

# A WATERSHED MOMENT

THE NEW NORMAL FOR TAX AND FINANCE DEPARTMENTS



Now is the time that companies need to have a robust tax technology strategy in place. With so much change occurring, companies have to ensure that they have the technology to enable them to keep connected, keep pace, and think about what's coming next.

**Steve Smith**  
Head of Proposition, Corporates Europe  
Thomson Reuters

Table of contents

Foreword	3
A Watershed Moment	4
Keeping Ahead of Legislative Change	5
Flexible and Remote Working – The Unavoidable Reality	6
How to Keep on Track and Meet Expectations While Working Remotely	8
Managing Distributed Teams	9
Tax Technology and Business Continuity	10
Conclusion	12

# FOREWORD

**The tax landscape has been changing on a global scale for some time. With tax authorities becoming more digital, there is a much greater expectation for transparency from the companies under their jurisdiction.**

Tax and finance professionals now find themselves at a time where their departments and practices need to evolve or they risk being left behind, and it's not simply about the digitisation of tax or wider finance functions. The expectations of new generation entering the sector and how they work is transforming the workplace. What's more we're also being forced to experience mass remote and flexible working under the shadow of the COVID-19 outbreak that started in early 2020, creating a new era in how we all work.

Our normal way of life has changed. It continues to evolve and, probably for the better. Businesses are finding themselves

reflecting on the way they operate, and that means significant transformations lie ahead.

This eBook brings together a series of short articles, exploring the challenges facing finance professionals and departments, that were originally published as blogs in the first half of 2020. Managing distributed teams, technology, personal skills and the demands on the modern tax and finance function will all be touched upon. The eBook's aim is to provoke thought; for readers to think not about the challenges that each of these tests might pose to their businesses, departments and personal roles, but how they can adapt, carving a path through the accelerated transitional phase the industry now finds itself in.





# A WATERSHED MOMENT



**As organisations grapple with the new ‘normal’ business leaders and managers have been tasked with driving efficiencies as quickly as possible across multiple departments and territories.**

The pandemic quickly dispersed finance and tax teams. Most have since been working from home, doing their utmost to keep costs as low as possible while taking advantage of tax breaks and temporary changes in deadlines. The goal: keep as much cash as possible in their companies to weather the storm.

From a tax point of view there are two areas that we can make the most of. The first is by closely assessing indirect tax, identifying where funds can be pulled back into the organisations and departments to take advantage of extended deadlines, to keep the business on track. This sounds simple in theory, but it’s a lot more complicated in practice. Staying abreast of the different regulatory requirements and deadlines is crucial. Regardless of a global crisis teams need the right information to file returns and ensure the business remains compliant.

Life is perhaps a little easier for those that have already embarked upon transforming their tax processes and solutions to meet regulatory requirements, such as HMRC’s Making Tax Digital (MTD) for VAT. For those juggling a remote team and disparate technologies, the margin for error is far greater. Not only do you need to equip your people with the right tools and technology, but they also need a reliable and secure internet connection to communicate with one another and be productive.

The pressures, pains and risks associated with using spreadsheets as the primary way to manage company accounts are well documented. Not having the right solution in place and having to muddle through new ways of working remotely is not the most cost-effective way to run your finance and tax departments.

Business leaders, and in particular, CFOs are fast reaching a watershed moment. If they were already using antiquated practices and technology, then they’re only going to become more archaic as they frantically try to deal with the situation before them. The dispensations and level of understanding shown

by tax authorities at the start of 2020 won’t always be there, because they will expect organisations’ practices to evolve just as quickly as they are having to.

For today, in terms of indirect tax, teams will need to be exceptionally diligent in their processes and trust staff. The days of presentism are done and the office as we knew it, will never be the same. There is an opportunity out of the chaos to trust, equip and support people to do their work in a brave new world.

For those working in direct tax and other finance functions there is a bit more breathing space. Filings may be months away but, that said, the information still needs to be accurate. Now is the time for CFOs to take a strategic look at the finance and tax processes and technologies. They need to prioritise to save money and rethink how they do things. They may just find that by investing in better technology they gain greater efficiencies and are able to better equip their finance and tax workforce for this new future. The future is now, not tomorrow.

