



FEI Dallas

Tax Operating Model

February 13, 2024



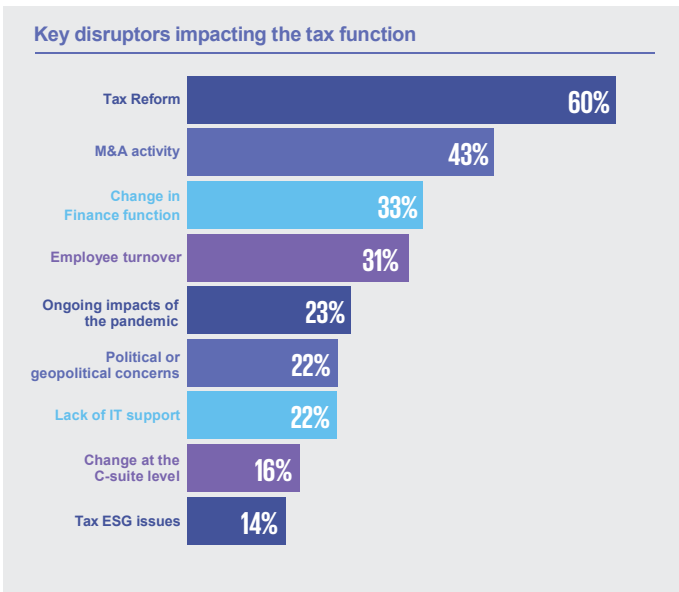
01

Effectively managing tax function operations



KPMG Global Tax Function Benchmarking Survey

A period of varied change



- Significant increases in number of disruptive trends and events affecting Tax
- Differing pressures require multitude of responses / skills
- Need to prioritize leadership impact

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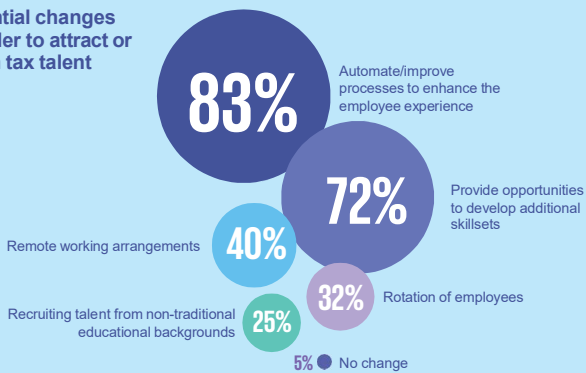
Resourcing Trends



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A shifting tax landscape

Potential changes in order to attract or retain tax talent



Primary strategies pursued by tax functions

35%	Value creation	Focusing on generating cash tax savings, flexible scenario modeling, and planning amidst an environment of rapid change
26%	Risk reduction	Prioritizing effective governance, controls, and visibility around tax; meeting regulatory requirements while minimizing financial, reputational, and tax risks
24%	Effective business partnering	Ensuring strong communication with relevant business stakeholders, a high level of tax awareness, and that tax always has a "seat at the table"
14%	Cost minimization	Minimizing the cost of the tax function to the company's bottom line through efficient teams, outsourcing, and streamlined processes
1%	Innovation	Transforming through investments in emerging technology, advanced business concepts, and the latest in data transformation tools & analytics

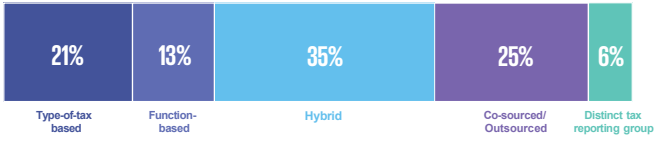


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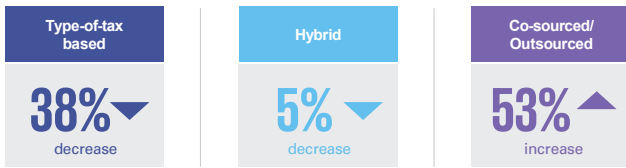
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Adopting the optimal organizational structure Leveraging global resource models

