



A case study:

How Datagate helps MSPs  
seize their full potential

[and maintain compliance with CCH<sup>®</sup> SureTax<sup>®</sup>]

Here's the good news if you're hanging out your shingle as a managed service provider (MSP) in the U.S.: You're entering a market that currently sits at \$299 billion and is expected to grow at a stratospheric compound annual growth rate of 13.6%,<sup>1</sup> which includes an estimated \$120 billion slice of the \$900 billion North American information and communications (ICT) pie.<sup>2</sup>

The bad news?

You'll have to gain traction in an industry that's about as complex as they come, thanks to rapid technological change, prickly security and privacy issues, and a byzantine regulatory environment – one that includes tax liabilities at essentially every level, from federal to state to local authorities. And then there's the troubling fact that only a third of consumers believe their telecom service provider understands them as a customer.<sup>3</sup>

It's a thorny, yet profitable, intricate industry environment that demands an acute focus on generating a transparent, consistent customer experience – including through billing, which triggers more than 30% of inbound calls to telecom customer service departments.<sup>4</sup> And it's that environment that the team at Jacksonville, Florida-based Datagate has helped its clients successfully navigate for a decade, thanks in part to support from CCH SureTax from Wolters Kluwer.



*“The convergence of phone and computer systems opened attractive new revenue streams for MSPs, but billing is often the last thing they think of when selling telecom services. And there’s a very specialized set of requirements for telecom billing, especially in the U.S.”*

— Mark Loveys, CEO,  
Datagate





---

*“What we endeavor to do is enable small providers to compete head-on with big telcos.”*

— Mark Loveys, CEO, Datagate

## The dollars and sense behind better billing

With clients in the North America (U.S. and Canada), the U.K., and Oceania (Australia and New Zealand), Datagate has established a growing global presence by delivering a simple, powerful system that MSPs and telecoms can integrate with their professional services automation (PSA) and accounting systems to dramatically streamline billing.

“The convergence of phone and computer systems opened attractive new revenue streams for MSPs,” explains Datagate CEO Mark Loveys, “but billing is often the last thing they think of when selling telecom services. And there’s a very specialized set of requirements for telecom billing, especially in the U.S.

“So what we endeavor to do is enable small providers to compete head-on with big telcos,” he continues. “We want to position them to be able to offer all the same kinds of plans and be creative in how they pitch pricing, while at the same time helping them meet their legal and tax requirements.”



Today, more than 40,000 MSPs in the U.S.<sup>5</sup> strive to keep on top of complex billing that can include everything from bundled service fees and usage charges to overages and rollover adjustments/credits. Yet generating clear, accurate invoices – month in, month out – is crucial to achieving the kind of transparency customers demand. The numbers, as the old adage goes, don't lie:

---

**30%**

*of companies report that billing issues impact their financial results.*

■ **Harmony matters:**

59% of companies say that billing disputes create significant customer friction, while 30% report that billing issues impact their financial results.<sup>6</sup>

■ **Communication matters:**

85% of senior executives say that poor communication between their accounts receivable teams and customers has caused nonpayment.<sup>7</sup>

■ **Transparency matters:**

90% of consumers will give a brand a second chance after a bad experience if that brand has developed a history of transparency.<sup>8</sup>

■ **Simplicity matters:**

55% of consumers are willing to pay a premium for simple experiences.<sup>9</sup>

In short, customers expect clarity, simplicity, and accuracy in billing. MSPs and telecoms, in turn, have to deliver on that expectation while maintaining processes and systems that help them optimize efficiency while minimizing complexity.

That's precisely where Datagate and Wolters Kluwer with CCH SureTax step in.



*“We talked to the people at Wolters Kluwer. They basically gave us a ‘crash course’ in communications tax in the U.S., how CCH SureTax worked, and how we might be able to integrate it with Datagate.”*

— Mark Loveys, CEO, Datagate

## Getting to the heart of modernization

“Integration” and “interoperability” are more than handy business buzzword bingo entries; they’re essential ingredients in enterprise system management for both MSPs/telecoms and their clients. The goal is always the same: To make the whole more than just the sum of its parts.

