

Cram-A-Lot compacts its sales tax workload

Waste-stream reducer uses Avalara to crush a monthly burden



CRAM-A-LOT®

Tax Challenges

- Sales tax filing in 45 states
- Audit costs and risks
- Slow sales quote process

Business Systems

- ERP: Infor CloudSuite Industrial

Avalara Products

- AvaTax
- Avalara Returns
- Avalara CertCapture

Results

- Gained back three person-weeks per month through automated filing
- Streamlined audit readiness and participation
- Accelerated the sales process

Based in Springdale, Arkansas, Cram-A-Lot helps some of the largest businesses in the world manage their waste and recycling programs at the lowest possible cost. But when this growing manufacturer of compactors and balers needed to reduce a burdensome tax workload, its machines couldn't help. So Cram-A-Lot turned to Avalara.

A Heavy Load

Needing to file in all 45 sales tax states, Cram-A-Lot's monthly sales tax workload was a huge burden for the finance team.

"At the end of the month, considering both state and local returns, you had a person dealing with an average of more than seventy returns," says Jim Stuckey, the company's CFO, "requesting seventy checks, and sending them to seventy places." Stuckey estimates that one member of his department typically spent three weeks each month just preparing and filing sales taxes while other responsibilities were left unattended.

To complicate matters even further, Cram-A-Lot was highly exposed to ever-changing tax rates and rules. Cram-A-Lot's former tax automation vendor sent rate updates quarterly — on a CD — and IT personnel at Cram-A-Lot then had to update the company's internal database with the "new" rates.

"You might find out six months down the road that you were charging the wrong rate," says Stuckey. This put the business at risk. "All the states audit you. Several states would come in every two to three years." In one case, a state auditor charged back taxes of \$20,000, not including interest and penalties.

The burden of calculating taxes slowed down the sales team as well. A sales person trying to provide a quote might call in to check taxability on thirty different line items, each of which had to be individually researched — slowing revenue and potentially risking the sale.

In addition to sales tax rate updates and return woes, Cram-A-Lot used the "shoebox method" to collect and store customers' exemption certificates. Ensuring certificates were up-to-date and easily accessible in the event of an audit proved challenging.

The Clear Choice

In early 2012, Cram-A-Lot decided to invest in a new tax automation system and quickly identified the must-haves:

- Real-time tax rates
- The ability to customize for items with special taxing rules
- Easy integration with its ERP system, Infor Syteline (now CloudSuite Industrial).

Avalara's Sales Tax Suite quickly emerged as the best choice. Because AvaTax is delivered as a cloud service, Cram-A-Lot applies continuously updated tax rules and rates to each line item when the transaction happens. Transactional tax data from AvaTax is provided to Avalara Returns, which automates Cram-A-Lot's filing in every jurisdiction. Now, instead of paying each jurisdiction individually, Cram-A-Lot makes a single ACH payment to a secured account, and Avalara Returns takes care of the individual returns and payments.

Benefits

With Avalara's solution in place since late 2012, Cram-A-Lot has enjoyed multiple benefits. The tax workload has been significantly reduced — saving the team three person-weeks every month — while the accuracy of its tax calculations are now certain.

In addition, moving from an on-premise solution to automation built for and based in the cloud, the amount of system maintenance required has evaporated. "As long as the internet is up, we're in business," says Shaun Swearingen, who runs information systems for Cram-A-Lot. "Initially we were concerned about latency being a factor in a cloud solution, but that hasn't been an issue."

Cram-A-Lot now manages exemptions with ease and confidence. Certificates are stored in the cloud and are easily searchable by line item if required in an audit.

Customers are automatically notified when an exemption certificate is about to expire and they can easily provide the new certificate using a web form.

Now that sales orders are taxed automatically, there's no need for sales to wait on manual tax research to provide a quote, so the sales process is accelerated.

Perhaps most importantly, the amount of energy spent preparing for and participating in audits has been greatly reduced. "We have a list of what they'll want to see in advance," says Stuckey, "and we're ready when they get here." Audits go faster and smoother. Penalties are all but eliminated.

"Preparing financial statements, providing financial analysis, running the department... these are all things that had been put on hold for sales tax," says Stuckey. With Avalara, "It's a night and day difference."



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— Shaun Swearingen Information Systems



Avalara Sales Tax Suite

A complete, end-to-end sales and use tax compliance solution - built to grow with your business.

Avalara AvaTax accurately calculates sales & use taxes.

Avalara Returns handles monthly sales & use tax filing, payments, and notice management.

Avalara CertCapture helps businesses collect, store, track and utilize exemption certificates.

Avalara supports quick deployment by providing over **700 pre-built integrations** to business applications including ERP, POS, Ecommerce, Billing and CRM.

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