of changing tax obligations, new regulatory requirements, and providing real time scenario analysis – all while adjusting to a new workplace environment.

Jan. 05, 2021

Tax departments today are facing unprecedented pressures, including management of changing tax obligations, new regulatory requirements, and providing real time scenario analysis – all while adjusting to a new workplace environment. As a result, potential process inefficiencies and gaps are being exposed, causing tax departments to take a fresh look at their global processes and technologies. As your organization

starts to prepare for, and execute on, the upcoming tax accounting close cycle and

Data Framework

Tax departments are one of, if not the largest, consumers of data within an organization. However, Tax functions have historically found it difficult to gain access to useful data at the level of detail required to automate and drive efficiencies. Because disorganized data and complicated processes cannot be fixed overnight, Tax may not question what is in place and instead may follow what was done before. In today's challenging environment, it is crucial to formulate a plan and approach to address gaps in data requirements and develop a data strategy which should focus on data sources, data ingestion, enterprise applications, reporting and analytics, and assessment of a gap in process.

While addressing the longer term data strategy, it is important to remember that many quick hits can be achieved by employing a combination of process changes, technology modifications and utilization of tools like data wrangling applications. These applications can have a significant impact on the tax function and are technologies that can be owned, maintained and transformed by tax professionals.

Automation

Automating processes promotes increased efficiencies and potential savings, two areas on which many companies are focusing. Automation projects can vary in size, complexity, and cost. Large automation projects tend to be executed at the enterprise level and span across all function of the business – think finance transformation, ERP modernization, enterprise data warehouse, and robotics – while moderate and smaller scale automation projects tend to reside within business functions and provide solutions to address targeted pain points. Data wrangling is an effective way to begin the automation journey, providing immediate return on investment by retrieving raw data and making it useful for analysis and reporting.

Tax Technology

while the memories are fresh will reap dividends.

Take advantage of what's available. Software companies are expected to roll out functionality updates in response to tax law changes. Start by understanding the current software capabilities, as well as planned enhancements. Evaluate if there are opportunities to take advantage of available functionality, even if just for a component of your calculations. Additionally, since the components may reside in multiple places—for example, in models, supporting spreadsheets, and tax software – be sure to take advantage of the application add-ins to integrate your calculations and systems to drive automation for both provision and compliance.

Take it to the next level – As executives and businesses make the decisions required to ensure their organization's recovery, leading tax functions are getting closer to the decision-making process and **providing the insights required to drive strategy.** They are supporting scenario planning and delivering much needed advice on the various emergency tax measures available. To get to this level, you have to treat your tax software as a data repository that can feed into analytical tools.

Business solutions can be implemented in phases and scaled out over time to address immediate and long-term needs. Think big to uncover the art of the possible and then get strategic on how you move forward implementing technologies and process changes. Don't wait to employ change – something small, like cleaning up entity information or updating workflows, can lead to quick benefits. Small wins will help pave the way for bigger changes.

Collaboration and Controls

Staying connected and collaborating across business functions will increase business transparency and drive efficiencies. Tools such as Tax Portals are becoming must have solutions which serve as the entry way into all Tax functions. With advances in

technology, and the need for faster access to data and analytics, Tax Portals have

many challenges related to existing analytics because they are dealing with numerous spreadsheets or small databases that cannot handle larger volumes of data or gather and organize the data in a digestible manner. The good news is that technology has evolved, and data analytic tools are geared toward self-service reporting capabilities that tax resources can learn and develop on their own. An incentive for Tax departments to invest in analytics is to drive better insight into data and get to a faster first level of review.

Now What?

Tax has an opportunity to collaborate with broader organizational campaigns and design a more agile tax operating model that is equipped for the "future of work,". Tax should work with the broader organization to push towards foundational solutions that help solve data and digital challenges across the enterprise.

Start small – change can be an overwhelming undertaking. Focus on small wins that demonstrate return on investment and invigorate while keeping the bigger goals in mind. As you continue to progress, automation, insights, and value will likely grow and accelerate.

============

Authors:

RJ Littleton – Partner – Deloitte Tax LLP

Lisa Covelli – Managing Director – Deloitte Tax LLP

Michelle Lafer – Senior Manager – Deloitte Tax LLP

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us