

**Deloitte.**



**Teaming with machines**

How tax professionals can work effectively alongside tax automation solutions

# Teaming with machines

Adaptable Organizations<sup>1</sup> operate with an agile mindset, talent models that drive agility through networks of teams, and—increasingly—automation technologies that augment and amplify the capabilities of those teams.

The operative word there is “teams.” Leaders, individuals, and the organization are important, as are the ecosystems that define how a given environment operates. However, teams that include automations, such as robotic process automation (RPA), artificial intelligence (AI), and other technologies, are the glue that binds all of that together.

As the business world embraces the **Power of With**, it will be increasingly common for humans to work extensively with machines. Yet practical examples of tax professionals effectively teaming *with* automations are still fairly rare. Perhaps this is one reason why, in a broader sense, just 14 percent of CxOs today report a high degree of confidence in their ability to make the changes that the digital revolution requires.<sup>2</sup>



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To build that confidence within tax organizations, individual tax professionals will need to rethink their roles and augment their current skill sets to effectively navigate digitally transformed environments, the topic of [Working \(and thriving\) in a digital tax world](#). Tax organizations and their leaders also will have an important role to play in creating an environment for tax professionals to thrive amid digital transformation, including agile deployments of automation, the topic of [Moving the tax department toward the digital future](#).

However, teams embody the collective efforts of individuals, automation, leaders, organizations, and ecosystems. So, what are some of the lessons

learned from teams that were early adopters of tax automation solutions? How can tax professionals team effectively with automation counterparts to achieve favorable outcomes? What practical steps can tax departments take to encourage teaming between people and technology?

Explore more about four considerations for effective teaming in a digital tax department.



**1**  
Assemble  
multiskilled  
teams



**2**  
Be purpose-  
driven and  
move fast

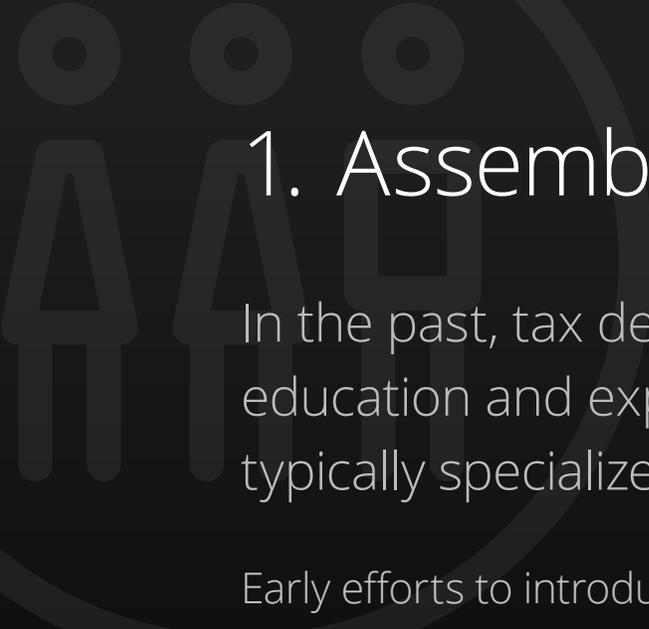


**3**  
Challenge  
the norm



**4**  
Manage  
the hybrid  
workforce





# 1. Assemble multiskilled teams

In the past, tax departments for the most part hired professionals with education and experience in tax, finance, or accounting. Tax professionals typically specialized in one or just a few areas of tax.

Early efforts to introduce modern automations (beyond tax functionality in ERP systems and bolt-on tax software) into the tax function have demonstrated the need for a broader variety of skills. Tax-technical professionals are vital because of their experience with existing tax department processes and experience with tax laws and regulations. But increasingly, tax

professionals will be asked to team not only with the automations, but also with information technology (IT) professionals, data scientists, and other professionals from across functions to collectively move tax and the business forward. One of the challenges is that these professionals from diverse educational backgrounds often don't speak the same "language." Tax professionals may



01

02

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not speak IT or data science. IT professionals, data scientists, and representatives from the business may not speak tax.

