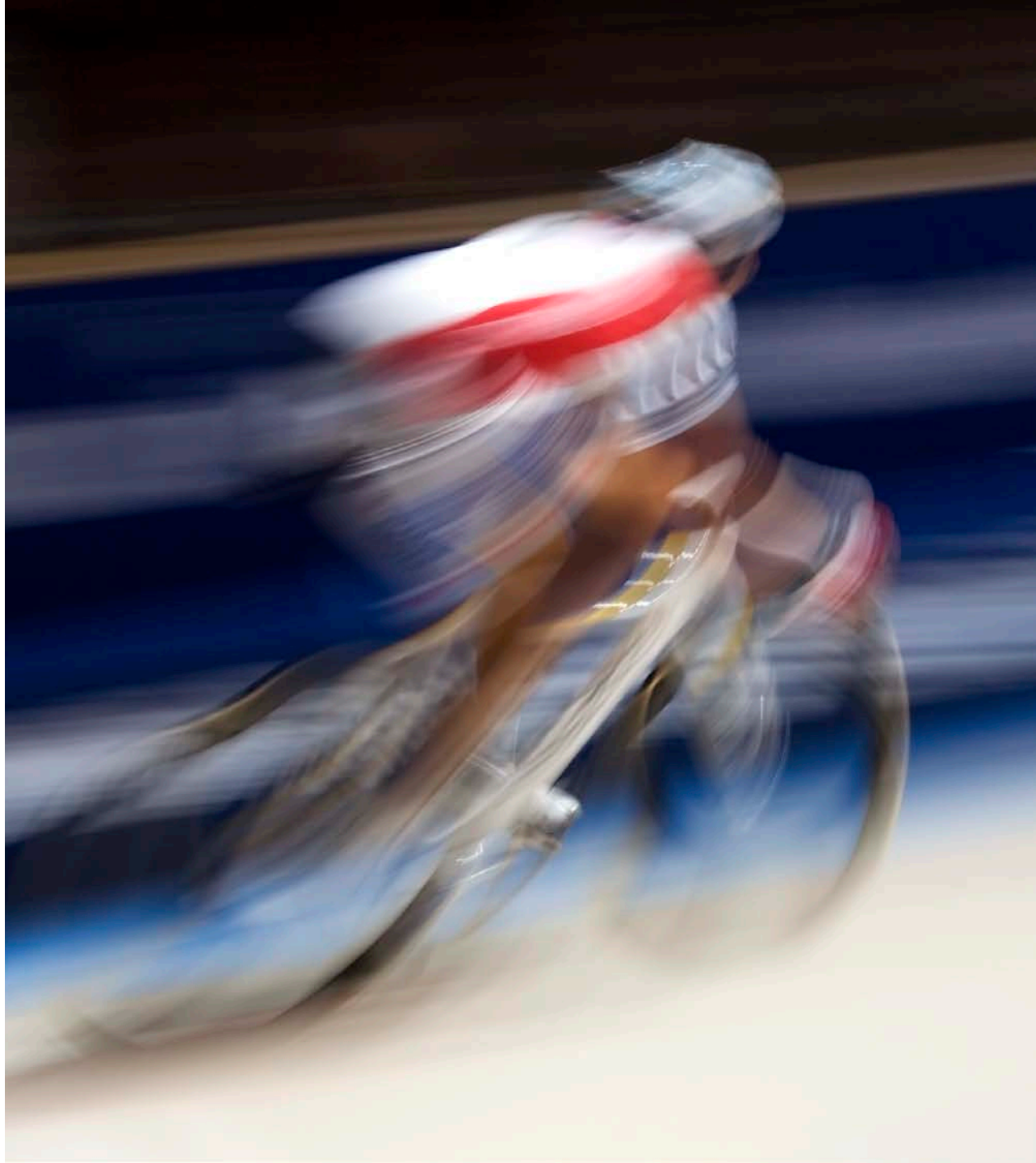




Tax Departments of the Future – Are you ready?

Scott Shafer
Emily VanVleet
Jeff Walker
Deloitte Tax LLP

March 1 - 4, 2015



Agenda

Trends in tax transformation

Emerging expectations

Transformation enablers

Catalysts for transformation

The way forward

Trends in tax transformation

Trends in tax transformation

Transformation business definition

“Making fundamental changes in how business is conducted in order to help cope with a shift in market environment.”

