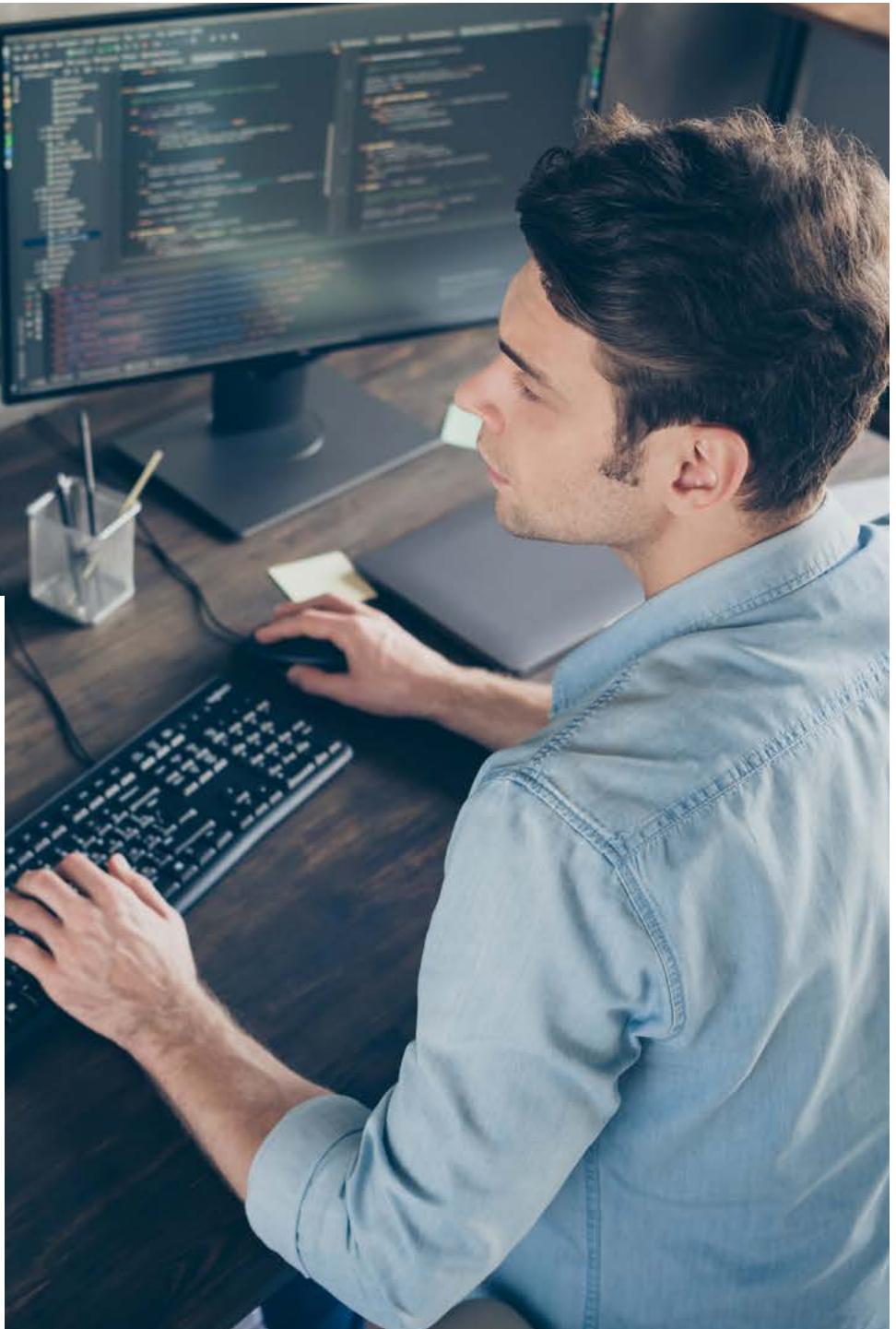
