



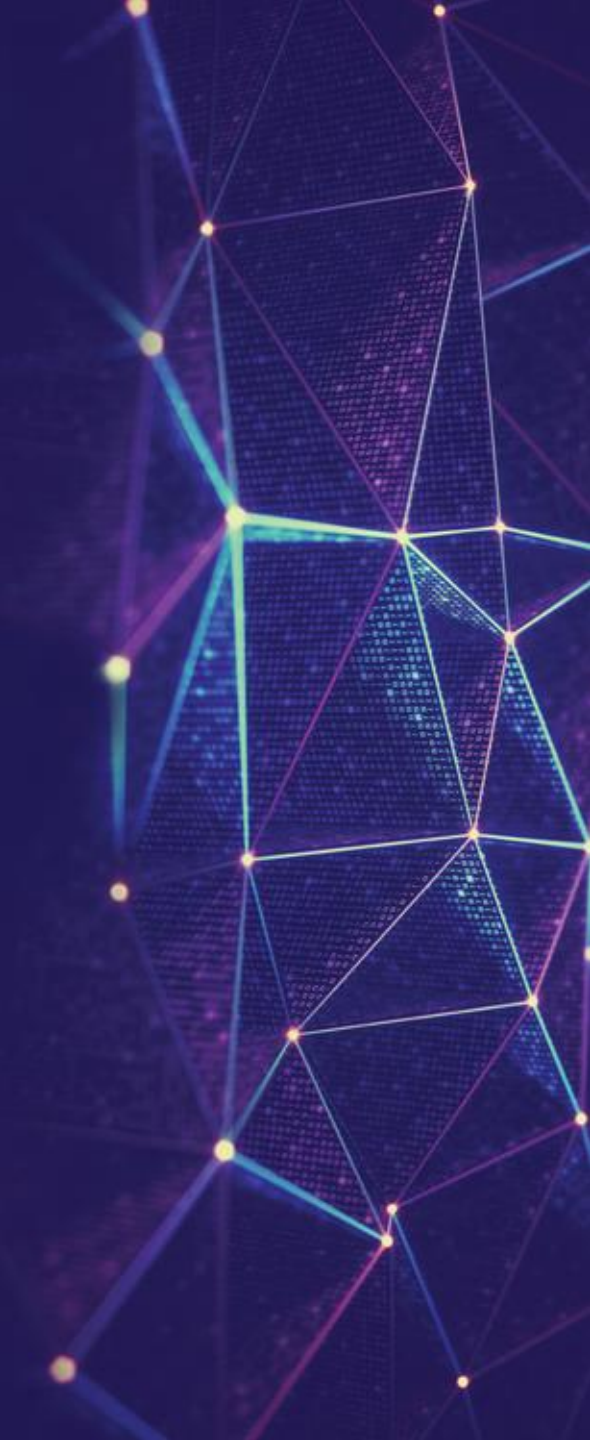
Meijburg & Co
Tax Lawyers

Tax Technology Bites

Session 1

Tax Technology Strategy & Roadmap

Virtual MS Teams Session
11 November 2020



First...



**Please mute your
microphone and camera**



**Do you have a question?
Ask it via chat!**

Tax Technology Bits Webinar Series

Theme

Client session

Tax Technology Strategy & Roadmap

11 November 2020

Tax Process & Controls

8 December 2020

Tax Data Management & Intelligence

7 January 2021

ERP Tax Sensitization

4 February 2021

Tax Compliance

4 March 2021



Introduction presenters



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Director

Tax Technology & Transformation
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Senior Manager

Tax Technology & Transformation
KPMG Netherlands

Today's Agenda



Tax Technology Strategy & Roadmap

Context & Setting the
scene



Tax Technology Strategy

What is a TT strategy?
What are the benefits?



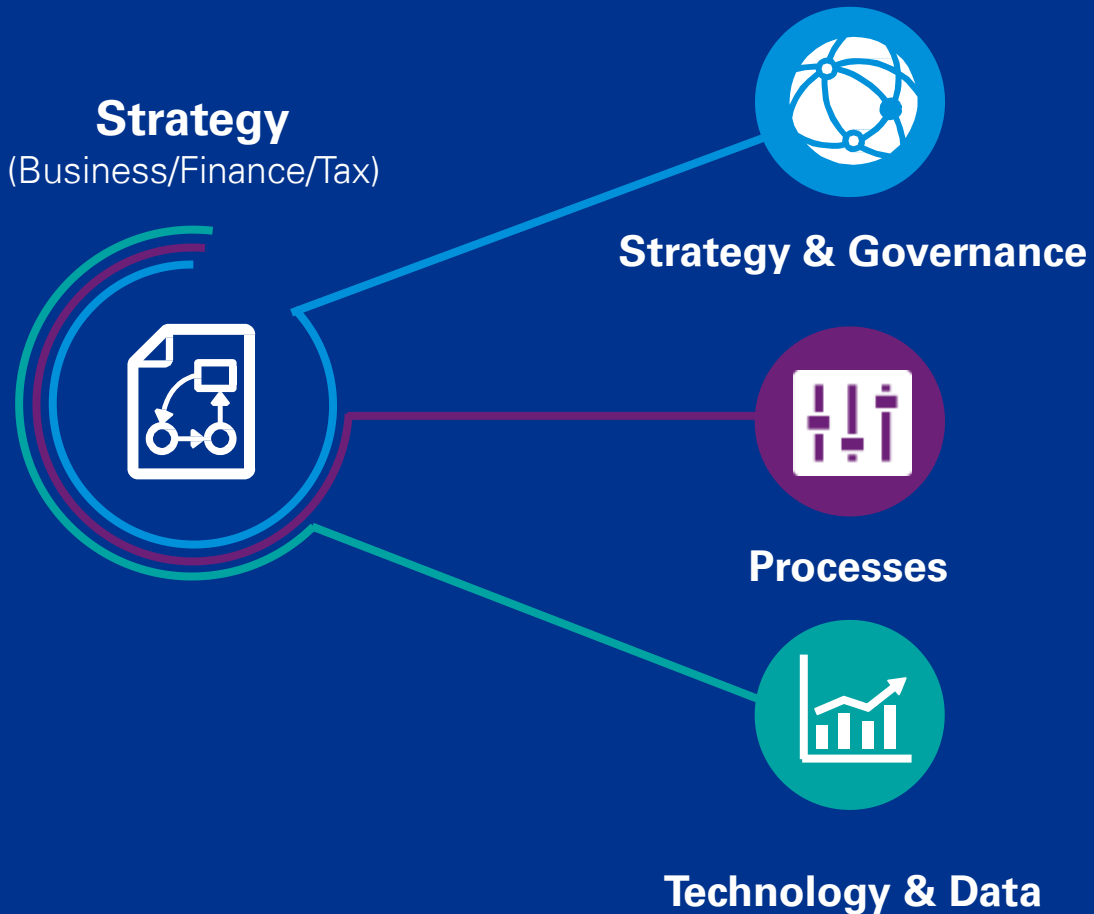
Key elements of a Tax Technology Strategy & Roadmap



How to start?

