



TAX INNOVATION **WEBCAST
SERIES**

Aligning Data and Technology Strategies Across Finance and Tax

APRIL 24, 2025

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Today's Learning Objectives

- ▶ Examine innovative techniques to seamlessly integrate data and technology between finance and tax functions.
- ▶ Implement best practices for synergistic interactions that drive efficiency and alignment across departments.
- ▶ Demonstrate enhanced tax function value through data analytics and technology.

With You Today



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Agenda for Today

1

Current Landscape of Finance and Tax Technology

2

The Importance of Finance and Tax Technology Alignment

3

Strategies for Aligning Finance and Tax Technology

4

Future Trends in Finance and Tax Technology

5

Wrap Up, Q&A, Next Steps

Finance Has the Opportunity to Drive Many Dimensions of Value



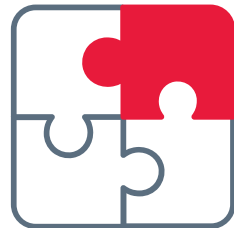
Value Enablement



Effectiveness



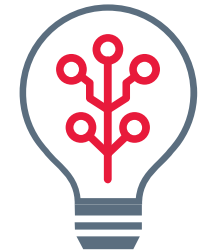
Control



**Integration /
Scalability**



Efficiency



Insight

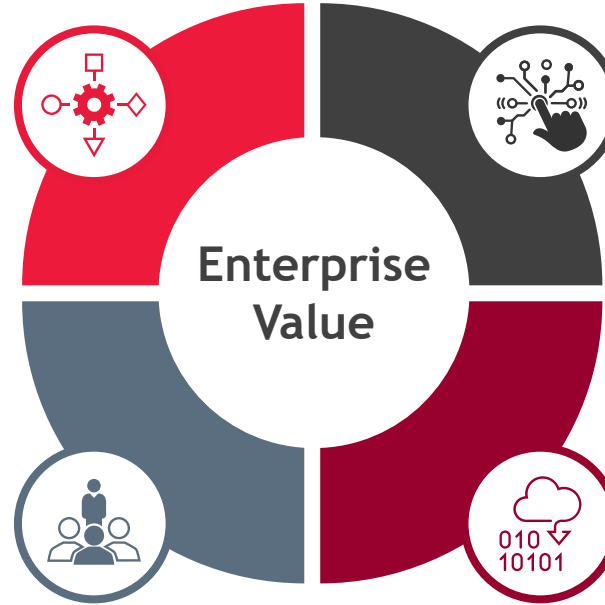
Achieving Sustainable Value Requires Balance

Process

Process and workflow changes are deployed to streamline and automate operations and enable efficient, consistent, high-quality activities across the organization.

People and Capabilities

The operating model is aligned with the business strategy, optimizing roles while leveraging local support teams to maximize the human connection. People are provided training and growth opportunities, building individual capabilities and enabling organizational success.



Technology Optimization

IT strategy is aligned with and derived from the business strategy. Technology solutions are fit-for-purpose, with integrations and configurations designed to automate, eliminate redundant functionality, and work with the business.

Information and Data

Data is engineered to be accurate, appropriately extracted across systems, and aggregated to enable automated reporting and data-driven decision-making. Strong data governance, data management, and controls align data across functions and protect sensitive information.

Change Management and Continuous Improvement

Current Landscape of Finance and Tax Technology

Where does your organization stand in the
process and technology continuum?



Finance and Tax Process and Technology Continuum

To understand where you need to go on your journey, it's critical to first understand where you are. Start by assessing where your tax and finance functions are today by measuring against the below continuum.



The Importance of Finance and Tax Technology Alignment

A Strategic Imperative for Streamlined
Operations and Informed Decision-Making



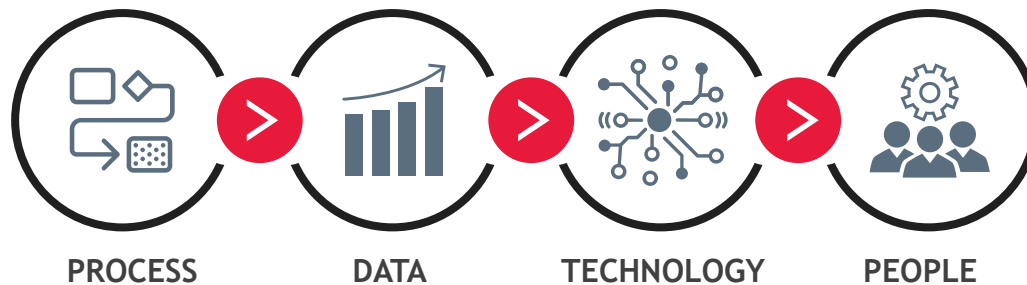
Align Your Finance and Tax Functions to Make Smarter Decisions, Faster

The demands on finance departments have become increasingly challenging to manage. Today's business environment is presenting new, complex factors that are driving the need for finance department optimization, including:

