

alteryx

5 Common Tax Processes You Can Automate in One Week

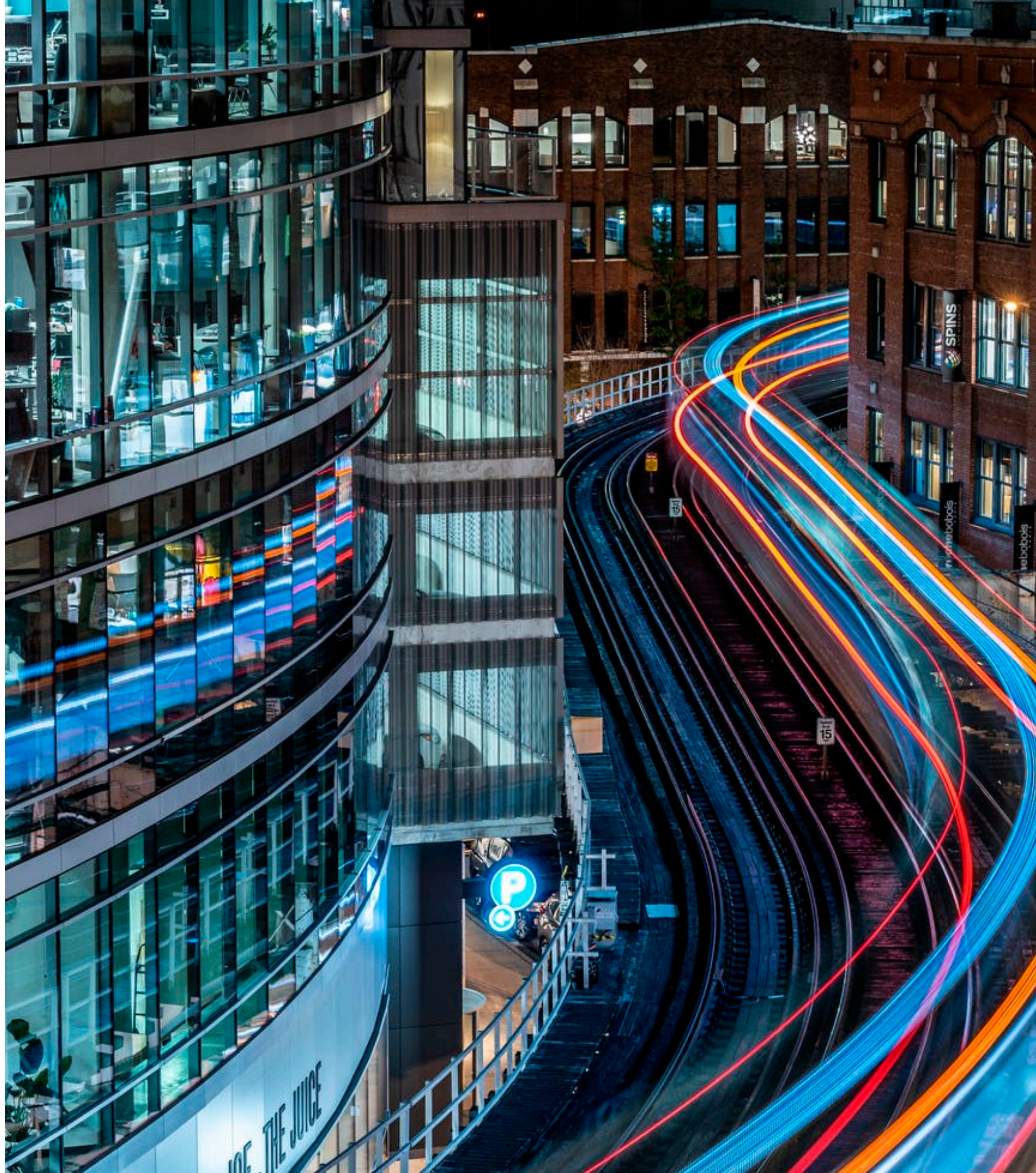


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Tax departments are often plagued by overworked teams, missed deadlines, inaccurate projections — and the fines and penalties that come with it.

And they're made worse by other issues, including a lack of time, technology, and budget. Right now, only 5% of departmental budgets are allocated to digital transformation technology.