Making a business
case
Real-life examples

TT Strategy & Roadmap: The bigger picture



Transformation themes

Tax Transformation Strategy

(tax technology strategy, technology roadmap)

Tax Compliance

(compliance outsourcing, automation, preparation)

Process & Controls

(end-to-end process review/improvement, TCF)

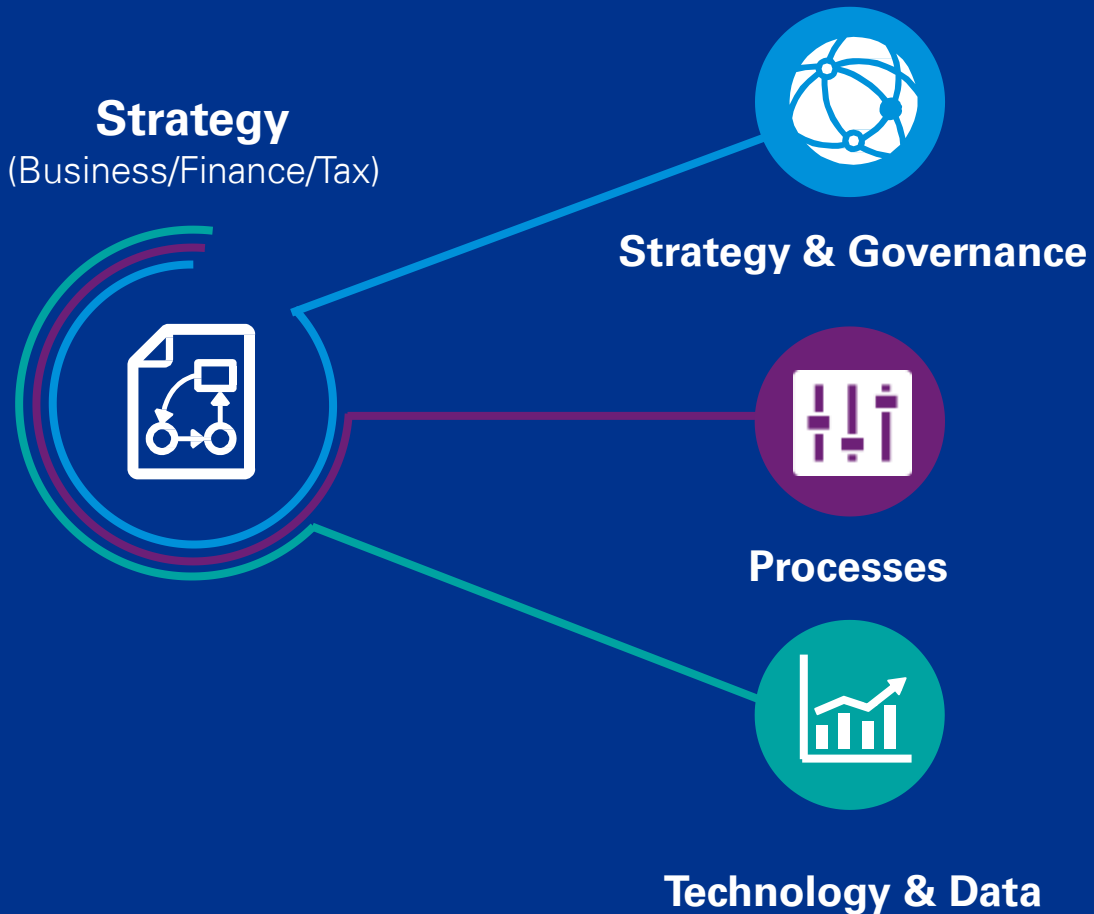
Tax Data Management

(tax data strategy, tax data (warehouse) deployment)

ERP Tax sensitisation

(tax engine, blue printing, tax master data)

TT Strategy & Roadmap: The bigger picture



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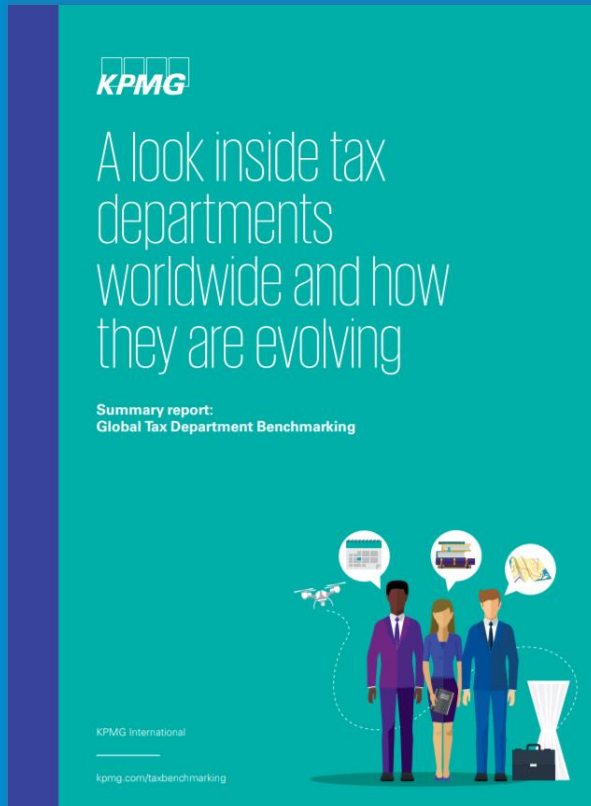
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Introduction - Current Climate and Global Insights



