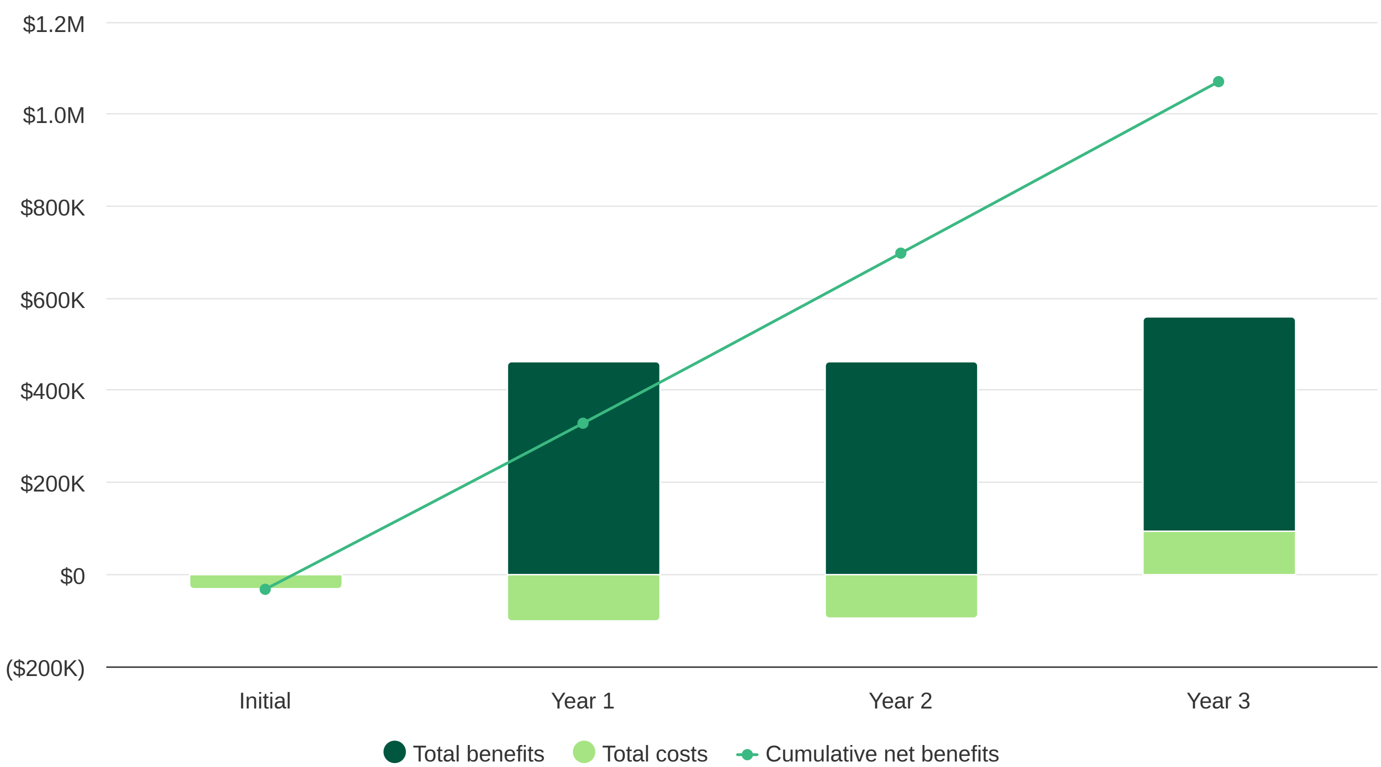
Ref.	Metric	Source	Initial	Year 1	Year 2	Year 3
L1	Senior tax managers	Composite		1	1	1
L2	Time dedicated to Avalara maintenance (hours)	Interviews		10	10	10
L3	Average fully burdened hourly rate for a senior tax manager	A6		$96	$96	$96
L4	**Subtotal: Annual labor costs for ongoing management**	**L1*L2*L3**		**$960**	**$960**	**$960**
L5	Time dedicated to senior tax manager training (hours)	Interviews		80	4	4
L6	Accounts receivable specialists	Composite		1	1	1
L7	Time dedicated to training (hours)	Composite		8	4	4
L8	Average fully burdened hourly rate for an accounts receivable specialist	E13		$42	$42	$42
L9	**Subtotal: Annual labor costs for training**	**(L1*L3*L5)+(L6*L7*L8)**		**$8,016**	**$552**	**$552**
Lt	Ongoing management and training costs	L4+L9	$0	$8,976	$1,512	$1,512
	Risk adjustment	↑10%				
Ltr	Ongoing management and training costs (risk-adjusted)		$0	$9,874	$1,663	$1,663

Three-year total: $13,200 **Three-year present value: $11,600**

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)						
	Initial	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Total costs	($32,450)	($102,173)	($93,962)	($93,962)	($322,547)	($273,584)
Total benefits	$0	$462,970	$463,427	$466,625	$1,393,022	$1,154,461
Net benefits	($32,450)	$360,797	$369,464	$372,663	$1,070,474	$880,877
ROI						322%
Payback						<6 months

Please Note

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

TEI Framework And Methodology

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in Avalara.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that Avalara can have on an organization.

Due Diligence

Interviewed Avalara stakeholders and Forrester analysts to gather data relative to Avalara

Interviews

Interviewed seven decision-makers at organizations using Avalara to obtain data about costs, benefits, and risks.

Composite Organization

Designed a composite organization based on characteristics of the interviewees' organizations.

Financial Model Framework

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.

Case Study

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. The ability to capture that benefit has a PV that can be estimated.

Risks

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

Financial Terminology

Present value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PVs 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.

Discount rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback

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

Appendixes

APPENDIX A

Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

APPENDIX B

Endnotes

[1] Sources: Use Regulatory Intelligence To Manage The Proliferation Of Cybersecurity Regulations, Forrester Research, Inc., April 7, 2026; Navigate The Accounts Receivable Automation Ecosystem, Forrester Research, Inc., January 15, 2026; The Accounts Payable Invoice Automation Software Landscape, Q4 2025, Forrester Research, Inc., December 15, 2025.

[2] Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

Disclosures

Readers should be aware of the following:

This study is commissioned by Avalara and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Avalara. For any interactive functionality, the intent is for the questions to solicit inputs specific to a prospect's business. Forrester believes that this analysis is representative of what companies may achieve with Avalara based on the inputs provided and any assumptions made. Forrester does not endorse Avalara or its offerings. Although great care has been taken to ensure the accuracy and completeness of this model, Avalara and Forrester Research are unable to accept any legal responsibility for any actions taken on the basis of the information contained herein. The interactive tool is provided 'AS IS,' and Forrester and Avalara make no warranties of any kind.

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.

Avalara provided the customer names for the interviews but did not participate in the interviews.

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