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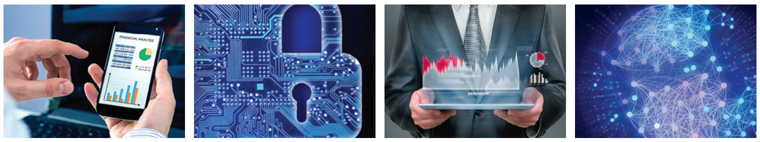

Technology

# Automate and Reclaim Valuable Tax Department Time

*By Ryan Lynch*

Trying to stay current on new regulations, incorporating those new regulations into existing calculations, explaining the impacts to management, and planning for additional scenarios all put a significant strain on resources. In addition, as technology continues to advance in all areas of the corporate world, management expectations have shifted: from quick closes being "nice to have" to being a priority.

This has led many tax departments to evaluate how they can better leverage technology to free up time. The idea is that time saved can be repurposed: from items related to data and calculations, to more strategic, analytic, and value-added tasks. Almost always, this involves enhancing technologies, implementing new software, and training personnel.

Microsoft Excel is a component of most tax departments' base technology to some degree. Microsoft has added substantial functionality to Excel, and additional data management tools have been released that accommodate new uses. Tax departments can benefit greatly from these enhancements. Excel-specific examples include the Power Query, Power View, and Power Pivot Excel add-ins that expand Excel's data management, connection, refinement, and automation capabilities. In addition, Microsoft PowerBI (released in 2014) is a self-service business intelligence (BI) software that helps with the creation of interactive data visualizations and reporting dashboards. Other BI and data management software – such as Tableau, Alteryx, and Qlik – also are making their way into tax departments since the tangible benefits of these tools and their practical applications to tax are fully developed.

There also are several third-party corporate tax software products in the marketplace designed to address various tax functions. Many of these have been around for some time, but there are new modules and functionalities being released regularly that expand the usage of these products. For example, a few products have been released in 2018 to help corporations with base erosion and anti-abuse tax, global intangible low-taxed income, and foreign-derived intangible income calculations associated with recent U.S. tax reform.

The general demand for trusted software with a proven track record, such as income tax provision solutions, continues to expand. For example, Sonepar USA, the U.S. operations of a private French company, recently implemented tax provision software to combat inefficient manual data entry, reduce exposure to risk, and facilitate the review process. In years past, calculations were adequately performed in Excel. With new software, however, Sonepar USA reported saving more than 120 hours during the first close period after implementation. In addition, it was able to ease the calculations related to U.S. tax reform and has ongoing benefits that far exceed the costs incurred.

Gone are the days where implementing provision software was primarily for large, public companies as a response to Sarbanes-Oxley or just to relieve audit pressure resulting from historical provision issues. Tax departments of all shapes and sizes have the goal of eliminating time spent on tasks that are not perceived as valuable. Thankfully, the current situation presents that as an opportunity as tax software becomes more practical and accessible to overburdened tax departments.

Ultimately, there is one conclusion to be made: there is an increasing need for tax departments to embrace technology and optimize their processes. A technology-enabled tax department continually invests in understanding technology at its core, evaluating available solutions, implementing relevant options, and embracing the resulting changes because they truly help.

At the core of a technology-enabled

tax department is third-party corporate tax software. That software is then supplemented with general technologies, business intelligence, and workflow tools. The third, and perhaps most critical, aspect is employing personnel who understand technology, think in terms of automation, embrace change, recognize opportunities for improvements, stay current on emerging technologies, and strive to eliminate inefficient processes.

Whether their motivations are because they are technology-centric people, they want to free up time to focus on tax issues, they have management telling them to close quicker, or they just want to get home at a reasonable hour is almost irrelevant. The most relevant thing is that without continuous improvement being driven by all stakeholders, we will all run out of our most precious resource: time.

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