



SABRIX MANAGED TAX SERVICE CASE STUDY: STULZ ATS

Stulz ATS integrates Sabrix MTS with Dynamics GP to achieve sales and use tax compliance with confidence

THE CHALLENGE

As Stulz ATS' business expanded across the U.S., the company wanted to pro-actively register for sales tax collection and remittance in every state, and have a managed plan to enter those states. As it proceeded, it was apparent that its method of manually tracking tax rates and making taxability decisions was going to quickly hit the wall. For each of its transactions, someone would manually look up the correct rate from the relevant tax authority's website and enter it into Microsoft Dynamics GP. Trying to scale such a manual process across 50 states was cause for concern.

"Even when registered in just a handful of states, keeping up with the monthly process was a considerable task," explains Michele Holsinger, ESP process manager, Stulz ATS. "Automating the sales and use tax process was clearly the way we needed to go."

Automating the process with software was the logical conclusion. However, once the decision to automate was made, Stulz ATS also realized they would still need to hire a person with considerable transaction tax expertise to manage the new software and the complexities of their growing tax liability. Sabrix Managed Tax Service (MTS) provided the complete package, an outsourced sales and use tax service that combines highly-skilled tax professionals with an on-demand version of Sabrix's proven enterprise tax software to completely free Stulz ATS' staff from managing the tedious process of sales and use tax compliance. In addition, Sabrix MTS' ability to seamlessly integrate with Microsoft Dynamics GP enabled Stulz ATS to quickly be up and running.



AT A GLANCE

Tax Challenges

- Rapidly expanding company
- Manual tax research and entry
- Limited tax expertise in-house

Results

- Reduced annual cost savings
- Seamless integration with Microsoft Dynamics GP
- Compliance assurance delivered by Sabrix's skilled tax experts
- A higher degree of accuracy

THE CUSTOMER

Germany's family-owned Stulz Air Technology Systems (Stulz ATS), with U.S. operations based in Frederick, Maryland, is the global technology leader in environmental control systems, manufacturing precision air conditioning, and desiccant dehumidification and humidification systems. Stulz ATS' U.S. operations have been growing rapidly for the past several years, with the company currently processing 500 to 600 invoices each month.

THE DECISION MAKING PROCESS

After assessing several vendors, Stulz ATS decided on the Sabrix Managed Tax Service, an outsourced sales and use tax service managed by highly-skilled tax professionals on an industry-trusted platform. Stulz ATS felt the most confident with Sabrix's service, which offered the combination of people, technology and process that would deliver the highest degree of compliance. The service covered the entire sales tax lifecycle including: address validation, SAS 70 certified tax rate maintenance, tax determination and calculation, return preparation and filing, as well as audit research and documentation. Most importantly, the service is managed by Sabrix's multi-disciplinary professionals in tax law, tax policy, research and audit, which operate as an extension of Stulz ATS' financial department and support every step of the sales tax compliance process.

"We selected Sabrix in large part because of the people – we trusted them, appreciated their domain expertise, and felt they understood our business better than the other vendors we'd assessed," claims Holsinger. "We feel great confidence in their tax platform, tax experts and rate research."

Stulz ATS was up and running with Sabrix MTS linked seamlessly to Microsoft Dynamics GP in days. Not only was the implementation accomplished quickly, but it required no additional IT resources, no changes to Dynamics GP, and no alterations to Stulz's business processes and practices. "It was a relief to have Sabrix's team of tax experts configure the system for us so we knew we were starting off compliant," stated Holsinger.

Sabrix now provides Stulz ATS with real-time tax determination and calculation for the full range of relevant transactions within Microsoft Dynamics GP including standard and mixed use orders, bill of materials, purchase and sales side credits, purchase orders, and invoicing. At the same time, Sabrix MTS automatically provides accurate, up-to-date tax rates to Stulz's Dynamics GP implementation for over 12,253 taxing jurisdictions across the U.S., relieving Stulz employees from the chore of manually looking up and up-dating rates. The Sabrix service also includes signature-ready returns, reviewed by Sabrix tax professionals to ensure accuracy, and provides real-time reconciliation reports, returns archives and audit reports.

"The integration of Sabrix and Dynamics GP was fast, flawless and transparent," says Holsinger.

"With Sabrix as our compliance solution, we've increased order entry process efficiencies and eliminated the need to hire additional tax expertise, while coping with an increase in transaction volume. For growing companies like ours, it's the obvious and logical choice."

-Michele Holsinger
Stulz ATS

THE RESULTS

The use of Sabrix MTS, with its tight integration with Microsoft Dynamics GP, has provided Stulz ATS with multiple transaction tax management benefits and operational advantages. These include:

- **Growth will not result in audit exposure:** Sabrix's automated, accurate tax determination and calculation now underpins Stulz's business in the U.S., including its expansion into new jurisdictions. And we're doing it without having to build tax expertise internally to make accurate tax decisions."
- **Highly-Skilled Tax Experts:** Starting from the initial competitive assessment, Sabrix has become a trusted tax partner for Stulz ATS — a source of accurate information, expertise and guidance. "Sabrix MTS is not just about automation and software, it's also about the tax expertise integral to the service that alleviates our concerns," claims Holsinger. "We are able to pick Sabrix's brains, from advice on setting up product codes to determining whether an item is taxable in a given state."
- **Reduced operational costs:** Along with increased tax accuracy and confidence, Stulz ATS has saved a significant amount of time each month and has eliminated the need for hiring another person. Rate calculation, rate updating and the creation of monthly tax forms are just three of the time-consuming tasks that are now automated. Much of the time, high-level personnel had to get involved in such labor, but are now free for more strategic tasks. "If we had continued to do in-house everything that Sabrix now does for us, we would have ended up hiring more people," says Holsinger. "Even the reporting is automated, so instead of having to create our own reconciliation reports each month, now all we have to do is log into the Sabrix portal and get what we need."

Concludes Holsinger, "Sabrix MTS is all about savings — saving the company from non-compliance, saving our people from hassles, saving IT resources, and saving time and headcount. Perhaps most of all, Sabrix MTS saves us from having to dilute our focus on our core business. No matter how fast and far Stulz ATS continues to grow, we have an expert partner we can trust to effectively handle our transaction tax process, saving us the worry and the burden."

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-Michele Holsinger
Stulz ATS

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