+

+

+

+

# KEEPING AHEAD OF LEGISLATIVE CHANGE

**Staying on top of regulatory requirements, in all areas of finance and accounting, is a constant test on departments' skills and knowledge. Ensuring compliance across existing regulations that impact your organisation, regardless of territories, is a challenge. For multinational companies, working across multiple jurisdictions, this magnifies the problem, and the rapidly changing landscape as the 2020 pandemic has unfolded, demonstrates just how complicated things can get.**

Over 125 countries, around the globe, published changes to their tax and accounting regulations in just a few weeks earlier this year. This was hugely disruptive and came at a time when companies and governments were working to find a way through the challenges posed by the global COVID-19 pandemic.

While you can't change the outside influences on your tax and finance department, you can improve things internally to

help your organisation become more agile. Consider how you manage the transition from one regulatory change to another across jurisdictions and look at how you can control adherence to policies in a hands-off way. You should also look at how your team communicates and shares information. If you already have some kind of centralised control over tax and finance processes then you may already be making progress in these key areas.

There's no doubt that technology has a huge role to play. Not only does it make you more agile as a team, but importantly as a business too. As many companies are already discovering cloud technology, in particular, can help you to stay on top of ever-changing regulatory requirements and remain compliant.

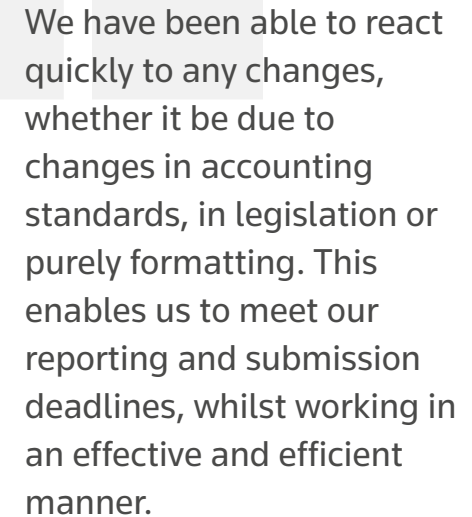
If you don't already use any form of cloud technology in your tax or accounting departments, it might be difficult to see how it, and even other technologies such as Robotic Process Automation (RPA) or Artificial Intelligence (AI) can make a real difference. But you won't need to look far to find examples of where it is helping in other areas of your business. Speak with your IT department about how it benefits them or other departments and it may reveal ways you can make life easier for your teams with little effort.

Equally, think about your life outside of work, most people use the cloud at home more than in the

office, even if they do not realise it. Draw a parallel with the internal challenges we mentioned: better sharing, better control, more convenience, or help with a specialist task. You will find you can draw comparisons with the trials you now face. But also think about other colleagues in the tax and finance industry and make use of forums and publications to learn from others' experiences.

Furthermore, the make-up of tax and finance teams is evolving with a dramatic increase in the number of tech-savvy millennials and Gen-X'ers in the mix. But notably, forced remote working means the entire workforce is having to embrace new technology, meaning their personal capabilities in this space have just advanced more than you could have ever imagined. People will no longer fight change. Introducing new cloud services will no longer be seen as change for change's sake, but as a necessity for departments to operate effectively and efficiently.

And remember, the ability of staff to adapt in this new world may surprise you. It's now up to you to turn this situation into an opportunity where you can improve the way your tax and finance function operates by better equipping teams, reducing the stress and worry, all without compromising on compliance.



We have been able to react quickly to any changes, whether it be due to changes in accounting standards, in legislation or purely formatting. This enables us to meet our reporting and submission deadlines, whilst working in an effective and efficient manner.