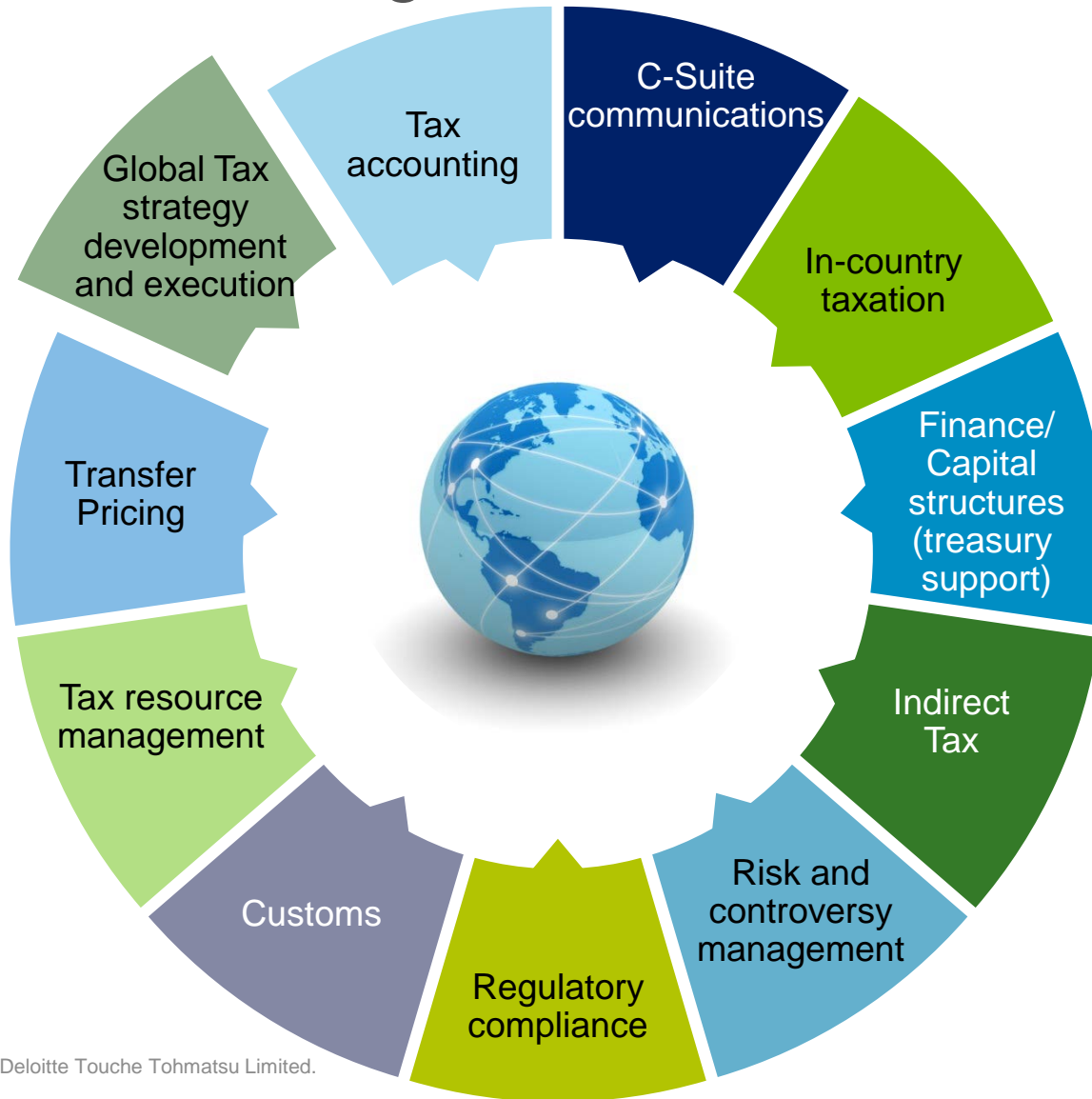
Trends in tax transformation

Why tax? Why now?

Accelerating globalization	<ul style="list-style-type: none">• Companies are increasingly looking for opportunities to grow – must account for, report on and plan for taxes• Tax considerations can be pivotal in strategic business decisions• Transforming global tax-related process from decentralized to a standard global approach
Growing business complexity and regulation	<ul style="list-style-type: none">• New requirements in a company's traditional markets, as well as the rules applicable in new markets• As businesses look for new ways to create shareholder value, business complexity may also increase• More prescriptive filing/reporting requirements with links into government systems• OECD's Base Erosion and Profit Shifting ("BEPS") initiative
Evolution of tax applications	<ul style="list-style-type: none">• Increased capabilities of tax-specific software• Tax-specific modules for ERP and EPM systems
Evolution of the finance function	<ul style="list-style-type: none">• Often out in front of the tax function due to years of effort around finance transformation• Finance executives are now experiencing the fruits of their own transformation efforts and have a perspective informed by successful close acceleration, service center deployment, etc.