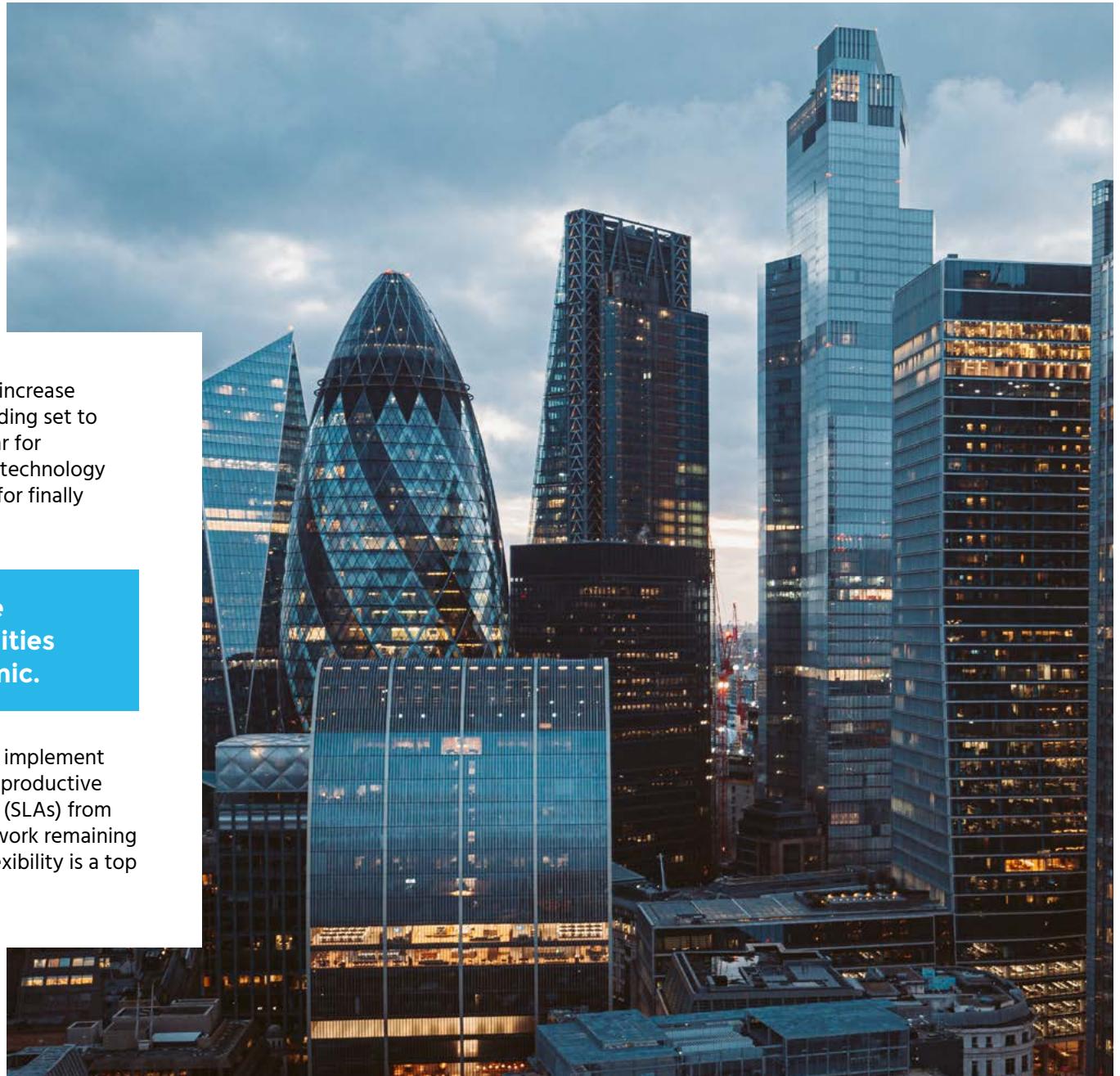