81% do not yet have any full-time resources focused on tax technology

17% have one to five full-time resources focused on tax technology

Further results from the global tax benchmarking study

Overall leverage of enterprise finance IT systems for tax purposes

69% ↑

Increase

29% —

Stay the same

2% ↓

Decrease



Use of consolidation system data for tax purposes

61% ↑

Increase

38% —

Stay the same

1% ↓

Decrease



Understanding of tax data needs by IT resources

54% ↑

Increase

45% —

Stay the same

0% ↓

Decrease



Investment in tax-specific technologies

60% ↑

Increase

39% —

Stay the same

1% ↓

Decrease



Factors which drive Adoption of Technology

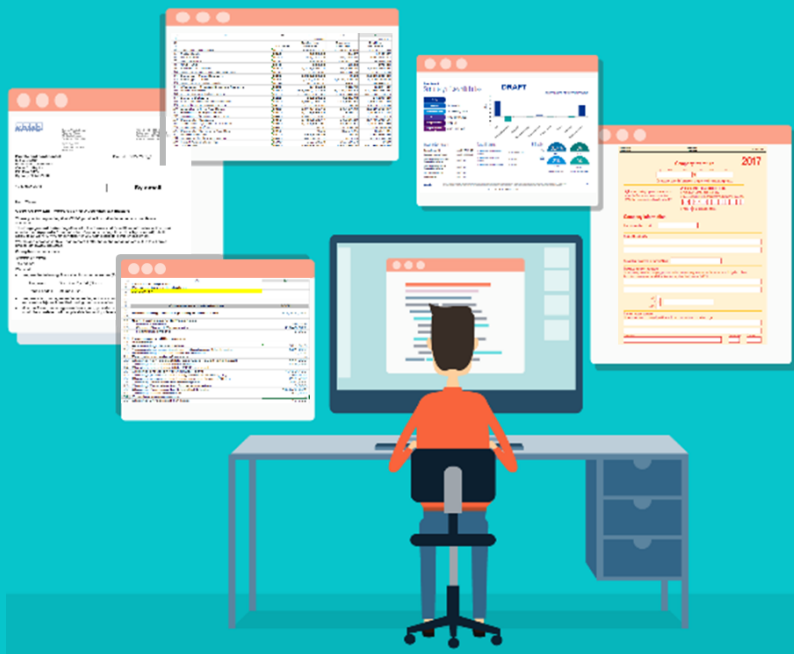
- External environment
- Internal environment
- Technology Improvements
- Ineffective deployment in the past