Trends in tax transformation

Focused versus integrated transformation



Emerging expectations

The way forward

How can tax best create value?



Gain efficiencies – tax departments tend to be the largest consumers of financial data



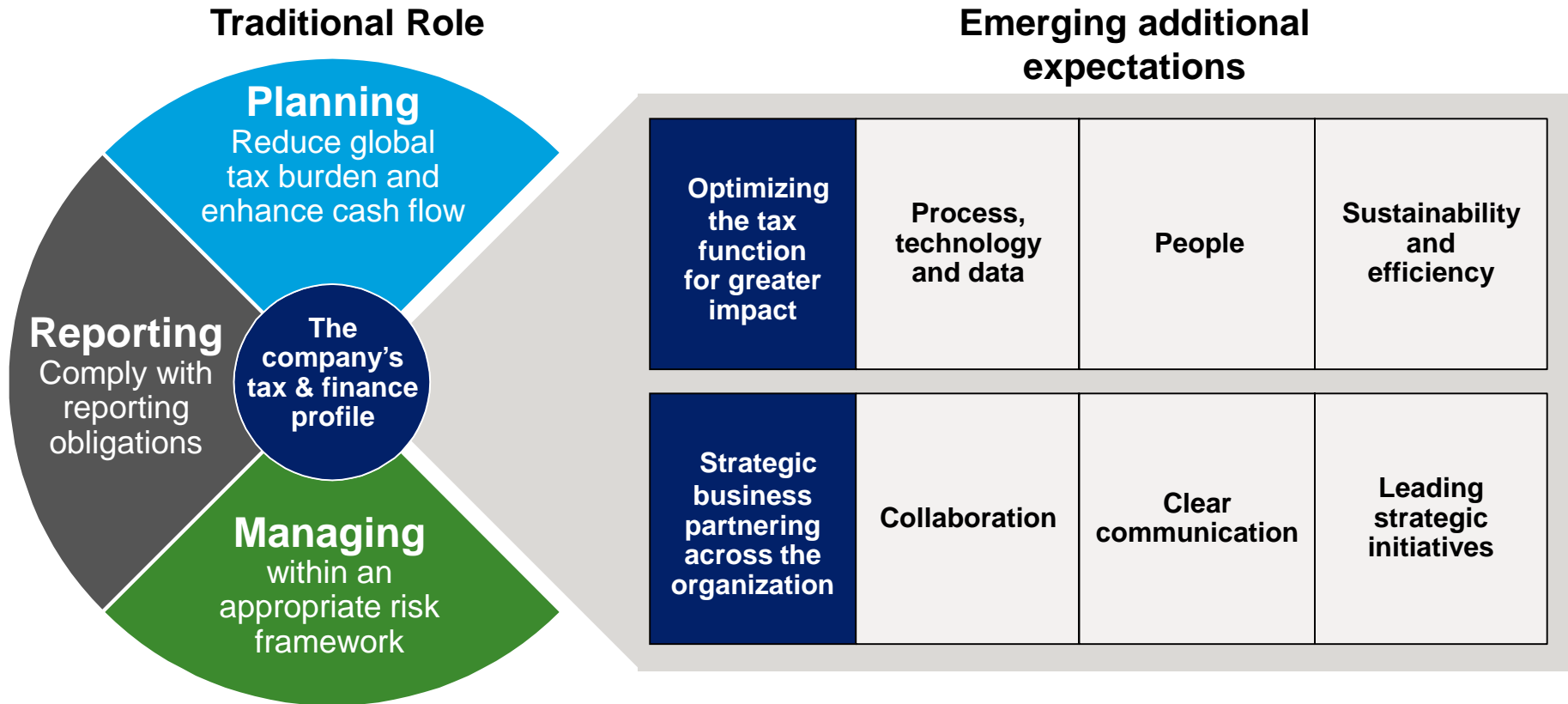
Manage risk – regulatory complexity and increased scrutiny add pressure to global compliance and reporting burdens



Boost EPS and improve cash flow – as a rule, taxes represent the single largest expense on P&L after cost of sales

What is tax transformation?