“A lot of MSPs were waiting to have their PSA system – to be able to handle telecom invoicing,” Loveys says. “So we were able to come in and say, ‘Here it is. Now you can do what you’ve always wanted to do. It’s plugged into Datagate and CCH SureTax.’ That was really quite a breakthrough for the industry.”

Other Datagate partner integrations have followed quickly behind. Its solution plays nice with QuickBooks®, HaloPSA, and Datto Autotask®, among many others. Adding CCH SureTax was a natural choice to help Datagate clients automate tax.

“When we first came into the U.S. market, we saw that on top of all the universal complexities of communications billing, you had these layers of tax handling that, frankly, seemed pretty daunting,” Loveys explains. “But then we talked to the people at Wolters Kluwer. They basically gave us a ‘crash course’ in communications tax in the U.S., how CCH SureTax worked, and how we might be able to integrate it with Datagate.”

“That allowed us to solve an important problem. We could explain to the market that our solution could not only be trusted to calculate taxes, but that through Wolters Kluwer, we connected with some great telecom partners who could actually do all the filings, too. That combined solution [Datagate and CCH SureTax] has been very successful from Day One, and it’s allowed us to keep a very heavy focus on America because of the high demand from MSPs there.”

## The recurring value of partnership

Part of Datagate's core value is helping unify systems in a single tech stack that allows MSPs to avoid having to issue separate invoices for IT and telecom services. That integration acts as a force multiplier, helping clients eliminate errors – and time-draining redundancies – that come from rekeying information in two systems. It also primes them to handle tax more effectively, in some cases for the first time.

“It's not uncommon for us to be at a tradeshow and meet someone from a MSP who hasn't been charging tax, which can be a pretty scary proposition,” Loveys says. “So, we're able to say, ‘Okay, even if you have a track record of doing it [billing and tax] wrongly, we can help. We've got CCH SureTax on board and we've got partners through Wolters Kluwer who specialize in communications taxes and tax jurisdictions.’ So we can move them in the right direction going forward.”

By relying on CCH SureTax as part of their Datagate implementation, Datagate clients can automate tax calculations for reporting, collection, and remittance, allowing them to improve compliance with statutes and tax law at every level. CCH SureTax also helps them keep tabs on exemptions by tracking 20 categories of tax-exempt industries in all 50 states, totaling more than 17,000 possible exemption scenarios.

CCH SureTax Professional Services also gives Datagate clients an opportunity to capitalize on the tax expertise of Wolters Kluwer professionals, who can help MSPs both improve their indirect tax workflows and help them adhere to the unofficial Golden Rule of Indirect Tax: “Don't ever overpay or underpay.”



*By relying on CCH SureTax as part of their Datagate implementation, Datagate clients can automate tax calculations for reporting, collection, and remittance, allowing them to improve compliance with statutes and tax law at every level.*



*“They provided a lot of help to us when we were just getting started, and that great service has continued throughout our relationship. Plus, the way that Wolters Kluwer can keep up with our speed is fantastic.”*

— Mark Loveys, CEO,  
Datagate

“A lot of our clients are not only trying to optimize how much tax they’re collecting, but also want to have confidence in knowing they’re collecting the correct tax,” explains Loveys. “So, it’s a confidence thing with Wolters Kluwer. Our clients know there’s a team of knowledgeable people behind them keeping up to date with all the rules and regulations for them. You plug it in, you put in the proper tax codes, and, all of a sudden, you can sell your services anywhere in the U.S. with confidence that you’re going to be collecting the appropriate taxes and surcharges.”

Loveys notes that the onboarding process with Wolters Kluwer has also helped make for a seamless integration of each team’s capabilities.