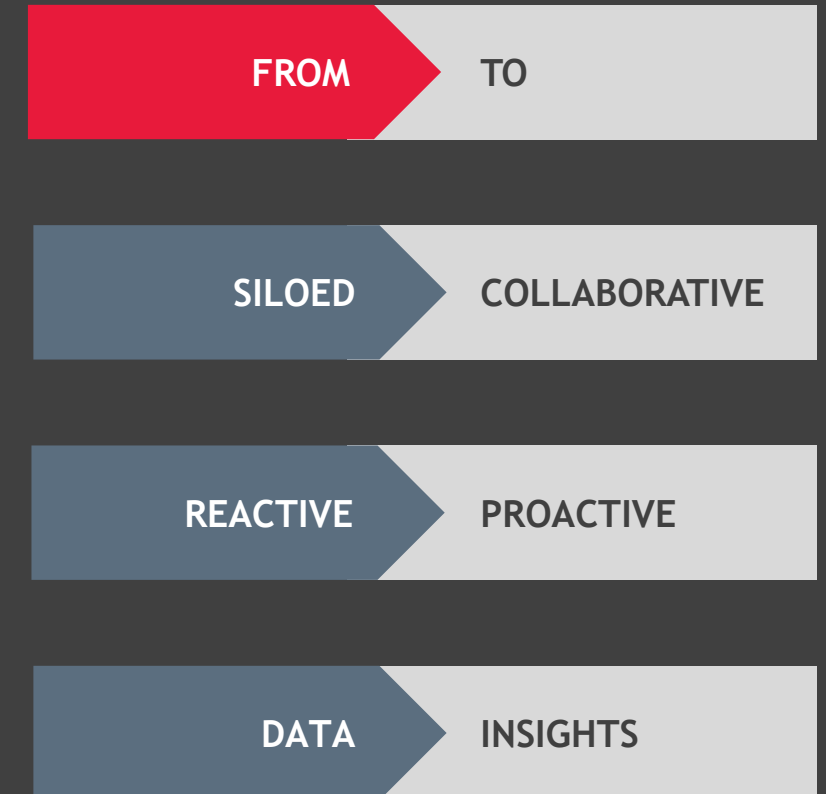
- ▶ Must demonstrate ROI to the business
- ▶ Demand for greater transparency and comparability
- ▶ Reductions and constraints on workforce/headcount
- ▶ Voluminous and complex global tax reporting requirements
- ▶ Increasing complexity in tax-technical areas
- ▶ Need for speed and performance

Through a holistic focus on your process, data, technology, and people, you can respond to these challenges and handle your finance responsibilities faster, with more accuracy, and cost effectively.

