

The Transformation of Tax

Something Big is Happening Here

What's different today? Expectations of the tax function are evolving



The need for tax departments to elevate and expand their role in the business isn't new, but the demands being placed on them are. Mandates from CFOs and other important stakeholders across the business are driving this shift.

- Become a stronger partner to the broader business
- Do what you've been doing . . . better
- Expand your thinking and role
- Communicate effectively

Why is tax rising to the top of CFO's priority list? Three factors driving the transformation imperative



- Accelerating globalization
- Growing regulation and business complexity
- The evolution of commercial tax applications

What is this new emphasis likely to mean? Implications for four central stakeholders



- ▶ **CFO**
Serve as champion, laying groundwork for change, both in the tax function and across the business.
- ▶ **Tax Advisers**
Help ramp up new processes and technologies, align tax function with business strategy and operations, and deploy talent.
- ▶ **Tax Personnel**
Carry out traditional responsibilities more efficiently while developing new skills to support activities relating to four faces.
- ▶ **Tax Executive**
Traditional role elevate to transformative role

Traditional
Operator: compliance
Steward: protecting organizational assets

Transformative
Catalyst: drive action across the business to support financial goals
Strategist: align tax department activities with broader business strategies

Deloitte... out front, leading our clients through change

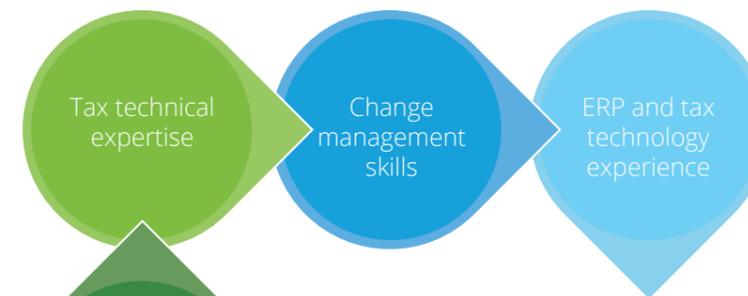
How do we get there? Next steps for CFOs and tax executives



- ▶ **Planning**
 - Align tax department and business objectives
 - Envision the future-state tax department
 - Create a roadmap
- ▶ **Execution**
 - Enhance and streamline tax processes
 - Evaluate enabling tools and technologies
 - Design new organizational models
- ▶ **Communication**
 - Measure results
 - Support the change

When asked in a Deloitte Dbriefs webcast on July 17, 2014, where does their organization fall in its tax transformation around process, technology and data, 23 % of more than 2,700 non-Deloitte participants responded static – limited technology while 21% responded proactive – portfolio of distinct technology tools

What will it take? Real transformation requires a diverse team



Successful Transformation

When asked in a Deloitte Dbriefs webcast on July 17, 2014, if tax leadership is involved in setting their organizations overall business strategy, 45% of more than 2,700 non-Deloitte participants responded yes.

It's the tax department's turn



For years, tax departments remained in the shadows as transformation swept across other business functions. Now, it's the tax department's turn to step into the spotlight. With a clear view of how the tax function's role can evolve and expand, and the commitment of the CFO and tax executives, something big can indeed happen.