

A photograph of a male worker in a white hard hat and a high-visibility yellow vest over a blue shirt. He is standing in a large warehouse with high ceilings and yellow industrial shelving units filled with cardboard boxes. He is holding a black handheld barcode scanner and is scanning a large cardboard box. The background is slightly blurred, showing the depth of the warehouse.

How Industrial Distributors Are Modernizing ERP and Tax Compliance

Talk to any industrial distributor today and you'll hear the same constraints: it's harder than ever to find people, costs are rising, and keeping up with changing tax rules is becoming increasingly difficult. Many are now reassessing the systems that run their warehouses and production floors.

Tribute has spent more than four decades serving this industry. "Our TrulinX ERP platform was developed from the ground up by an industrial distributor specializing in hose and fittings, fluid power, motion control, conveyor belts, gaskets, and power transmission products," says Bill Horrigan, Vice President of Sales and Marketing at Tribute. "We consider ourselves experts in these areas because that's where our genesis came from."

This whitepaper looks at how TrulinX's specialized design differs from general solutions, and how automation partners like Avalara are extending ERP capabilities to simplify tax compliance.

What Distributors Expect from ERP Systems

When distributors begin exploring ERP options, there are a number of challenges they're looking to overcome. "Every single place I've been to since the end of the year has been hiring," says Horrigan. "Everybody has said, 'I'll buy your system if you can find one or two people for me.' That is by far number one — the labor shortage we're dealing with right now."

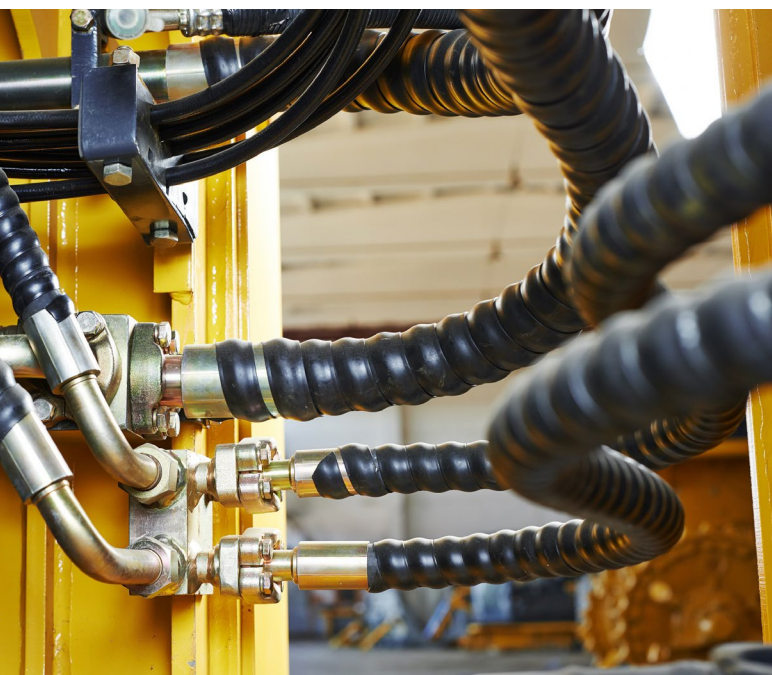
The second factor is cost. "When you turn the TV on, you hear about tariffs, rising costs, and the economy," Horrigan says. "We're selling into basically family-run businesses from 10 to 200 employees." These smaller companies face thinner margins and less room to absorb disruption.



Layered on top of these economic pressures is the growing complexity of tax compliance. Distributors operating in multiple states must navigate varying nexus rules. “Some of our customers have 80 taxing authorities they have to report to — cities, counties, municipalities, even stadium taxes,” Horrigan explains. “For small businesses to have to manage all those taxes is beyond my comprehension.”

According to Horrigan, distributors evaluating ERP systems ask a few consistent questions: What’s the total cost? Is the support team based in the U.S.? Will the vendor understand their business processes?

“They want to make sure someone’s going to be there for them,” says Horrigan. “I would say the top thing is understanding their business. They want a partner, not just a software vendor. They don’t want to spend time and money educating a software provider on how their business works. Instead, they want help optimizing processes and get full value from the ERP’s tools and capabilities.”