SOVOS

Will Government Mandated E-Invoicing Rules Disrupt Your IT Organization's 2022 Plans?

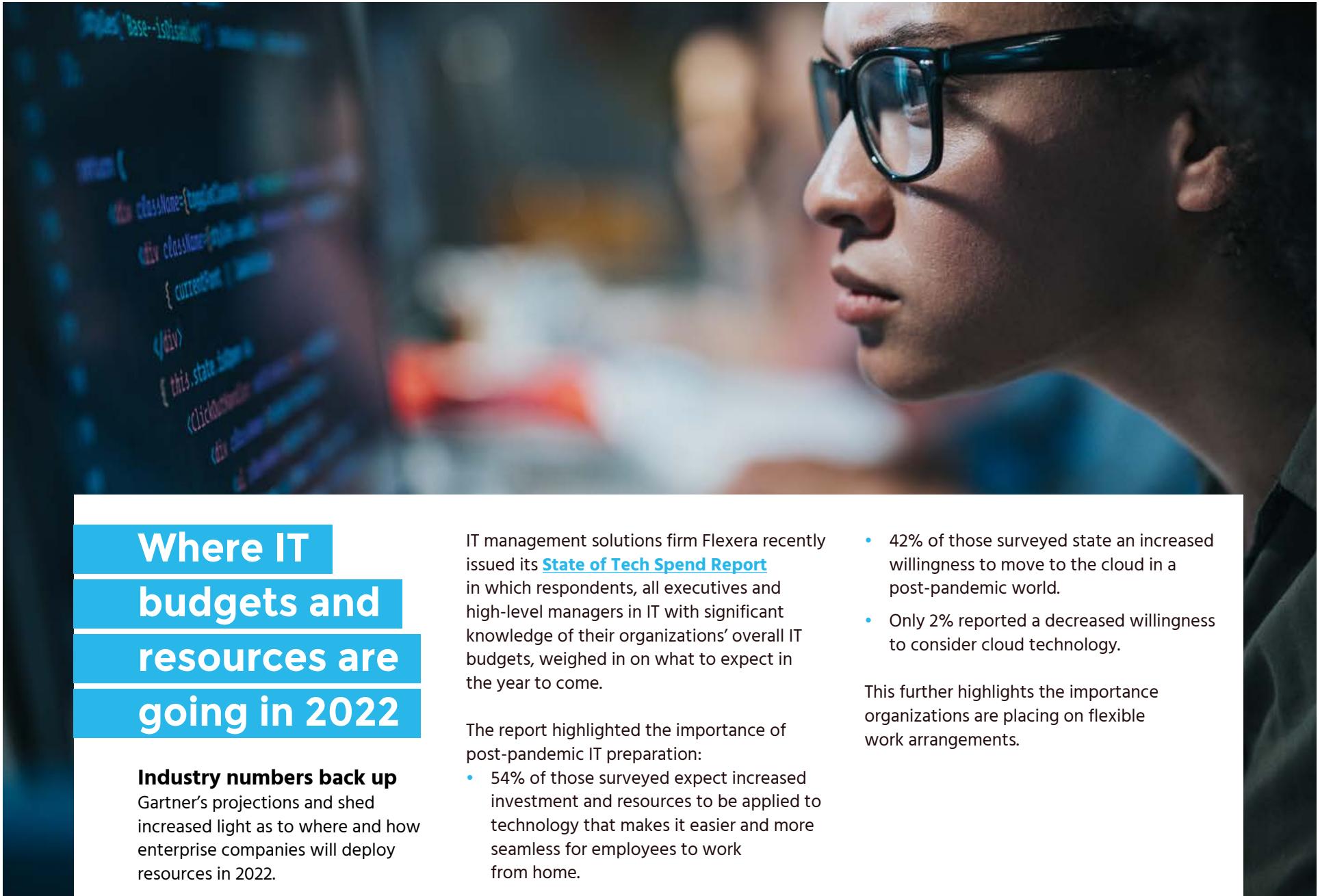




With [Gartner projecting](#) the largest percentage increase for IT budgets in more than a decade and IT spending set to exceed \$4 trillion in 2022, this is an important year for multi-national, enterprise companies to focus on technology upgrades and advancements. It's an opportunity for finally bringing much-needed projects to fruition.

IT departments around the globe are looking to adjust to a new set of realities at this stage in the COVID-19 pandemic.

This boost in budget is exactly what is needed to implement new technology that allows for employees to be productive and companies to meet service level agreements (SLAs) from any workplace configuration. With the future of work remaining fluid for most businesses, creating this level of flexibility is a top IT priority for the near-term.



Where IT budgets and resources are going in 2022

Industry numbers back up

Gartner's projections and shed increased light as to where and how enterprise companies will deploy resources in 2022.

