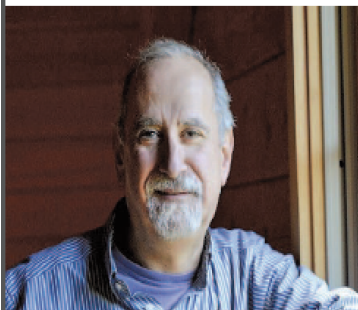


Former Restaurateur Brings Simple Sales Tax Management With Innovative Software Solution

As with so many iconic products, the birth of DAVO software was truly: necessity being the mother of invention. For seasoned New Jersey restaurateur David Joseph, the challenge of keeping up with his Montclair restaurants monthly sales tax payments was a challenge.

"Our bookkeeper would walk in the back door of my restaurant and drop my sales tax return on the table and say you've got to write a check tomorrow to the state of New Jersey for six thousand dollars," Joseph lamented. "I found that even when I tried to plan for it that it was not high on the list of priorities. So no matter what we tried to do it was last minute and painfully frustrating."

Joseph's restaurant went through five renovations over the 17 years under his watch. "We were just constantly expanding and moving into



David Joseph, DAVO

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the next space and with that you're constantly running cash short on renovations and trying to get it finished up and start recouping money," Joseph continued.

The Joseph saga went on to follow a story line that is heard so often in the restaurant and foodservice industry. "We got behind on sales tax and I remember the revenue agent walking in the restaurant handing us a bill for \$40K and telling us that we needed to come up with 15 grand by next week," the software exec reminisced. "So the short term answer was a merchant advance that enabled us to tread water."

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tomatically deducted from the days receipts. So it dawned on me, why couldn't someone create a simple system to manage our sales tax the same way that ADP was handling our payroll?"

Joseph's instincts were to head for his bank and ask if they could simply deduct 7% everyday from credit card receipts and place the funds in a separate account earmarked for sales tax payment. His bank told him it couldn't be done but he was convinced that the solution was in the credit card terminal.

Joseph's next step in doing his due diligence was to break bread and share his idea for a credit card based sales tax solution with one of

his restaurant's customers that had just left his job at Chase Manhattan. "He came back and told me that he couldn't find anyone offering this type of service. So we shook hands and we are coming up on 20 years as partners." The duo was then able to apply for and, after a decade, obtain a patent on their sales tax management technology that has enabled the firm to properly fund its growth and develop its technology.

"Our timing has been impeccable with POS technology moving to the cloud," Joseph added. The cloud enables DAVO easy access to sales data from the POS system which enables them to set sales tax aside daily. "What we've actually figured out is we do something that we call fractional daily funding and fractional daily funding is based on a 30 day payment cycle."

Once a merchant downloads the DAVO Sales Tax app to their POS, DAVO uses daily sales data to set aside the exact amount of sales tax collected daily in a separate tax holding account. Then when the sales tax is due, DAVO automatically files and pays it to the state, on-time and in-full. The merchant does nothing; the entire process is seamless and automatic and affordable at just \$39.99/month, far less than an accountant or bookkeeper.

Joseph takes great pride in DAVO's

line-up of restaurants and foodservice operators that they have been able to assist across the nation. "Our Rolling Pin bakery story in Denver is typical of the type of story we hear every week," Joseph said. "They told us their horror story of three partners, each working diligently on their part of the business and somehow simply forgetting to account for and pay the sales tax. We were able to make a simple install of DAVO and they have lived happily ever after."

The DAVO difference has also enabled a number of restaurant groups to expand successfully. "We're so proud to have been part

of the New Jersey based Playa Bowl concept that has grown to some 20 units." DAVO has acquired over 2000 merchants in all states with sales tax and continues to expand month over month.

DAVO's ability to listen and respond to needs of its customers has led to a pair of much anticipated apps to help small-to-medium-sized businesses with their cash management needs.

The apps, called DAVO Sweep & Save and DAVO Savings Club, are automated savings tools that use fractional daily funding technology, which connects to a merchant's point of sale (POS) platform or ac-

counting software to set aside cash daily and remit it back to the merchant monthly or annually.

This automated savings technology is a similar concept to the consumer-facing apps Dyme and Digit, which move money from a user's checking account into a separate savings account.

DAVO Sweep & Save returns the saved amount to the merchant on a monthly basis to go toward expenses such as rent, business loans, or equipment leases, while DAVO Savings Club sets aside the cash on an annual basis. DAVO notes that the annual funds are intended for "an ongoing cookie jar or Christmas

Club like savings."

With both Sweep & Save and Savings Club, merchants opt to either set aside a fixed dollar amount or percentage of daily sales to go toward the savings.

With David Joseph's roots as a long time restaurateur, DAVO offers the foodservice industry a unique perspective and line-up of sales tax and cash management solutions.

To learn more about DAVO, please contact them at:

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www.davotechnologies.com

Sales tax stressing you out?

DAVO sets aside your sales tax daily, then files and pays it automatically.

"I never think about sales tax anymore, PRICELESS"

- Mayhem & Stout, NYC



www.davosalestax.com

Come see us at The International Restaurant & Foodservice Show of New York booth 2066