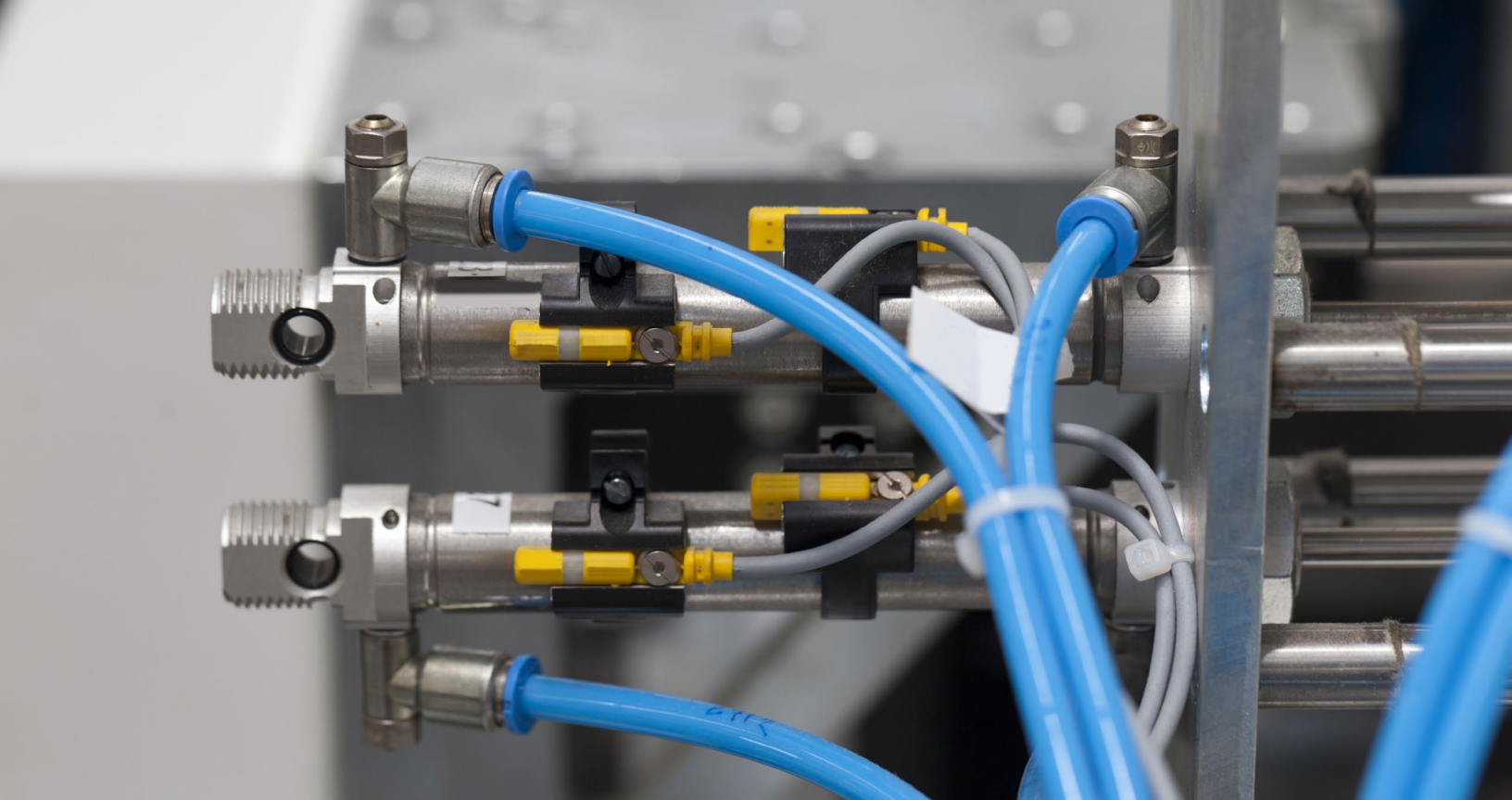
How TrulinX Differs from General ERP Systems

Unlike general-purpose ERP systems built to serve many industries at once, TrulinX reflects the unique workflows of industrial distributors. “We’re selling niche software packages, and one of our biggest competitive advantages is our area of expertise,” says Horrigan. “We have specific features for each of the verticals we serve.”

In hose and fittings, TrulinX includes a hose configurator that allows users to answer a few questions, automatically builds the assembly, calculates labor based on hose length and fitting diameter, manages hose reels, and prints workflow instructions directly on the pick ticket or work order. For the fluid power and motion control industry, the system includes a production management module that highlights all active jobs, tracks labor and costs, and surfaces constraints such as inventory shortages or labor availability so users can quickly reallocate resources.

Belting distributors can use two-dimensional layout controls to see their belts on the shop floor and immediately assess whether they have enough to service a customer when the phone rings. For gaskets, TrulinX tracks the center plugs — the material cut from the middle — so users can reuse them for future gaskets at full profit.

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Beyond the industry-specific tools, TrulinX supports the full order-to-cash process — from quoting and order entry to production, inventory, shipping, invoicing, and collections. “Each functional area is supported by tools designed to streamline workflows, improve efficiency, and help your team work smarter, not harder,” says Horrigan.