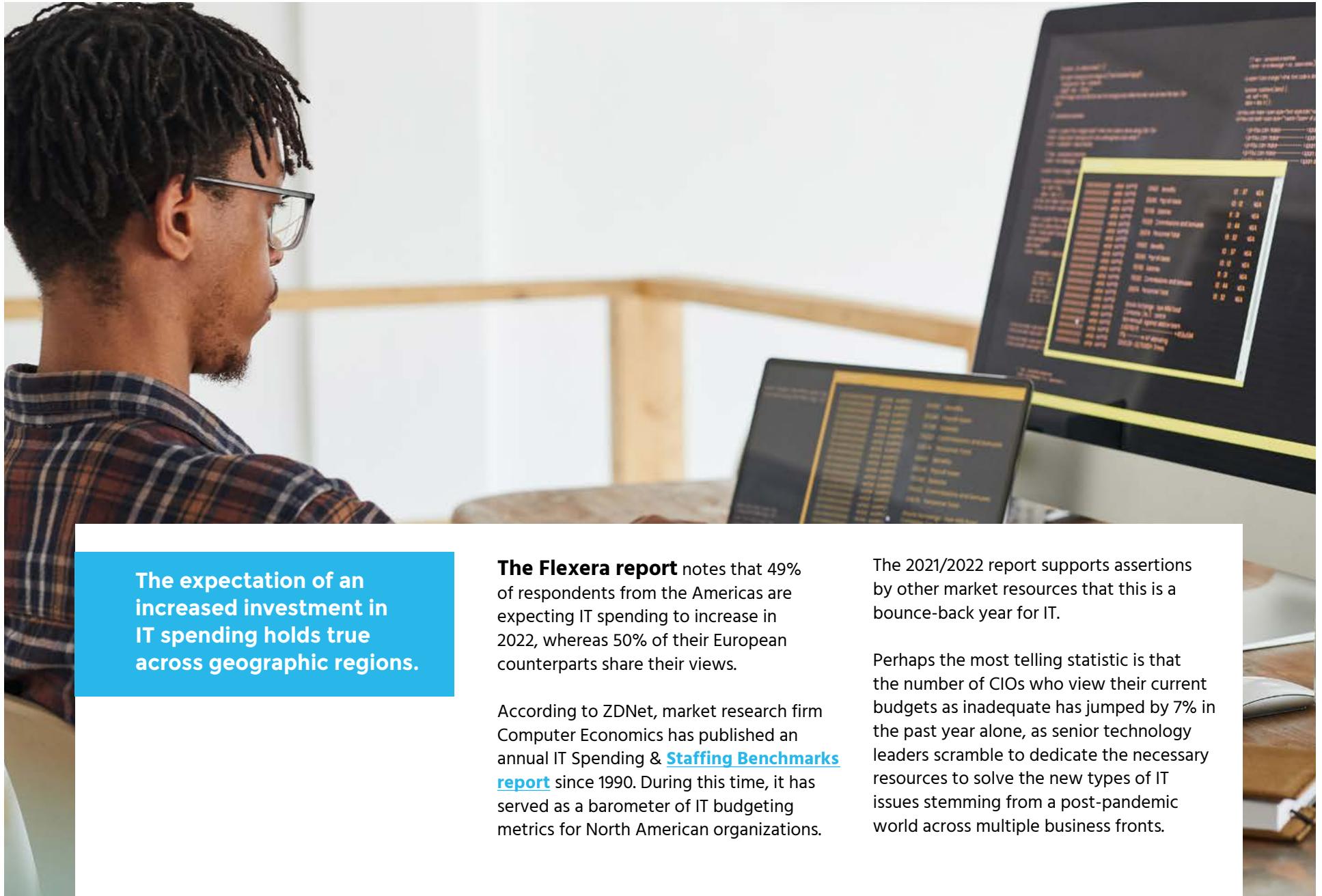
IT management solutions firm Flexera recently issued its [State of Tech Spend Report](#) in which respondents, all executives and high-level managers in IT with significant knowledge of their organizations' overall IT budgets, weighed in on what to expect in the year to come.

The report highlighted the importance of post-pandemic IT preparation:

- 54% of those surveyed expect increased investment and resources to be applied to technology that makes it easier and more seamless for employees to work from home.

- 42% of those surveyed state an increased willingness to move to the cloud in a post-pandemic world.
- Only 2% reported a decreased willingness to consider cloud technology.

This further highlights the importance organizations are placing on flexible work arrangements.



