



## SABRIX MANAGED TAX SERVICE CASE STUDY: METRO DOOR

### Sabrix Managed Tax Service Frees Up Metro Door Tax Staff for More Strategic Tax Planning

Metro Door was spending hundreds of hours each month managing transaction tax compliance in an increasingly complex and demanding tax environment. In turning to Sabrix Managed Tax Service (MTS), Metro Door reduced time spent managing taxes by 65%, reduced their cost of compliance, and enabled themselves to focus on more strategic management of their corporate tax liabilities.

#### THE CHALLENGE

Security-enclosure and facility maintenance leader, Metro Door does it all: on-shore manufacturing, retail sales, resale, facility and project management and service. And as the company has grown, so has its transaction tax burden. By 2008, the company was filing returns in more than a dozen states while spending hours a week researching and applying taxes, and three to four days each month completing returns. For the finance team, it was not a pretty picture.

“Everything had to be compiled, scheduled and reviewed, which is a hard way to go when you’re a growing company trying to hold down overhead while limiting audit exposure,” explains Cindi Lanigan, Tax Manager, Metro Door. “Due to the nature of our business, our tax policy is complex. In addition to retail sales, we have to support contractor tax systems and set up specific tax codes for manufacturing, capital improvement, resale material, labor, service repair, and freight. And we have to deal with a slew of state-by-state variables, such as Texas’ special tax rules for capital improvement versus ground up construction, and Arizona’s unique rules around prime contractor taxability. It became very labor-intensive to get everything correct.”

Like most companies, Metro Door also found itself subject to increasingly frequent and aggressive state transaction tax audits. And here too, its manual process was a major pain point.

“It was sometimes a difficult and time-consuming task to get all the right information out of the system and files pulled for the auditors,” says Cindi. “Between handling rate changes, tax decisions, return preparations and audits, entirely too much time was being spent on transaction tax management as opposed to growing the business. We looked at all the software solutions available and chose to outsource the process to Sabrix’s tax experts.”



#### AT A GLANCE

##### Tax Challenges

- Tax complexity ranging from retail, wholesale, manufacturing businesses
- Managing taxes a huge drain on internal resources
- Company growth resulting in increasing audit risk

##### Results

- Tax resources deployed to more strategic tax planning to reduce audit risk
- Ensured accuracy across complex tax scenarios and multiple channels
- On-demand tax engine integrated with SAP Business One eliminates IT hassle
- Trust Sabrix tax experts to manage timely monthly returns and eliminate days each month

#### THE CUSTOMER

Metro Door is one of the nation’s leading suppliers of quality security solutions, with an extensive line of products including rolling and sliding security grilles, rolling shutters, and coiling service doors. Their service division, Metro Service Solutions, is a leading provider of 24/7 facilities maintenance services to national retailers.

## THE DECISION-MAKING PROCESS

At first, Metro Door believed it would need an internal system integrated with its SAP Business One system to support all its unique requirements, including supporting retail and contractor sales, totaling over 5,000 transactions a month.

“Orders come through here around the clock,” claims Cindi. “We knew we needed complete tax system reliability, meaning always accurate and always available.”

Equally, important, the new solution needed to support the entire order process, starting with quoting through final invoicing.

“If we don’t get the taxability of the transaction applied to the quote from the onset, and we go over, then we stand to lose money because we still pay the amount due to the State.

Metro Door looked at several competing on-premise tax management solutions, but decided instead to go with the Sabrix MTS, an outsourced sales and use tax service managed by Sabrix tax experts. It was clear that Sabrix MTS, with its trusted tax engine, would provide the requisite accuracy and reliability across Metro Door’s complex transaction tax landscape, and that Sabrix’s team of tax experts would relieve the company of the need to maintain costly in-house tax expertise.

“In the end, we selected Sabrix MTS because it was the most flexible solution,” says Cindi. “Sabrix MTS meets the full range of our tax management needs, in all our complexity. And, as an on-demand hosted solution, it enables us to remain agile in that there were no hefty upfront software costs and no need to manage the infrastructure that hosts it. Plus we gain all the advantages of Sabrix’s tax expertise and guidance on an on-demand basis.”

Today, Sabrix MTS is helping Metro Door process a volume of transactions that would have severely strained the company’s back office with trying to control the entire tax practice. Looking ahead, Metro Door is positioned to seamlessly scale its transaction tax process, completely on demand and with ensured performance and reliability, and without applying new internal resources, purchasing additional software licenses or deploying new hardware.

“I used to spend half my time every week staying on top of our monthly sales tax obligations. With Sabrix I am freed to be more strategic, proactively reviewing our controls and trends related to our company’s growth.””

-Cindi Lanigan  
Tax Manager, Metro Door

## THE RESULTS

Sabrix MTS is currently providing Metro Door with substantial business benefits, including:

- **Deployed resources to more strategic tax activities:** Where Metro Door previously spent hours a week for managing transaction taxes, the total is now down to 1/3 of that. And the time spent each month managing returns has been cut in half. "This has been a huge win for us," claims Cindi. "We are using the freed up time to do sensitivity analysis and research on potential liability exposures. We can now be much more proactive in managing our tax compliance and staying ahead of tax issues that might impact our cash flow and bottom line."
- **Ensured accuracy across complex tax environment:** From retail and resale to manufacturing and services, and across all taxing jurisdictions, Sabrix MTS reliably supports Metro Door's complex tax landscape. "Sabrix took the time to learn our very specific taxability needs and to configure its solution to support those needs," says Cindi. "Sabrix keeps us current automatically with the latest rates, rules and regulations across all our jurisdictions. We are freed from that hassle, and can trust Sabrix MTS implicitly to get even the most complicated rules and convoluted tax calculations right."
- **Seamless integration with finance systems:** Sabrix MTS integrates seamlessly with Metro Door's back office finance systems to help streamline tax and other finance processes. "A perfect example is a state that is only concerned with collecting on material" explains Cindi. "To extract that data, we would have to go into every invoice. The GL Reconciliation feature with Sabrix MTS makes this and other tasks of this kind a relative snap."
- **Expert tax support:** Sabrix's team of tax experts is available to back up every aspect of Metro Door's transaction tax management process, on demand. This includes providing expert advise on complex taxability issues and extends to nexus studies and audit support. "It's very reassuring to know we have access to trusted expert resources, and a big relief not to have to hire and maintain this level of expertise internally," says Cindi. "To us, this isn't a nicety, it's an essential part of managing compliance today."

Christine Vetrano, CFO at Metro Door concludes "Every business has its particular tax management challenges. This area is increasingly becoming more difficult as we see States move to capture more transaction tax revenues. Sabrix MTS gives us a complete, flexible and practically hands-off solution for managing our challenges, and it does so in a trusted and highly economical manner. Now, instead of looking over our shoulder at tax issues, we can focus ahead on growing our top and bottom lines."

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-Christine Vetrano  
CFO, Metro Door

SALES CONTACT  
sales@sabrix.com  
P. 1.866.4SABRIX

Sabrix - part of Thomson Reuters  
12647 Alcosta Blvd, Ste. 155  
San Ramon, CA. 94583-5180  
USA

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