As a result, there is a growing need for tax professionals who have “soft skills”—who can manage the tax department’s automations and serve as interpreters for other team members. Their job will be to help the other parties articulate their needs and concerns and help translate ideas into actionable steps that can lead

to the desired outcomes. Some tax departments already have a dedicated tax professional who interfaces with IT to oversee tax technology and look for opportunities to improve and innovate.

In this still-evolving team environment, tax leaders will need to revisit their talent models, consider new roles, responsibilities, and job descriptions, and think in new ways about how work is assigned and managed.

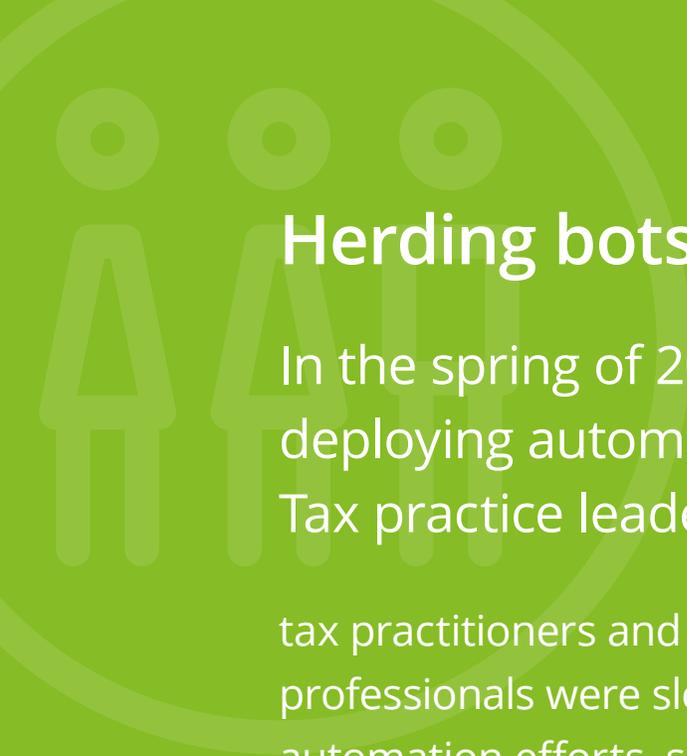


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## Herding bots in Brazil

In the spring of 2017, the Deloitte Brazil tax practice began developing and deploying automations in various internal and client-related tax processes. Tax practice leaders quickly realized that “language” barriers between existing

tax practitioners and IT and data science professionals were slowing down the automation efforts, so they brought in professionals specifically chosen to help coordinate communications and manage projects. They have changed their recruiting strategies and practices to attract more people with the required soft skills.

Since then, the practice has deployed more than 100 automations to support Deloitte Brazil’s tax practitioners in many different areas of tax compliance. Tax professionals are also assigned to oversee the operation, performance, and output of these robots.



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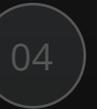
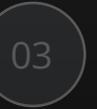
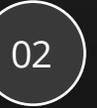
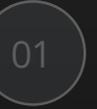
## 2. Be purpose-driven and move fast

Assembling the right team can be an important building block of adaptability—a much needed capability in tax departments that are undergoing digital transformation. But it isn't enough by itself. It's important for team members

to feel there is purpose and meaning to their work beyond meeting objectives, budgets, and profits.

In fact, 84 percent of executives responding to a 2019 survey by Deloitte Consulting LLP rated “employee experience” as important, and 28 percent identified it as one of the three most urgent issues facing their organizations in 2019.<sup>3</sup> The findings appear to indicate that employees increasingly want a career, purpose, and meaning from their work.<sup>4</sup> In our experience,

meaningful work binds team members together. It emboldens and energizes them to execute on their shared mission. Adding automations into the equation can multiply those benefits by helping human team members address tedious, manual tasks faster, more efficiently, and, often, more accurately. Taking care of these must-do tasks leaves more time to focus on value-added and, perhaps, more interesting and gratifying tasks.





