

# Deloitte.



## Working (and thriving) in a digital tax world

Six ways tax professionals  
can take charge of their future





01

When it comes to the future of work in tax, we believe that predictions of a robotic takeover are being replaced by a more practical reality: Automation, such as robotic process automation (RPA) and artificial intelligence (AI), may not replace all tax professionals. Augment and enhance, likely. Replace, probably not.

Some tax department activities—mainly those that are rules-based, involve repetitive data management, or impact the tax compliance process—will be automated. But automation cannot supplant professional judgment, intuition, communication, and advisory skills. Those are special qualities only humans possess, and the opportunities are significant to expand on them while working with and having influence over tax automation.

Today, it's important for tax professionals to prepare for the digital transformation of tax by:

- Understanding the disruptive technologies being introduced within and around the tax department
- Determining their role in the digital tax department
- Taking ownership of the reskilling required

02

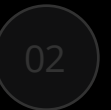
03

04



# Understanding disruptive technology to harness the Power of With

Humans *with* machines. Data *with* purpose. Automation *with* intelligence. Scale *with* speed. Digital transformation in the tax department will be all about applying technology to supplement and improve current processes.





01

02

03

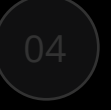
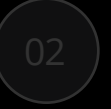
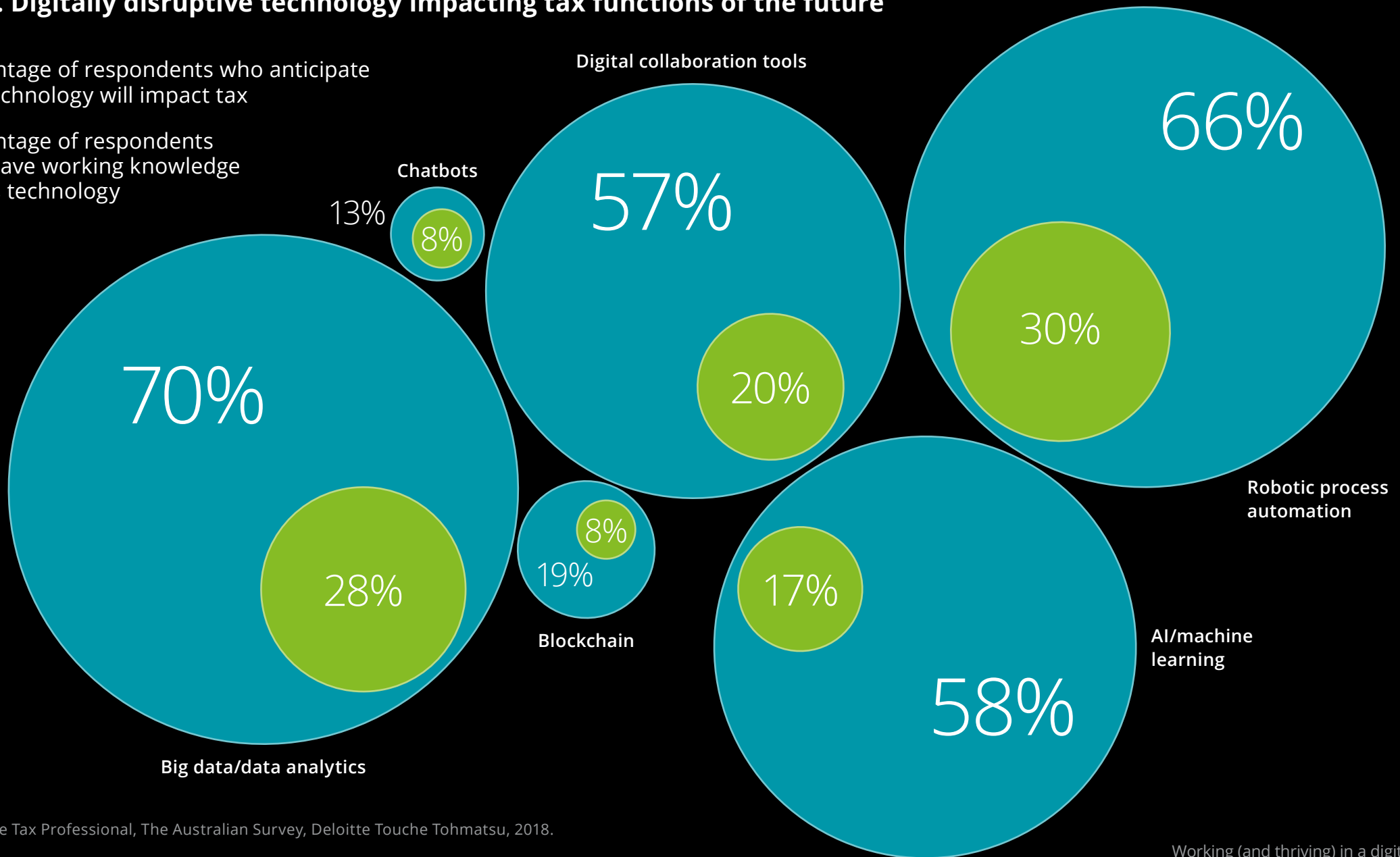
04