The expectation of an increased investment in IT spending holds true across geographic regions.

The Flexera report notes that 49% of respondents from the Americas are expecting IT spending to increase in 2022, whereas 50% of their European counterparts share their views.

According to ZDNet, market research firm Computer Economics has published an annual [IT Spending & Staffing Benchmarks report](#) since 1990. During this time, it has served as a barometer of IT budgeting metrics for North American organizations.

The 2021/2022 report supports assertions by other market resources that this is a bounce-back year for IT.

Perhaps the most telling statistic is that the number of CIOs who view their current budgets as inadequate has jumped by 7% in the past year alone, as senior technology leaders scramble to dedicate the necessary resources to solve the new types of IT issues stemming from a post-pandemic world across multiple business fronts.

Government mandated e-invoicing is set to become a problem for enterprise companies.

However, there could be a potential pitfall lying in wait for IT's existing plans. Government-mandated e-invoicing laws are making their way across nearly every region of the globe. This is creating a new reality for IT leaders to address, and if they don't properly account for it, their inaction could adversely affect other projects.

Where these mandates are now in effect has government regulatory authorities in the data stack of businesses, examining transactions in real-time as they traverse your network. These

mandates contain highly specific instructions on which data must be captured and in which format the data must be presented.

And, unlike other IT projects, organizations do not have the luxury of deciding when these protocols must be implemented, or upgrades made. With real-time monitoring of your data comes real-time enforcement that can range in severity from significant fines to shutting your business down completely. All of which stand to harm the company's reputation and create a direct impact on your business' bottom line.