In transformation initiatives, speed is important—but acceleration may be more important. An important capability for tax teams tasked with developing and deploying automations is constant forward momentum, even if it means working in unknown areas without perfect information.

This is a particularly difficult challenge for tax departments whose activities require accurate and complete information. Yet our experience with automation initiatives is that experimenting in short sprints, getting feedback quickly, iterating, and pivoting when needed are how teams drive progress in ambiguous

situations. This, combined with rigorous testing and monitoring, can help reduce ambiguity and increase certainty even when new areas of automation are being explored.

Important questions for tax automation teams to consider include: What's the fastest way to get useful feedback? Is it possible to create a proof of concept before investing too much time and resources? Can we look outside the team or the tax organization to get to a solution faster?



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## Building a diverse, purpose-driven team

The Deloitte Canada tax practice sought to augment with automation one of their client-facing tax compliance processes. Collaborating with Deloitte Canada's Chief Tax Technology Officer, tax leadership selected three individuals—

all of whom were highly motivated to advance their practice—to be the core development team: a tax-technical specialist with a strong interest in automation; an IT professional with an interest in learning about the tax compliance processes;

and a recent tax hire with a master's degree in mathematics. Their breadth of experience and shared passion for the project allowed them to revamp the process, incorporate automation, and roll the project out in less than three months.



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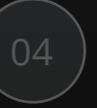
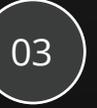
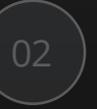
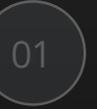
### 3. Challenge the norm

Breakthroughs are often achieved when teams challenge yesterday's—and even today's—accepted practices to create the new approaches of tomorrow. This is especially important for teams tasked with automating tax processes and then

working alongside the automations to elevate previous practices.

However, some tax professionals may find this threatening. They may wonder if their jobs are at risk when their “cobots” (collaborative robots) step in. One way to gain their buy-in to make such advancements is to reframe the issue and look at it through a different lens. Involving the entire tax department in the

brainstorming process can speed adoption by making technology less threatening. Consider conducting sessions to educate tax professionals on what automation is and isn't. Ask tax team members to think about the tasks they do repetitively but wish they didn't have to do. Ask them how they could work more efficiently and effectively as a team. By white-boarding these ideas, not only do good candidates for





automation often emerge, but also other tasks may be identified that can be addressed through process changes, use of existing technology such as ERP systems, or improved use of spreadsheet functionality. Involving the tax department in these activities can reinforce the point that the goal is not necessarily to eliminate jobs, but to free team members up from routine tasks so they can focus on work that is even more interesting and high impact.

This type of thinking requires a different kind of leadership and collaboration between tax

team members—one that values all insights and opinions regardless of who offers them and how “out there” they may seem to be at first. Leaders should place more focus on facilitating the exchange of ideas and the flow of conversations across the tax organization, as well as providing greater autonomy at team and individual levels. This shift from “top down” to “alongside” is a crucial component to successful transformation.



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# Welcome our new teammate, Tim

Naming automations is an emerging practice that our colleagues at Deloitte Brazil employ in their automation implementations and which we've seen in successful client implementations, as well. Giving cobots names and formally

assigning them tasks that would otherwise go to humans facilitates acceptance and enhances communications.

One client even goes so far as to have a naming contest for new cobots as a team-building exercise, while another client encourages tax

professionals to talk about their automated colleagues as they would human teammates. Both practices encourage collaboration and may help human team members feel less threatened by the introduction of automations.



## 4. Manage the hybrid workforce

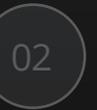
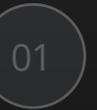
Automated solutions are designed to work alongside humans, augmenting rather than replacing human skills. As more automations are introduced to tax organizations, tax professionals will likely learn to rely on them, much like many

consumers today rely on GPS automations and home digital assistants.