Transformation

Towards a Tech/Data Enabled Tax Function

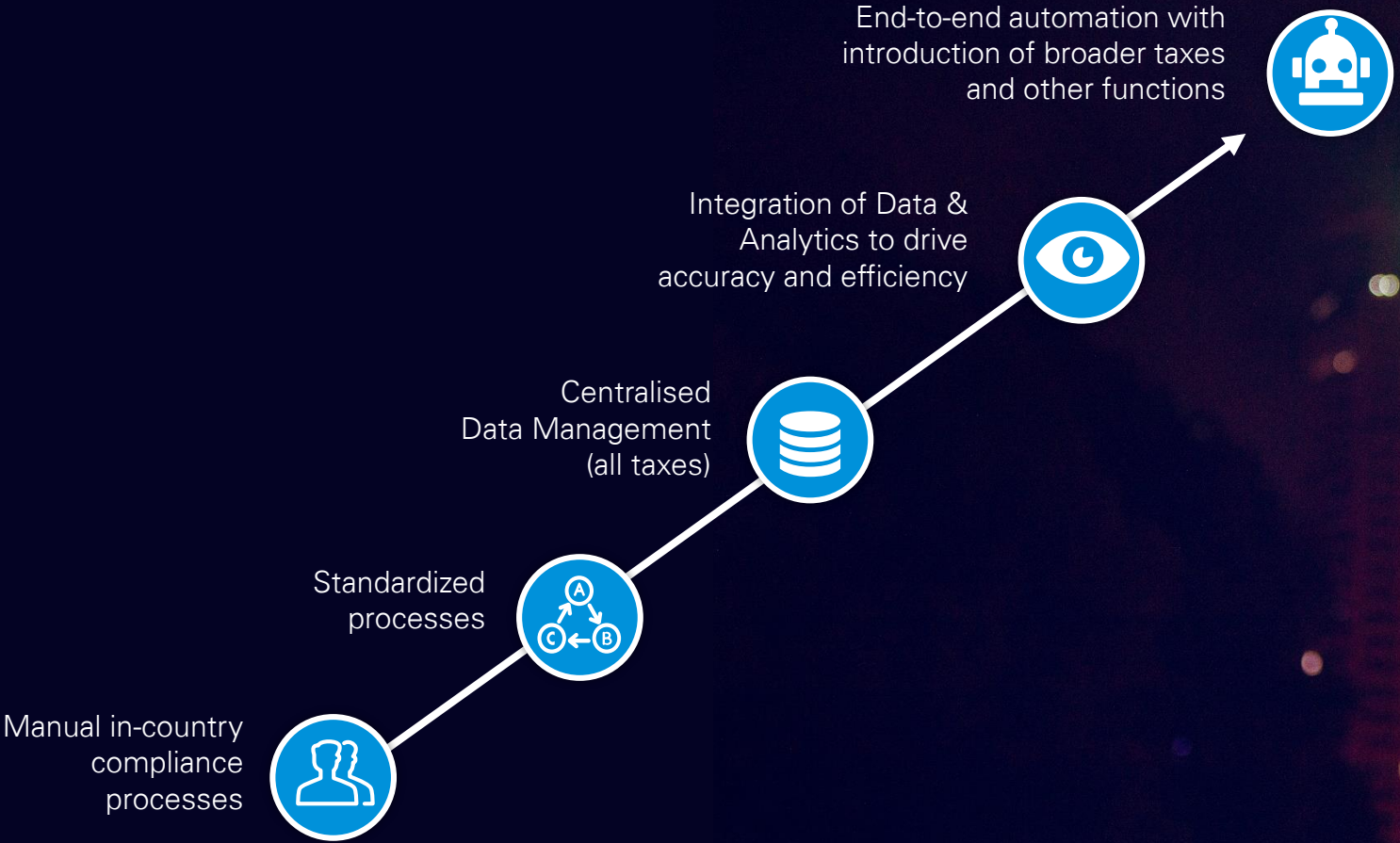
Traditional Tax Function

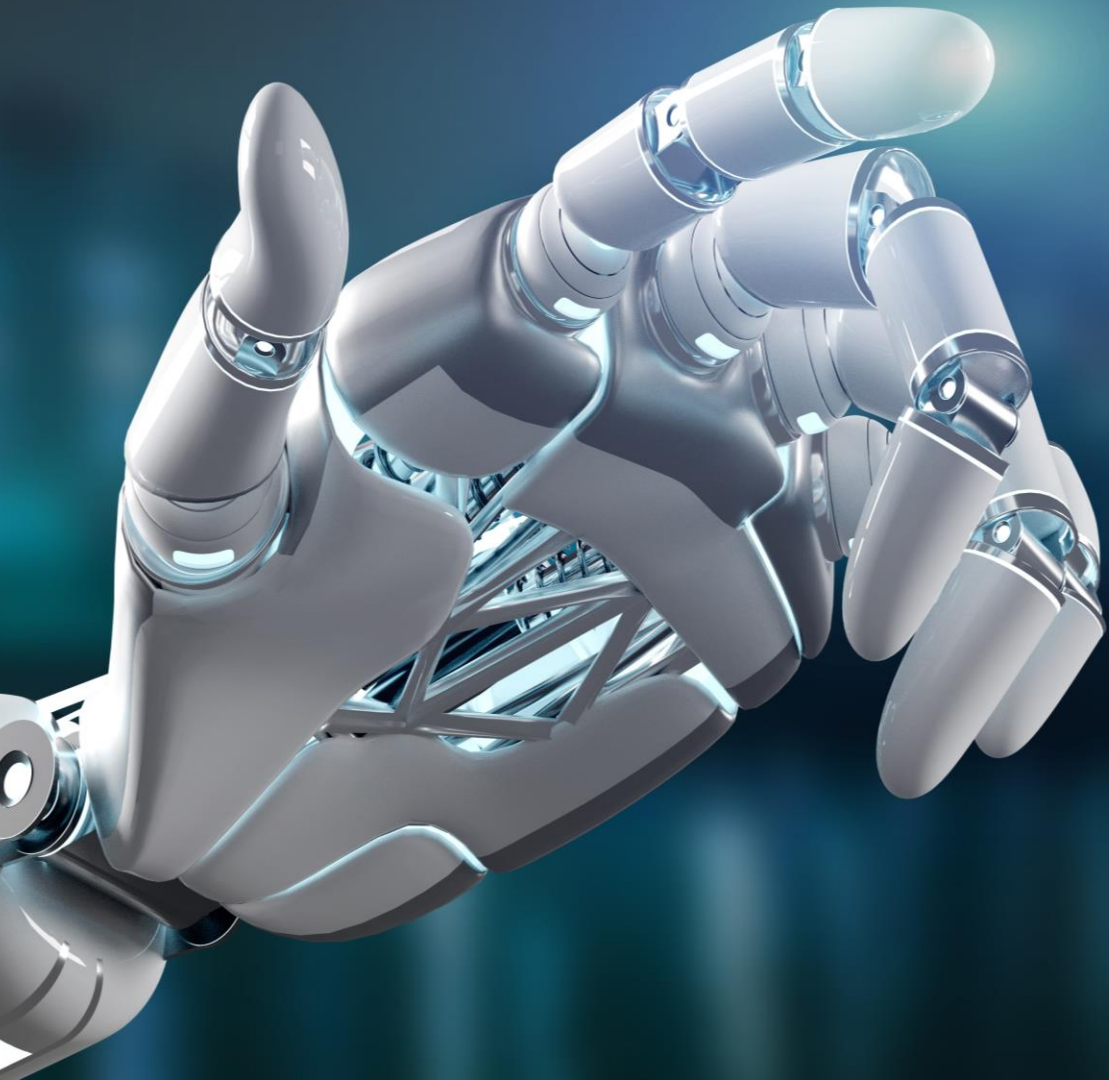


Tax Function of the Future



High-Level Tax Transformation Journey





The First Step

Having a Tax Technology Strategy

What is a Tax Technology Strategy?



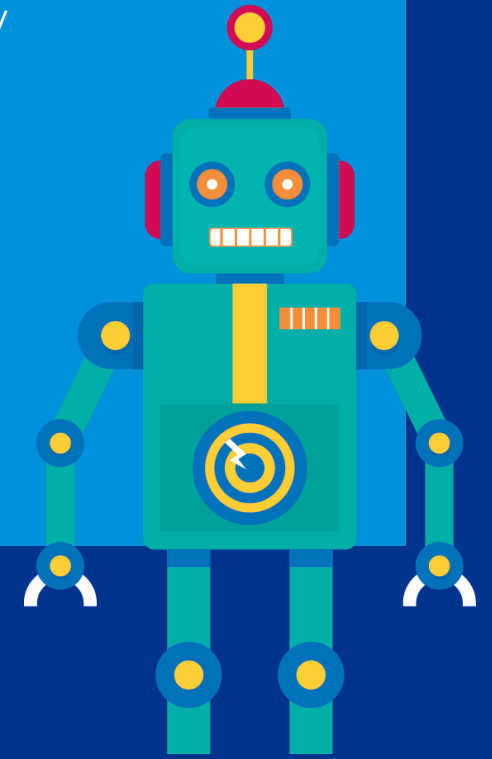
- Defines the business plans for implementing and utilizing technology and automation
- Includes a road map of short-term through to long-term goals and objectives
- Takes into account current people, processes and technology already in place
- Fits within the wider digital or IT strategy of the business

Why the Need for a Tax Technology Strategy?