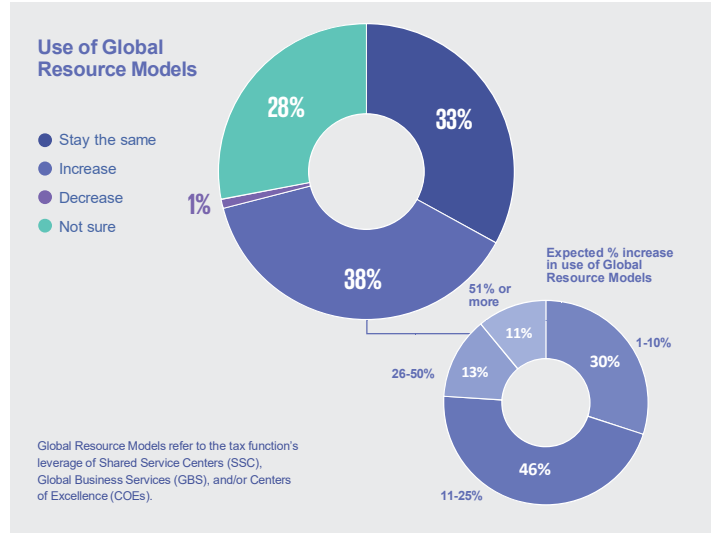
Tax function organizational design



Notable percentage changes since previous survey*



*These values represent the relative percentage change of responses from the KPMG Tax Function Benchmarking Study 3.0 2016-2022 and the current survey. It does not represent a change in the absolute value of responses received.



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Managed services trends



Tax is changing. What companies are facing.

There is no shortage of challenges and opportunities facing today's tax functions. A business-as-usual approach is not a viable option. How does Tax evolve to support the needs of the organization?

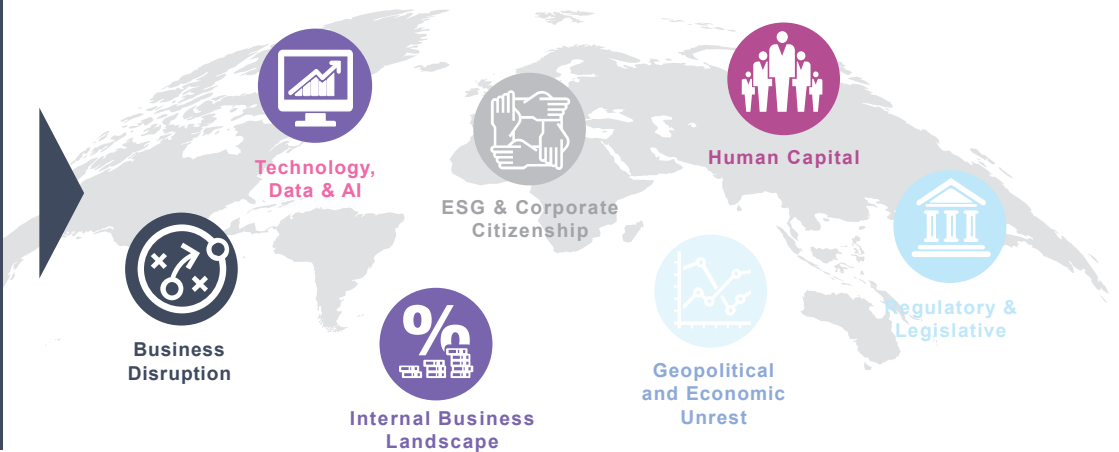
The challenge

The volume and pace of change is unprecedented. Complex and uncertain times often require different tools and skills.

Yet, investment has lagged, workload has increased, and resources are scarce.

You need to be compliant and ready for the rapidly evolving digital world.