The Four Dimensions of Finance Department Optimization

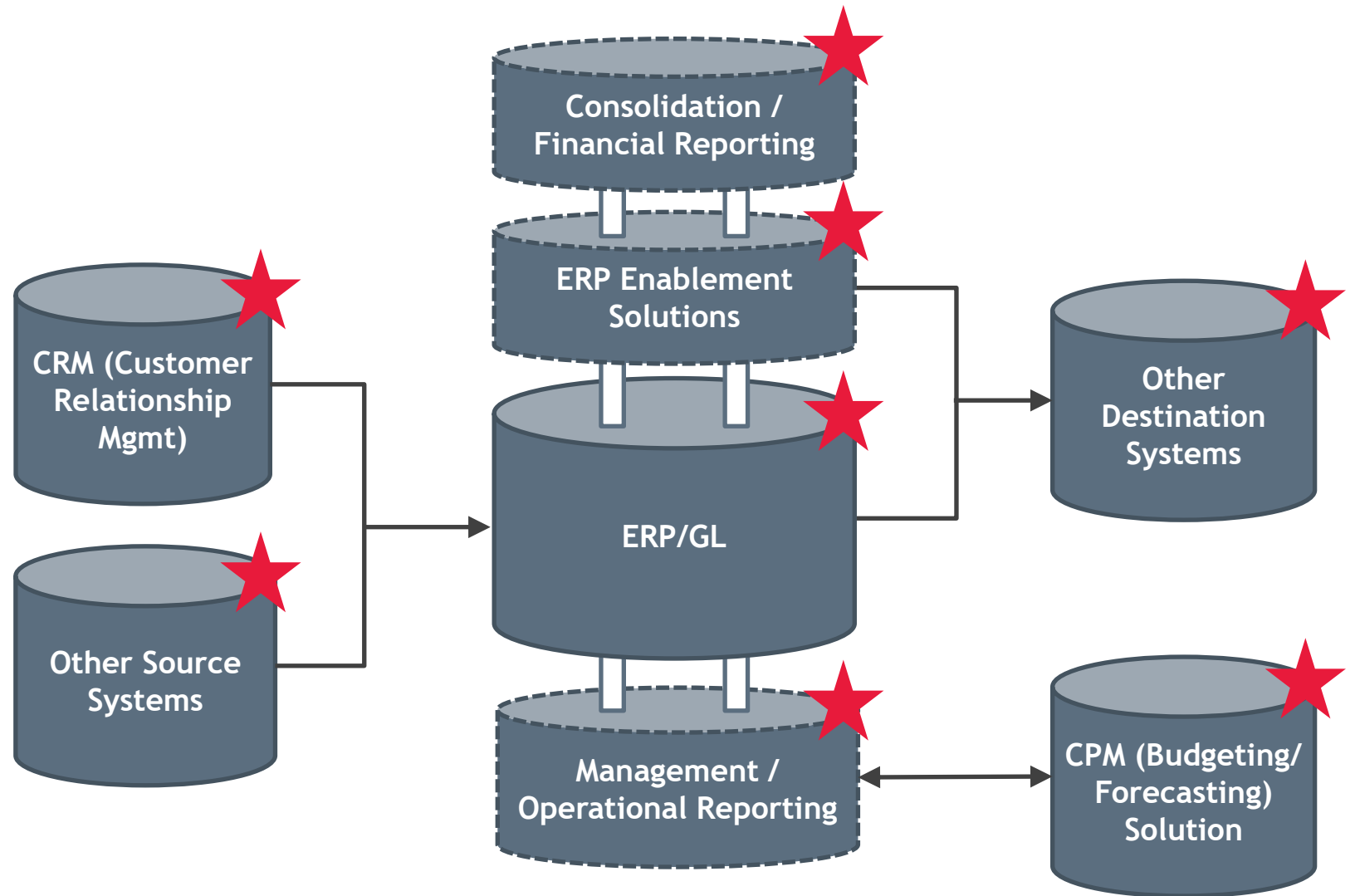


By transforming your finance function, you can take your finance department:



The Modern Financial Systems Structure/Architecture - Illustrative

The business and technology architecture is standardized, integrated, and automated.



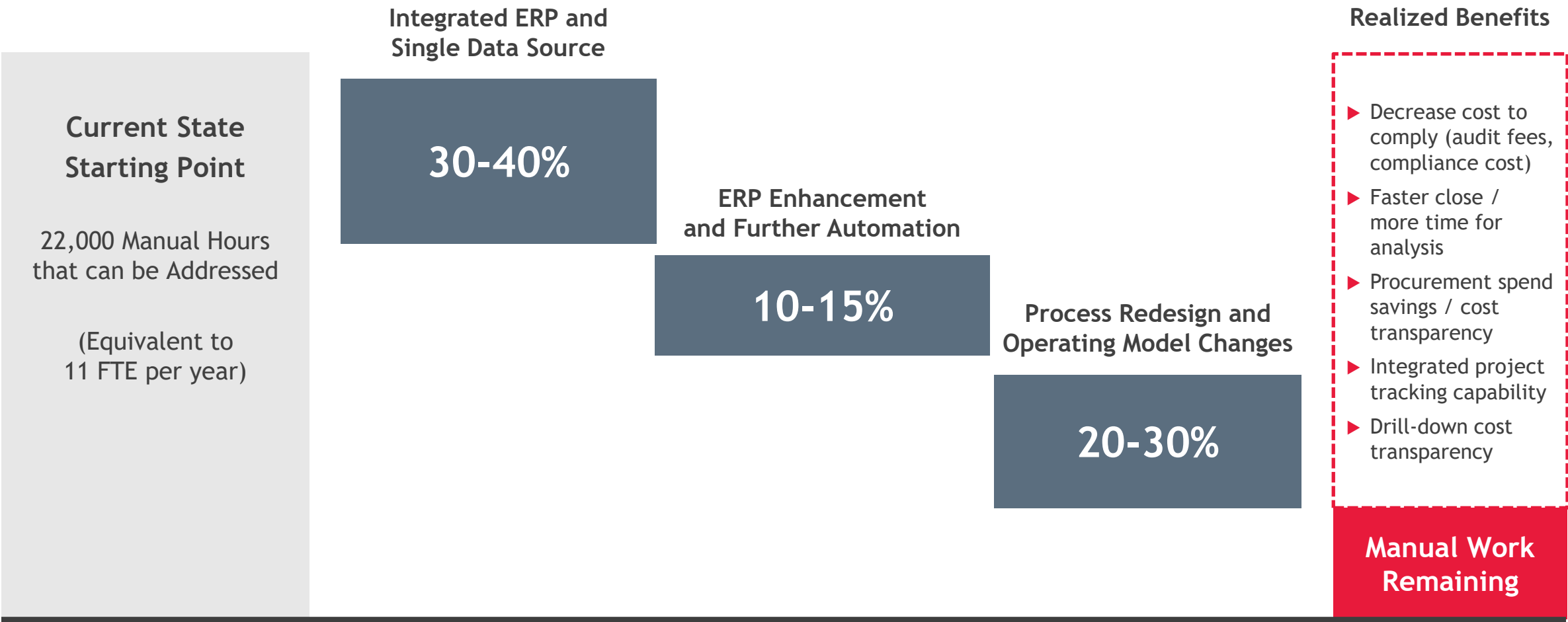
★ Denotes aspects of a Finance function where there is a need for Tax integration.

