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SALES TAX & COMPLIANCE

Avalara Honored with SAP Pinnacle Award for Automating Time-Consuming Tax Compliance

Avalara was recognized as the top new partner application in SAP's Intelligent Enterprise Innovation award category. SAP's Intelligent Enterprise initiative aims to apply advanced technologies and best practices within agile, integrated business processes to help companies run at their best.

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By Bryan Corliss.

Running a business is often an exercise in managing scarcity. Business leaders rarely have enough resources to do what needs to be done, whether that means enough revenue, enough customers, enough skilled employees or — lately — **enough inventory**.

Something that's always in short supply, no matter what size business you lead, is time. In fact, **time is the scarcest resource**, one long-running Harvard Business School

research project found, after tracking 27 different CEOs for three months at a time between 2006 and 2018.

CEOs in the study spent 9.7 hours a day working Monday through Friday, and also worked on 79% of weekend days (for an average of 3.9 hours daily).

CEOs in the study also worked on 70% of their vacation days, averaging 2.4 hours a day working while they're supposed to be relaxing.

“CEOs are always on, and there is always more to be done,” the researchers wrote. “The CEO’s job is relentless.”

And if the CEO is in the hot seat, the CFO’s chair may actually be on fire. A consultant at [Deloitte told The Wall Street Journal](#) that it’s not uncommon for CFOs to put in 80-hour weeks when they start new jobs.

“These jobs can be so intense that CFOs rarely, if ever, get enough time to step back and think through the heart of a problem and focus on a strategy to overcome it,” Ajit Kambil, the global research director for Deloitte’s CFO program, told the Journal.

One thing Deloitte urges CFOs to do is “routinize” functions.

“If CFOs are multitasking and going from task to task every 30 minutes, they will find it tough to grapple with the biggest challenges,” Kambil said. “The more that can be routinized, the more time executives will have for the less routine, less structured problems that require time to solve.”

That’s true whether you’re in the C-suite at a Fortune 500 company or running an online retail business out of your garage: The more functions you can automate, the more time you’ll have to think through strategic decisions that will affect your company’s future growth and competitiveness.

Tax compliance is a time-consuming routine function

One area where business leaders end up spending a lot of time is sales tax compliance. Our partners at NetReflector/Potentiate surveyed hundreds of companies across the United States to determine exactly how much time companies are investing in this function, which — while essential — does not increase sales nor improve productivity.

The survey found that on average, emerging small businesses have three people who spend a combined 131 hours each month on compliance activities.

Small and midsize businesses typically have between two and five employees working on sales tax for a combined average of 163 hours a month.

Averages vary by industry: Retailers spend an average of 209 hours a month on sales tax compliance, manufacturers 149 hours a month and software companies 121 hours a month. Companies also bring in external help for sales tax compliance, with manufacturers being the most likely to hire an outside service provider.

(Read [this summary of the survey and its findings](#) for more details.)

Whatever the size of the business or the industry they're in, the hours an accounting team spends managing spreadsheets, tax exemption certificates, returns and all other tax-related documents are hours that aren't spent gathering and tracking real-time data that business leaders need to make the kinds of strategic decisions that keep companies ahead of the market.

Avalara helps business leaders create more time

Avalara has always recognized that. Helping operations and accounting team leaders find more time has been a goal of Avalara's from the start, says Scott McFarlane, the company's CEO and co-founder.

"Since our founding in 2004, Avalara has been on an audacious quest to automate all aspects of compliance for every business in the world," he [said in a report last year](#). "By replacing manual processes with automation, we improve people's lives by allowing them to spend time doing more meaningful work."

Recently, Avalara was recognized for our success in this arena by being named a 2022 SAP Pinnacle Award winner.

Avalara wins SAP Pinnacle Award

[The SAP Pinnacle Awards](#) "recognize top-performing partners who have excelled in helping customers become best-run businesses," said SAP CEO Christian Klein. Winners were picked based on their commitment to customer value creation, exponential growth, and simplification, he added.

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[Other winners in the category are listed here.](#)

SAP called Avalara's suite of tax compliance automation software an "innovative breakthrough solution" that solves "a concrete and important customer need" and helps SAP extend its Intelligent Enterprise value proposition.

Avalara relies on partners like SAP for its success, McFarlane [said in an interview](#). "Our partner relationships have enabled us to make automating tax compliance incredibly seamless by integrating our solutions into most of the commonly used billing systems in use today."

"In our digital-first, global society, compliance has become more complicated than ever," McFarlane said. "Avalara is taking age-old requirements and processes and applying advanced technology solutions to take the pain out of managing tax compliance."

And spending less time on tax compliance leaves business leaders with more time to grow their companies.

[Learn more about the time it takes to keep your business compliant with sales tax regulations.](#)

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