

DEVELOPING YOUR TAX TECHNOLOGY ROADMAP

July 13, 2021

Your presenters



Michael Charette

Partner, Tax Technology Consulting

michael.charette@rsmcanada.com

+1 647 730 3739



Heather Collins

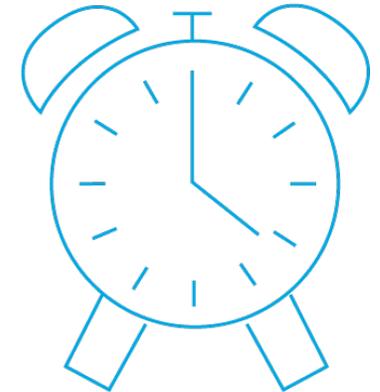
Sr. Director, Business Tax Co-sourcing

heather.collins@rsmus.com

+1 305 619 6509

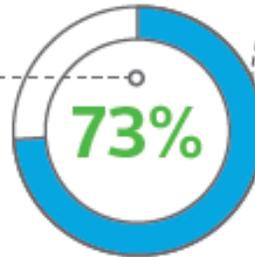
Agenda

Topic	Time
Introduction	5 minutes
Identify and prioritize solutions	12 minutes
Determine resource and technology needs	12 minutes
Developing budgets and timelines	12 minutes
Building consensus	12 minutes
Questions and Answers	5 minutes

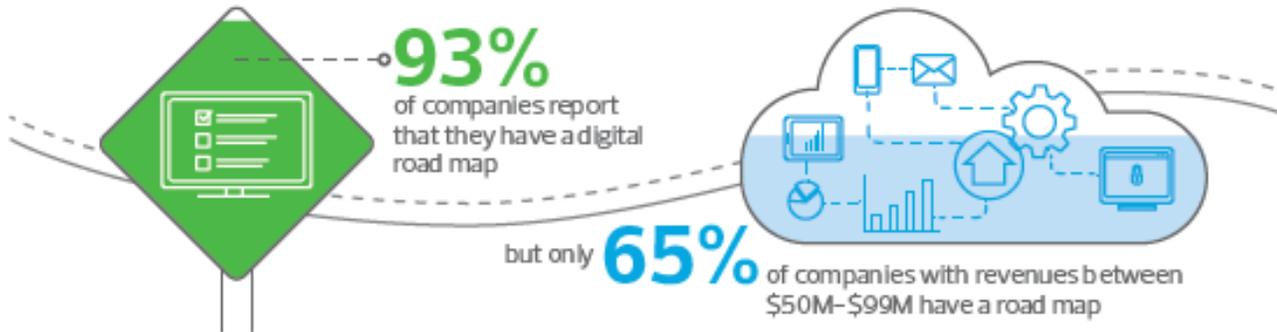


KEY FINDINGS

73% say that digital transformation has become more of a **strategic priority** in the last 3-5 years



Digital road map: A detailed operational plan that describes how a digital strategy will take place



93%

of companies report that they have a digital road map

but only **65%**

of companies with revenues between \$50M-\$99M have a road map

All respondents are in **some stage of digital transformation:**



have a strategy that addresses goals and objectives



are taking steps toward developing a strategy

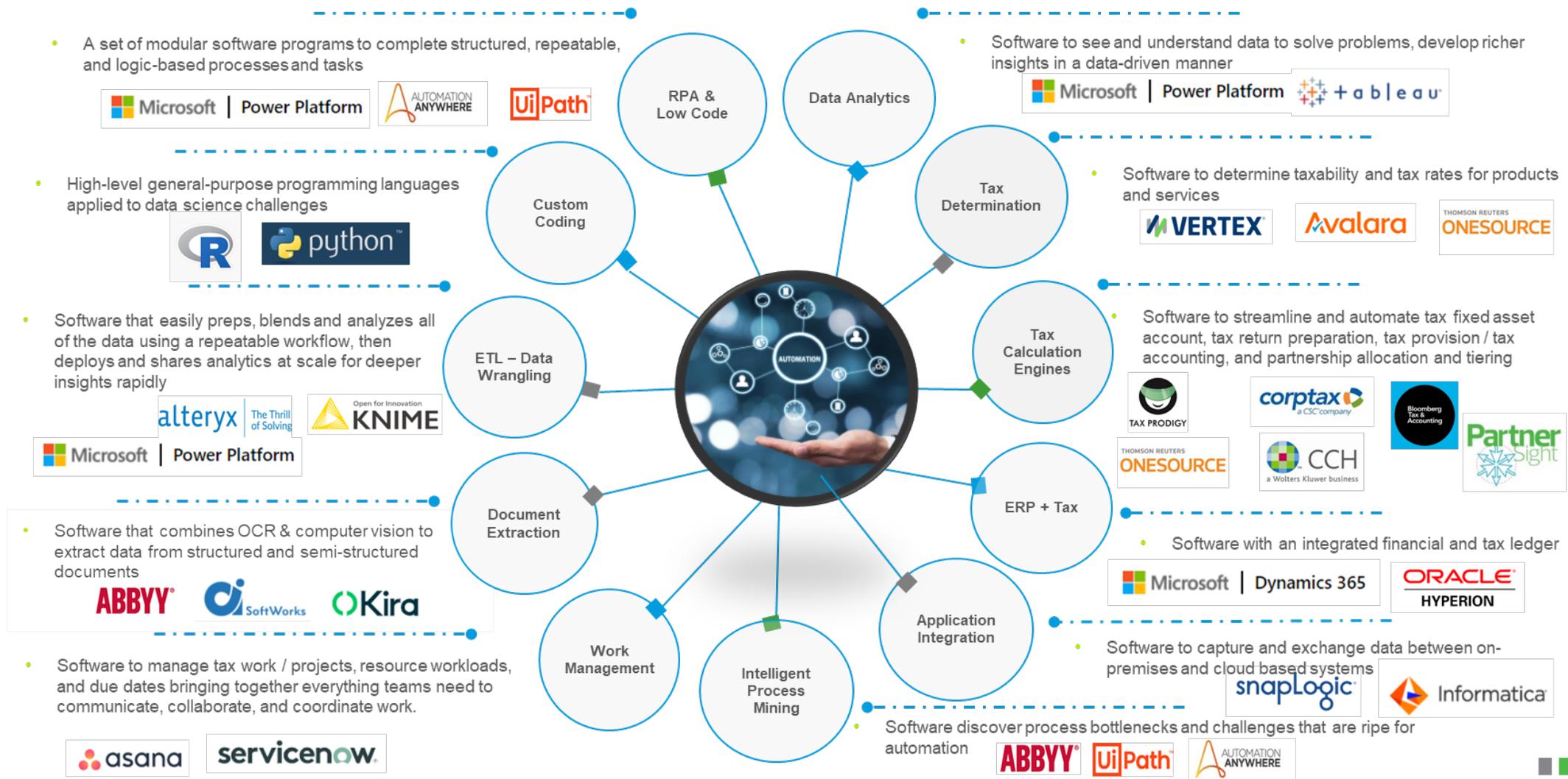


have always been digital organizations

Companies are embracing and prioritizing digital transformation

<https://rsmus.com/our-insights/harnessing-technology-and-data/digital-transformation-and-your-business.html>

Why getting started is hard!



