

Firewire Surfboards manages nexus exposure across new markets

Avalara tax alerts support scalable operations, increased accuracy, and enhanced efficiency

FIREWIRE

Industry

- Manufacturing

Integrations

- Acumatica

Tax challenges

- Compliance risk
- Tax complexity
- Manual costs

Avalara products

- Avalara AvaTax
- Avalara Returns
- Avalara Exemption Certificate Management
- Avalara Tax Research

Results

- Seamless integration
- Time saved through automation
- Workflow optimization

Company overview

Since 2006, Firewire Surfboards has been dedicated to improving the surfing experience through innovative and quality products built with the conscious minimization of impact to the planet.

Tax challenges

As Firewire Surfboards expanded its market presence through direct-to-consumer (DTC) and wholesale distribution, the challenge of managing sales tax compliance across states and international borders grew increasingly complex. Operating with a lean accounting team and navigating a surge of ecommerce activity driven by the pandemic posed significant challenges. However, for Firewire, the complexity was further exacerbated by its consignment model, which triggered nexus – the legal requirement for businesses to collect and remit sales tax on transactions made within those states.

This heightened nexus exposure increased the administrative burden of managing sales tax reporting across multiple jurisdictions. “We needed to find a scalable, single source of truth solution,” says CFO Franklin Shiraki. Transitioning to a cloud-based system could not only offer scalability but also increase accuracy and efficiency in navigating such a complex tax landscape.

Why Avalara?

Prioritizing seamless integration, Firewire effortlessly incorporated Avalara tax compliance software into its cloud-based ERP system, Acumatica. Within just 30 days, the company automated everything from sales tax calculation to state sales tax registrations, providing much-needed reassurance amid heavily impacted wholesale operations. “Avalara made it possible for us to add on sales tax compliance to our day-to-day roles without adding headcount,” remarks the CFO. Avalara’s flagship solution, Avalara AvaTax, along with other sales tax compliance tools, empowers Firewire’s accounting team to easily reconcile sales tax liability without expanding its workforce. Firewire prioritizes satisfied customers, with a foundation built on reliable operating systems. “Avalara flags us when we have potential sales tax exposure in new jurisdictions, which makes it scalable with our

business,” Franklin explains. Plus, with nexus coverage, the company can sell confidently anywhere. “Our customers can trust the information we provide because of our trust in Avalara,” Franklin adds. “We can reach customers anywhere there is an internet connection.”

Results

With Avalara’s support, Firewire significantly expanded its U.S. DTC business and reached new markets without additional personnel costs. This expansion yielded an astonishing ROI due to the minimal investment necessary with the potential to double as its online presence continues to grow. Plans are in place to increase DTC sales while maintaining wholesale volumes, and to implement a holistic unified commerce solution, leveraging Firewire’s operating model and Avalara’s robust compliance capabilities. Firewire also relies on Avalara for managing over 100 exemption certificates, streamlining a previously manual process that was only completed once every three years.

Franklin advises fellow retail businesses using ecommerce platforms to adopt a cloud-based solution for optimal efficiency and stresses the importance of being prepared for the complexities of state registrations and multi-state income tax returns. “Partnering with Avalara allows us to operate with enterprise-level sophistication while preserving small-to-medium-sized business agility.” Looking ahead, Firewire can allocate resources for future expansions by leveraging Avalara for global VAT needs as its business grows, highlighting the transformative impact of the Avalara partnership.

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Avalara Tax Compliance Suite

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

Avalara AvaTax determines and calculates sales and use taxes.

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

Avalara Exemption Certificate Management helps businesses collect, store, track, and utilize exemption certificates.

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