A quote can be entered and converted to an order, or tracked as a lost sale if it doesn’t move forward. Users can report shop floor activity by work center and manage warehouse operations through wireless tools, while field service staff can check order status from phones or tablets. The system works proactively to prevent dead stock, excess stock, or overstock by identifying demand spikes and seasonal trends before they become an issue.

“Managing inventory effectively is the key to success in this industry,” says Horrigan.

Distributors have seen measurable results after moving to TrulinX, with new users reporting gross margin improvements in the range of 1.5 to 6 percent after their first year on the system. Horrigan credits tools like gross margin controls, which flag pricing below approved thresholds and alert management immediately if someone proceeds.

Productivity has also increased, often by about 27 percent. “We’re constantly modernizing the software, making it more efficient so you can do a lot more,” says Horrigan. “The objective is to improve the customer experience — what they see, what they hear, how fast you service them.”

On the financial side, customers have seen average collection times shorten by one to five days as a result of tighter process control and automation. TrulinX has also improved inventory performance by one to four turns.

Best-of-Breed Partnerships and Avalara

Rather than trying to do everything in-house, Tribute follows a best-of-breed approach — focusing on its core competencies while integrating with specialists for functions such as e-commerce, EDI, and tax compliance. “We can’t be all things to all people,” Horrigan says. “We want to be really good at distribution and fabrication, and then surround ourselves with really good strategic business partners.”

One of those partners is Avalara, which automates key parts of tax compliance such as tax calculation, exemption certificate management, and return preparation as distributors grow into new states. The software integrates directly with TrulinX to calculate sales tax at the time of order, monitor when a business is approaching nexus thresholds, and manage exemption certificates. It also handles the filing and reporting process. For enrolled customers in the Streamlined Sales Tax (SST) program using Avalara Managed Returns, Avalara files directly with participating jurisdictions at no additional cost.

“ **TrulinX serves as the system of record for transactions, customer data, and order history, while Avalara helps customers reduce audit risk and improve compliance accuracy.** ”



“With constantly changing tax laws across thousands of jurisdictions, it’s simply not feasible to manage compliance manually,” says Horrigan. “TrulinX serves as the system of record for transactions, customer data, and order history, while Avalara helps customers reduce audit risk and improve compliance accuracy. For customers using managed services, Avalara handles the filing process to support accurate and timely returns.”

Avalara’s Exemption Certificate Management and reporting tools also support managing tax abatements. “Tax abatements can significantly impact operations especially when customers expand into new states or regions that offer incentives to attract business,” explains Horrigan. “These can include sales tax exemptions on certain purchases such as equipment and materials, property tax reductions for opening new facilities, and income tax credits for job creation or investments. However, these incentives come with strict documentation and compliance requirements. Together, TrulinX and Avalara help ensure that customers can fully benefit from these abatements.”

Results from Distributors Using TrulinX and Avalara

Distributors have found that using TrulinX with Avalara can remove much of the strain from managing taxes. Before automation, tax reporting often meant tons of spreadsheets and manual updates. “Tax is taxing — it’s just hard to do,” says Tim Pritchard of Zemarco, an industrial distributor specializing in hydraulic, filtration, lubrication, electro-mechanical & fluid connector products. After integrating with TrulinX and Avalara, their process changed entirely. “Now, tax is so much easier. In the last three months, I have not had to make a single adjustment.”



The added efficiency has also allowed Zemarco to expand operations without adding staff. “Originally, we were doing California and Arizona. Now, we’re collecting for 14 states,” says Pritchard. “I can’t imagine how hard it would be if I had to file those 14 states by myself. Trying to keep tabs on certificates and everything would probably take three people to manage effectively... and again, I don’t have to do that — I just run a report.”

The Future of ERP and Compliance in Distribution

As distributors modernize their operations, ERP systems like TrulinX are evolving alongside them. More jurisdictions are moving toward real-time reporting, which will require ERPs to include integrated tax engines instead of relying on separate add-ons. Automation and machine learning are also beginning to play a larger role, helping companies classify products correctly, forecast tax exposure, and spot irregularities before they lead to compliance issues.

At the same time, many companies are expanding across borders, which means managing customs duties, tariffs, and trade regulations alongside domestic taxes. That’s a tall order for any team to handle manually.

“These tax tasks for companies are non-revenue-generating and open companies up to huge risk when keeping this in-house,” says Horrigan. “A product like Avalara is a no-brainer decision on my part.”

Ready to modernize your operations?

See how TrulinX ERP and Avalara can help your distribution business simplify tax compliance, boost productivity, and increase profitability.

Learn More:

www.tribute.com/lp/how-industrial-distributors-are-modernizing-erp-and-tax-compliance