Data is part of every transformation

Tax Leadership **can drive data strategy** and information management practices that **produce tangible business benefits**

Benefits to Driving Data



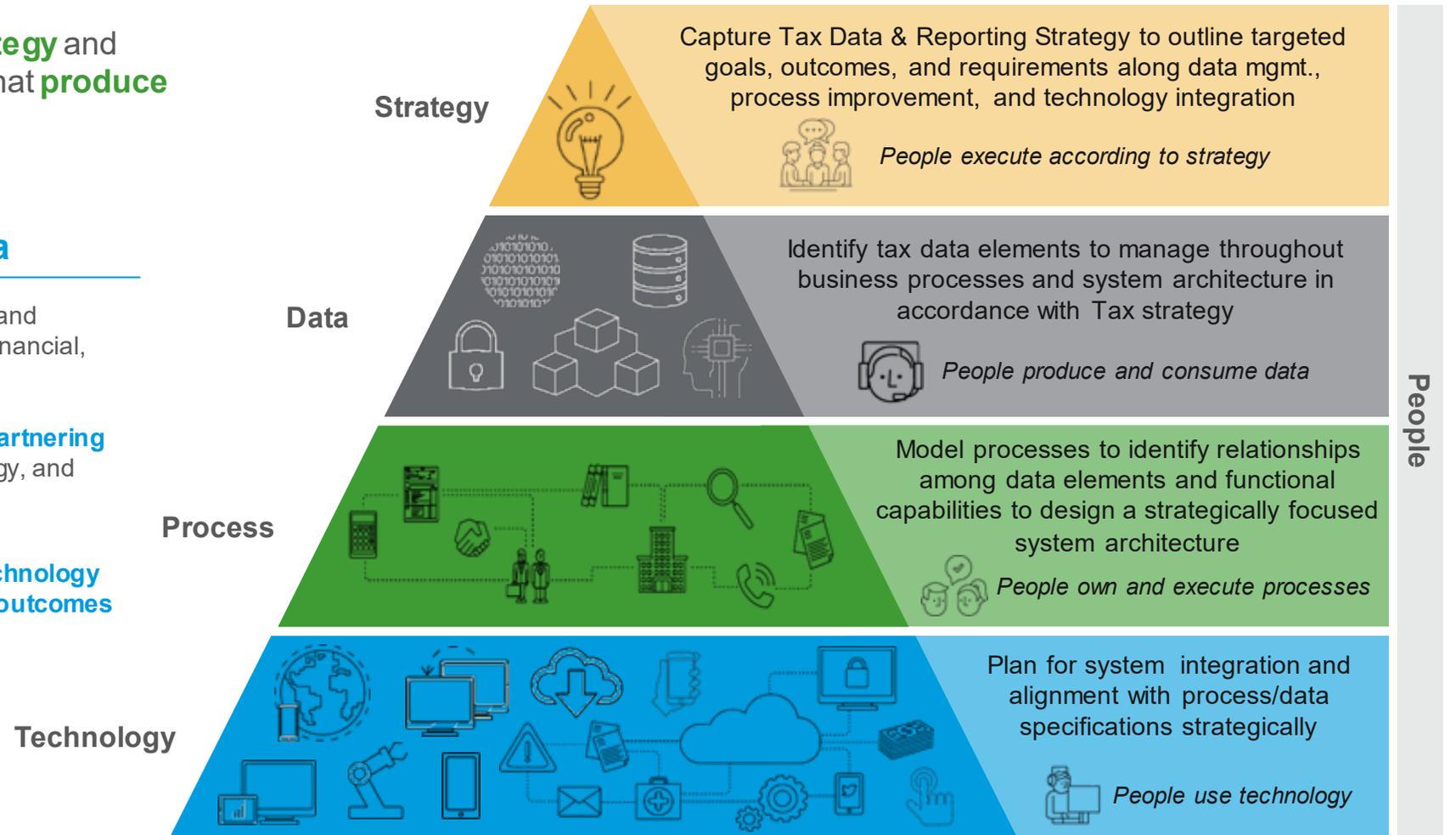
Improved efficiency, timeliness, and **reliability of information**: tax, financial, operational, and management



Increased collaboration and partnering among Tax, Finance, Technology, and Business Unit **leadership**