That digital future is coming quickly, too. For example, in a recent Deloitte survey of Australian tax executives, an overwhelming majority (85 percent) of respondents said they believe unprecedented change is coming to tax in the next five years. They identified big data analytics, RPA, AI, and machine learning as technologies that will likely have the greatest influence on the future tax professional. Yet when asked about their own knowledge of disruptive technologies, including those mentioned, a wide-ranging lack of understanding of those very same enablers became clear (figure 1). Moreover, fewer than half (48 percent) of respondents described themselves as tech savvy, and still fewer (40 percent) said they are sure of what training they need.<sup>1</sup>

This represents a major opportunity for tax professionals to learn more about the types of technologies likely to be part of the digital tax department. This doesn't necessarily mean they will have to learn how to program software or even operate technology solutions. But they should understand which key processes can be automated and ways to extract value from the solutions to become more effective in their jobs.

**Figure 1. Digitally disruptive technology impacting tax functions of the future**

- Percentage of respondents who anticipate this technology will impact tax
- Percentage of respondents who have working knowledge of this technology



Source: Future Tax Professional, The Australian Survey, Deloitte Touche Tohmatsu, 2018.





# Analyzing the tax professional's new role

Digitally disruptive technologies may create other opportunities for tax professionals, too. For example, as more compliance tasks are automated with RPA and AI, in-house tax professionals may be freed up to take on other value-adding roles within the organization.

Nearly three-quarters (73 percent) of tax professionals responding to the Deloitte Australia survey said that as digital transformation takes place, in-house tax advisory roles will become more valuable. The increasingly complex local and global regulatory environment—a new tax reality for most organizations—will only increase the need for tax professionals who can make sense of it.

But how could these changes affect day-to-day activities for today's tax professionals? A different skill set will likely be required (figure 2), including:

- Project, data, and people management skills that may become as important as tax-technical knowledge
- An increased understanding of how to apply technology to daily tasks and sharpened analytical skills
- The ability to communicate with other people in the business who don't "speak tax"
- The use of intuition and ability to apply professional judgment and sense when something is "off"



Figure 2. Digital tax departments will require new skills



## Historical tax job posting

Traditional skills

### Responsibilities

- Monthly, quarterly, annual tax filings, and ad hoc **reporting** for income tax and tax provision calculations including estimates, forecasting, tax workpaper **deliverables**, and accounting/finance support
- Execute on tax planning and analysis responsibilities

### Qualifications

- Bachelor's degree (**accounting/finance**)
- Minimum of three to five years of experience in tax **compliance**, planning, and analysis
- Strong familiarity with ERP systems, income tax compliance software, and advanced **spreadsheet skills**



## Next-gen tax job posting

Digitally focused skills

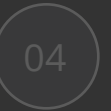
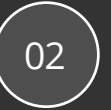
### Responsibilities