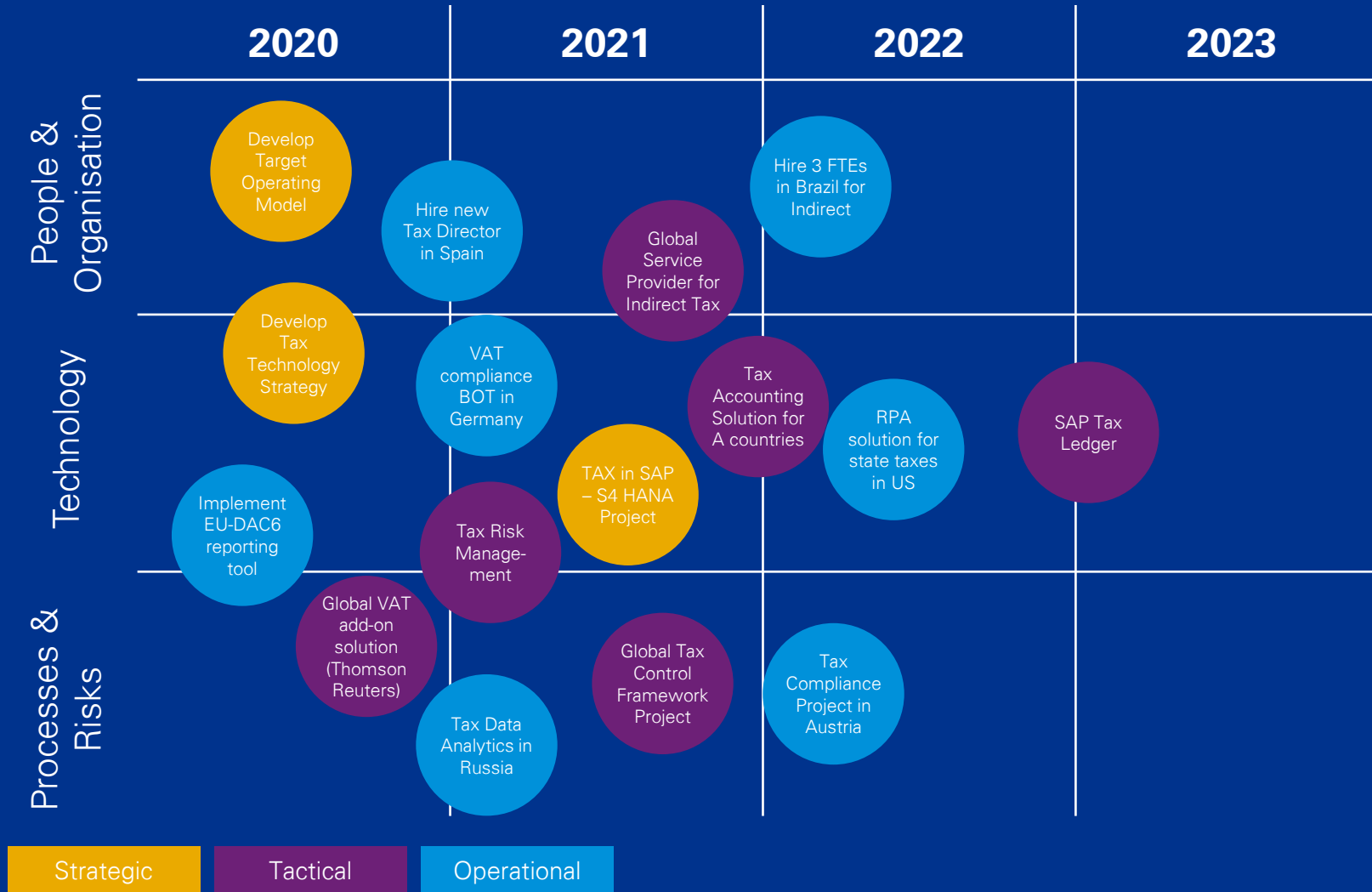
- Previous one-off or standalone tax technology deployments were ineffective and did not meet the business need
- Tax Functions not leveraging or aware of technology or automation available to the rest of the business
- A clearly documented roadmap leads to an efficient and optimal rollout

Key benefits of having a Tax Technology Strategy

- Continuous improvement of tax processes using technology
- More likely to secure (broader) implementation support
- Capture synergies within the broader organization
- Make better decisions around technology investments