Alignment of business and technology resources to achieve **business outcomes**



Tax function data needs

Tax Function Work Portfolio

Direct Tax Work Stream

Indirect Tax Work Stream

Other Tax Work Streams

Transactions Work Streams

Planning Work Streams

Projects Work Stream

Tax Function Reporting Needs

Compliance Tracking

Planning Tracking

Period Close Status

Transactions Statuses

Project Statuses

Task & Workload Tracking

Determining a roadmap

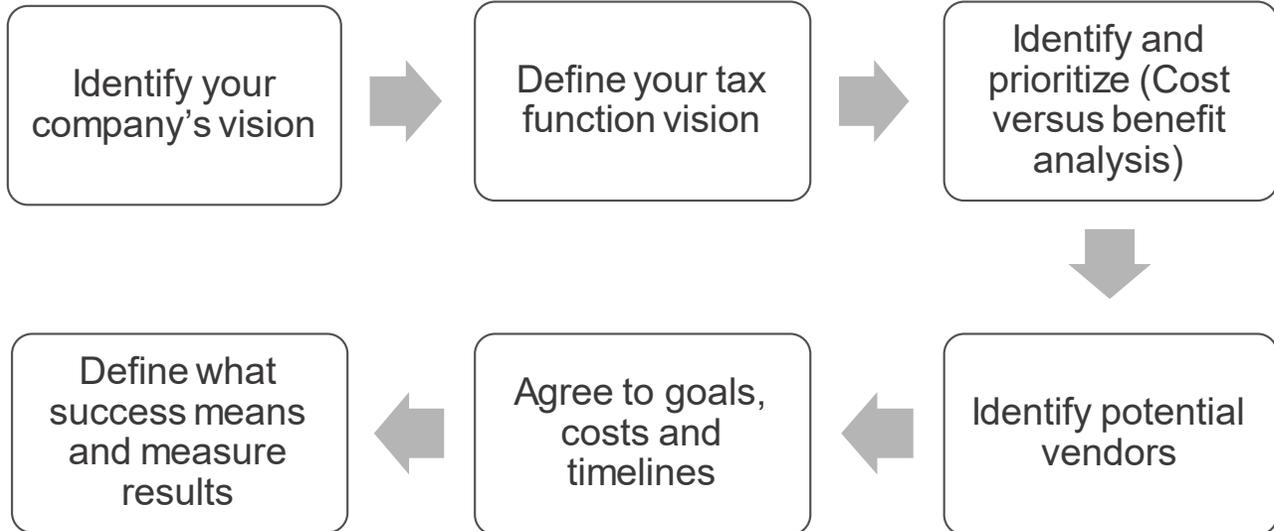
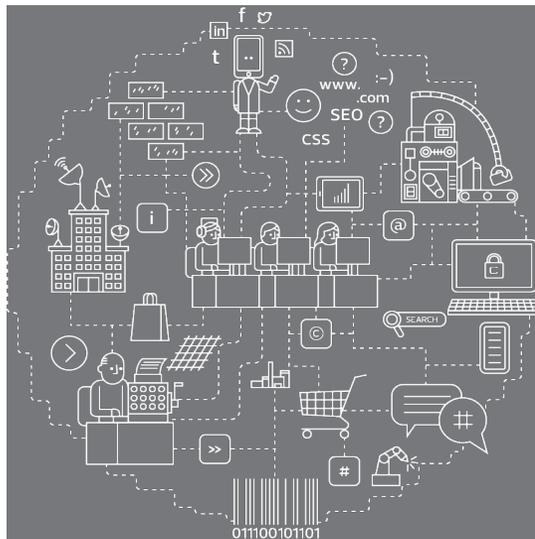
Define your strategy or what do you want to achieve and when you want to achieve it absent of consideration of people, process and technology.

Key Questions

What are the company's key value drivers?
What risks must be eliminated or mitigated?

Expected Outcomes

Be more responsive to business needs
Internal resources executing higher value work





IDENTIFY AND PRIORITIZE SOLUTIONS

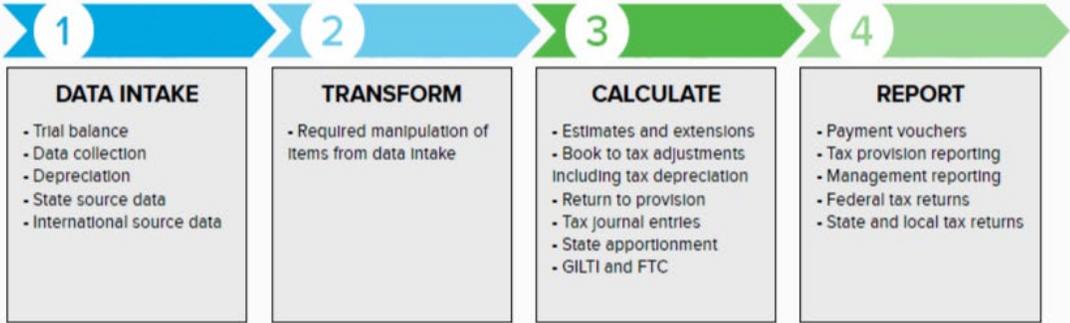
Identification option: White-boarding session

1 Why we're here

Our goal today is to explore the possibility of a powerful alliance between our organizations and identify value-add strategies and goals to help you achieve your desired future state.

Expected takeaways:

1. Understand how our organizations can complement one another and how we can work together to achieve desired results
2. Establish both short-term and long-term priorities and goals to be summarized and shared with you following this discussion



2 Provision current state and future state tax process and technology analysis



Identification option: SWOT analysis



Strengths



Weaknesses



Opportunities



Threats

Identification option: Opportunity scan



INPUTS

Inputs provided from initial survey:

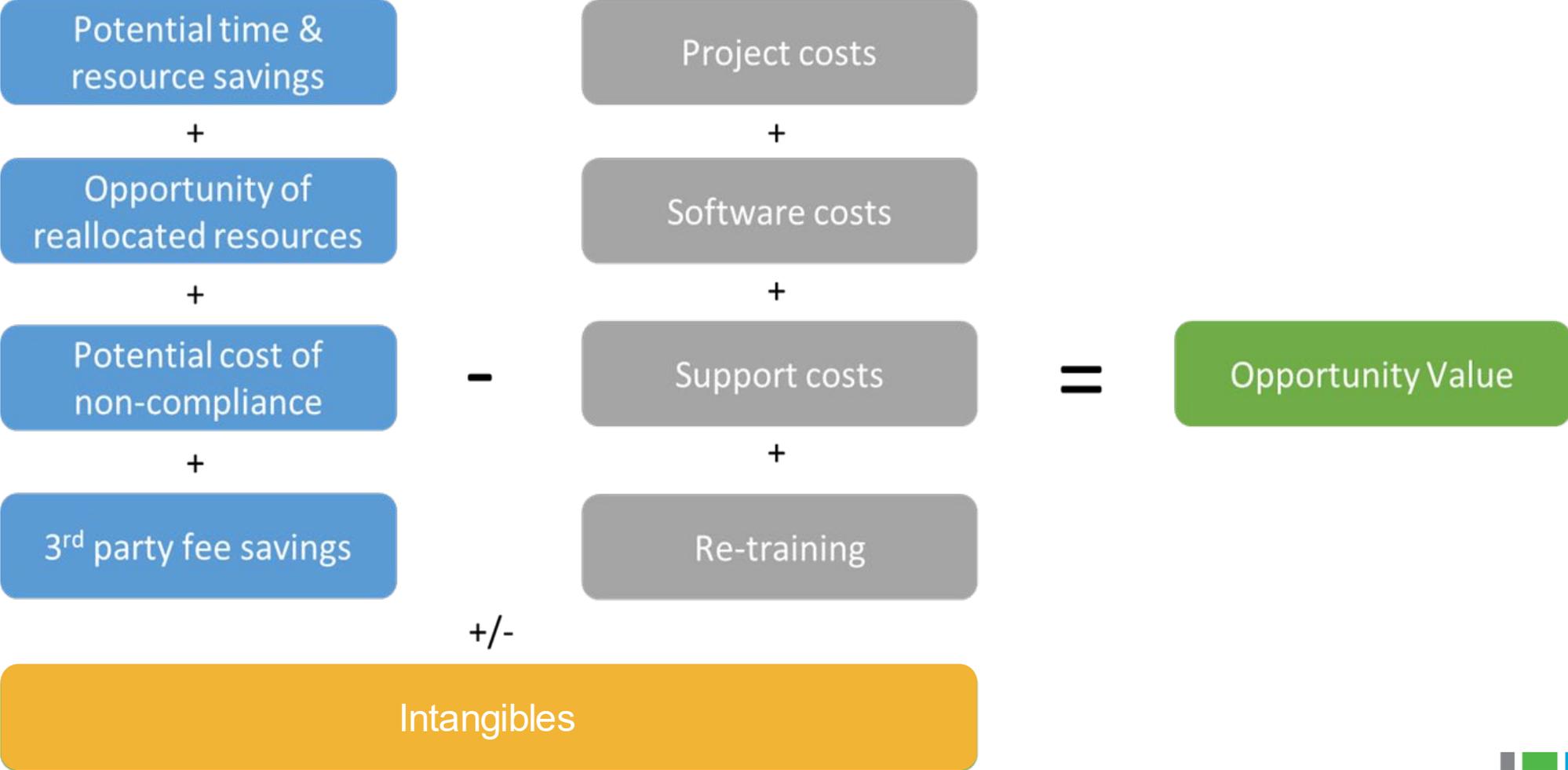
Process Numb..	Project Name	Avg Rate per Hour of Staff Per..	Current Annual Budgeted Hours	Estimated Budgeted Cost (Ho..	Estimated Percent of Process ..
1	Monthly Fixed Asset Reconciliation	75	20	1,500	75%
2	Monthly transfer report	50	10	500	100%
3	Intangibles	75	30	2,250	100%
4	Annual Fixed asset reporting	50	80	4,000	75%
5	Annual fixed asset review	75	40	3,000	75%
6	Foreign Property	100	40	4,000	100%
7	DTA Proof	150	20	3,000	100%

Update inputs below (if needed):

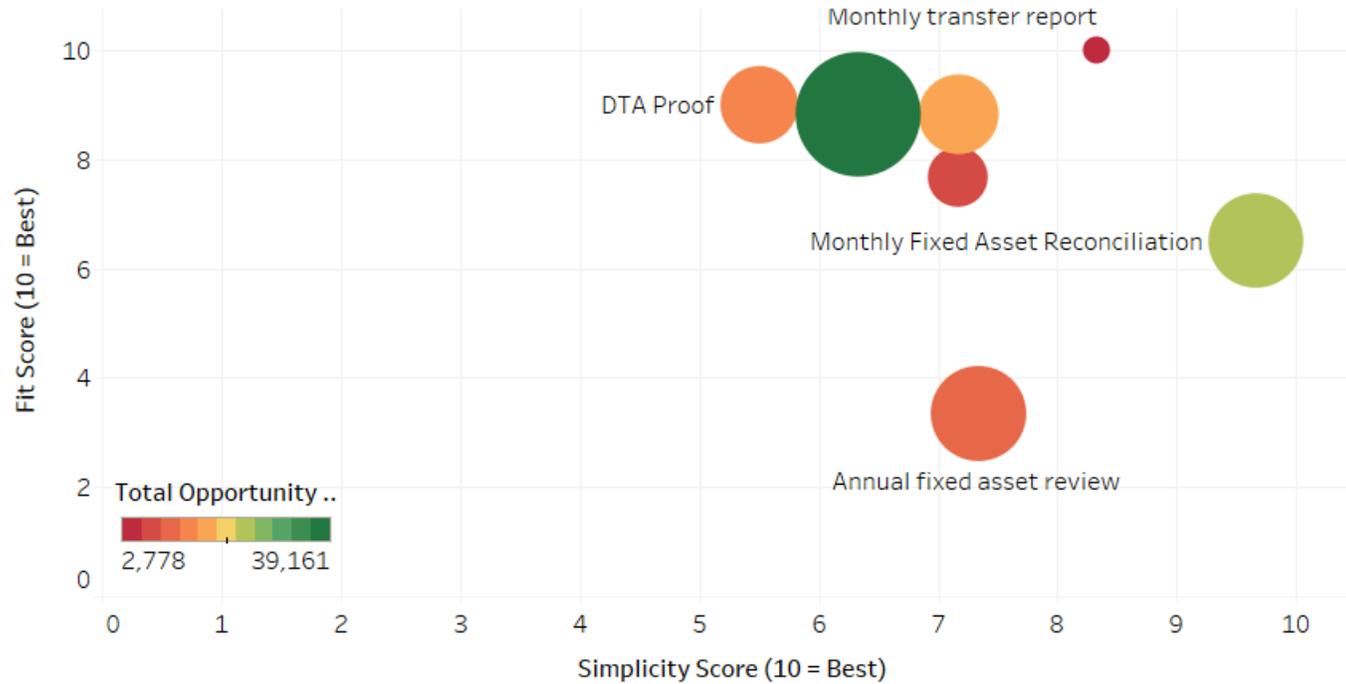
Process 1	Process 2	Process 3	Process 4
Process 1 - Name <input type="text"/>	Process 2 - Name <input type="text"/>	Process 3 - Name <input type="text"/>	Process 4 - Name <input type="text"/>
Process 1 - Estimated Cost <input type="text" value="7,500"/>	Process 2 - Estimated Cost <input type="text" value="0"/>	Process 3 - Estimated Cost <input type="text" value="0"/>	Process 4 - Estimated Cost <input type="text" value="10,000"/>
Process 1 - Estimated Savings <input type="text" value="0%"/>	Process 2 - Estimated Savings <input type="text" value="0%"/>	Process 3 - Estimated Savings <input type="text" value="0%"/>	Process 4 - Estimated Savings <input type="text" value="100%"/>
Process 1 - Automation Type <input type="text" value="ETL Tool"/>	Process .. <input type="text" value="RPA Tool"/>	Process 3 - Automation Type <input type="text" value="PowerApps"/>	Process 4 - Automation Type <input type="text" value="ETL Tool"/>