Global trends disrupting the tax function



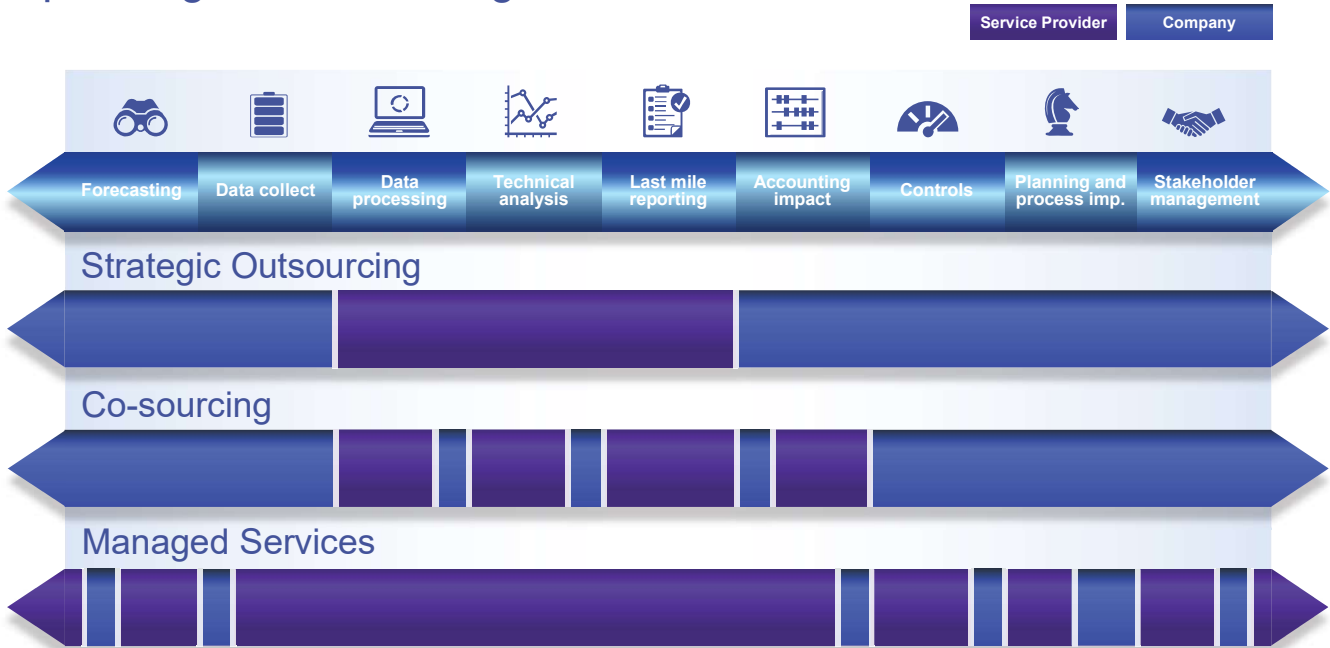
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Tax operating model continuum



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Operating model coverage illustration



Defining Tax Managed Services



Tax Managed Services

- Wing-to-wing support of the tax operations lifecycle including management of people, process, data and technology
- Consistent day-to-day presence - a true extension of an organization's tax function
- Connected delivery process including formalized governance structure to drive communication along with issue identification and resolution
- Continued interaction with key internal stakeholder groups including controllership, treasury, BD, and IT providing optimal connectivity for tax
- Retained tax team members typically focused on strategic objectives of the company, front office support/value creation and risk management

Strategic Outsourcing

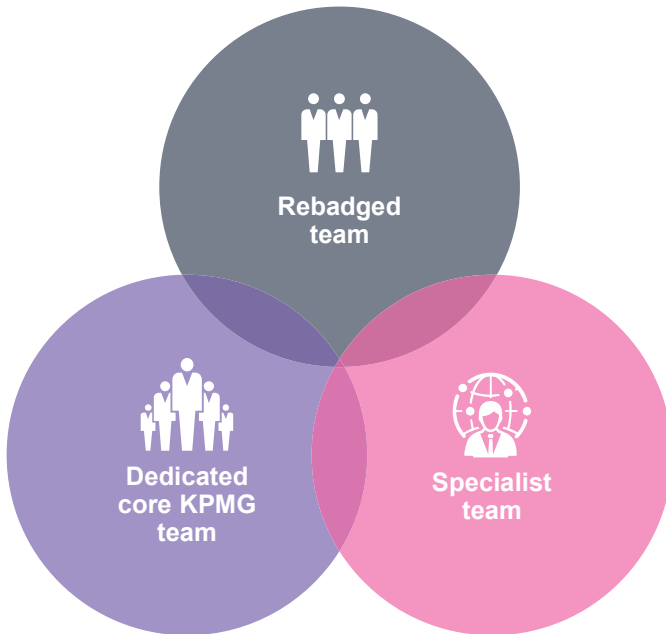
- Deliverable based approach
- Interaction between service provider and organization limited to delivery window
- Bright line specific scope of services defined by Statement of Work
- Responsibility for data collection, reconciliation and ensuring quality typically retained by the client organization
- Process transformation outside of deliverable creation remains with the client organization
- Connection of tax lifecycle and related processes not included



