Automating and standardizing the operational transfer pricing process is fast becoming the industry standard for transfer pricing navigation. Ultimately, CFOs in most MNEs now consider operational transfer pricing a strategic issue, with critical risks and opportunities that need to be managed to avoid endless hours under audit, lost deductions, double taxation, and more.

For any company evaluating technology to improve their operational transfer pricing process, we put together the following 5 best practices based on feedback shared by some customers of ONESOURCE Operational Transfer Pricing.

1. **The solution should free up resources and allow you to work more efficiently so you can focus on more strategic transfer pricing activities.**

   Business today operates at warp speed, and you need an operational transfer pricing solution that can keep up and process millions of records to produce functional, detailed, analysis in minutes, not weeks — giving you more time in your day to focus on true transfer pricing activities that add value instead of wrestling with data inconsistencies.

   "We no longer have to rely on someone who doesn’t really understand the process and the calculations. We feel like now since we took on ONESOURCE Operational Transfer Pricing and built the transactions in there and built the models and calculations and are using it to push those journal entries back into the ERP, we have more control over the end-to-end process. So, if we have a change, it’s easier for us to implement.”

   — Manager of International Tax

2. **Choose a solution that gives you control over the end-to-end process.**

   The ideal operational transfer pricing solution should help you stay current by managing all data, rules, rates, and changes in one centralized place — giving you tighter internal controls, reducing risk, and improving strategic planning accuracy.

   "Getting the data right the first time allows you to do whatever you want on the backside of the system. Even if the data is not normally in your accounting system, you can add additional data to accomplish things that are more transfer pricing focused.”

   — Transfer Pricing Manager

3. **Make sure flexibility is built into the solution.**

   One of the many challenges of working in a global company is that data is often scattered across the globe in different formats, owned by various groups, and collected in spreadsheets. An operational transfer pricing solution should allow you to seamlessly collect, validate, and standardize your data in a centralized system regardless of data sources or location.

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4. **Start with a global team approach.**

   Every company is different in how they handle transfer pricing, but one thing is absolutely critical while evaluating an operational transfer pricing solution — you must have a strong, highly-collaborative team in place. You need to know who all the players are and who will be responsible for which deliverables. If a company has maintained legacy systems and processes for many years, this could be vastly different from how they’re used to working.

   "One of the things we really didn’t anticipate early on was how much time we needed to allocate for our internal IT resources. We underestimated the amount of time it would take us to go and get extracts from our ERP to be able to get data to test. Adding extra time in the schedule for these types of activities is critical.”

   — Manager of International Tax

5. **Allocate ample time for testing.**

   Before you begin testing, you need to uncover how much lead time is needed and build that into the timeline. You also need to have a good understanding of the legal requirements, who to liaise with on the IT team, and how much lead time they will need.

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For more information about ONESOURCE Operational Transfer Pricing, call +1 888 885 0206 or visit tax.tr.com/onesource.