In early implementations of tax automations, both quantitative and qualitative benefits have been realized. Perhaps the most noticeable is the “repurposing” of time. Undistracted in their work, automations often complete tasks in less time and with fewer errors than humans. And, with tedious, manual tasks being done by automations,

tax professionals can use their freed-up time to focus on work that adds even more value. The key is to plan in advance for how they can and will use this repurposed time.

At the same time, tax professionals should not overestimate the “intelligence” of their automated colleagues. A bot designed to gather specific data and populate a tax return probably won’t be able to assess the quality of the data or



confirm the completeness of the tax return. That's still the domain of the tax professional. Clearly communicating the capabilities of the

automation—including what it cannot do—and training tax professionals on how to use it wisely is a key part of building effective hybrid teams.

## **Tax automation** Do more *with* less

With automation, teams can be more efficient, accurate, and effective despite the mass proliferation of data and a changing regulatory environment that's become increasingly complex. Understand how the speed, accuracy, and capacity of automation technologies can eliminate manual processes and free people's time for more impactful work.

Learn more about the [Power of With](#).



# Meet the newest members of Deloitte's tax team

Lucy is a new cobot on the Global Compliance and Reporting team. Lucy monitors the tax filing deadlines of our multinational clients in countries around the world. For example, if a client has a December year-end for its entity in Japan, and that entity needs to file certain tax returns on different dates, Lucy “knows” those dates, recognizes when each one is approaching,

automatically sends an email alert to the team responsible for that return, and asks whether the filing will be made on time. With Lucy's contributions, Deloitte practitioners spend less time chasing tax filing deadlines and more effort focused on the details of preparing, validating, and filing returns as well as providing insights to clients.



# Meet the newest members of Deloitte's tax team

Deloitte Belgium introduced SAM, a tax chatbot, to quickly and easily provide basic EU value-added tax (VAT) information. Through a combination of AI, SAM analyzes the VAT treatment of specified transactions and how a company should report them in VAT returns. For example, if you are a purchaser in Belgium that files periodic VAT returns<sup>5</sup> and you tell SAM that bananas were purchased in Belgium from a German supplier and remained in Belgium for subsequent use, SAM will inform you that “the invoice cannot mention VAT but that you must

report 6% VAT as due (reverse charge).”<sup>6</sup> It can also warn of transactions that trigger obligations to register in other EU countries. SAM applies AI, natural language processing, and knowledge databases maintained by VAT specialists to its interactions, so it learns continually. SAM is a prime example of how intelligent automations can relieve a tax team of repetitive work and offer new considerations or flag potential issues, while still relying on human team members to engage in deeper analysis and ultimate decision-making.





# Digital tax transformation and the Power of With—a real team effort

Conventional wisdom believes that high-performing individuals deliver organizational performance. Adaptable organizations, on the other hand, place greater emphasis on teams and help unlock individual performance through team composition and new ways of working. In fact, 2019 research by Deloitte Consulting LLP shows that the shift toward team-based organization models and away from traditional hierarchical management models is well underway, with significant improvements in performance as a result. Now imagine how that can be amplified by including the automated workforce.

By harnessing the Power of With, digitally transformed tax departments have an opportunity to significantly change and improve the way they provide services to their internal and external stakeholders. When considering life in a tax department that leverages automations, it is important to include tax department personnel in brainstorming automation possibilities, establish realistic expectations for what tax professionals and other human team members can expect of their automation counterparts, and provide the education and training that adequately prepares them to work alongside those automations. The Power of With has arrived. What will your tax team look like going forward?



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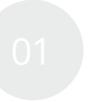
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# Endnotes

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4. Ibid.
5. Or, alternatively, a purchaser that is not established in Belgium, but is VAT registered in Belgium through the apportionment of an individual fiscal representative.
6. Illustrative example from Deloitte Belgium.
7. Deloitte Consulting LLP, “Organizational performance: It’s a team sport,” *2019 Human Capital Trends Report*, <https://www2.deloitte.com/insights/us/en/focus/human-capital-trends/2019/workforce-engagement-employee-experience.html>, accessed April 2019.



# Acknowledgments

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