Tax Requirements Within a Finance Function

A strategic, value-add tax department is one of the largest consumers of data within an organization

Finance System or Process	Tax Department Impacts
ERP/GL	Tax journal entries, transfer pricing, tax returns, tax provision
Transactional GL Detail	Sales and use tax, general ledger detail analysis for tax sensitivity
Revenue Cube	Apportionment, gross receipts taxes, foreign derived intangible income/cross-border revenue
CRM/Salesforce	Customer information, Pillar Two, apportionment, state & local tax
HR/Payroll	Pillar Two, apportionment, executive compensation, employees by state, state & local tax, payroll taxes
Consolidations	Trial balances (local/USD), reconciliations
Management Reporting	Tax impact on earnings per share
Fixed Assets	Tax fixed assets
Financial Reporting	Tax impact on financial statements
Intercompany Transactions	Transfer pricing, Pillar Two, U.S. international calculations, state & local tax
Account Roll Forwards	Tax account roll forwards, tax payments by country
Procurement	Sales and use tax
Treasury	Intercompany loans/intercompany transactions, transfer pricing
Bank Accounts	Foreign bank and financial accounts

Case Study: Reducing High-Risk, High-Cost Manual Operations



Benefits of Alignment

Benefits of alignment between Finance and Tax include:



Improved Decision Making: Accurate financial and tax data supports informed strategic decisions.



Scalability and Flexibility: A well-aligned system can more easily adapt to business growth and changes in tax laws.



Enhanced Reporting: Integrated systems provide comprehensive reporting capabilities, facilitating better insights and transparency.



Better Resource Allocation: With streamlined processes, resources can be allocated more effectively to strategic initiatives.

FOCUS ON

- ▶ Cross-Functional Collaboration
- ▶ Unified Data Management
- ▶ Automation of Key Processes

ITEMS TO CONSIDER

- ▶ Customization Needs: Assess the need for customization to meet specific tax and financial reporting requirements.
- ▶ User Training and Support: Provide training to help ensure staff can effectively utilize the technology's functionalities
- ▶ Security and Access Controls: Implement security measures and access controls to protect sensitive data and restrict access to authorized personnel only

Strategies for Aligning Finance and Tax Technology

How do I manage it all?

3

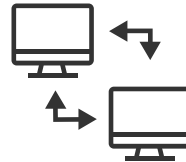
Every Tax Department Needs a Data Management Strategy

KEY BENEFITS OF ROBUST DATA MANAGEMENT



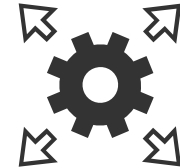
EMPOWERING

- ▶ Enables tax departments to manage and own data
- ▶ Allows tax professionals to build meaningful reports



CONNECTABLE

- ▶ System agnostic
- ▶ Connectible to various tax engines and ERP systems



SCALABLE

- ▶ Data can be leveraged throughout organization
- ▶ Can replace complex and error-prone Excel calculation workbooks

What is a data management strategy?

An effective data management strategy enables the tax department to seamlessly access and transform business data, automating it for downstream use. This approach facilitates scalable solutions, analytics, and reporting for the tax department.