Expanding the role of the tax function



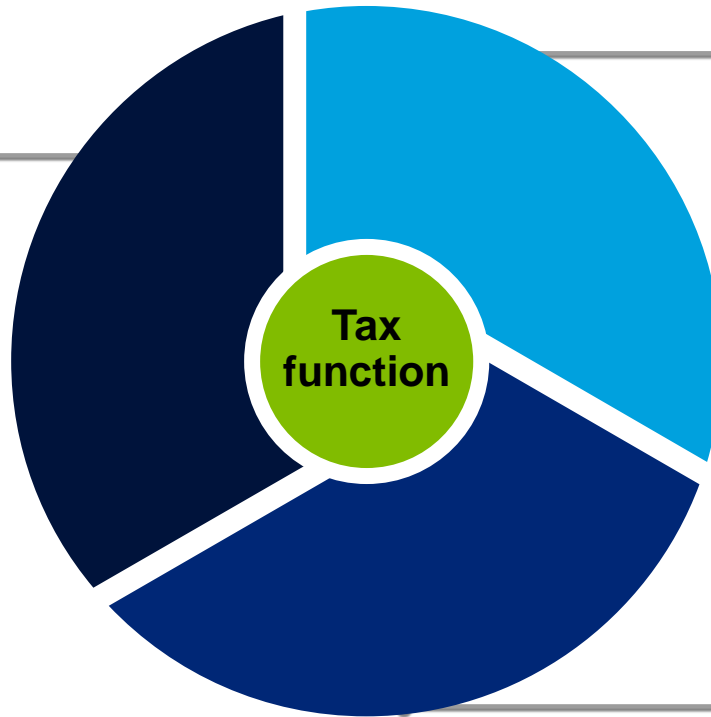
Derived from Deloitte stakeholder interviews, including hundreds of CFOs and stakeholders, in preparation for Deloitte Tax Executive Transition Labs.

Expanding the role of the tax function

Enhancing the tax function for greater impact

Sustainability and efficiency

- Consistently reduce cost of global tax function
- Deliver high quality at low cost in mature areas
- Align with statutory accounting
- Increase Tax partnership across the enterprise



Process, technology, and data

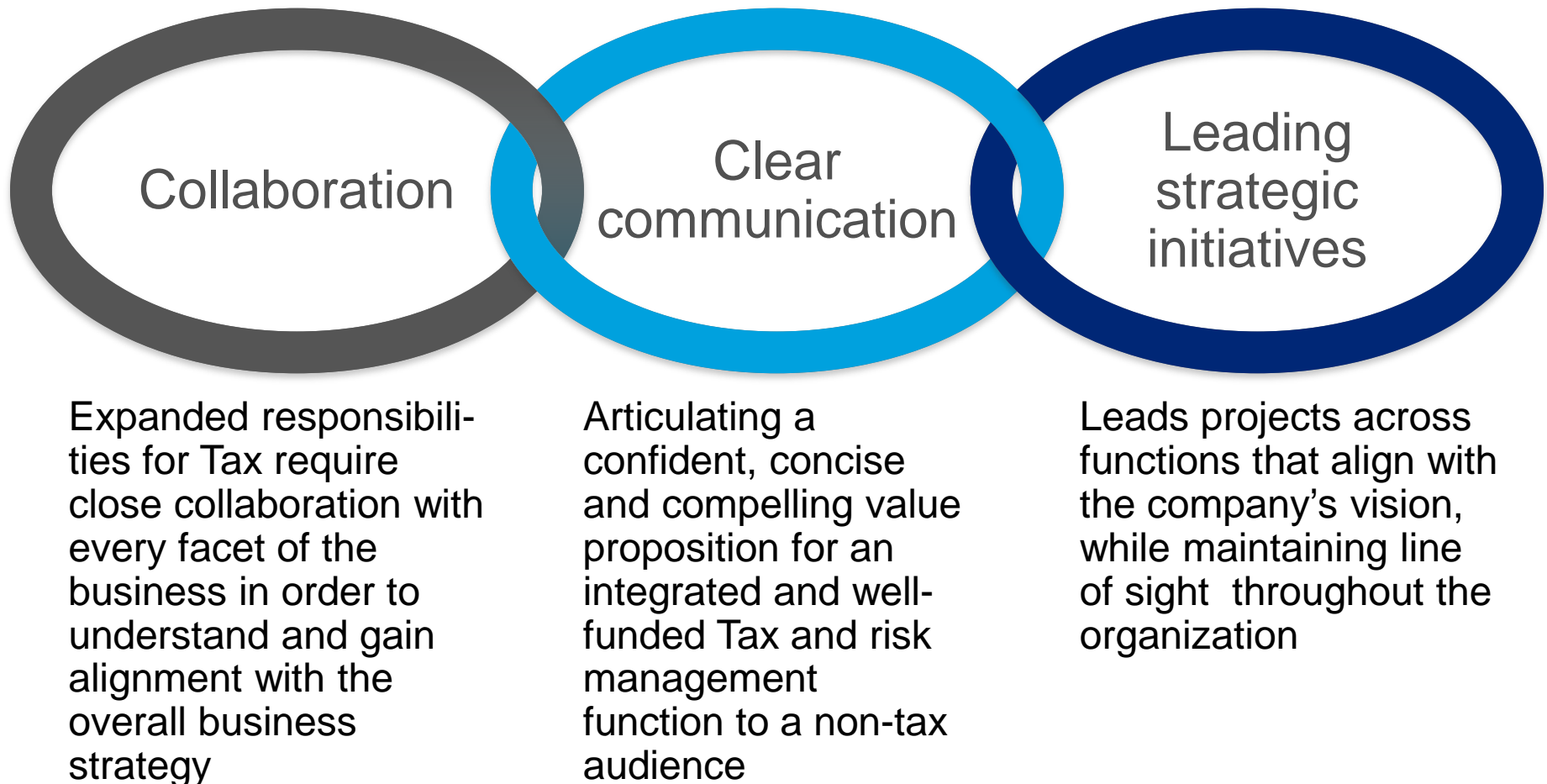
- Establish global tax processes
- Integrate technology across business functions
- Access data for increased efficiency and effectiveness
- Maintain quality of data used by Tax

