5 Strategies to Increase the Capacity of Your Tax Department and Elevate Your Strategic Presence

From a webinar by XCM Solutions

About XCM

XCM provides a SaaS-based workflow and resource management platform that improves process efficiency, increases capacity, and drives productivity in accounting / professional services firms and corporate tax/accounting departments. XCM's solutions centralize tax, accounting, finance and audit processes within a single platform for streamlined workflow automation.

XCM has over 550+ customers, with approximately 40 percent of the Top 200 firms using XCM products and services. The productivity platform handles over 3 million processes annually.

Agenda

1. Elevate your strategic presence
2. Overcome tax department challenges
3. Increase tax department productivity and capacity
The Corporate Tax Landscape

Today’s tax departments are confronted with eight simple truths: They must work under high-pressure deadlines, and their projects are often complicated by handoffs. They must adapt to interdependencies, as well as work compression. They have to sort through competing priorities, and often work through a lack of visibility. Manual processes persist for many tax departments, and they must learn to function with varied point solutions.

Meanwhile, tax executives face business challenges of their own. More than 76 percent of them aren’t spending enough time on strategic activities, such as planning. Nine out of 10 face increasing regulatory compliance activities. And 80 percent are shackled by formidable constraints on their time, budgets and resources.

The 5 Strategies

Strategy 1: Kill the Meetings

It’s time to challenge the belief that meetings are a necessary evil. Why are you having meetings? What are people responsible for contributing at these meetings, and what if you could get back the time you spend on meetings? What is not getting accomplished? Is there a better way?

One corporate tax department sought a better way: It handled 630 corporate and partnership entities, and thousands of K-1s. It also managed multiple CPA firms, each focused on a particular tax strategy.

Its challenges were piling up, and trying to manage them via thousands of emails and many meetings wasn’t working. The department was missing deadlines and trying to track information contained in Excel, tax applications, accounting apps and non-tax apps. It was tracking at a resource level with no regard for interdependencies, no rollup and no flexibility, which required manual efforts. Stress was building as errors surfaced.

XCM provided a 360-degree view for all tax department activity, regardless of the source systems, and real-time access with easy, intuitive, low-impact end-user access tailored to the user’s and tax department’s requirements. One platform contained thousands of processes, projects, due dates, and responsibilities. It energized the tax team and its visibility to thousands of emails and hundreds of meetings.

Strategy 2: Get in Control

It sounds simple, but it’s true: When your daily operations are under control and you don’t have to fix new issues, then you can focus on tomorrow. So, establish a predictable, stable process that operates consistently at your targeted level of performance. Document your processes, identify the roles and empower people in those roles, route the work and allocate resources, and measure progress.

A real estate property management company with international partners and investors, and with more than 400 commercial and residential buildings, had more than 50 active resources in tax management. The tax department had outsourced its returns, but completed its K-1s in-house. The problem was, it had no way of knowing when accounting would deliver work, and no way of tracking the progress of hundreds of returns and thousands of K-1s. To compound the problem, five members of the tax team were out on maternity leave, during tax season, and a senior member of the department had left the company.

Enter XCM. It created 668 unique tasks, including capital investments, gain/loss schedules, rent expenses, 1120s, 1065s and K-1s. It offered a singular view for tracking work, available in one click, and it saved thousands of emails sent to track down work and updates. The tax team met its deadline for the first time.

Strategy 3: Be Athletic

Change forces us all to be nimble and to adapt. Do you find your role has changed? Is it globalization, or regulation, or business strategy, or technology that is driving that change? Do you consider yourself to be a steward or a strategist? What two or three measures would you implement to improve your business process? What unplanned events have derailed you?
What’s the real issue? It could be that finance has outpaced tax. Or sometimes standardization helps, but reality sets a different agenda. Savvy executives must think creatively to adapt to change, especially the “I need it now” variety of change.

One global company, the largest in its vertical market with three core lines of business, found itself challenged by change as new entities spun up fast and as it moved quickly to divest. The tax team had more than 50 resources, and it had to deal with complex interdependencies between departments, inefficient hand-offs, varied point solutions, time delays and new resources arriving to support growth.

With XCM, the company was able to spin up more than 2,000 processes in the first three months. The solution also provided the ability to leverage more than one tax solution, and to scale repeatable processes and quickly address ad hoc needs. It also helped tax to better align resources with business requirements and on-demand requests.

**Strategy 4: See It, Own It, Solve It, Do It**

Most people seek clear expectations and empowerment in the workplace, and it’s no different in corporate tax. From the worker’s point of view, it’s a rare occurrence that the boss asks: “who is accountable for this success?” when things are running smoothly. From just a few questions, you can tell a lot about how well a worker will perform. Do the people doing the work clearly understand what is expected? Can they anticipate upstream challenges? Do they have a clear set of instructions, knowledge, and history? Are you, the manager, able to leverage resources effectively?

Tax management and accounting for a holding company with nearly $600 million in revenues and more than 5,000 employees was facing challenges from complex interdependencies between departments, inefficient hand-offs, varied point solutions, time delays and new resources coming in to support the 24 active resources already there.

The company adopted XCM, starting small with its initial launch with the tax department, addressing specific processes and workflows. Tax established a “source of truth” for required work by using XCM, then expanded as the department recognized efficiency with a broader range of tax aspects. Seeing the connection and dependency on accounting as an upstream impact, the department embedded accounting in the workflow.

**Strategy 5: Think Progress, not Perfection**

Sometimes it’s helpful to take a step back and consider: What does accomplishment look like? What consumes your resources? What actions are you taking that help your resources perform better? When urgent clashes with important, which one wins?

It also helps to think about how productivity materializes with people, and striking the right balance between people, process and technology. When you can make measurements, they provide you with a baseline, which leads to analysis. Analysis leads to insight; insight leads to actions; actions lead to results. And optimization drives progress.

XCM is indispensable for tax, accounting and finance executives because it helps them along the path to greater productivity. It organizes the chaos and creates a single thread of the truth for ownership. It centralizes information across systems, functions and tasks, and it absorbs existing technology without disrupting your culture.

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