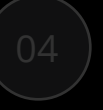
- Forecast the impact of business growth generated by our **products** to guide financial and cash tax planning
- Partner with leaders in engineering and product organizations; **shape tax drivers of business growth**
- Provide executive management with **clear insights**

### Qualifications

- BA/BS in a **quantitative** field
- Experience in SQL coding across relational environments, **database experience**
- Proficiency with **statistical or scientific software packages**
- Excellent problem-solving, **analytical**, and project management skills

Note: Illustrative examples derived from company job postings

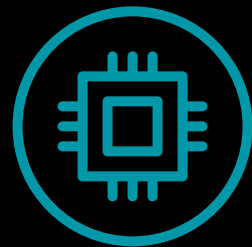




# Six practical steps tax professionals can take now

The transformation of tax department talent will require both new approaches and new investments by organizations if it is to become a reality. Until that happens, what can tax professionals do *now* to take ownership of their future and reskill for it?

Consider these six steps ...



Become more tech savvy



Expand analytical skills to leverage data better



Tear down that wall



Improve problem-solving and communication skills

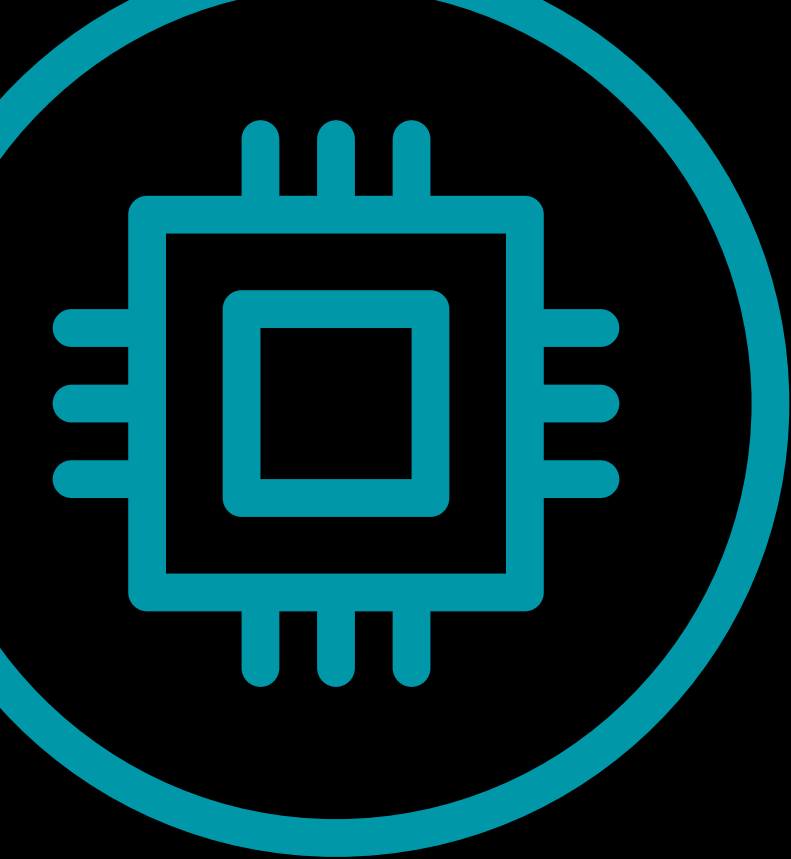


Adopt an advisory mindset



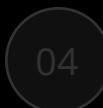
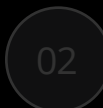
Learn constantly





## 1. Become more tech savvy

Along with new automated solutions such as bots, tax professionals will have coworkers from different backgrounds in the future. Most notable are data scientists who have the skills to draw deep new insights from sophisticated data analysis. Tax professionals don't necessarily need to know what data scientists know or do what they do. They will need to be digitally fluent enough to communicate with and guide data scientists based on a deep understanding of tax, critical thinking skills, and experience-driven intuition.





