

Value Chain Alignment

Creating value through business transformation

June 2019

The need for alignment

There is a global tax reset underway. Legislation and regulations are evolving rapidly and driving change to traditional approaches to managing and reporting tax. The OECD's Base Erosion and Profit Shifting initiative (BEPS), along with the EU's Anti-Tax Avoidance Directive, and US Tax Reform, to name a few, are introducing new expectations of behavior and transparency across many jurisdictions.

At the same time, commercial pressures are requiring companies to modify their traditional business models to operate more regionally or globally, to expand into international markets, or to adapt to new (and potentially disruptive) technologies.

What is Value Chain Alignment?

Value Chain Alignment (VCA) is the process of integrating a multinational company's operating model and global tax strategy, and ultimately balancing the demands of each, to create value. Aligning the operating model with the tax model should have a positive financial effect. It also provides a response to the changing international tax landscape by helping to demonstrate the purpose and substance behind an organization's structure, international presence and operations.

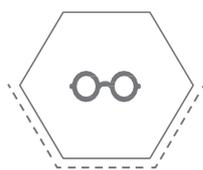
How Deloitte can help

Deloitte's VCA teams assist international businesses with integrating their tax strategy with their business strategy and the global business environment. By coordinating the consideration of value-added intellectual property, value chain functions and the management of related risks, VCA is designed to assist business leaders to make more effective decisions on an after-tax basis and create an efficient operating model, poised for growth that is scalable and sustainable.

Deloitte's VCA teams, globally, approach alignment holistically using a methodology that focuses on the business and its processes, systems, organization structure and location, with a lens on legal, tax (direct and indirect), finance aspects and any available incentives.

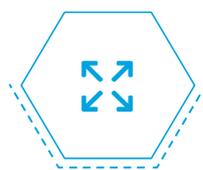
We take account of multiple aspects of the transformation, creating a financial model to understand costs and risks, building in sensitivity analysis to account for forecasting deviations and taking account of business objectives and the local tax position versus the foreign tax position.

Value Chain Alignment: a holistic approach



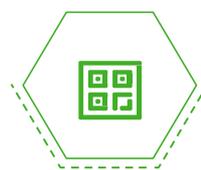
Assess:

Develop a detailed understanding of the organization's current profile



Design:

Establish a cohesive plan of action



Implement:

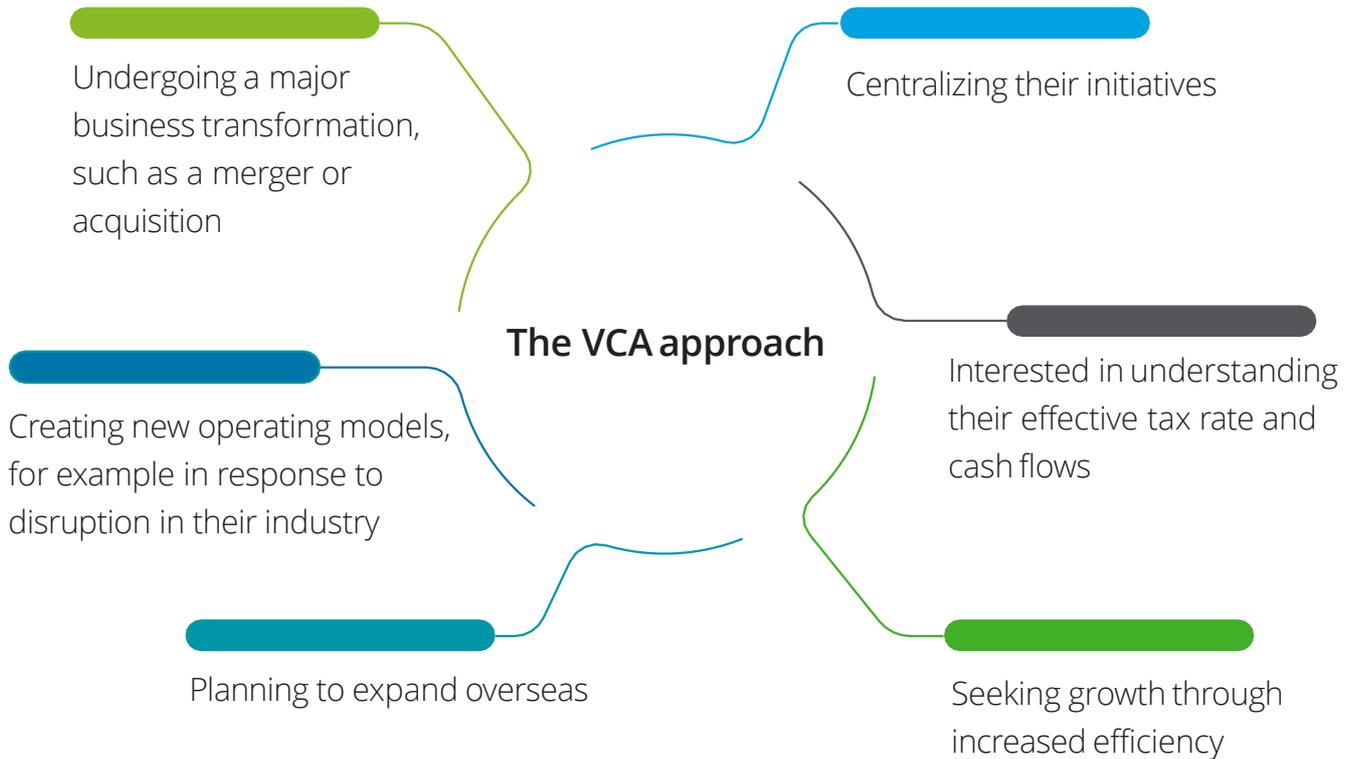
Convert strategies and operating blueprint into reality



Sustain:

Maintain and monitor strategies implemented

Deloitte's VCA approach is appropriate for international organizations that are:



Why Deloitte?

Our professionals have extensive experience in value chain alignment, intellectual property practices, and global tax strategy development.

Deloitte's proprietary VCA toolkit has been used to help many international organizations align their tax strategy to their business strategy.

We provide a comprehensive, holistic and tailored approach by teaming with Deloitte Consulting, our global network, and cross-functional service lines.

Contacts

Americas

Jivan Datta

Deloitte Global Leader -
Value Chain Alignment

Tax Principal

Deloitte US

jivandatta@deloitte.com

+1 704 887 1695

Asia Pacific

Sharon Li Ping Tan

Tax Partner Deloitte

Singapore

sharontan@deloitte.com

+65 6800 4689

EMEA

James Bland

Tax Partner

Deloitte UK

jdbland@deloitte.co.uk

+44 7971 289170

Pascal Van Hove

Deloitte Global Leader

– Business Change

Tax Partner

Deloitte Belgium

pvanhove@deloitte.com

+ 32 2 600 67 70



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities. DTTL (also referred to as “Deloitte Global”) and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 264,000 people make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms or their related entities (collectively, the “Deloitte network”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2019. For information, contact Deloitte Touche Tohmatsu Limited.