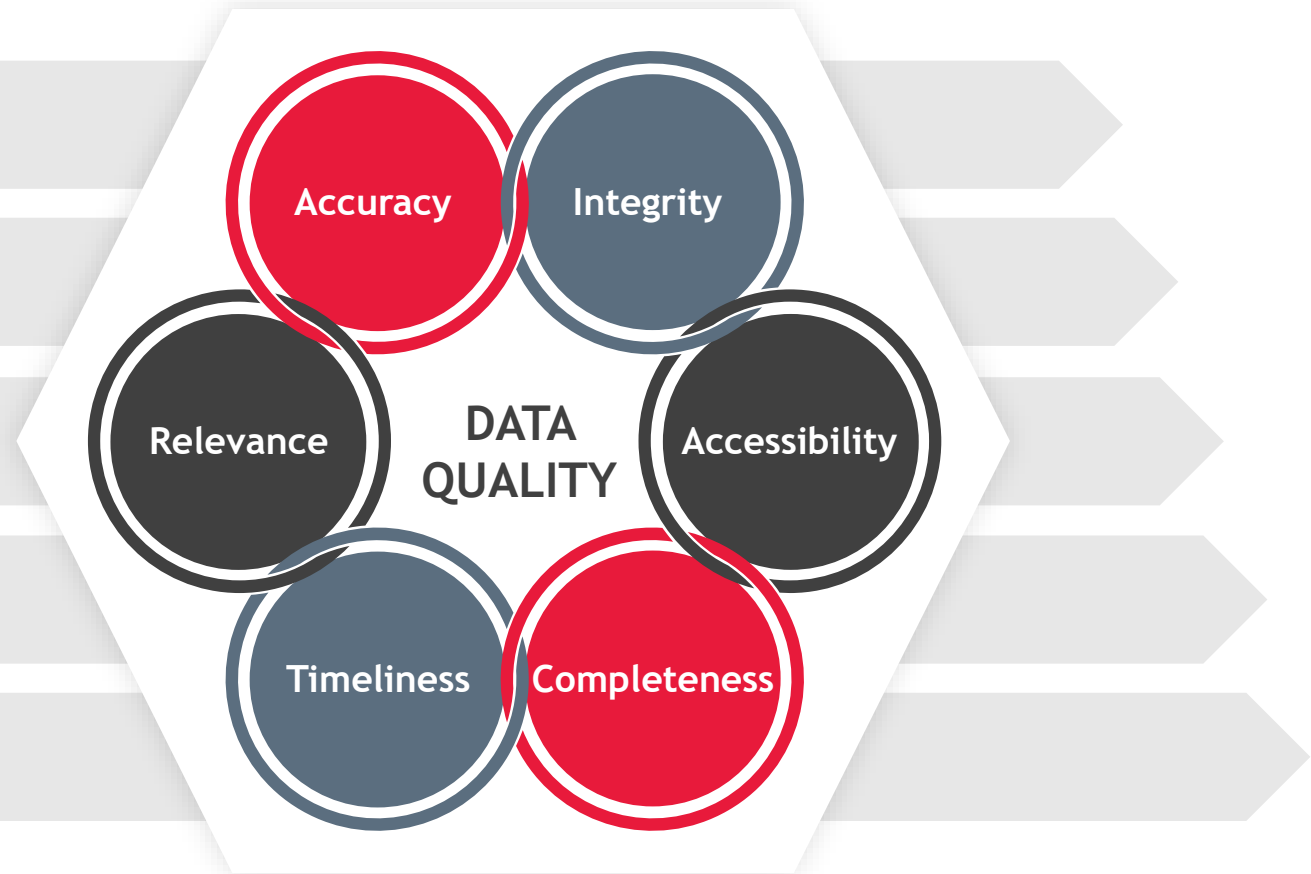
Defining Data Requirements

Data Governance, Security, and Retention Policies

Leveraging Technology & Transformation Tools

Data Lifecycle Management

Implementation, Change Management, and Adoption



Steps to Data Strategy



STEP 1



STEP 2



STEP 3



STEP 4



STEP 5



STEP 6

ASSESS	DEFINE KPIs	IDENTIFY SOURCES	INTEGRATE TECHNOLOGY	IMPLEMENT	LEVERAGE
<p>Describe the current data landscape.</p> <ul style="list-style-type: none"> ▶ Manual Data Entry ▶ No Data Management Strategy ▶ Limited Transparency and Information Sharing ▶ Siloed Tax Function 	<p>Define finance function and business goals.</p> <ul style="list-style-type: none"> ▶ Automated Document and Workflow Management ▶ Improved Information Storage and Sharing ▶ EPS, EBITDA, ETR, Cash Tax, Etc. 	<p>Outline all process inputs, how they're stored and should be processed.</p> <ul style="list-style-type: none"> ▶ Data Standardization and Location ▶ Automation of Data Entry and Routine Processes ▶ Enhanced Reporting Capabilities 	<p>Understand current technology stack and identify new technology, systems or processes to implement.</p> <ul style="list-style-type: none"> ▶ Data Lakes and Warehouses ▶ Data Analytics and Visualizations ▶ Artificial Intelligence 	<p>Define a roadmap and execute a plan set to meet business requirements.</p> <ul style="list-style-type: none"> ▶ Key Milestones and Timelines ▶ Resource and Budget Considerations ▶ Change Management ▶ Process Documentation 	<p>Focus time on value-add activities.</p> <ul style="list-style-type: none"> ▶ Predictive Modeling Capabilities ▶ Real-time Monitoring and Automated Alerts ▶ Finance Delivering ROI to the Business in Real-time

DATA EVOLVES, AS WILL YOUR DATA STRATEGY

Alignment to Tax Function Priorities

Effective Tax Strategy Can:

- ▶ Preserve liquidity
- ▶ Lower costs
- ▶ Work in tandem with the overall business strategy