People

- Meet heightened expectation of sustainability and efficiency in traditional roles
- Determine appropriate sourcing mix: In-house, outsource, offshore, shared service center
- Expand skill sets within the tax department beyond tax technical
- Implement succession planning

Expanding the role of the tax function

Strategic business partnering across the organization



Transformation enablers

Transformation enablers

Critical enablers to successful transformation



Transformation enablers

Critical enablers to successful transformation



Data and technology

- Fully leverage existing technology
- Integrated systems versus point solutions
- Integrated data requirements
- Embedded reporting
- Bolt-ons
- Accommodating Business Model Optimization structures
- Addressing time consuming or problem areas



People and organization

- Operating models
- Focus on cost reduction
- Tax professionals of the future
- Demonstrating value of the Tax department
- Process enhancement
- Workforce planning
- Technical and professional training



Risk framework

- Tax risk intelligence
- Tax in the board room
- Data analytics
- Risk sensing

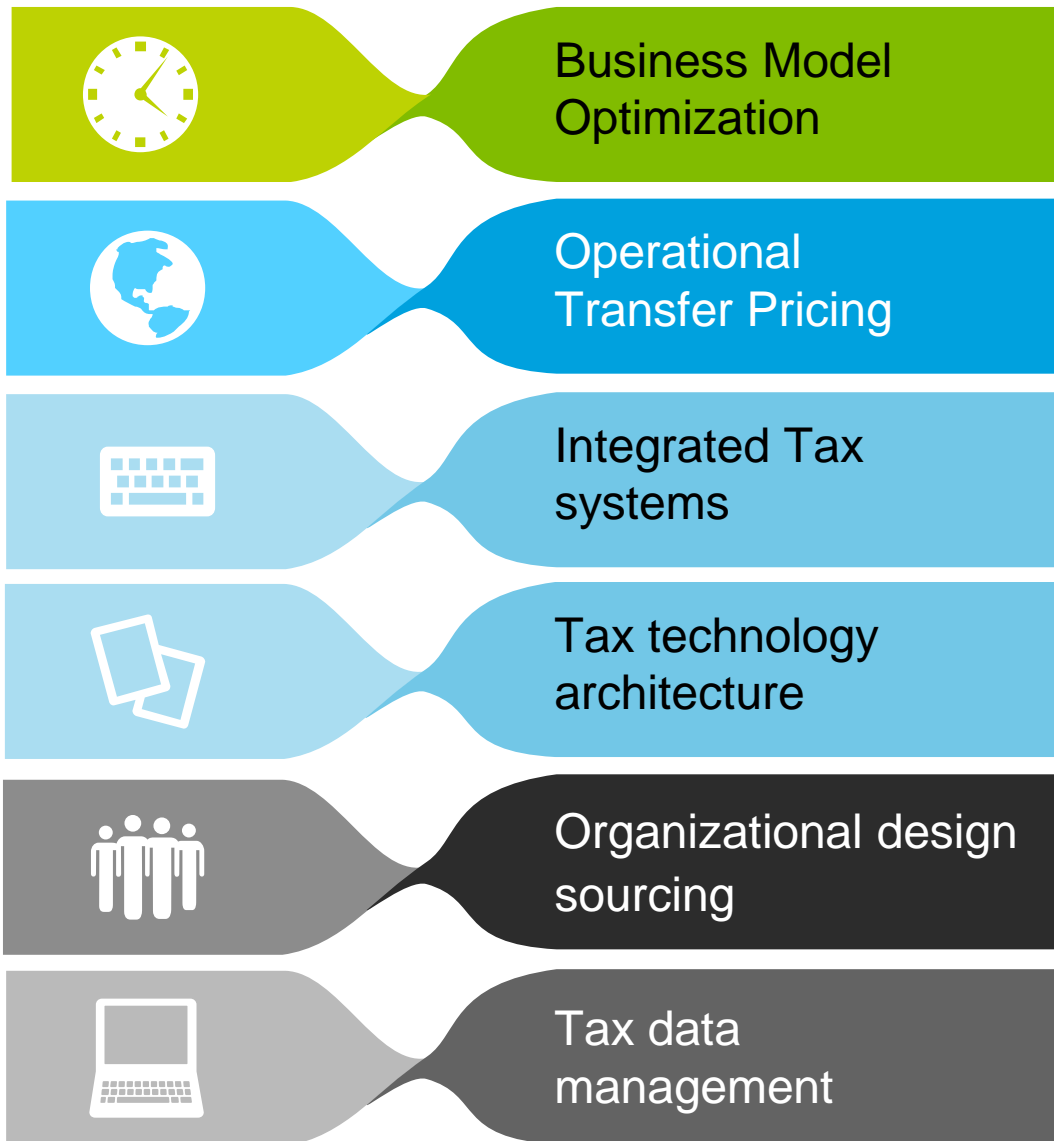


Business partnering

- Knowledge of the business
- Collaboration with the business
- Alignment with business strategy and priorities
- Communication of risks consistent with other functions