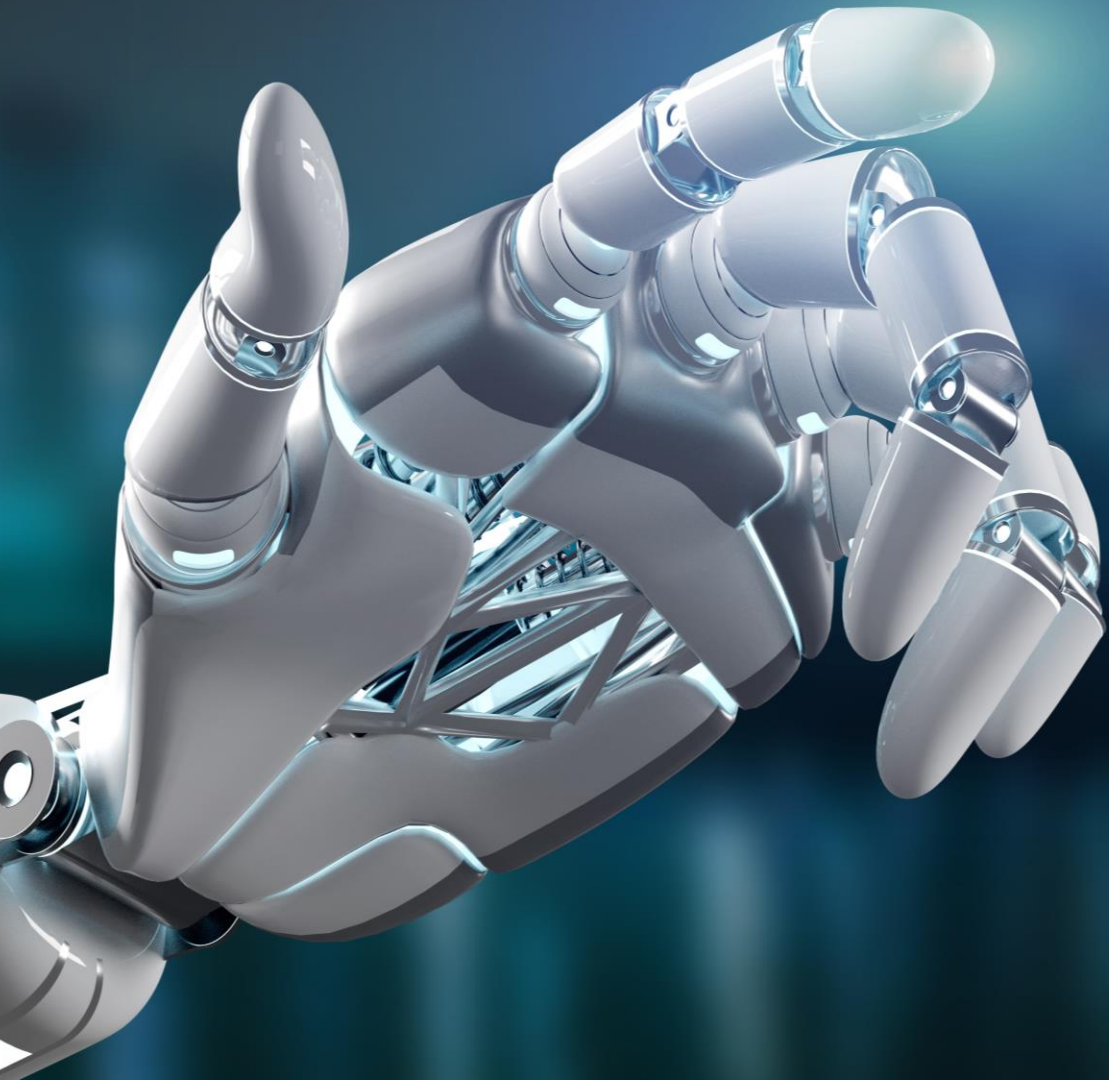
Example Tax Technology Roadmap



Strategic

Tactical

Operational



The Second Step

How to start

Positioning Tax Technology in your business

Some tips...

What you don't want to be:



Waiting for the perfect solution. Don't try to buy a Swiss army knife; a product that tries to do everything, but masters nothing



Stagnant. Don't over-invest in a single piece of technology at one point of time - need to avoid redundancies



Unrealistic. Technology will not (at this stage) fully automate the tax compliance process at the click of a button

What you want to be:



Invested in the right suite of tax technology products for you; that complement one another



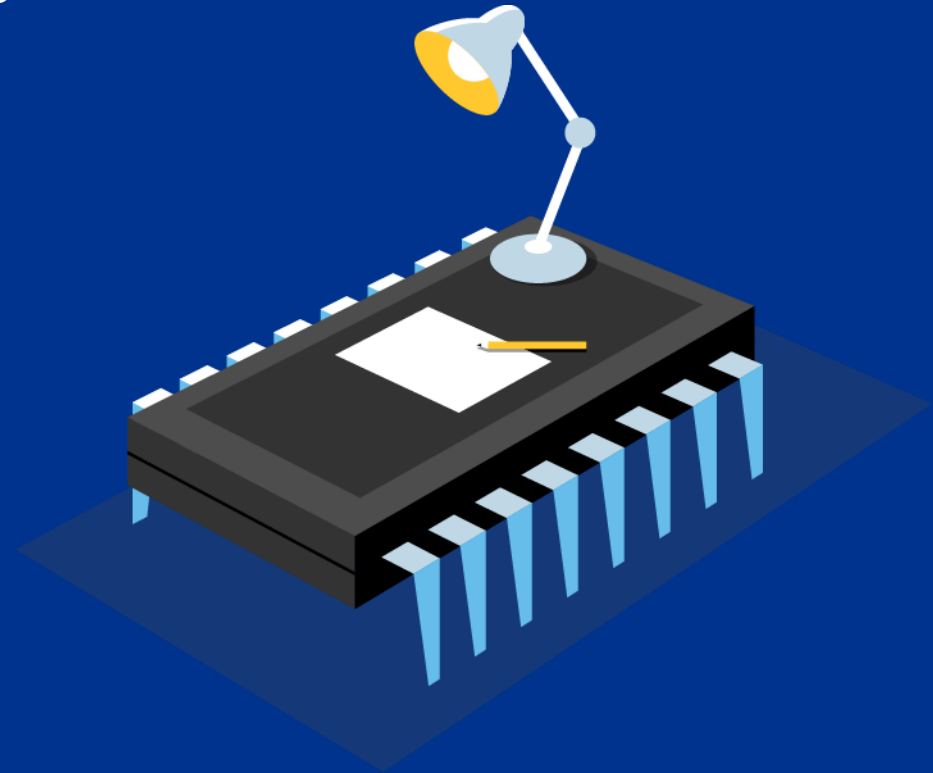
Nimble. Your technology needs will evolve – Version 2 will have incremental improvements on Version 1, and so on



A value-adder. Your primary role is still the service you provide to your organization; technology helps to enable or add value to your function, but it is not an end in itself

Key components of a Tax Technology Strategy

- **Introduction** – Purpose, Vision and Alignment
- **Process** – ‘As-Is’ process mapping and ‘To-Be’ future state design
- **Solution Outline** – Technology & Automation:
 - Data Integration / Analytics
 - ERP
 - Reporting Technology
 - Workflow
 - Infrastructure & IT
- **Business Case & ROI**
- **Implementation & Deployment** – Timeline Guiding Principles



How? Prioritise and make a business case

Think about how to create and present a Business Case

- Stakeholders have to be convinced based on a positive balance between cost and benefits over years
- Make sure to align the benefits from deploying the tax technology solution with your organisation's overall strategy and objectives
- Think of whose budget the investment needs to come from
- Showing "quick wins" can help to convince to invest – e.g. VAT savings opportunities
- Subscription or licence basis rather than upfront capital cost – free trial periods

Recognize potential concerns and address these upfront

- The risk of premature redundancy
- The need for maintenance and repairs
- The risk of cost overruns or delays in deployment



Example business case components

Key objectives (Why)

- Realize cost savings or efficiency gains to the organization
- Meet new compliance challenges
- Move to adapt greater real-time reporting

Tax Technology Solution (What)

- Tax Insights Solution for VAT

Resources and planning (Who)