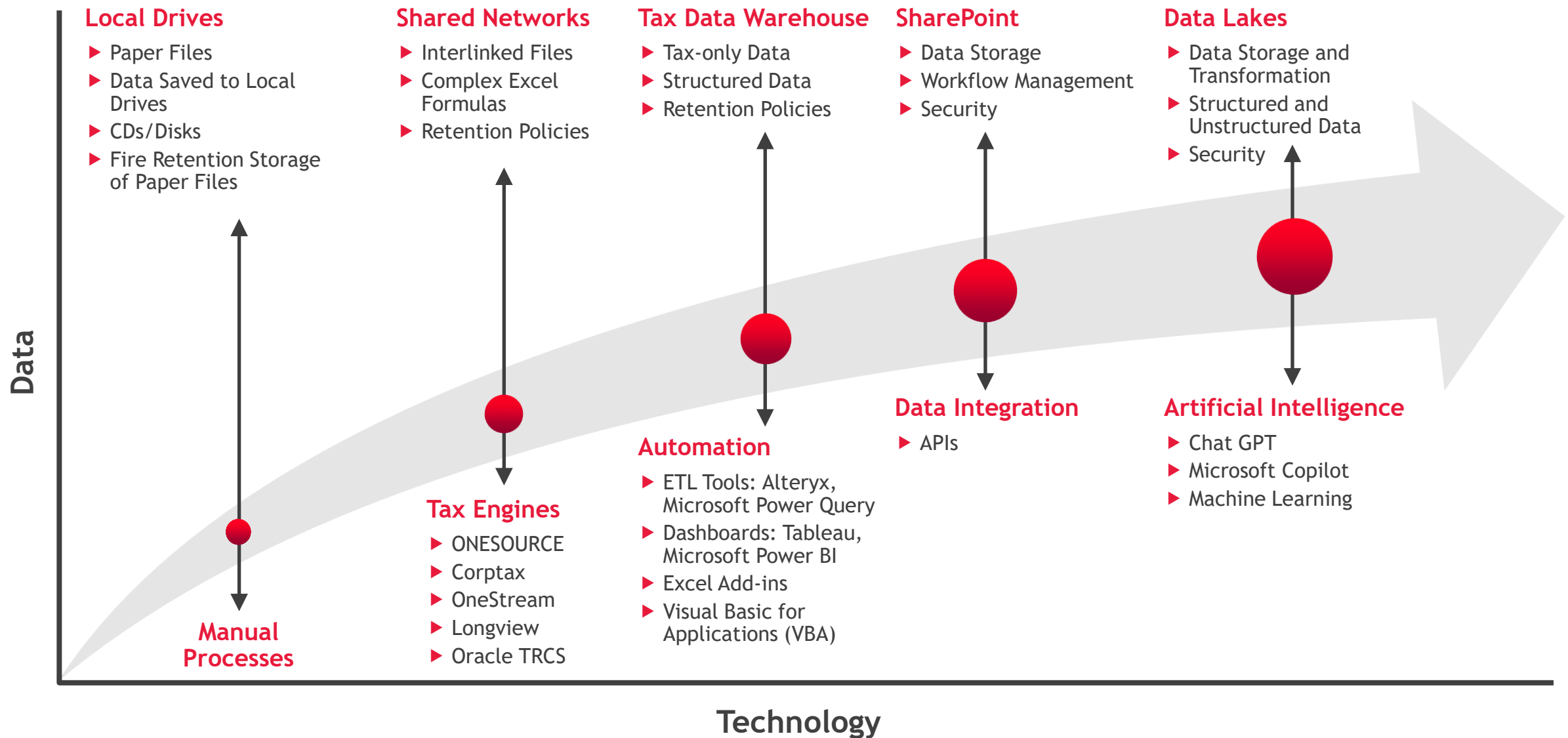


Future Trends in Finance and Tax Technology

Harnessing Innovation to Transform Finance
and Tax Operations for Enhanced Efficiency
and Strategic Growth



Tax Technology and Data Evolution



Employees Want AI at Work, and Won't Wait for Companies to Catch Up



Three out of Four people use AI at work.
Usage nearly doubled with the last six months

75% Of people are **already using AI at work**

45% Of them started using it **less than 6 months ago**

Survey questions:

How often to you use generative artificial intelligence for your work?

How long have you been using generative artificial intelligence at work?

For Employees, AI Raises the Bar and Breaks the Career Ceiling

2024 Work Trend Index Annual Report
From Microsoft and LinkedIn

Survey questions:

- ▶ To what extent do you agree or disagree with the following statements about generative artificial intelligence's impact on skills?
 - I would be more likely to hire a less experienced candidate with AI skills than a more experienced candidate without AI skills.
 - In considering job candidates, I would not hire someone without AI skills.
 - Because they can delegate more work to AI, early-in-career talent will be given greater responsibilities.

77%

Leaders say early-in-career talent will **get greater responsibilities due to AI**



66%

Leaders would not hire someone **without AI skills**

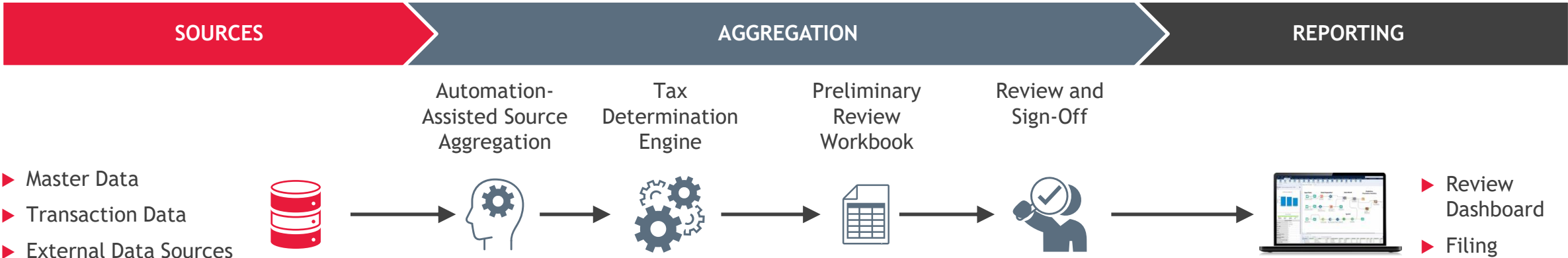


71%

Leaders more likely to hire a **less experienced candidate with AI skills** than a more experienced one without them



