Moving to the Future of Tax, Step by Step

5 Steps to Future-Ready Tax
Moving to the Future of Tax

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Direct tax workflows have always been critical to compliance, but new tools and skills are rapidly increasing their potential strategic benefit. Tax teams can implement solutions that bring speed and simplicity to both daily tactical challenges and longer-term business decisions, all driven by tightly integrated data, documentation, controls and interfaces. This gives tax an expanded leadership role as a provider of broad visibility and deep insight.

The complexity of direct tax workflows demands an equally comprehensive tool set that consolidates control while still meeting the precise needs of every step. From compliance and provisioning through entity and documentation management and audit readiness and defense, direct tax works best when powered by seamless digital workflows.

These workflows are unified around one goal: accuracy and insight that scales with growth. They also require the same inputs: accurate, defensible data and documentation. But even as direct tax processes integrate with diverse systems and teams, control and collaboration must be built atop a single shared platform. This boosts efficiency and eases collaboration across the entire tax lifecycle. From trial balance, to provision, to income tax. It’s also vital to post-compliance reporting and advanced analytic opportunities made possible by the ability to gather, manage and share large amounts of the data needed to enable faster, smarter decision-making that extends well past compliance.

Like constructing a building, your direct tax workflows are repeatable global processes. That means more opportunities to understand and improve, and a much broader net effect as workflows get faster and more dynamic with no added risk or complexity. As you move from steel to structure, you perfect both your approach and action plan. This ensures tactics always closely align with strategy, and it allows a solid digital foundation upon which to build.

Imagine shaving weeks from your financial close process through the use of tax technology, then seamlessly sharing that data and using it to file your corporate tax return an entire month early. Envision creating analytics and performing peer group benchmarking that gives your management team greater insights into your performance in relation to the global market. This is how tax departments add positively to the bottom line, automating workloads and using time saved for more strategic work. The right tax technology platform is the start.
**Update and Consolidate**

Tax departments are responsible for turning complex transactions and calculations into simple, actionable business answers. Whether it’s preparing for audit defense or building for growth, tax workflows must move seamlessly across diverse functional teams, locations and time zones. Expectations around speed and accuracy continue to rise, even as investments in talent and technology lag.

**Data and Process Management**

Because tax technology offers a customizable and collaborative web-based platform that can be accessed from anywhere, it allows you to take ownership of your company’s data and manage workflow processes globally. Centralized document management and storage allows you to customize security permissions, which can easily establish your tax department as a paperless office. Standardized indexing and search features allow teams to easily comb through an archive of documentation and respond faster to audit requests and other business questions.

**Task Determination and Automation**

Utilizing tax technology for task determination and automation improves your efficiency and internal controls by giving you the ability to look into projects and check their status at every stage. With the ability to prioritize tasks, automate manual efforts and track and report on deliverables, tax technology ensures timely project completion.

**Calendar Management**

Have you ever wondered if there was an easier way to keep track of the thousands of internal and external obligations that occur throughout the year? By incorporating tax technology, you can track due dates, instantly determine delinquent items, and update the status of outstanding items and flag obligations that need your immediate review. And with customized views and search features, you can quickly obtain deadline information.

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**With ONESOURCE, you can:**

- Manage tax data and processes globally
- Collaborate across teams
- Assign tasks and monitor project progress
- Manage calendars and track due dates
Assemble Data from Multiple Sources

Managing the flow of tax information for modern organizations, especially multinationals, isn't getting easier, and internal expectations are on the rise as well, especially where global growth is desirable. Data must be found, gathered, validated, calculated, shared and demonstrated. This is time- and labor-intensive work, which is why the average tax department spends 80% of their time collecting and entering data and 20% actually using it. This doesn't leave much room for strategic contribution. Luckily, tax technology can reverse that trend, automating the heavy lifting and leaving tax experts to more value-added activities.

Data Collection Automation and Global Access

Tax technology helps you standardize and automate your tax workpapers with secured web-based templates. You control the line items, the organization and which in-house staff and external sources are granted access to it.