**Commercial Financial Controller**  
Costain Group





# FLEXIBLE AND REMOTE WORKING – THE UNAVOIDABLE REALITY

**There's an online video that was shared during the early stages of the pandemic. It's called 'The Great Realisation' and it discusses the long-term impact of COVID-19 on daily life. The story reminds us of what we left behind since the pandemic hit and how different our lives can now become.**

It has become normal for many of us to work from home. It's normal to speak with friends, family and work colleagues via Zoom, Microsoft Teams or Google Meet. Everyone has now become au fait with the technology that makes it all possible.

As people get to grips with technology, businesses are facing a new dawn. The sudden realisation that

people can be trusted to work from home, means there are cost savings to be had and important decisions to be made or to make. Organisations are assessing whether they need so much office space and asking whether people really need to travel to face to face meetings at home and abroad, when video conference calls have clearly done so much to support productivity?

'The Great Realisation' video talks about how we all stepped away from our devices to engage with our families and that children's eyes were no longer square. And while a lot of this is true, we also need to accept that technology is absolutely crucial to this new way of working. A variety of cloud services are removing the barriers to productivity and key elements such as workflow and the Internet are crucial in keeping businesses moving forward. Key decision makers are realising that if they invest in the right tech and support their people properly, they will be able to work smarter from home.

In many cases people have found that they can work better than they ever have before. The stresses and strains of the daily commute, the removal of 'dead' and unproductive time means we can be more productive.

The reality of cost cutting has been key to survival for so many businesses but as the dust continues to settle, companies are going to carefully question their spending. Furthermore, as we progress into the future, businesses are going to find that their people will want to retain some aspects of this newfound way of working. They will perhaps discover a happier and more productive workforce.

Perhaps the story told in 'The Great Realisation' is right, and the once mythical work/life balance could now become a reality for many. While we won't want to completely get rid of office contact, organisations will need the right technology to support this new model. The good news is it already exists. It will enable us, as humans, in our personal lives, at work and across the C-suite, to find better ways to run our businesses and make more informed decisions not just for the bottom line, but for all of us.



# HOW TO KEEP ON TRACK AND MEET EXPECTATIONS WHILE WORKING REMOTELY

**As the adoption of cloud services increases exponentially and the barriers to remote working are removed, how do you remain productive and compliant?**

For those working across tax and finance departments being productive isn't just about sharing and updating a few Excel spreadsheets before passing them on to a colleague. Keeping work on track is about meeting deadlines, especially when they're set by tax authorities or clients. Being able to meet expectations and deliver on projects is still as important as ever so how do you monitor progress when you and your colleagues are working remotely and keep processes moving?

Workflow management allows you to assign certain actions with deadlines across your entire team. This approach will enable you to follow a process so that one person knows they need to complete a certain action before it passes over to another colleague – effectively using parts of your software as a virtual in tray. Rather than being cumbersome, managing tax and finance processes through workflow will mean that you can effectively control and manage workloads as well as approvals. This can all be done through a set of rules aligned with the processes of the company

and applied to the roles of individuals. It can also be used to ensure that staff only operate within their level of authority – for example, only authorising transactions of a certain value, and whether they are allowed to make minor and rounding adjustments. It is perfectly possible to do this all whilst working remotely, ensuring your team or department remain compliant across both company and tax authority policies.

The joy of introducing workflow is that it can be broken down into straightforward steps. Let's take a really simple example – if a supplier creates an invoice and submits it to your manufacturing team, they will then forward it on to your finance department where it will be approved, ideally against a PO and processed for payment. That in itself is a workflow. Of course, that's over simplified when it comes to tax and working on year end results but the processes are there and by creating rules the opportunity for mistakes decreases dramatically.

Workflow may have seemed superfluous when you could call across the office to your colleagues but those days are gone. Today's systems will send you prompts and reminders to complete your particular part of the process. It sounds simple but as we rely on

technology more, these tools and practices will help us to become more effective in our work and ensure this remote working becomes seamless rather than stressful.

One of the other benefits of workflow when we are all having less meetings, is that it helps us have a clearer picture of our workloads and helps us determine where to focus our attention in any given day. That is something that is much harder to do when working remotely. It also has the benefit of ensuring that things do not fall through the cracks: it can be very easy to miss something when you are not having regular meetings, or a more senior colleague isn't regularly checking in with you – the pattern and rhythm of daily work life has changed and some of the cues we didn't realise we relied on are no longer there.