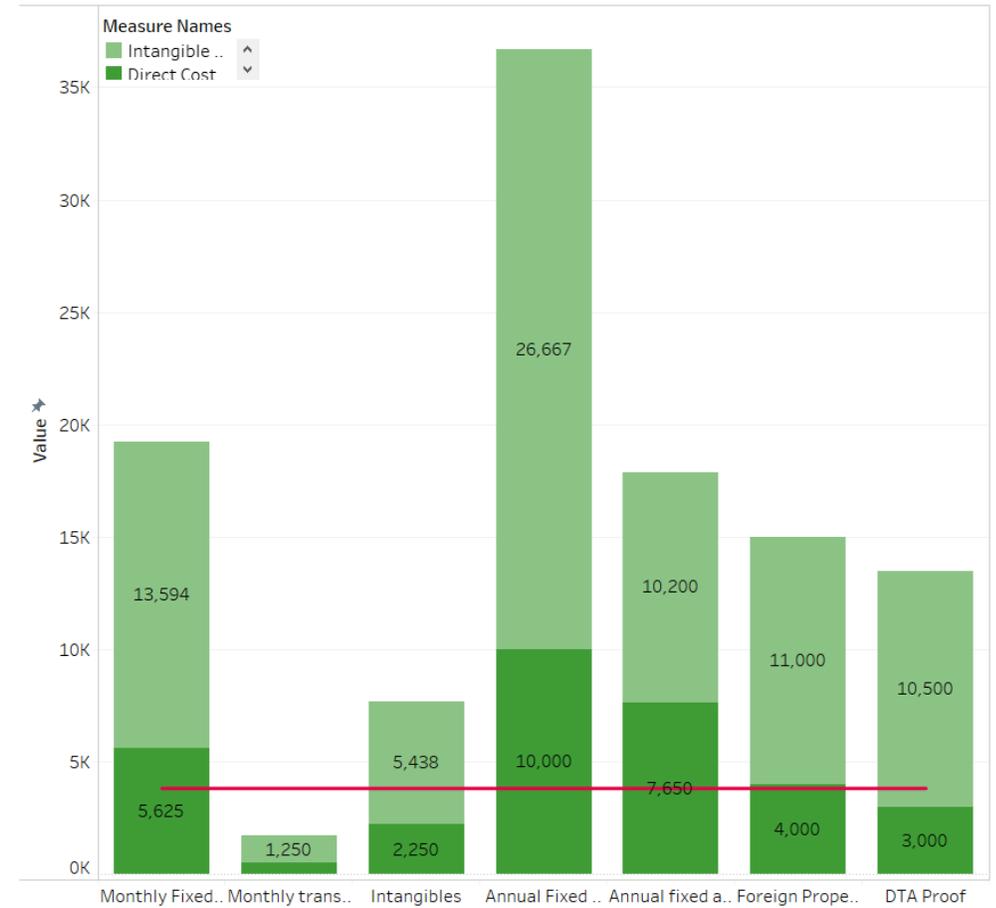
Assessing value



Selecting the best opportunity

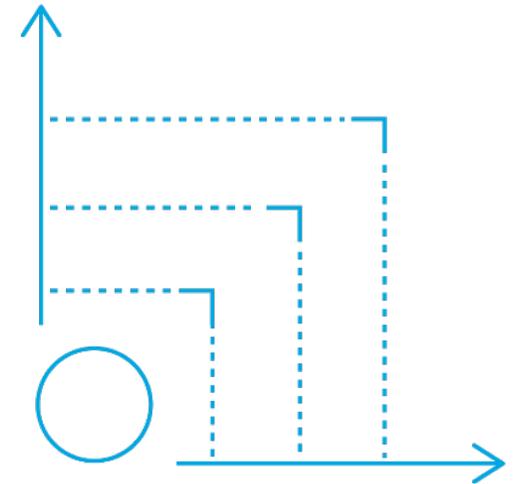


NOTE: Hover over the bubbles to view additional descriptive information and contact information. Click on the bubbles to isolate detailed response data below.



Avoid analysis paralysis

- There are only so many windows for change in the various tax functions
- We must act decisively
- But we must not be myopic in planning
- Finding balance is a challenging





DETERMINE RESOURCE AND TECHNOLOGY NEEDS

Determine internal versus external resources



Vendor selection process

VIABLE VENDORS

- Based on experience and strategic business needs
- 4 vendors

RFP PROCESS

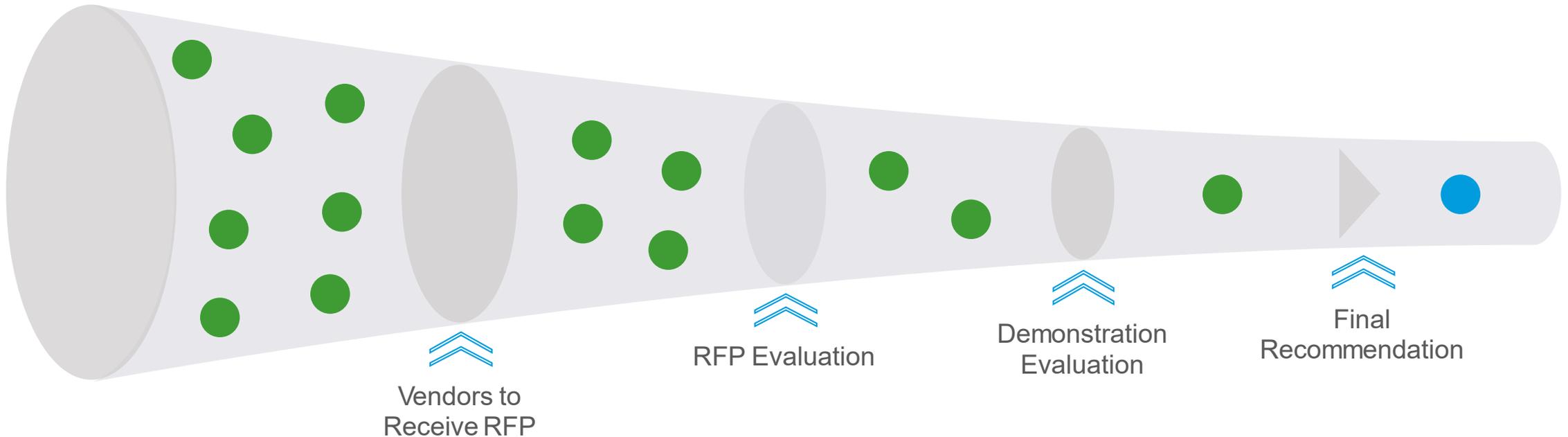
- Narrow field for RFP
- Vendor fit based on RFP response to requirements and investment analysis
- 3 vendors