A differentiated client experience by mutually aligning the interests of both parties



Human capital strategy



Comprehensive sourcing approach

- The Tax Managed Services delivery model brings together key teams to provide the best possible contingent of talent to deliver the tax function
- Full access to tax technical and technology resources at the appropriate scale
- A combined team (dedicated core team and your rebadged team) to protect the intellectual property that tax has created
- The right fresh perspectives to help reduce execution risk
- This is **your** organization's combined tax function



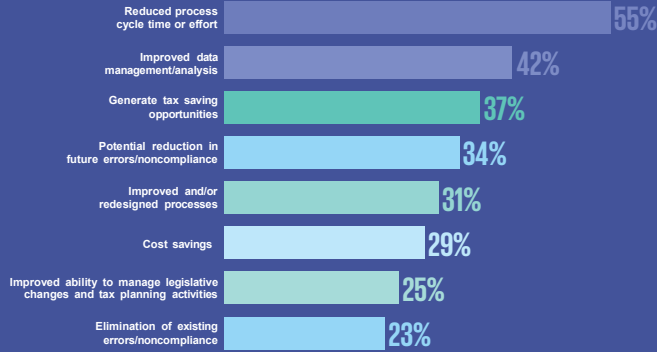
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Technology trends

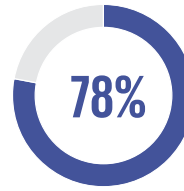


The case for transformation

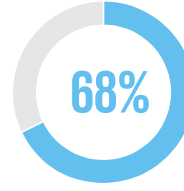
Realized benefits from transformation initiatives



The right tools for the job



Analytic Tools
 Respondents who are prioritizing the **implementation (27%)** or **increased use (51%)** of analytic tools.



Data Transformation Software
 Respondents who are prioritizing the **implementation (30%)** or the **increased use (38%)** of data transformation software.

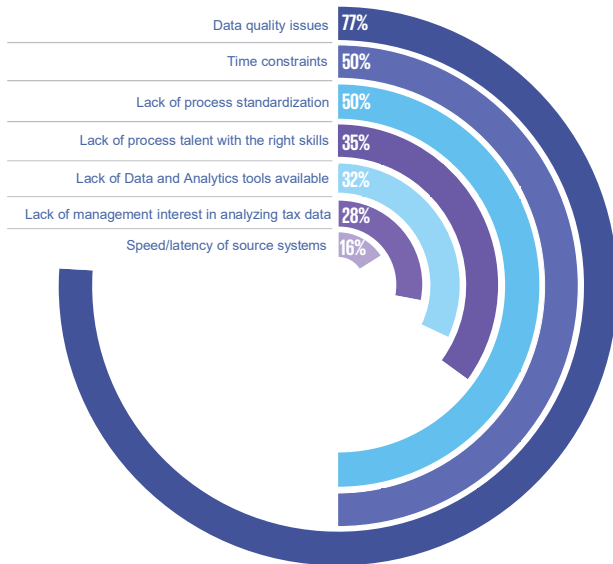


Workflow Tool and/or Document Management System
 Respondents who are prioritizing the **implementation (23%)** or the **increased use (27%)** of a workflow tool/document management system.



Tackling data challenges

Key data challenges for tax





Thank you



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