With the right technology businesses can support their workforce to do their best, support colleagues across departments and countries, while remaining compliant and efficient.



# MANAGING DISTRIBUTED TEAMS

**Many business leaders would agree, and have demonstrated, that if it wasn't for rapid business continuity planning and cloud services, organisations would be struggling to function even more than they are in 2020. But it's not all about technology and processes.**

We now have our office life, the new 'remote working life' and home life. It has become a three-way balancing act, that is far more complex to manage. This complexity is compounded by the mix of generational demographics, which make up the workforce today. Millennials and Generation X already have a more flexible approach to their working day and environment. However, in contrast, we also need to remember that there are people who have worked in office environments for decades and many of them will miss the routines of office life.

Organisations are now being forced to demonstrate softer skills and be more human in how they treat and trust employees. Several large businesses have stepped up and are showing that even the behemoths of the past can

be agile and adapt quickly. For example, early into the pandemic Twitter announced that remote working would continue 'forever' and others followed suit.

Notably, companies are acknowledging that no one approach to running operations, will be suitable for all. As well as finding new ways to run as a business, senior figures and managers within organisations are starting to look at how people are treated and importantly, how they react and behave, in this new way of working. The working population are adults and, as such, want to be treated properly, but that also means that people's expectations need to be set realistically and managed appropriately.

This is where flexibility and trust can (and should) flourish across your business. It's critical that you continue communicating and connecting with people from your CEO, down to managers and across shop or factory floors to maintain the working environment, with or without the actual office. The work façade is dropping and, in turn, people are finding ways of communicating that are creating a more trusting and supportive, and, most importantly, realistic way of working.

Business leaders and managers need to review and modify processes to ensure people can work productively, while incorporating the social aspects that so many miss from the office environment. Commentators have rightly pointed out that mental health needs should be carefully monitored and supported where appropriate. Technology will go a long way to supporting organisations and their employees, but the human touch should never be underestimated. Creating water cooler moments albeit remotely where people are able to chat over a drink, is essential.

There are other physical considerations too: For example, companies that have previously employed a hot desking policy now have to change the working environment to comply with social distancing rules. The long term working from home policies that have been introduced by so many employers means that traditional workplaces and some of the archaic behaviours, such as presenteeism, will be lost forever. COVID-19 has been a catalyst for change, and some of it for the better.

As we navigate this new remote world we will evolve in more positive ways and continue to identify the best ways to cope with it. Good practice is about trying to engage people, being honest about the juggle and trusting one another. The fact that everyone is becoming more accepting of one another, along with the proof that people can perform and do their work, even when they take an hour out of the day for something else, shows we are capable of making remote working a success.

Resetting expectations and adding a huge amount of realism means that trust has developed, for the majority of people, beyond all expectations. This is partly thanks to the fact that we're now seeing and connecting with the human side of our colleagues and bosses. In the words of the late 19th century, German philosopher Friedrich Nietzsche, "Out of chaos comes order", just a very different one.

# TAX TECHNOLOGY AND BUSINESS CONTINUITY

**There is no doubt that COVID-19 has acted as an accelerant like no other, forcing companies, willingly or not, into the 21st century. Business leaders and managers have had to identify and drive efficiencies in record time not just locally across multiple departments but also across different territories.**

Many of our finance and accounting colleagues have proved to be exceptionally agile by very quickly assessing their organisations' tax requirements and identifying funds that could be quickly pulled back into the company to give a bit of financial breathing space. Business units and countries have been identified where extended deadlines can help. With over 125 countries changing their tax and accounting regulations the disruption has been immense but with companies and governments working to find a way forward the immediacy of these actions will have saved many jobs and, ultimately, many businesses.

Businesses that once lacked streamlined, standardised processes have had to jet propel their operations into the realm of cloud technology. If the infrastructure didn't exist previously, it does now. IT departments have been able to accelerate

deployment of various cloud services at an impressive rate, surpassing all expectations. The barriers to productivity have been broken down and now crucial tools such as workflow management are helping people to collaborate and move forward, despite being miles apart. Key decision makers are realising that if they invest in the right tech and support their people properly, they can work smarter and seamlessly from their homes.