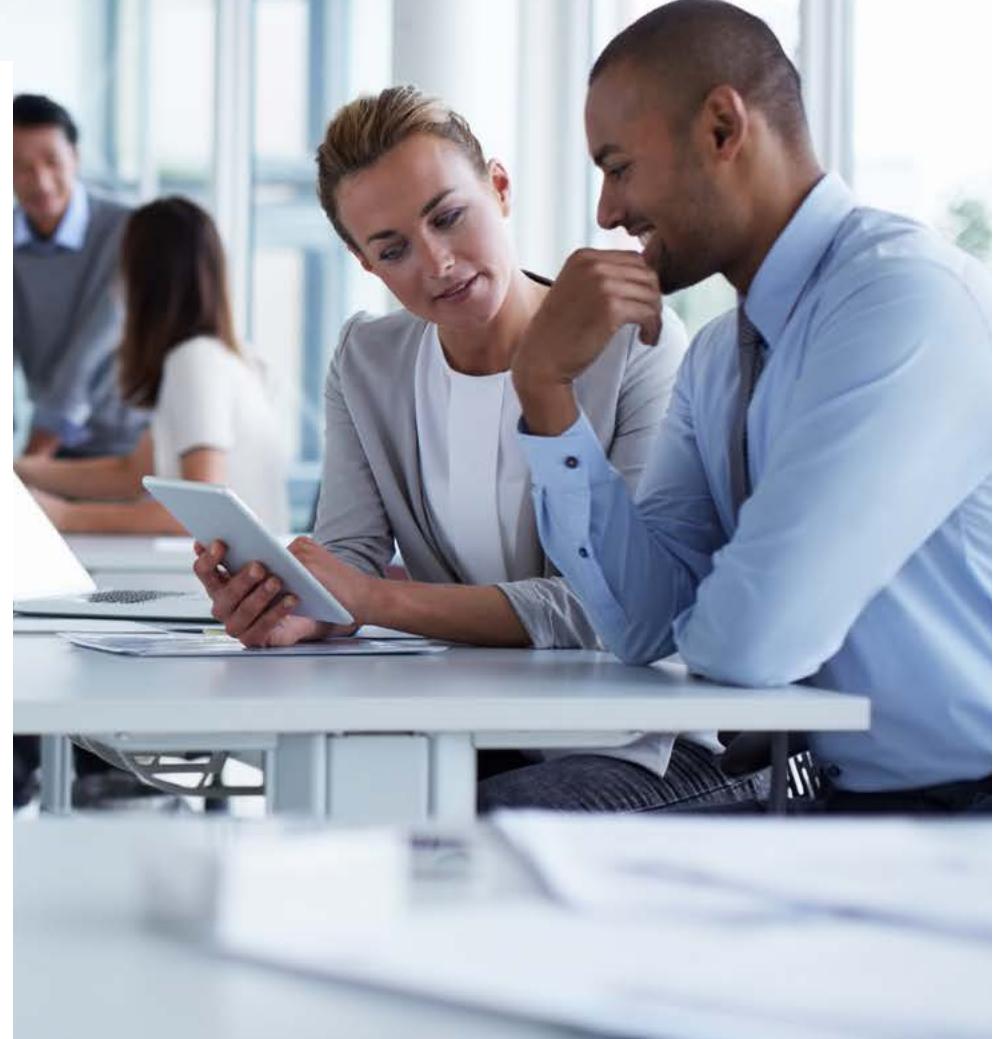


Government mandates - setting expectations for IT

Because the process of tracking, updating and ensuring compliance with government mandates has long since moved beyond the capability of periodic manual processes, IT is now in the driver's seat in the effort to meet this global shift.

Governments have advanced their investments and capabilities in digitization and are now positioned within a systems' environment. Remaining compliant is now at the forefront of IT priorities and critical business concerns to ensure commerce and business remain operational.

This has created the need for IT and senior leadership across multiple business functions to be further aligned. IT needs to ensure the resources and tools are in place to meet government-mandated obligations, no matter the company's industry or locations. This means communicating more frequently with company leadership, compliance, legal, product development and other areas of the business.





Issues that demand alignment include:

- In how many countries do we operate? What is the current and expected e-invoice and other regulatory mandates for each of these countries?
- What are our plans for expansion? How quickly will we be moving into new markets, what are we selling and what mandates are in place?
- How many different products and services do we sell? Is this likely to increase or decrease, and will this remain consistent across all markets?
- How frequently do mandates change in our highest volume areas? What are our plans to stay ahead of any potential changes?
- Are we positioned to support all of the regions in which we operate? Can we respond quickly to changing conditions?
- How do potential technology solutions designed to manage government mandated processes affect our systems? What changes do we need to account for?
- How do we ensure that we meet all security and privacy standards? Do we need to create new processes to follow protocols?
- What level of IT support is needed to manage these solutions? What is the impact on existing resources and our ability to meet other obligations?



IT's technology response to government e-invoicing mandates

As with any IT problem, there are a number of solutions on the market, all promoting their ability to make these problems magically disappear. And as with most too-good-to-be-true promises, it is never this easy or seamless.

The most important decision IT can make when evaluating a technology strategy to address the global mandate challenge is to decide upon a path that makes the most sense for the business.

Is negotiating individual contracts and implementing a variety of different technology solutions from smaller, regionalized vendors the correct course



of action? Or would negotiating one deal and having one partner that can manage all of their obligations across multiple regions and countries be the better choice? As governments continue to mandate new and more complex standards, the ability to connect all compliance obligations through a singular source and have one view into all compliance statuses will become increasingly valuable.

Governments have invested heavily in technology in recent years to eliminate the revenue gap between what they are legally owed and what they have been able to collect. For perhaps the first time in history, regulatory authorities are outpacing private

industry in their capabilities to collect and analyze transactional data. And as these authorities become more proficient in their approach, we can expect to see more frequent and substantial changes to mandates and enforcement procedures.

This is not a passing trend. Governments from South America to Europe, Asia and Africa are either already executing on this strategy or are seriously considering this approach in the near future. They are steadfast in their commitment to realizing this revenue so their communities can thrive, and holding businesses accountable for their obligations.



**Now is the time
for action to avoid
potential penalties
and damage to
company reputation.**

If solidifying a strategy for complying with government mandated e-invoicing rules and protocols is an organizational priority and one of 2022's primary IT challenges, a conversation with Sovos is a great start. We can help.

Sovos was built to solve the complexities of the digital transformation of tax, with complete, connected offerings

for tax determination, continuous transaction controls (CTCs) like e-invoicing, tax reporting and more.

Our customers include half the Fortune 500, as well as businesses of every size operating in more than 70 countries. Sovos' SaaS products and proprietary S1 Platform integrate with a wide variety of business applications and government compliance processes.



Don't take chances with government mandates

Protect your IT budgets and ensure they are being used as intended.

Talk to one of our experts to learn how.

sovos.com/contact-us