

Growth made easier for Duo Security

Avalara helps SaaS company accelerate growth with confidence



Tax Challenges

- Explosive growth in nexus obligations
- Too much time spent on monthly sales tax filing
- Integrating with new systems resulting from growth decisions

Business Systems

- Sage Intacct

Avalara Products

- Avalara AvaTax
- Avalara Returns

Results

- Recouped significant team time formerly dedicated to sales tax processing
- Switched accounting software without skipping a beat
- Nexus expansion is handled with the click of a button
- Saved an estimated \$500,000 per year by automating sales tax

When you're one of the fastest-growing SaaS companies in the world, you don't let sales taxes slow you down.

Duo Security has more than doubled revenue for four consecutive years. Since 2015, the trusted-access provider quadrupled its user base, now making up more than 9,000 paying customers.

Of course, such a steep growth curve has tax implications. Duo is now registered in 26 states, and expects to see that footprint – and the attendant nexus obligations – expand at an accelerated pace.

Prior to their search for sales tax automation, Duo needed to research tax rules, rates, and filing requirements whenever they registered in a state. In addition, each new state increased the time and effort required for its tax team to handle monthly sales tax filing.

Duo began the search for a sales tax automation solution that could off-load this growing burden on its staff and enable them to focus on more strategic projects. In addition, as the company began upgrading its internal systems from small-business software to enterprise-grade solutions, the need for flexibility to integrate with new solutions became more critical.

The Avalara solution.

In 2015, Duo made the decision to purchase Avalara AvaTax to automate sales tax calculation and later integrate with its QuickBooks accounting system. Avalara's cloud-based solution includes built-in tax rules and rates to ensure tax accuracy. This also minimizes the tax research work required when their nexus expands.

To off-load their sales tax filing burden, Duo now also uses Avalara Returns, an integrated solution that manages the entire process including return filing, payments, and notice management.

The decision to use Avalara has made growth easier in several ways.

Easy compliance in every state.

Tax legislation for out-of-state companies is in a constant state of flux and, in some cases, is becoming more aggressive. In addition to constantly acquiring customers in new states, Duo is always evaluating voluntary registration in some states, just to be on the safe side.

“Once the decision is made, we can turn on nexus, and begin collecting and filing, with the push of a button,” says Beatrice Negru, a tax analyst at Duo.

Easy integration with other systems.

“We started using AvaTax with QuickBooks in 2015, just to do our tax calculations,” says Beatrice. “At that time, we were self-assessing and filing our taxes manually.” Simply by automating sales tax calculation with Avatax, Duo saved roughly a half million dollars.

In 2016, the company began the switch from QuickBooks to Sage Intacct.

“The tax setup was the easiest part of the Sage Intacct implementation,” Beatrice recalls. “We just pushed all taxability decisions to AvaTax. In fact, Avalara was the easiest part of the transition.”

Easy. Period.

By streamlining the tax-calculation and filing processes, Avalara has liberated Duo’s tax team to focus on higher-value activities.

“We spend more time on analysis, and less on transacting and processing taxes,” says Beatrice. “Filing returns, by itself, can bog a team down for most of a month. During that cycle you can’t do any meaningful analysis or reconciling or implementation of internal controls, much less take a day off.”

The team also rests easy when it comes to the risk of audits. Duo sells SaaS and tangible media with software – and taxability of their products varies from state to state.

“It’s great that Avalara understands those nuances,” says Beatrice. “Avalara’s reports are designed to satisfy an auditor’s expectations. So when or if an audit comes, Avalara gives us much greater confidence in the outcome.”

That kind of confidence is a level above mere optimism. “We’re growing so fast, and Avalara’s ability to scale with us has been essential,” says Beatrice. “We’re in the process of rolling out Salesforce and Recurly which will both integrate with AvaTax. We’ll be able to rely on Avalara as we continue to scale and grow.”

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– Beatrice Negru, Tax Analyst
Duo Security



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 **580 pre-built integrations** to business applications including ERP, POS, Ecommerce, Billing and CRM.

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