It's an understatement to say we've reached a watershed moment, a time when business leaders have come to a halt and questioned some of the archaic practices, technology and attitudes that once held their organisations together.

We are more trusting and connecting with one another, as humans, in our personal lives, at work and across the C-suite, to find better ways to run our businesses and make more informed decisions not just for the bottom line, but for our futures.

We're witnessing a sea change already with business leaders modifying processes to support their people in their roles as well as emotionally. Technology will go a long way in helping and supporting organisations but

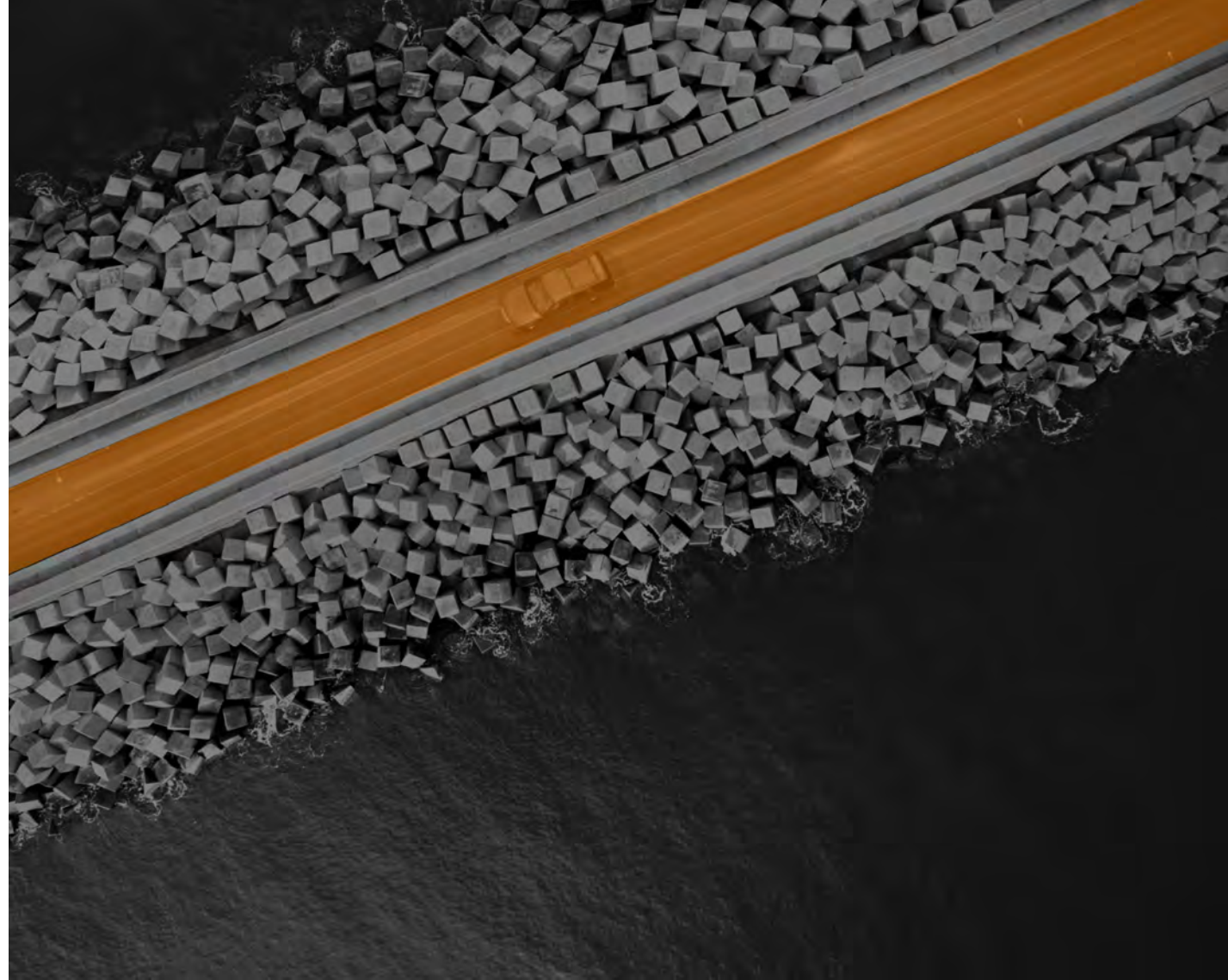
for employees, the human touch should never be underestimated.