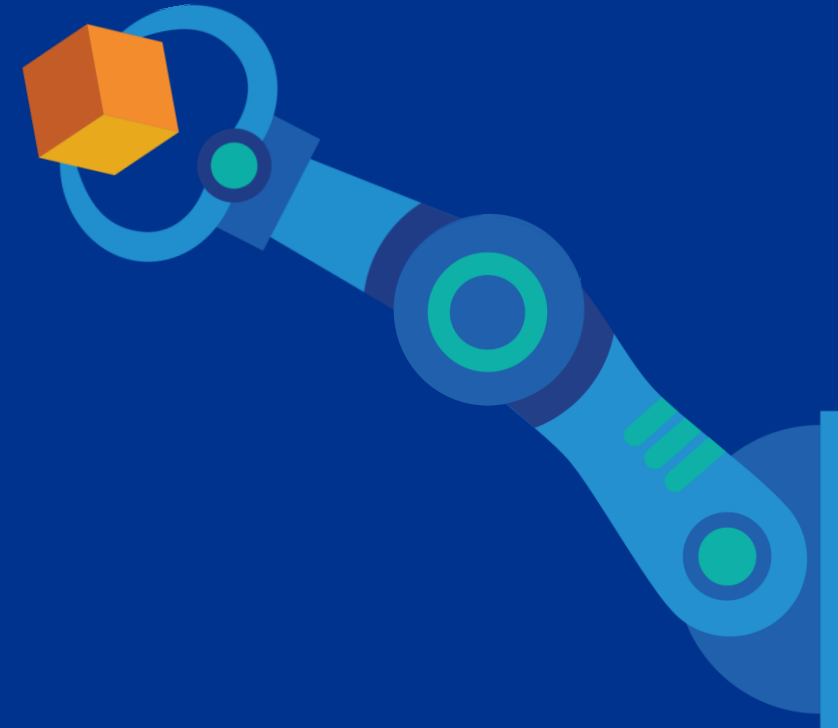
- FTE (data scientists, tax people) for y months

Benefits components

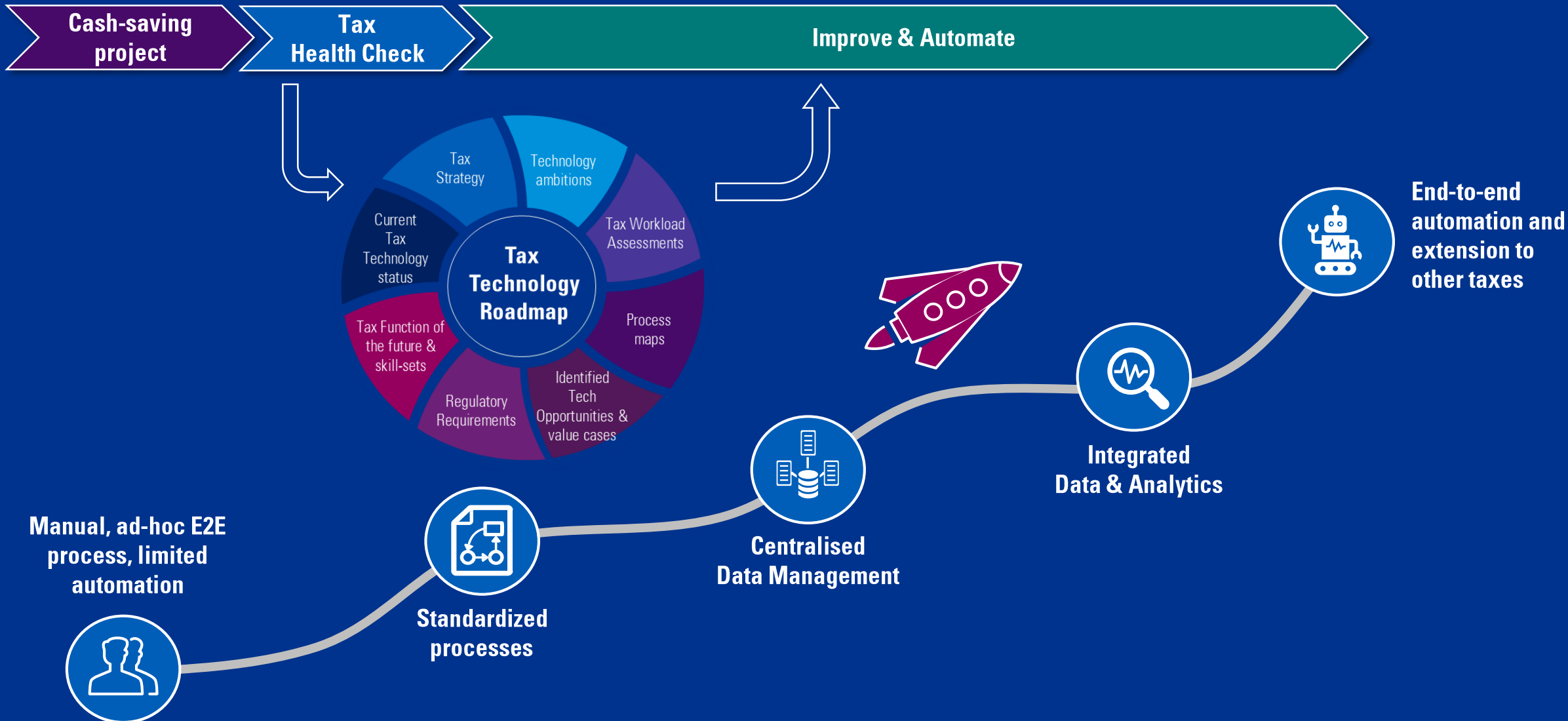
- Direct (one-off) VAT/GST cash savings
- Risk mitigation of potential fines/penalties
- Reduction of manual work to perform monthly VAT return checking

Costs components

- One-off implementation costs
- One-off investment in IT components
- Tax Insights solution usage fee, incl. maintenance (recurring)



Cash savings to fund TT Roadmap execution



Client Case 1

Tax audit as a trigger for the implementation of continuous controls monitoring (transformation)