01

02

03

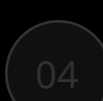
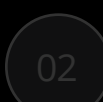
04

## Spotlight: Ways to learn about disruptive technologies

Deloitte has launched a number of worldwide initiatives to help tax professionals become more informed about disruptive technologies. For example, in 2018 we introduced “Cognitive technologies: A technical primer,”<sup>2</sup> which “aims to help readers understand these technologies and the emerging landscape better, illustrate their transformational potential, and demonstrate how business and government leaders can adopt them in driving smarter insights and stronger organizational outcomes.” Deloitte also nominates and sponsors a number of professionals to earn a “Tax Analytics and Technology Certificate” through NC State University’s Poole College of Management. This online program helps students develop knowledge and skills to extract, manipulate, analyze, and summarize data to solve tax problems and opportunities and to effectively communicate actionable tax and business strategies to organizations.<sup>3</sup>



**ACTION ITEM:** Tax professionals should determine what learning opportunities their company offers or find similar opportunities on their own.



## 2. Expand analytical skills to leverage data better

The volume, variety, and velocity of data available to companies is unprecedented. As the largest consumer of data in many organizations, tax professionals can make even more effective use of data by understanding its sources, learning new ways to access it using automated solutions and analytics, and working with data scientists to glean the most meaningful insights from it. This approach can lead to better decisions and help bring a digital mindset to various tax solutions. Tax professionals can help by:



Reframing tax issues and opportunities to address them better with data



Leveraging third-party or unconventional data

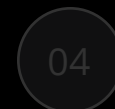
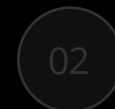
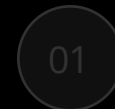


Looking across the enterprise and among the company's advisers to learn about and share tools, insights, and methodologies



### 3. Tear down that wall

Siloed activities are a big challenge for many tax departments. Yes, silos foster specialized knowledge, but they can also hinder effective data management, analysis, and broader business insights. High-performing tax departments foster excellent communications, are highly collaborative, often have formal training and cross-training programs, share knowledge, and delegate work so individuals can learn and gain new experience.





## 4. Build problem-solving skills and improve business communications skills

Advanced problem solving will likely become even more important for tax professionals as they collaborate with other functions to explore opportunities and insights derived from data and business decisions. Tax professionals will need creativity and an understanding of the broader business—and the language spoken by its stakeholders—to tell an impactful, visual story about insights data has revealed. They can develop these skills by:



Listening, responding, and expressing ideas effectively in different contexts



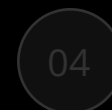
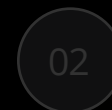
Learning to advise others and introducing new points of view

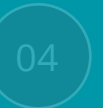


Taking a service-oriented mentality toward internal stakeholders



Exercising and strengthening judgment skills





## **Hint: A step at a time**

We often encourage tax professionals to meet informally with their peers in other departments and learn about each other's jobs. These interactions help build relationships and educate nontax counterparts on what's important for tax. Tax professionals can seek input from other areas of the business to help improve tax department accuracy, tax risk management, and service to the organization.





## 5. Adopt an advisory mindset

A potential opportunity that a digital tax department may have is newfound time to become better advisers to the business. As more effective and available advisers, tax professionals should be adept at identifying tax-related opportunities, improving tax risk management, and elevating tax department performance. They can develop these skills by:



Identifying business stakeholders within corporate, business units, and other geographic locations, and at various levels from leadership, management, and staffing



Meeting with stakeholders and learning how tax can provide value to them, including planning and data exchange needs, priorities of tax service by tax type, and tax risks by market, industry, or geography



Defining individual business collaboration parameters, including goals, roles and responsibilities, communication methods, and performance measures, among others



## 6. Learn constantly

Tax and accounting professionals should seek opportunities to enhance continuous learning, constantly expand their awareness, and develop new skills and areas of knowledge. Tax professionals may not need to learn expert coding skills or how to build mathematical models, but they will need to understand the art of the possible in many new areas so they can cast a tax light on new initiatives. This will require continuous learning, including updating or pursuing some new certifications, much of which tax professionals can do on their own by:



Leveraging their own company's training and development ecosystem to learn what's available and identify meaningful learning opportunities



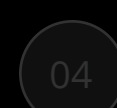
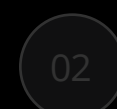
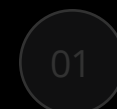
Experimenting with new ideas and tools, learning as quickly as possible, and being prepared to pivot as needed



Pursuing and embracing bold new ideas while building on them incrementally



Building a proof of concept to demonstrate the viability of an idea





01

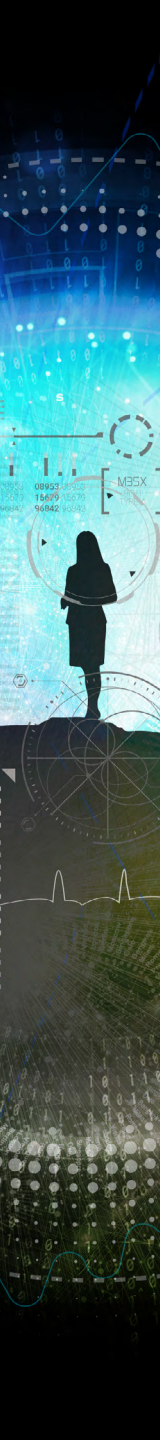
02

03

04

## Breaking the logjam

For months, a Deloitte audit team had created many slide decks and held numerous meetings and workshops within Deloitte to try and get stakeholder consensus for a new data-wrangling approach for use in client audits. To break through, they built a proof of concept in only three weeks. They received the green light for development soon after presenting it, and partly as a result of their efforts, Deloitte's audit analytics tool won the Global Audit Innovation award in 2018.<sup>4</sup>



# Lead with authority and by example

The future of tax is here now. Awareness is high of the impact emerging technologies will have on the tax function. Demands for change are coming, both from inside and outside most businesses, especially global organizations. Tax professionals can either be swept up by the transformation of tax, or they can take preemptive steps to prepare. By developing a firm understanding of what their own digital tax department could look like and defining their role in it, tax professionals can take definitive, effective actions in the coming months. The key is to embrace the Power of With and get started now.





# Endnotes

1. Deloitte Touche Tohmatsu Limited, “Future Tax Professional, The Australian Survey,” August 2018, <https://www2.deloitte.com/au/en/pages/tax/articles/future-tax-professional.html>, accessed February 2019.
2. “Cognitive technologies: A technical primer,” Deloitte Insights, February 6, 2018, <https://www2.deloitte.com/insights/us/en/focus/cognitive-technologies/technical-primer.html>, accessed February 2019.
3. NC State University Poole College of Management, Tax Analytics and Technology Certificate, <http://taxanalytics.poole.ncsu.edu/programs/>, accessed February 2019.
4. “Deloitte Wins 2018 ‘Audit Innovation of the Year’ Award,” CPA Practice Advisor, October 9, 2018, <https://www.cpapracticeadvisor.com/accounting-audit/news/12432757/deloitte-wins-2018-audit-innovation-of-the-year-award>, accessed February 2019.



01

02

03

04

# Acknowledgments

## Authors

### **Jen Knickerbocker**

Tax Compliance & Reporting Leader  
Deloitte Tax LLP  
+1 615 259 1825  
jknickerbocker@deloitte.com

### **Amanda Hale**

Tax Managing Director  
Deloitte Tax LLP  
+1 646 582 5247  
amandahale@deloitte.com

### **Jeff Butt**

Tax Senior Manager  
Deloitte Canada  
+1 416 601 6507  
jebutt@deloitte.ca

## Contributors

The authors would like to thank Stuart Osborne of Deloitte Australia and Peter Sweeney of Deloitte Tax LLP for their contributions to this report.

This report is the first of a three-part series on harnessing the Power of With in the future of tax.







This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document 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 shall not be responsible for any loss sustained by any person who relies on this document.

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.