Data collection software also enables you to distribute and monitor requests and reminders around the globe. Team members in different countries can enter the required information, transform values into local currency and convert it into reporting-ready data in real time. They can also attach notes or documents so that all pertinent information lives with the data, thus strengthening the audit trail and adding a level of detail for analysis. And because the data is stored in a central repository, it is easily accessible for review.

Data Optimization

Tax professionals know the headaches of gathering data from disparate sources all too well. Tax technology gives you the ability to securely gather and collect data regardless of source, allowing you to seamlessly share the data with both your income tax and tax provision workpapers. It eliminates the need for manual consolidation, making data available for global retrieval and reporting directly from Excel. It also helps to identify duplications or incorrect codes, preventing time-consuming errors, and increasing your compliance.

With ONESOURCE, you can:

- Gather, collect and integrate data regardless of the data source
- Manage and store workpapers securely
- Automate and integrate trial balance data
- Interact with foreign controllers without using Excel
Assemble Data from Multiple Sources

**Trial Balance Automation**

In today’s tax environment, it’s common for your department to work with trial balance data that comes from multiple general ledgers, ERPs or other extracts that may have different account-coding structures. Tax technology delivers harmonized and consolidated trial balance data and can keep it up-to-date even as book numbers continue to change. It also enables a common master chart of accounts to standardize trial balance data for the entire tax department, while minimizing administration and maintenance redundancies. This gives you more time to focus on strategic tasks.

**Data Preservation**

Additionally, source data can be preserved at a point in time and consolidated to meet necessary requirements, allowing the data to be utilized at the right level for each task.

“[With ONESOURCE], we’ve done so much more than we could do with Excel on its own. Using DataFlow, WorkFlow and FileRoom [we] have a complete system. It’s truly a technology, not just a software. You have the technology and tools you need to do your jobs.”

— Aflac
Swift, Solid Calculations

Ultimately, external regulators and internal stakeholders expect one thing from tax: accuracy. Daily operations must provide solid, defensible tax positions. Together these incremental improvements and efficiencies add up to less risk and a clearer vision of the future of tax and what it requires.

Return-to-provision Harmonization

Tax technology enables companies to produce a quick and accurate tax provision that is ironclad upon audit. Additionally, you can manage, complete and e-file the federal, state and local corporate tax returns with finalized provision data, reducing duplication of efforts between processes. By using the same data for return and provision, tax departments can cut days and even weeks from the annual financial close and tax compliance process while decreasing risk by ensuring data is consistent across tax department processes.

With ONESOURCE, you can:

• Produce an accurate and defendable tax provision
• Reduce tax cycle time and complexity
• Share data between income tax return, tax provision and other tax workflows
• Estimate your tax liability quickly and accurately
Swift, Solid Calculations

Accurate and Defendable Provision Calculations

With tax technology, you also have readily available data to compute accurate tax accruals and produce reports and workpapers that support the amounts that were booked — all on a tight deadline. A tax calculation engine can assist with your tax provision computation while also ensuring that changes in statutory rate, apportionment and currency are all being taken into account. The elements of these complex computations can easily be expanded by their dimensions, enabling tax departments to effortlessly drill into data without disrupting its core integrity.

“We load the trial balance into ONESOURCE Tax Provision, and via enhanced integration, can push the trial balance into ONESOURCE Income Tax — thereby having a starting point for the tax return. That process alone has cut two months off of the compliance team’s tax return procedures.”

— Office Depot
Moving Toward Results

Estimated tax workflows span multiple jurisdictions and stakeholders, forcing tax departments to race to keep up with evolving requirements and the ever-present risk introduced by slow, disconnected manual processes. Technology backed by deep industry expertise simplifies the struggle, giving teams one set of tools and rules that update as regulations change.

Automate the Estimated Payment Process

When it comes to estimating payments, you need an automated software solution that pulls from your existing data and discerns your needs based on income tax filings. With tax technology, you can accurately calculate federal and state income tax payments and access up-to-the-minute tax law along with full reports documenting your entire estimated payment process.

