



KPMG Digital Tax Dialogue tool helps global security company develop actionable transformation roadmap



Client
Global security company

Sector
Aerospace and Defense

Project
Deliver actionable transformation roadmap

Client challenge

A major security company identified the need to improve its tax operations. The company's tax footprint is expanding, and the twin pressures of tax reform and business model changes are stretching the tax team's capacity to deliver against their responsibilities

The Chief Tax Officer (CTO) wanted to understand leading practices that other companies are employing to deal with increasing complexity in the tax arena and explore technology changes. It was time for a fresh approach.

KPMG Response

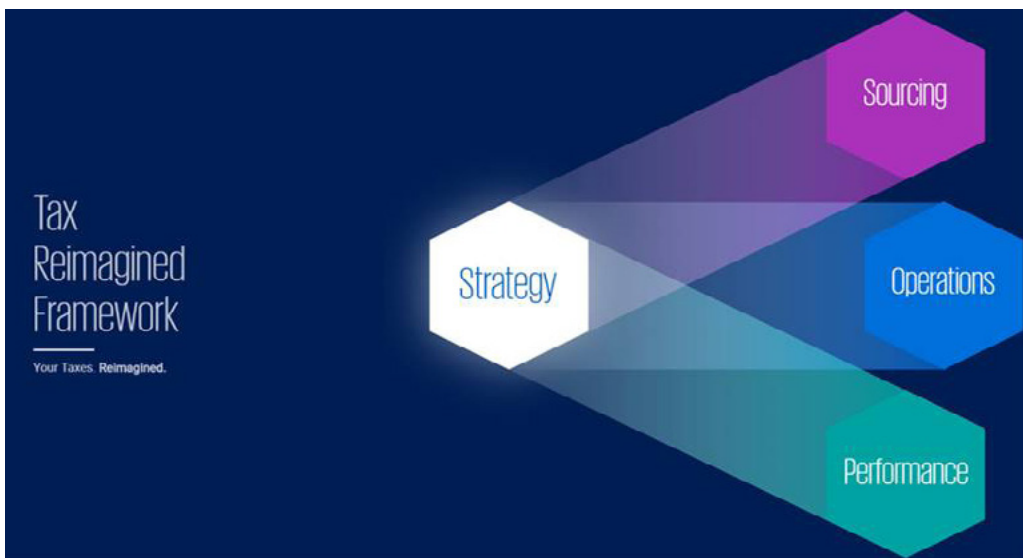
KPMG brought members of the client's KPMG account team to a workshop, along with transformation and tax specialist resources. KPMG facilitated the conversation using our established Tax Reimagined framework. The team leveraged our Digital Tax Dialogue tool to enable the session, facilitate brainstorming, and explore opportunities for transforming the tax function.

KPMG started the conversation by seeking to understand the company's strategic priorities, then explored with the client what they are doing today and what they want to do tomorrow. Together, three key elements of the tax function's operating model were considered: sourcing, operations, and performance.

This approach allowed KPMG to document attributes of the company's current state tax operating model, understand what good looks like, and capture details on how they hoped to improve the tax function. KPMG discussed alternatives and shared leading practices; together, client personnel and KPMG brainstormed opportunities and considered the pros and cons of different approaches.

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Benefits to client

Collaborative workshops that leverage KPMG's Digital Tax Dialogue tool and proprietary framework allow KPMG tax teams and their clients to quickly and efficiently identify opportunities to enhance an organization's tax operating model.

In this case, when the company's CTO contacted KPMG, we proposed a meeting to understand the current tax function operating model, explore pain points, and brainstorm solutions. After a planning call, the KPMG team and the CTO agreed that

KPMG would conduct a workshop at the client's office focused on the income tax function.

Ultimately, the client was excited that these efforts quickly resulted in a list of opportunities and tangible action items. The collaborative nature of the workshop and enabling technology allowed the company to identify previously unseen connections and opportunities and reach preliminary decision points rapidly, without conducting lengthy assessments.

KPMG insights

Connect the Dots: Throughout the discussion KPMG was able to present opportunities and explore connections between different attributes and identified opportunities. The rapid ideation facilitated by KPMG's methodology and the Digital Tax Dialogue tool allowed the client to quickly understand critical areas of focus and start thinking about potential solutions.

Enable a deep dive: KPMG was able to refer to embedded content in the Digital Tax Dialogue tool to dive into areas of particular focus as the conversation unfolded. Using the tool, KPMG created an easy to understand effort-impact matrix in real time – detailing potential opportunities to enable an agile, flexible, and scalable tax function for the future.

Prioritize next steps: KPMG's Digital Tax Dialogue tool provided a customized output summary of the workshop content (strategic priorities, attributes and opportunities) and an actionable report providing clear direction on next steps, including the case for change to be articulated for stakeholders and teams. In a follow-up meeting, KPMG and the client reviewed the report and agreed on which of the action items the CTO wanted to tackle first.

Keep the big picture in mind: Throughout the workshop and subsequent discussions, KPMG and the client remained

focused on making tax transformation actionable – specifically by identifying the near-, mid-, and long-term solutions that would enable the client and its tax function to benefit from improved operational efficiency, reduced costs, and advanced technologies.



Effort-Impact Matrix example

For more information go to:

<https://tax.kpmg.us/services/tax-innovation.html>

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