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# Solving a taxing tax issue

**Deloitte helps automate a client's cumbersome tax process.**

# CONSOLIDATING DATA TO IMPROVE EFFICIENCIES

## THE SITUATION

For many organizations, gathering financial data to calculate tax obligations requires working with multiple ERP systems and consolidation tools, which can be time consuming. One Deloitte client, a multinational manufacturing company, needed to prepare, review, and finalize the 10-K footnote disclosure for income taxes within a short time frame. Yet siloed systems and data consolidation challenges had reached an unacceptable time, cost, and resource liability to meet SEC disclosure requirements.

The organization's highly complex business processes required 12-month estimates for most adjustments with threshold analysis, and they had multiple return-to-extension and return-to-provision cycles. The consolidation tool for financial reporting was outdated, which limited reporting and automation opportunities for consolidating data.

This created challenges each year to close their books and generate their financial statement reporting/disclosures, allowing less time for analysis.

The tax team required a better solution for data gathering, along with more tightly coordinated and efficient tax processes to improve reliability and enable tax teams to focus more on value-add activities such as strategic planning and analysis.



## THE SOLVE

Deloitte worked with the tax and finance department to identify potential efficiencies that could improve the year-end process. After conducting a fit assessment and gap analysis for requirements, Deloitte suggested process improvements based on experience and industry-leading practices.

One such solution the organization adopted was a cloud-based software-as-a-service technology with toolsets to automate the year-end tax process. Deloitte adopted leading practices for configuration rollout, system testing, and change management for the organization's employees to sustain itself moving forward as it transitioned from its legacy process. Through iterative design and build activities with highly collaborative prototyping sessions, Deloitte focused on "bringing the tax team along for the ride" to help ensure the technology selected by the client fit their needs.

Working closely with their tax and finance teams, consultants updated the organization's tax systems and processes, implementing dynamic source data integration, tax adjustments automation, and tax compliance integration.

# **STREAMLINING** A TAXING **TAX** PROCESS

# THE IMPACT

The overall tax process was streamlined by eliminating redundant activities and analysis. Greater control on end-to-end data gathering, current/deferred provision calculations, dynamic tax consolidation, and journal entries generation significantly improved the efficiency of quarterly and annual financial reporting processes. The client also gained self-sufficiency through self-service tools designed to improve tax systems and processes. The automated process gave employees more time to focus on strategic value-add activities without reducing headcount.

The creation of a standardized consolidation process helped lead to tighter integration with the year-end close using 10- and 12-month actual trial balance data. The automation reduced the risk of error and streamlined the workflow, leading to a more unified process throughout the organization.

Deloitte helped the client improve its tax process by identifying and eliminating unnecessary analysis and activities being performed in a more manual fashion. By automating the process, the client gained data that had greater integrity with greater speed.



AUTOMATION BRINGS GREATER EFFICIENCY AND SPEED  
FOR CONSOLIDATED TAX REPORTING

# LET'S CONNECT.

Do these challenges sound familiar?



**ARUN KRISHNAMOORTHY**

Managing Director  
Deloitte Tax LLP  
akrishnamoorthy@deloitte.com  
+1 703 251 4001



**FRANK FISHER**

Partner  
Deloitte Tax LLP  
ffisher@deloitte.com  
+1 412 338 7918



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