SCRIPTED DEMO

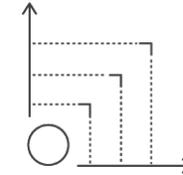
- Determine who showed the best functionality and fit during demo
- Update cost analysis
- 2 vendors

FINAL DECISION

- Hold reference calls
- Evaluate all input, criteria and activities performed to develop recommendation
- 1 vendor



Technology evaluation



Assessment

- 2-4 weeks
- May contain small proof of concept
- Feasibility study of processes
- Licensing requirements
- Roadmap

Pilot

- 1-3 months
- 2-4 processes in production
- Environment set up
- Initial client training
- Confirm ROI
- Update plan

Scale-up

- 6-12 months
- Define plan
- Enable business users
- Establish operating model and center of excellence
- Define internal/external support team



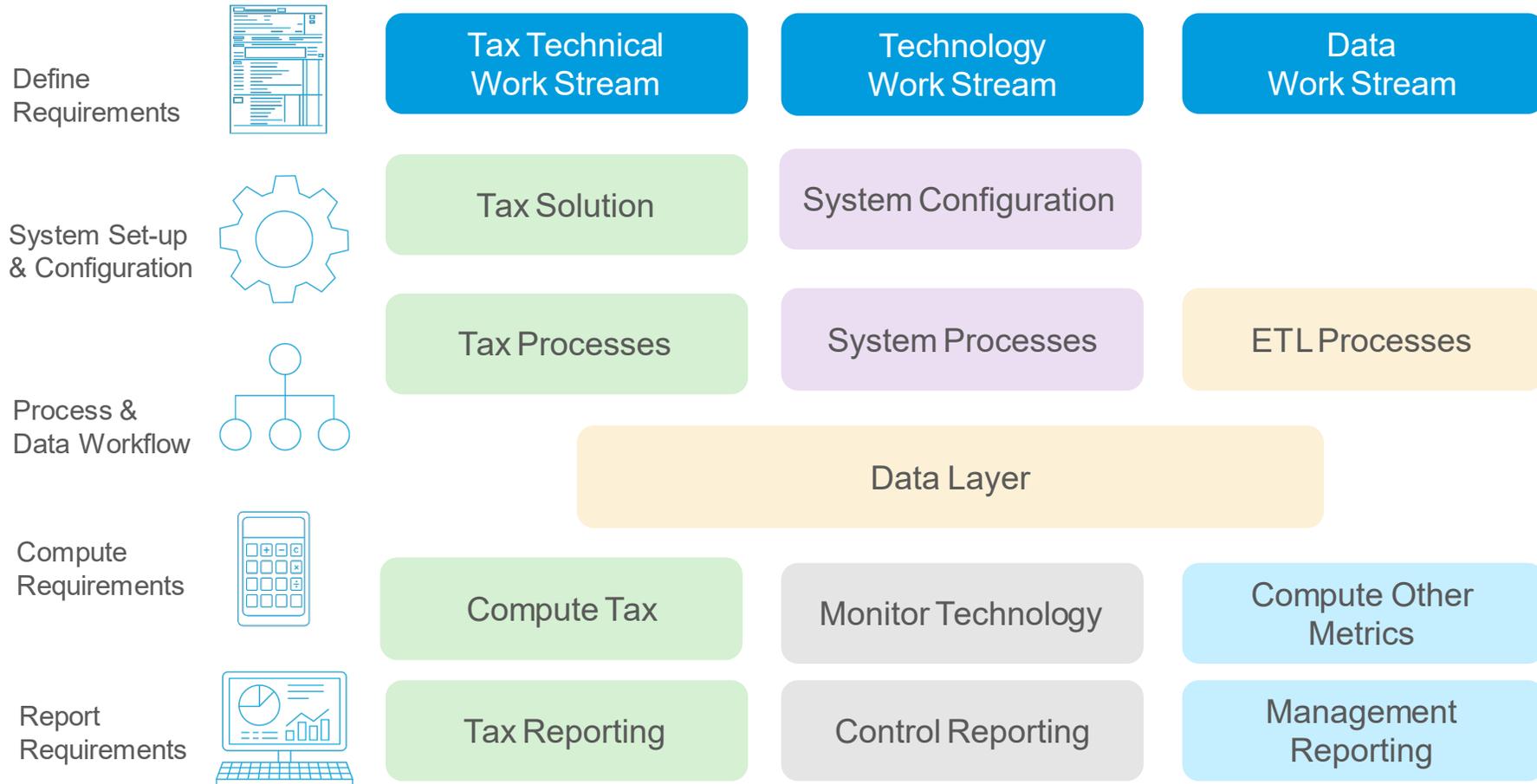
DEVELOPING BUDGETS AND TIMELINES

High-level investment estimates (Examples)

- Outline expected investments for the focus areas identified

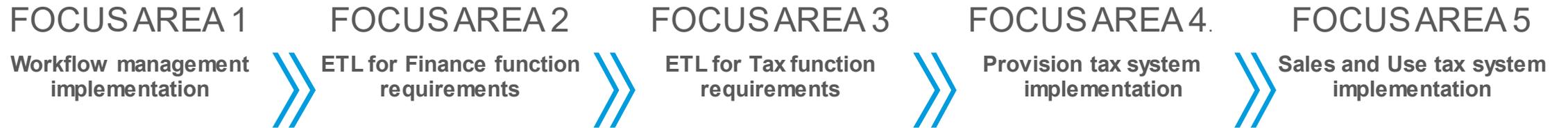
Focus Area	Recommendation	One-time Investment	Annual Investment	Focus Area 5 Year Investment
Workflow management implementation	Process Review; map tax process and compliance dates, required resources and effort.	\$10-30K	\$5-10K (to enable continuous improvement)	
	Implement workflow management solution	\$20-40K	\$3-10K (licensing & support)	
	Staff training and upskilling	\$5-10K	Training new staff as needed	
ETL/Data integration	Conduct POC on using Alteryx for trial balance data transformation	\$10 - \$15K	TBD depending upon server versus desktop license	TBD + Internal IT resources
	Create secure site to post trial balance and automatically load from secure site into tax compliance and tax provision	Internal IT resources	Internal IT resources	
Tax system implementation	Implement tax provision software	\$60K - \$100K	\$75K	\$870K - \$950K + Internal Resources
	Implement sales and use tax software	\$60K - \$100K	\$75K	

Determine workstreams



Roadmap overall timeline

Based upon the priorities determined highlight the focus areas for each year to start to develop the implementation timeline around each.