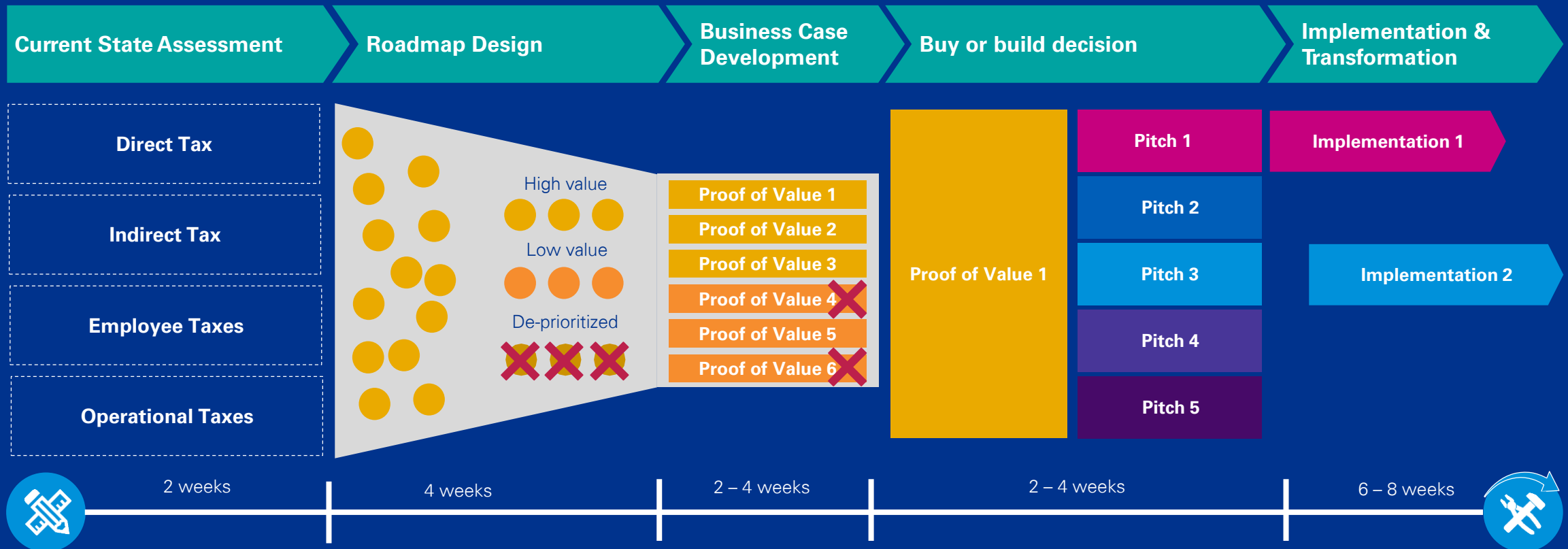
Strategic

Tactical

Operational

Client Case 2

Moving upwards in the tax transformation journey with a tax technology roadmap as the foundation



In Conclusion: Some Take Aways

- Make sure to set clear ambitions as a Tax Function. What would be the ideal situation, if there were no restrictions on budgets and people? Communicate this vision more broadly.
- There will be unexpected problems. No single tax transformation journey will go as expected. Success will rely upon how you overcome problems and anticipate on these next time
- Define clear criteria to determine whether to build, buy or outsource and evaluate processes/technology regularly
- Start your journey today. There are many reasons not to start, but change requires a proactive and forward looking attitude



Questions?



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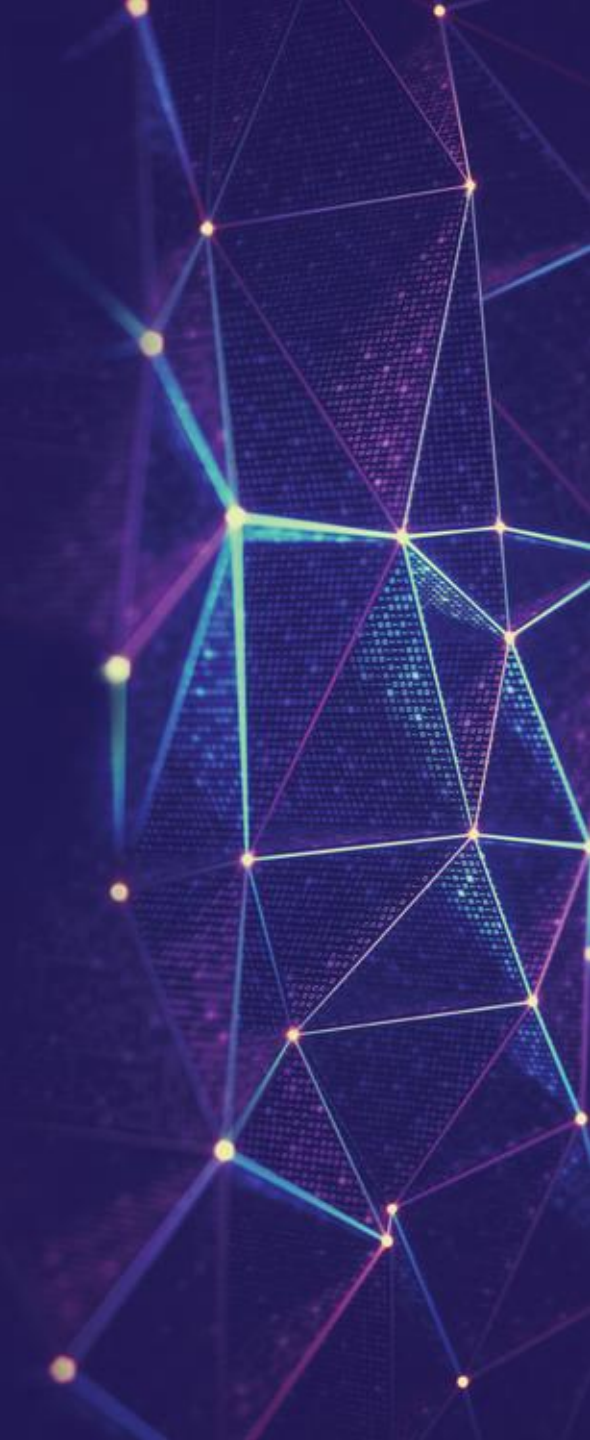
4 March 2021





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Thank you





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