Catalysts for transformation

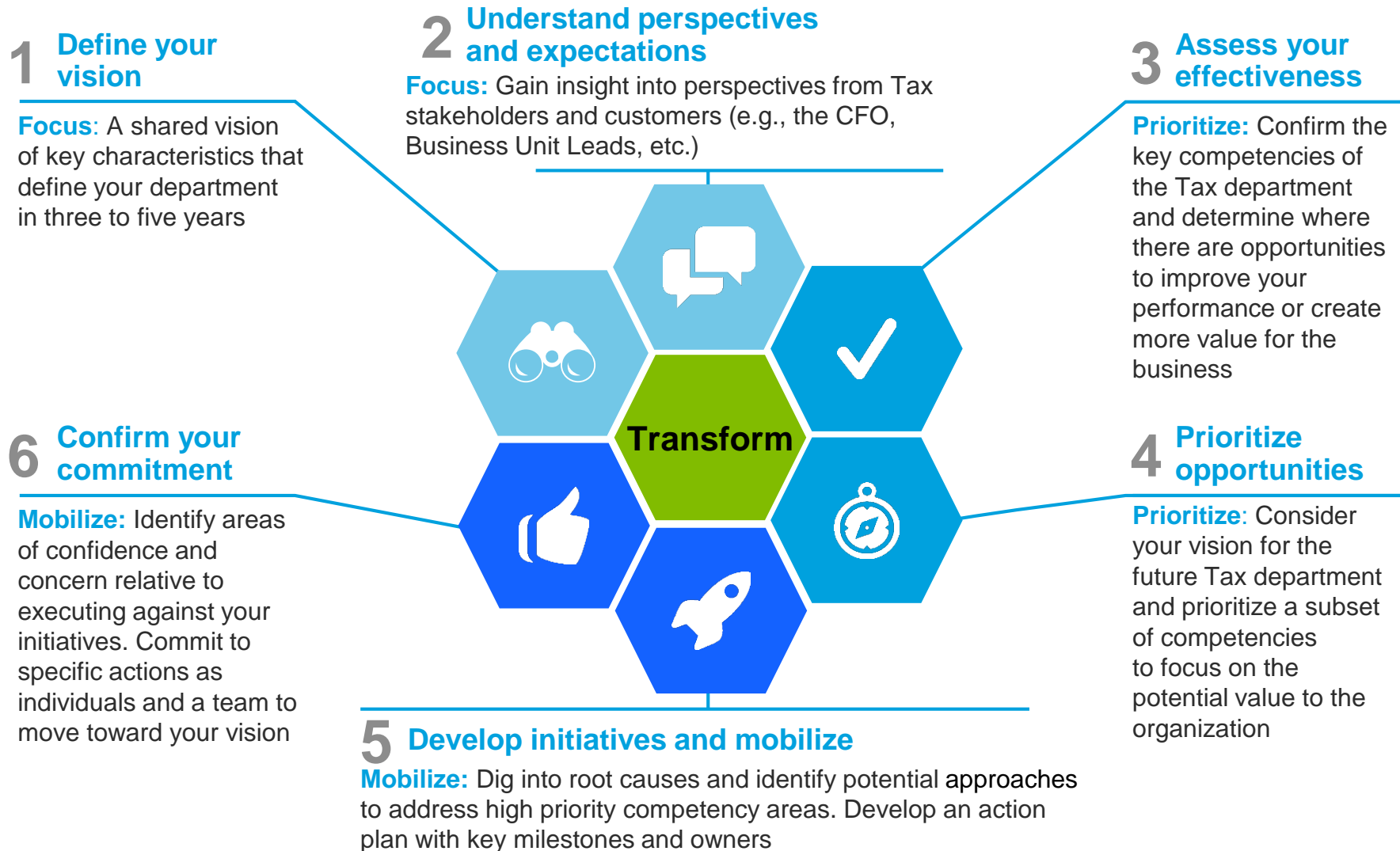
Catalysts for transformation



The way forward

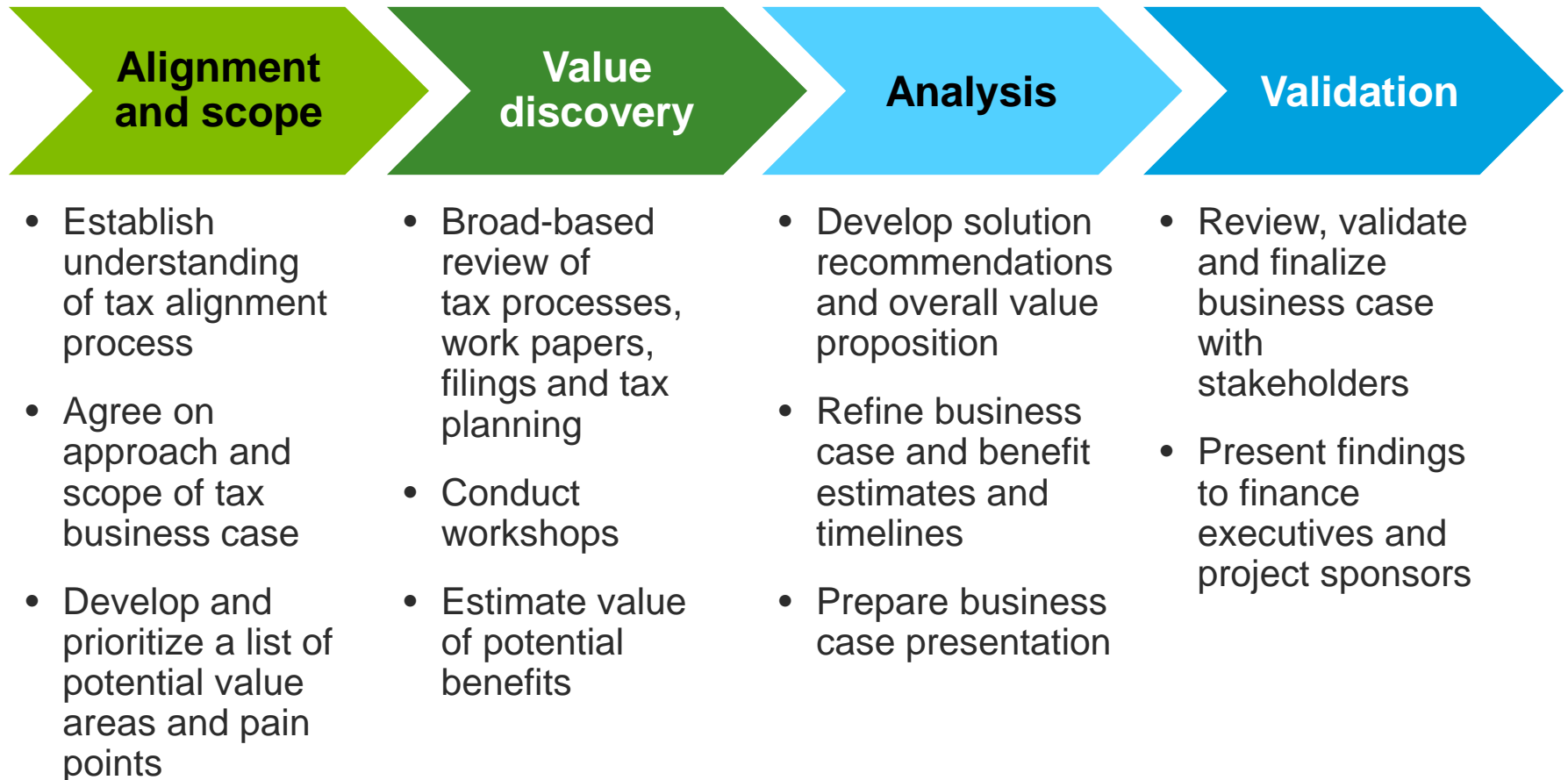
The way forward

Taking action to transform



The way forward

Building a business case



Questions and answers

Please remember
to complete your
evaluation

Speaker bios

Scott Shafer is a Principal in Deloitte Tax LLP's Tax Management Consulting Practice. He has over 20 years of experience including leading complex, large corporate tax consulting projects as well as leading tax automation projects. Scott has led a number of tax SAP, Oracle, JDE, and PeopleSoft Integration projects including tax data mart design. Scott has managed numerous SAP, Oracle, JDE, and PeopleSoft Tax integration projects for both income and non-income taxes. In addition, he is responsible for delivering tax related services on global finance transformation projects.

Recently, Scott has been leading numerous sales and use tax bolt-on implementation projects (e.g., Sabrix, Vertex) which includes a multi-year global rollout currently underway. Scott has extensive experience with the implementation and management of the tax process, technology and infrastructure components related to mergers, acquisitions and divestitures. Scott leads a team of approximately 20 professionals.

Scott has authored an article in CFO Insights entitled "Looking for Cash: Tapping the Indirect Tax Opportunity".