“The team from Wolters Kluwer has been very helpful and very proactive from the start, and are always asking us, ‘What can we do better for you?’” says Loveys. “They provided a lot of help to us when we were just getting started, and that great service has continued throughout our relationship. Plus, the way that Wolters Kluwer can keep up with our speed is fantastic. We want to sign up resellers quickly; we want to probably move a lot faster than other billing solutions providers, so we need a reliable tax solution on-hand to ensure we get it right every time.”

“You know, it’s like that old statement, ‘No one ever got fired for choosing Company X.’ In this case, with Wolters Kluwer, it’s the same thing. It’s a large business with a very credible brand and trusted service. Charging too much tax is bad, charging too little tax is bad, but charging the right amount of tax is really what needs to happen. And with Sure Tax, we’re always confident it’s the right tax.”

## About Datagate and CCH SureTax partnership

### **Years with CCH SureTax:**

Since 2018, about 6 years

### **Tax type:**

Communications tax

### **Customers:**

84 active clients

### **Annual transaction volume:**

Over 170K

### **Challenges CCH SureTax helps solve:**

#### ■ **Complex Tax Calculations:**

CCH SureTax helps Datagate clients automate the calculation of telecom taxes, sales taxes, and surcharges for customers across the US and Canada, ensuring accuracy and compliance with current tax laws.

#### ■ **Compliance with Tax Laws:**

The Datagate – SureTax integration ensures that tax calculations for reporting, collection, and remittance are automated, improving compliance and reducing the risk of errors.

#### ■ **Tax Filing and Remittance:**

The partnership with SureTax enables connections with telecom partners who can manage all the filings and remittances, offering a comprehensive tax solution that spans from calculation to filing.

#### ■ **Operational Efficiency:**

Datagate's integration with CCH SureTax eliminates the need for MSPs to issue separate invoices for IT and telecom services, reducing time-draining redundancies and errors associated with rekeying information into two systems. This unified system streamlines operations and enhances efficiency.

#### ■ **Market Expansion:**

With the confidence that they are staying tax compliant, MSPs can offer telecom services across the US and Canada without the fear of inadvertently violating tax laws, enabling them to expand their market reach.