The AI-Powered Future of Tax



INTELLIGENT DIGITAL STAFF LAYER

- ▶ Automated Data Intake
- ▶ Transactions and Account Mapping
- ▶ Pattern Recognition
- ▶ Unstructured Data Transformation
- ▶ Tax Regulation Research
- ▶ To-Do Reminders
- ▶ Information Aggregation
- ▶ Email Summary
- ▶ Document Summary
- ▶ Formula Review
- ▶ YOY-Based Review
- ▶ Reconciliation
- ▶ Memo Generation
- ▶ Financial Report Generation
- ▶ Email Draft
- ▶ Due Date Reminder



TAX DATA LAYER

Tax Data Warehouse, Connectors to the Sources, Ability for Real-Time Analytics, Dashboard-Assisted Review, Workflow-Driven Review and Approval, Collaborative Calendar and Tracker

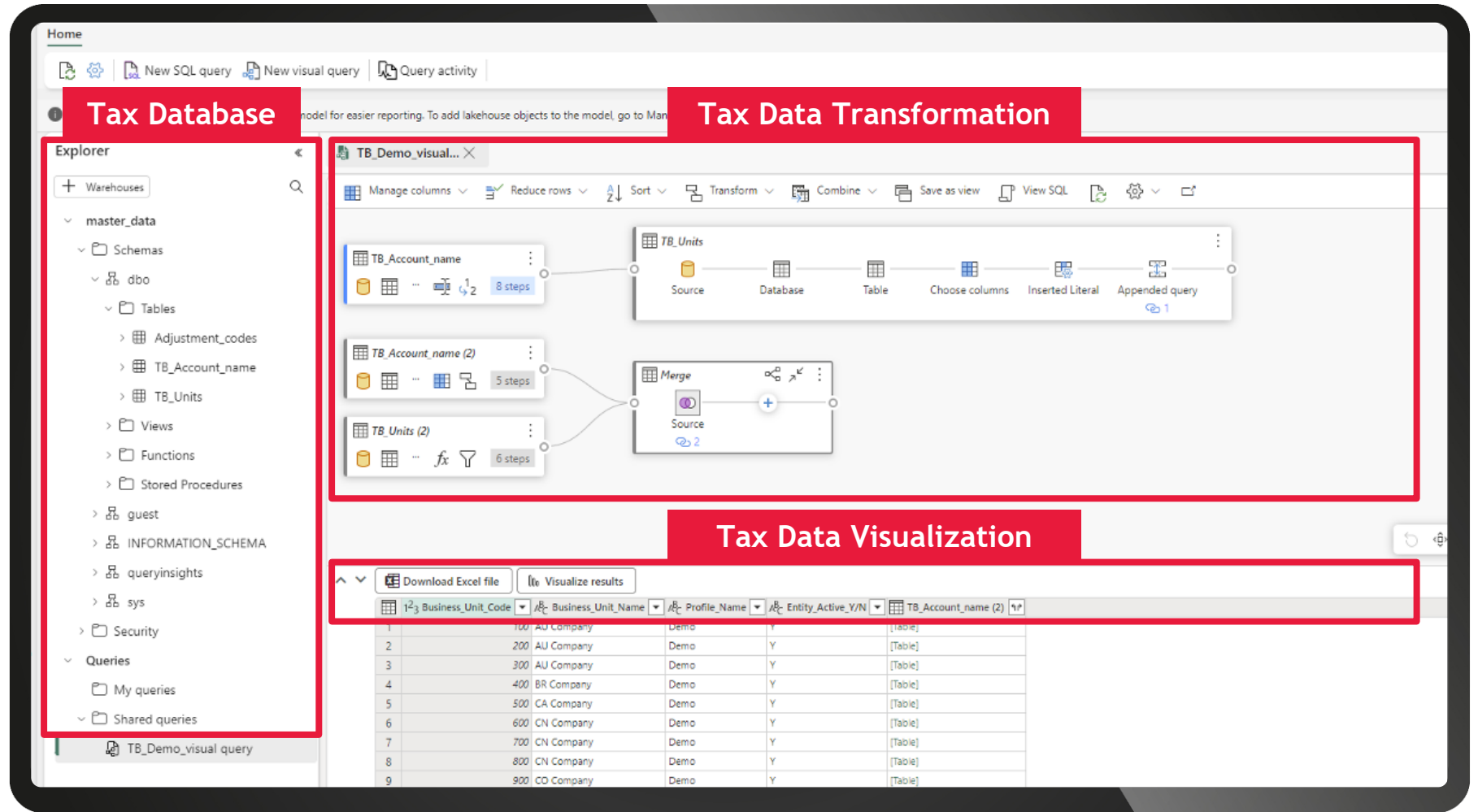
Empower Business Decisions

WITH END-TO-END
TAX ANALYTICS

Accelerate tax data
potential with
Microsoft Fabric



From tax data source integration and engineering to tax intelligence and real-time analytics, Microsoft Fabric helps enable tax professionals to host all their analytics workloads in a SaaS-based, lake-first solution — helping to eliminate organizational siloes and accelerate speed to tax insights.