2021



2022



2023



2024

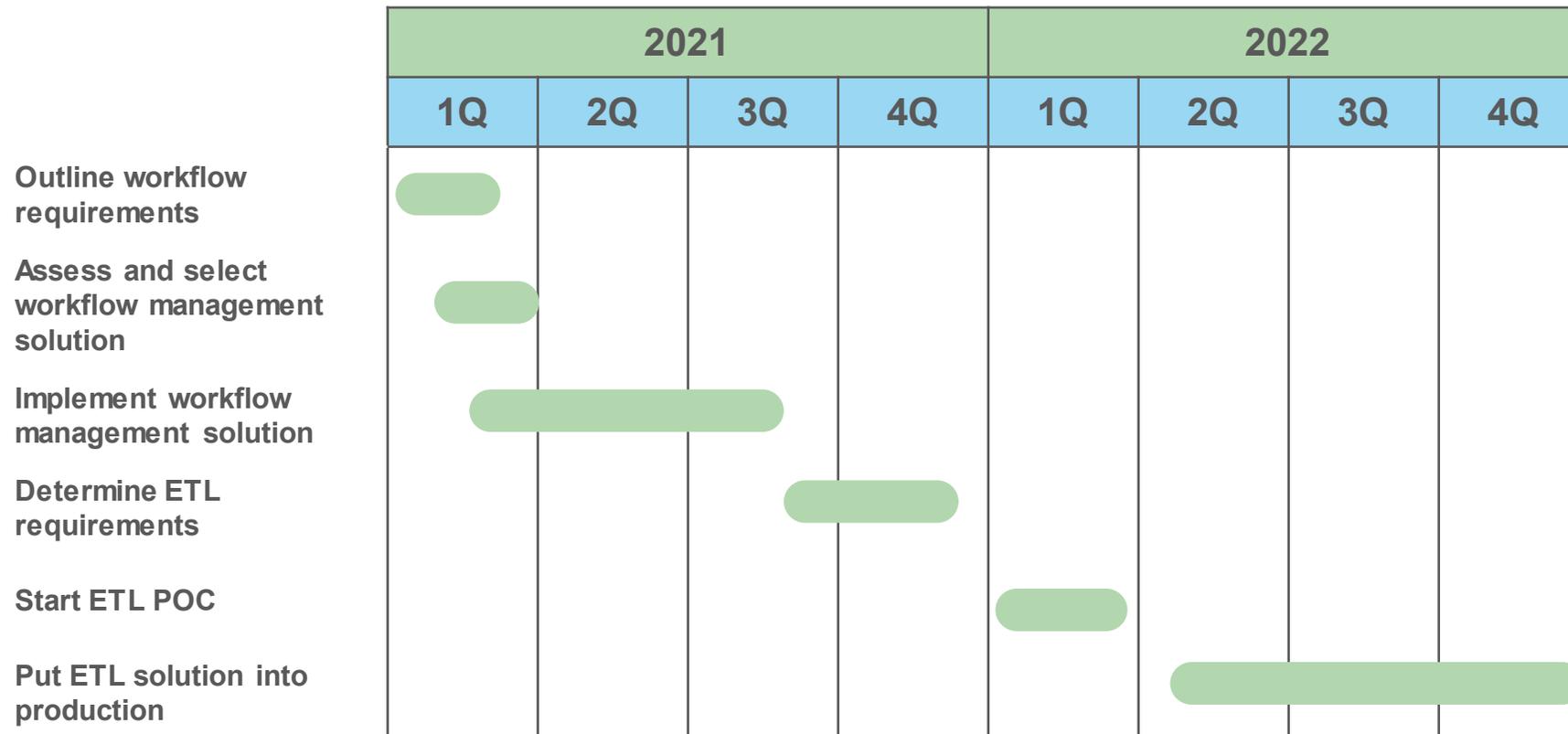


2025



Quarterly breakdown

Breakdown the yearly timeline further to guide the transition. It outlines an implementation approach for the two of the strategic priorities over a 24 month timeframe.