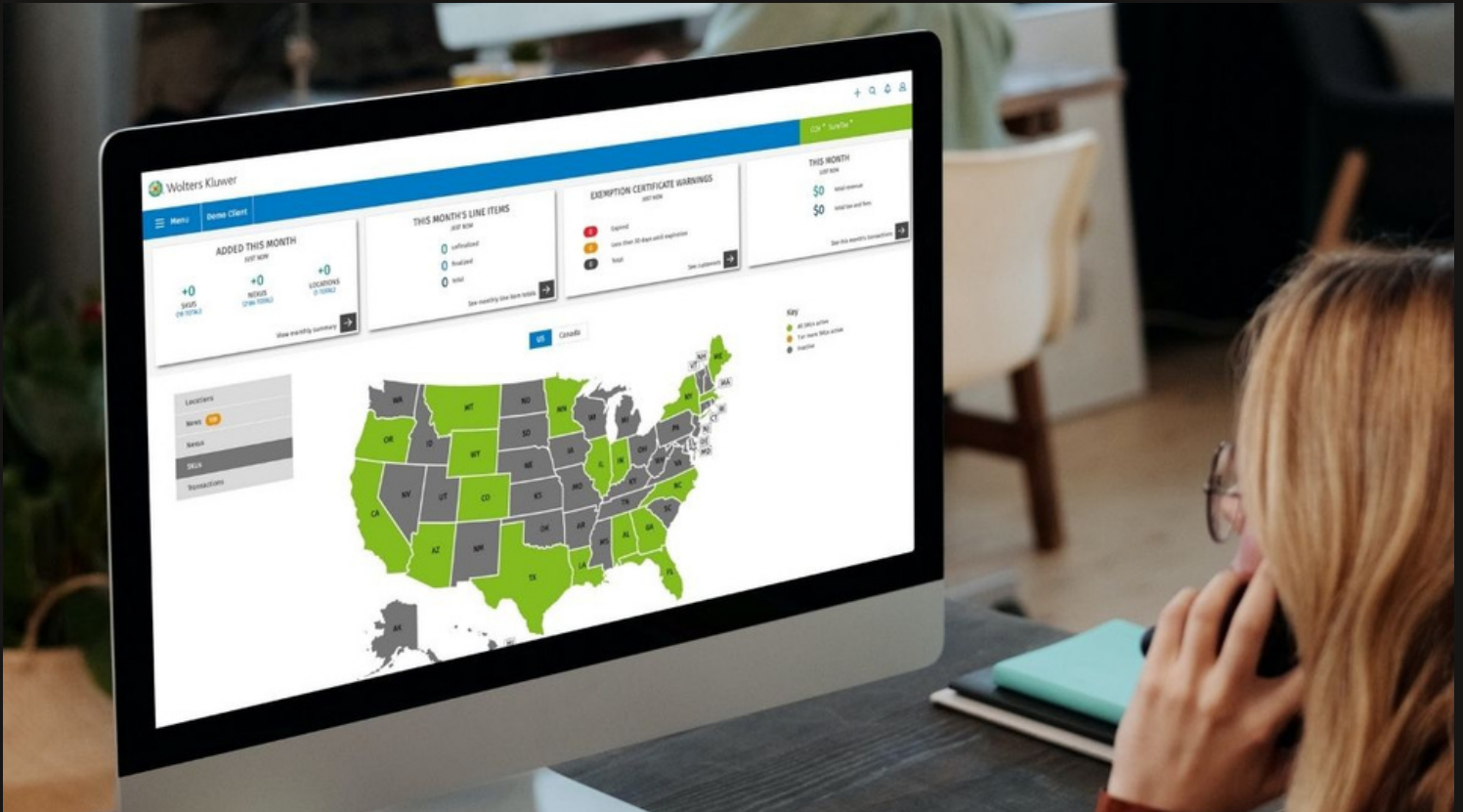
#### ■ **Integration with PSA and Accounting Systems:**

The ability to export telecom invoices along with a detailed tax breakdown to a Professional Services Automation (PSA) system or accounting system simplifies the financial management process, ensuring that all billing and tax information is accurately reflected in the company's financial records.



*Datagate's integration with CCH SureTax eliminates the need for MSPs to issue separate invoices for IT and telecom services, reducing time-draining redundancies and errors associated with rekeying information into two systems.*





Book a consultation today to learn more about how automating sales and use tax returns can help you increase efficiency and minimize audit risk.

#### Footnotes:

- 1 *Managed Services Market Size & Trends*. Grand View Research. 2023.
- 2 *North America's Managed Service Provider (MSP) Services Market to 2023*. Research and Markets. June 19, 2019.
- 3 *The zero touch customer experience*. Ericsson. May, 2018.
- 4 *From frustration to satisfaction: 5 best practices for improving the telecom experience*. CSG. Sept. 19, 2023.
- 5 *Which major forces will disrupt the MSP market in 2019*. ConnectWise Blog. Jan. 15, 2019.
- 6 *State of Monetization Report*. MGI Research. 2016
- 7 *The State of Digitization in B2B Finance*. Wakefield + Versapay. June 3, 2022.
- 8 *#BrandsGetReal: Social media & the evolution of transparency*. Sprout Social. 2018.
- 9 *The World's Simplest Brands*. Siegel + Gale. 2018.

For more information, email us at CCH  
[CCH-SalesCorporateTeam@WoltersKluwer.com](mailto:CCH-SalesCorporateTeam@WoltersKluwer.com)

Visit our web page for  
[Communications Tax Software](#)



Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; corporate performance and ESG; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services. Wolters Kluwer reported 2023 annual revenues of \$6.1 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,400 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).