As we settle into this changed way of working; many will, quite rightly, continue to carefully question their spending. Do we spend vast sums on an office space that's going to remain underutilised or do we invest in better equipping our workforce, removing barriers and enabling them to do their jobs better?

Countless numbers of people will wave a cheery farewell to presenteeism and long commutes as businesses adapt to discover a happier and more productive workforce. The knee-jerk reaction that every business has had to go through in the face of the global pandemic will stay with many for a long-time, but the adrenalin felt will subside as businesses move from survival mode back to their longer-term business plans. Those plans will need reviewing, some companies will have found themselves bringing forward plans they had scheduled two years from now. Others will have realised they need a wholesale rethink of business models, and perhaps widely, a rethink on their whole technology strategy.

Any technology strategy starts with making the business case for investment. That case may be to lower risks, improve efficiency, speed, or cutting costs, but the case must be clearly made. These are of course all benefits, but when it comes to convincing decision makers, they must also understand why change is needed: What is wrong with the current setup? What is the threat to the business? This should be the starting point of any strategy - understanding what needs to be fixed and why.

When it comes to signing off the strategy and subsequent projects, the CFO is likely to be involved as well as CIO, which is clearly beneficial. They will be someone who immediately understands the needs and challenges of the department. Making the case to IT can be tougher, but that is only because they are trying to serve the whole business, are not financial experts, and will be juggling priorities across the business. This is why clear explanation of where process improvements can be made, and a clear understanding of how the world of tax and accounting is changing over the coming years with the digitalisation of tax is so critical.



Strategy approved and budget assigned, implementation is the next step and there are two key considerations here. The first is to make sure that a cross-section of the finance team is involved early and throughout the project. They understand better than anyone what is needed.

A technology-enabled approach to tax requirements has proven to be a huge advantage for tax departments, allowing them to work quickly, efficiently, and accurately through this crisis. A silver lining to this crisis might be the willingness to invest more resources in technology in the future.

# CONCLUSION

**2020 has, so far, been like no other year in recent memory. But as history has reminded us many times, we can adapt, and move forward. There are, and will continue to be, many challenges but there are also positives that can be taken out of the chaos caused by the COVID-19 pandemic.**

People and businesses have shown that they can evolve at an incredible speed, mobilising their workforces across departments, locally and across multiple territories. As the momentum behind these changes to our everyday lives has gathered, we have become more and more accepting. More accepting of behaviours, personal demands outside the workplace, and of the digital transformation that has taken place in the blink of an eye.

If COVID-19 has taught us one thing, it is that anything is possible and that by being agile and open to new technologies and behaviours we can survive and start to thrive again. The point is not to let that realisation fade away. Take the opportunity to re-group and focus on what your business and employees need. If you have management responsibilities in your business, whether a team, departmental or at board level there are opportunities to make changes to processes, technology and culture that will set a new standard for how businesses operate in the year ahead.

If you would like to learn how Thomson Reuters ONESOURCE can help your tax and finance departments become more agile and flexible, visit **[nowandnext-thomsonreuters.com](https://www.nowandnext-thomsonreuters.com)**

**About Thomson Reuters**

Thomson Reuters is a leading provider of business information services. Our products include highly specialized information-enabled software and tools for legal, tax, accounting and compliance professionals combined with the world's most global news service – Reuters. For more information on Thomson Reuters, visit [tr.com](http://tr.com) and for the latest world news, [reuters.com](http://reuters.com).

TR1132988/06/20