Scott holds a B.A. in Economics ('89) and Masters in Accounting Science ('93) (specializing in Management Information Systems) from the University of Illinois.

Phone: + 1 917 331 8676

Email: sshafer@deloitte.com

Jeff Walker the Chief Development Officer for Deloitte Tax LLP, coordinating Corporate Development and Tax's National Service lines. With over 30 years of industry and public accounting experience, Jeff has extensive experience with merger and acquisition and divestiture transactions in various industries, including energy and oilfield services, manufacturing and distribution. Through his career he has gained broad experience with mergers, acquisitions, due diligence, capital raising and related corporate finance considerations, including over 100 initial public offerings and multiple multinational joint ventures.

Jeff received his B.A. from the University of Mississippi and is a Certified Public Accountant.

Phone: +1 713 982 4064

Email: jeffwalker@deloitte.com

Speaker bios

Emily VanVleet is a Partner in Deloitte Tax LLP's Tax Management Consulting (TMC) practice. With more than 16 years' experience providing corporate tax consulting services, Emily specializes in helping clients design and deliver initiatives involving the technical accounting, process, controls, and technology aspects of accounting for income taxes. Emily's experience includes leading large scale projects to develop and implement tax basis balance sheet reporting for global companies, designing and enhancing the process and controls aspects of tax financial reporting, and implementing global tax technology solutions including products in the Corptax and ONESOURCE suites.

Emily also leads tax basis balance sheet services nationally for the TMC practice, with particular focus on helping companies utilize tax and financial accounting systems to streamline and automate leading practices around tax financial reporting. As part of her national role, Emily is a member of Deloitte's Financial Accounting & Reporting – Income Tax Competency Group and regularly conducts client training sessions on accounting for income taxes.

Emily received her BS in Accounting and MS in Taxation from the University of Memphis. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Georgia Society of Certified Public Accountants.

Phone: +1 678 517 9722

Email: evanvleet@deloitte.com

This presentation contains general information only and Deloitte is not, by means of this presentation, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte, its affiliates and related entities, shall not be responsible for any loss sustained by any person who relies on this presentation.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

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 publication, 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.

© 2015. For information, contact Deloitte Touche Tohmatsu Limited.