THOMSON REUTERS
ONESOURCE



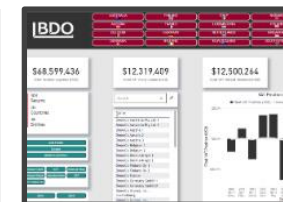
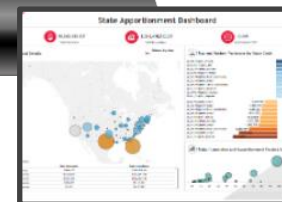
Primary
ERPs



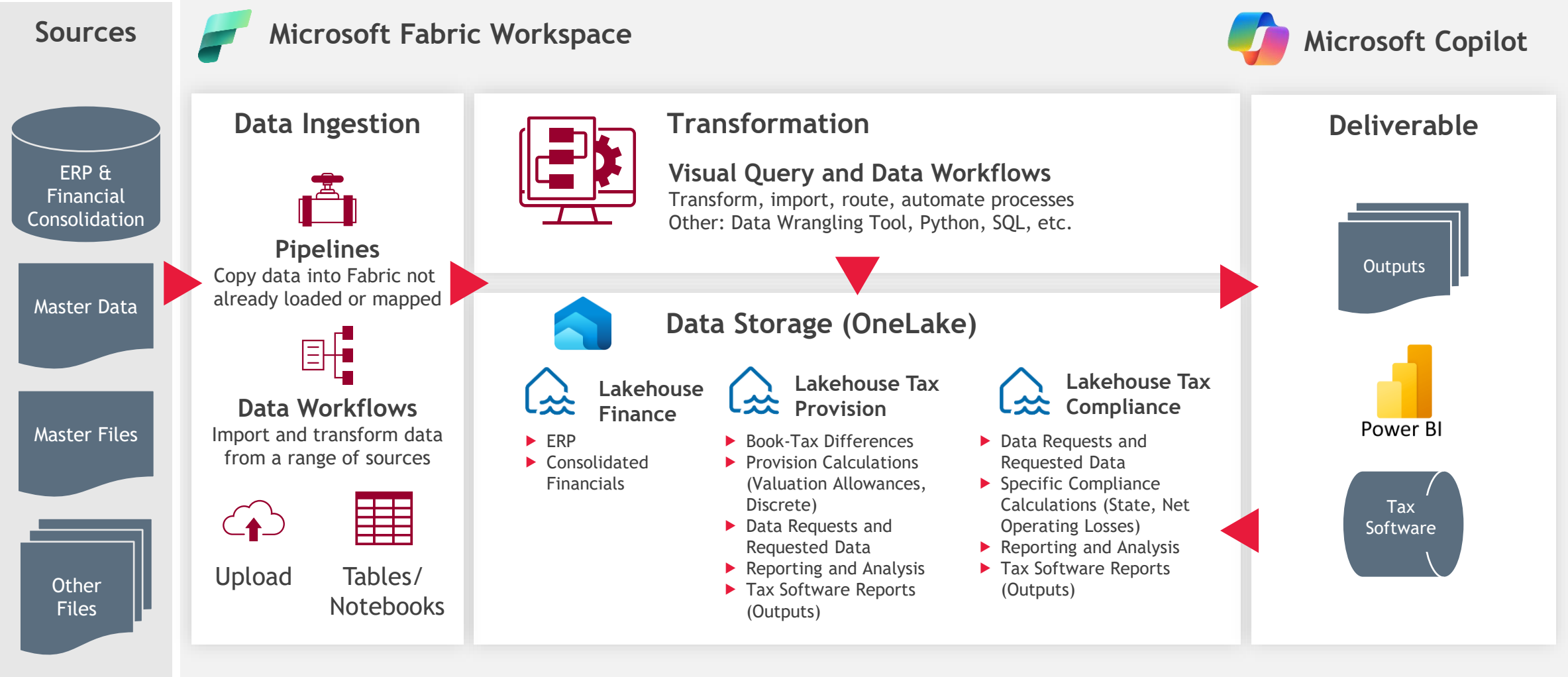
Fixed Assets
System



Other
Data Sources



Putting It All Together for Tax



Wrap Up, Q&A, Next Steps

5

In Summary



Collaborate

Finance and Tax leaders must work together! It's never too late to start collaborating more closely.



REALLY Listen to Stakeholders

Remain laser focused on how Finance and Tax can contribute to the goals of the organization.



Level Up

It can be done. Take steps now to push your Finance and Tax functions to the next level!

Knowledge Check

Would you like to speak with someone at BDO about the topics discussed in today's webcast?

- A** Yes, I'd like to speak with someone about Finance Transformation
- B** Yes, I'd like to speak with someone about Tax Transformation
- C** No, thank you, not at this time

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TAX INNOVATION WEBCAST
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2025 Tax Innovation Webcast Series: A Data-Driven Approach for AI Use Cases in Tax



JUNE 17, 2025
2:00 PM ET





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