

# MANUFACTURING, WHOLESALE & RETAIL



We understand the importance of manufacturing, wholesale and retail to the U.S. economy. However, there are immediate and future challenges to these companies. These include managing the structural cost of manufacturing and distribution imposed by government. These costs which include corporate taxes, health care and pensions, environmental regulations, energy, and tort litigation add a full 20% to manufacturers' cost of doing business. This represents a fundamental challenge in a global, interconnected, and competitive marketplace.

Whitley Penn wants our manufacturing and distribution clients to thrive and to be as profitable as possible. Our standard operating procedure is to give value-added advice that reduces uncertainty, views the tax picture holistically and helps seize opportunities to reduce costs and increase business in the U.S. and abroad.

## Why Choose Whitley Penn?

Whitley Penn has focused on the manufacturing, wholesale and retail industries since its inception in 1983. We have experience with companies of all sizes and needs ranging from privately held companies still held by their founder to publicly traded companies, including those with international operations.

## Tax Advice for Manufacturing

We advise clients on the full range of taxes that impact their business – federal, state and local, plus specialized property and franchise taxes. Because all manufacturers must deal with uniform capitalization rules and cost segregation under Internal Revenue Code Section 263A, we put special emphasis on making sure companies are not over-capitalizing or overpaying on their taxes.



## Tax Advice for Distribution

We can handle the sophisticated tax issues that inventory management involves, including the impact of sales and use taxes. With our depth of experience, we can apply the best practices learned in working with other companies to ensure inventory and cost issues – including companies with multiple distribution locations – are properly addressed. Our partners are very knowledgeable about inventory concerns and cost issues, and can work through problems quickly.

Whitley Penn has consistently been named among the top 25 firms in the country by *INSIDE Public Accounting*. We believe our success has been accomplished by focusing on the quality of our services and developing a quality team of professionals. Our culture of growth has allowed us to minimize professional staff turnover, which allows us to fulfill our commitment to staff continuity to our clients.

## Assurance and Advisory Services

Whitley Penn approaches auditing as a mutually beneficial process that helps clients achieve business goals through the insights we provide. While auditing to full compliance with all applicable accounting standards, we go beyond the numbers to advise on issues like process costing, cost accounting and product mix valuation – clients tell us this is unexpected and unusual when compared with traditional audit service providers.

## Business Consulting Services

We counsel manufacturing and distribution clients all year long, not just at tax or audit times, and go beyond the numbers to help them with a full range of concerns. If you are acquiring a new company, for example, we can advise you on buy-sell agreements and ownership structures. We will do a benchmark comparison with manufacturing or distribution competitors to identify and remedy weak points in your operations.

Improving cost allocations on inventory is another area of advice at which we excel. And with our extensive business contacts and referral network, we can help your company find a new controller or outside legal counsel, or establish new banking relationships if the need arises.

## International Insight

Whitley Penn is committed to helping American manufacturers preserve and grow their market presence in this country. But rather than see international involvement as a threat, we help clients make it an opportunity.

Our partners understand cross-border tax issues involved in running U.S.-Mexico maquiladora operations and help clients use them to a competitive advantage. For companies with foreign ownership (for example, in Germany as for one of our manufacturing clients), we help them address complex cross border issues such as transfer pricing.