Increase Transparency

Tax technology also provides you with self-reconciling reports that ensure data changes are processed quickly and accurately. With the ability to have different datasets, run scenarios and have results in real time, you know the exact impacts of the entries you’re making from the actual tax provision, to the effective tax rates, to the journal entries — all within a few minutes.

Report with Accuracy and Ease

Often, tax results must be reported in multiple formats to satisfy the different ways that information is expected to be utilized. With tax technology, reports can accommodate the wide range of requests you receive around your provision for income taxes. Whether it is an internal or external auditor or management, various capabilities to group, combine, expand and contract the information — as well as the option to save these choices for later — allows you to deliver data to all stakeholders with a click of a button.

With ONESOURCE, you can:

- Automate the estimated payment process
- Gain transparency with drill-down, report linking and user-defined hierarchies
- Utilize configurable journal entries for all jurisdictional levels and any ERP system
- Access extensive review and formatting options for addressing stakeholders’ queries
Plot a New Course Forward

With dependable automation and robust digital workflows simplifying the daily workload of your tax professionals, they have more time to help the business extract a new set of strategic insights from the same data and documentation already used for compliance and reporting. As more and more attention is paid to big data and analytics, tax teams have an even stronger role to play in using tax data to drive business decisions.

As with any analytics challenges, gathering the information is often the simplest piece of the puzzle. The hard part is developing meaningful questions and a plan for acting on answers. This isn’t a big data problem; it’s a business strategy issue, and direct tax information is a critical input. Tax technology ensures the raw material, information and documentation is available and accurate. This makes tax a partner, not a cost center, especially for companies focused on global growth.

Analytics and Benchmarking

Tax technology offers a comprehensive set of analytic tools designed to help tax professionals gather insight from their data and develop a tax strategy for their company. You will spend less time manually manipulating data and more time understanding it. By building visualizations using your provision data and easily facilitating multi-period comparisons and trend analyses, insights buried within the results are brought forward and are easy to consume. You can also build dashboards for monitoring key performance indicators of your tax accounting process, helping you to understand where to allocate your resources. With benchmarking, you can compare your company results to those within your peer group — a game-changing advantage.

This analysis and insight not only gives you an opportunity to plan strategically, but it can also provide your company with a competitive edge that is certain to catch the eye of your CFO. Only tax technology provides this powerful opportunity to validate your results, determine best practices and benchmark against your peers. It becomes a powerful complement to a comprehensive effort to redefine the future with data-driven insight and expertise.

“ONESOURCE increases our efficiency tremendously every year, giving us more time to be strategic and plan for the future, including what [tax] technology tool we’ll implement next.”

— Tube City IMS

With ONESOURCE, you can:

• Create user-defined analytics
• Benchmark against peers
• Analyze trends
• Understand where to allocate resources
Build a Partnership of Success

Implementing meaningful transformation with tax technology is about looking past applications and interfaces. It requires carefully understanding today’s tax realities while also assessing each and every future possibility.

The ability to streamline and simplify your workflow, from data entry through advanced analytics, is foundational to digital transformation. A broad flow of information and deep functionality are both necessary — getting tax tech right is just that difficult. But businesses of all shapes and sizes are leading the way, creating competitive advantages that multiply over time.

For both tax and technology teams, each and every step of your direct tax workflow is an opportunity to aim for something better. Smarter tax ops, superior business planning, better business outcomes.

THE OPPORTUNITY IS HERE. ARE YOU READY?
About ONESOURCE

Thomson Reuters ONESOURCE™ is an end-to-end platform that drives global tax compliance and accounting decision-making with the industry’s most powerful portfolio of corporate technology solutions. Using technology to make tax and accounting easier, faster, cheaper and more forward-focused is our mandate. Our strategy is to enable you to be agile by delivering solutions that meet the evolving needs of tax and accounting departments. We provide a complete platform that accounts for every step of tax, so tax professionals across the globe have the trusted information and resources they need to find answers and positively impact the bottom line.

Expert-driven and trusted, we’re the platform of choice for global corporations, high-performing businesses and best-in-class tax departments. We make valuable, easy-to-use platforms that tax and accounting teams depend on.

tax.thomsonreuters.com/onesource/direct-tax