

# Apparel

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What makes an apparel company truly an innovator?

Many of the answers lie in the pages that follow, which honor our **Apparel** Innovators.

While the strategies of our recipients are diverse, the vision, the determination and the leadership each demonstrates are not.

To all of our honorees, **Apparel** Magazine tips its hat to you for your resourcefulness, your creativity and most importantly, your innovation.

*By Christian Chensvold and Justin Fenner*

## Aldo

Headquarters: St. Laurent, Quebec, Canada | [www.aldoshoes.com](http://www.aldoshoes.com)

**NOMINATED BY:** Vertex | [www.vertexinc.com](http://www.vertexinc.com)

Sales taxes are something every business begrudgingly wrestles with, which is all the more reason to innovate. With that goal in mind, ALDO has improved efficiencies and expanded operating advantages by phasing in enterprise transaction tax technology to reduce costs and risk associated with manual processes and less comprehensive sales-tax solutions.

Driven by retail growth and the success of its ecommerce channels, ALDO launched this initiative to support the requirement for consistent, accurate tracking and maintenance of sales tax rates, rules and schedules in the United States and Canada. This innovative approach to managing the complexities of sales tax compliance has helped reduce audit costs, while also improving the customer experience.

Aided by a tax technology provider, the project included several key goals. First was defining merchandise to allow any SKU to inherit the proper sales tax rules and rates for all sales transactions. Second was to integrate the system with its ecommerce transaction and fulfillment applications, while last was to integrate the system with ALDO's POS system for retail transactions.

To achieve these goals, ALDO implemented a solution that grouped its extensive merchandise catalogue into Sales Tax Groups. ALDO was then able to automatically generate the taxability, rules, rates and rate charts necessary to properly estimate and calculate sales tax for its product catalogue.

The next step was to integrate Vertex Indirect Tax for Retail as its tax engine within

its ecommerce infrastructure. The successful integration allows ALDO to sell merchandise anywhere, assured that its sales tax engine will properly determine how the product and service is taxed, regardless of the destination of the goods; generate the appropriate tax finance reports; and automate the process of filing and paying taxes due.

Defining Sales Tax Group IDs as part of the merchandise hierarchy has also enabled ALDO to experiment with brand extensions and new product categories without needing system redesigns or intense manual efforts. As a result of this initiative, ALDO no longer relies on manual processes to move tax changes between the corporate and ecommerce systems, allowing the business to steer funds toward more strategic aspects of the business. ◀