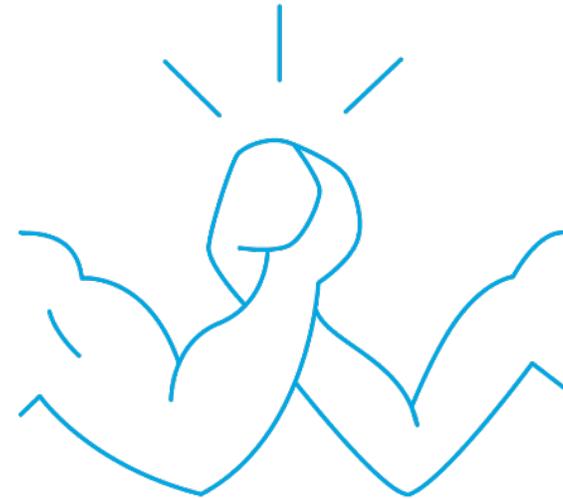




BUILDING CONSENSUS

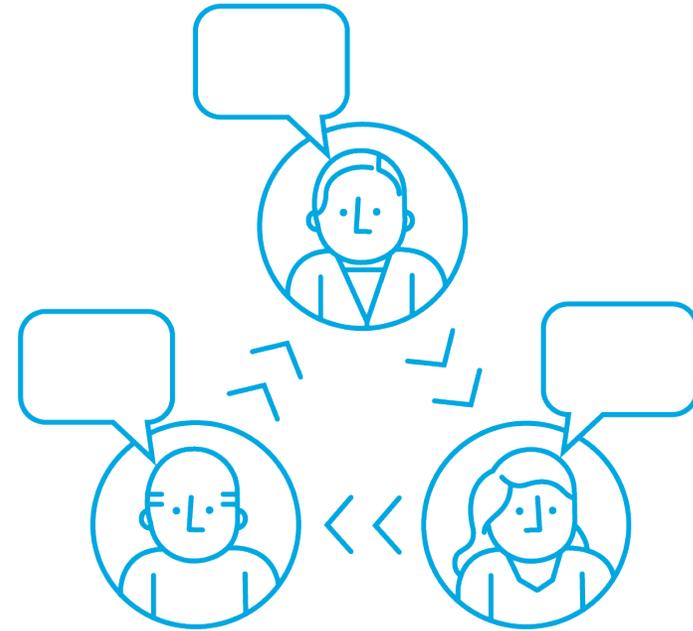
Getting “buy-in” for your vision – Financial support

- How your company views resources
 - People
 - Technology/automation
 - Training/education
- Cost/benefit analysis for projects
- Prioritizing opportunities
- Budgeting
- Return on investment scorecard



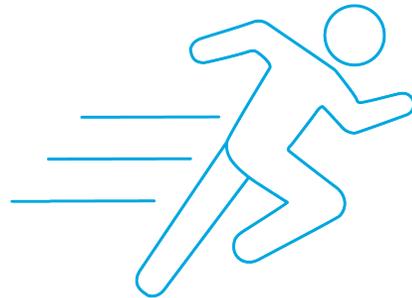
Getting buy-in for your vision – Personnel support

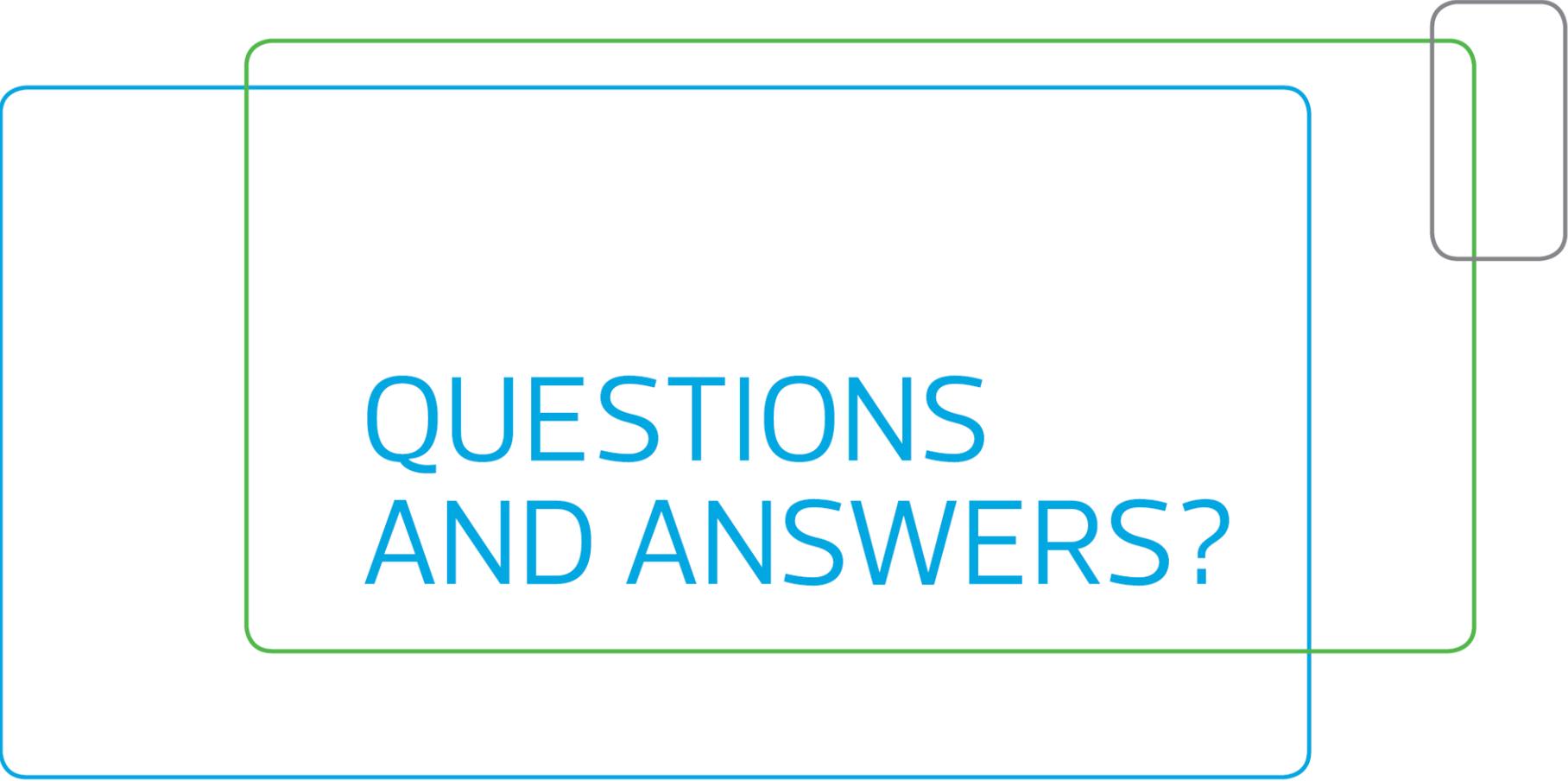
- Working with other departments
- Communicating vision to staff
- Creating opportunities for staff
- Training opportunities for staff



Preparing for bumps in the road

- Quick early wins are important to overcome eventual speed bumps
- Setting expectations and addressing challenges at the outset helps keep pace
- Failing fast versus letting a project drag on is important





QUESTIONS AND ANSWERS?



This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute audit, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. RSM US LLP, its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person. Internal Revenue Service rules require us to inform you that this communication may be deemed a solicitation to provide tax services. This communication is being sent to individuals who have subscribed to receive it or who we believe would have an interest in the topics discussed.

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

RSM® and the RSM logo are registered trademarks of RSM International Association. *The power of being understood*® is a registered trademark of RSM US LLP.

© 2021 RSM US LLP. All Rights Reserved.