Key Finance Challenges

CFO Challenge

Alteryx Platform

5%

Lack of investment into data technology

Regularly delivers ROI above 300% with a payback period less than 12 months

10%

Lack of standards — processes or data

Document standards in the data catalog, creating consistency in data usage

27%

Obsolete or fragmented systems

Blend fragmented systems into a single, auditable source

52%

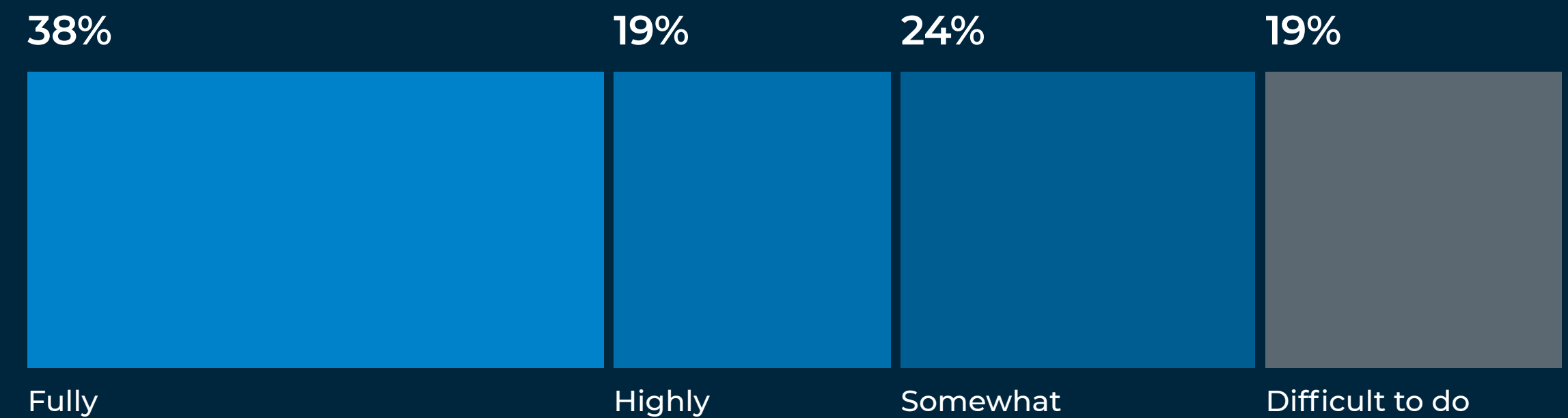
Manual processes and lack of automation

Streamline self service data preparation and automate manual processes

That's a shame, too.
According to McKinsey,
81% of some or all tax
processes and tasks
can be automated.

Not only that, but, when companies take the steps to automate, they see results.

Automatability in Tax



Source: Memo to the CFO: Get in front of digital finance—or get left back, McKinsey

The Benefits of Automation

30-50%

Increase in effectiveness per FTE

3-9%

Reduction in time dedicated to compliance

30%

Elimination of rework

12%

Increase in financial reporting accuracy

These are numbers most tax leaders would be happy to have. You probably would, too.

And you can. In some cases, you and your team can solve analytical problems in a matter of days. Or minutes. With the right analytics technology, you can query 5,000,000,000 records in 20 seconds. And automate the review of 26,000 tax returns per franchise per year.


All in a workflow built in 10 minutes.

Although there's a long list of processes and tasks you can automate, we want to focus on five in particular:

- 01** Tax reconciliation and validation
- 02** Fixed asset depreciation
- 03** Research and development credits
- 04** Sales appointment
- 05** Income tax

These five are the most common processes that we see leaders automating.

And they automate them because they save time from the two culprits that take up the most time — spreadsheets and data sourcing.



The Problem of Spreadsheets and Data Sourcing in Tax

Right now, the average data worker in tax spends too much time working in spreadsheets.

In fact, spreadsheets are one of the largest contributors to wasted time, lost productivity, and costly errors.

All of that time manually spent in spreadsheets leads to error rates as high as 16%. Those errors lead to lengthy reviews, which lead to messy audit trails and missed deadlines.

And those errors add up.

6 Billion Hours

per year are spent working spreadsheets

26 Hours

are wasted in spreadsheets per week

8 Hours

per week are spent repeating the same data tasks

Source: The State of Self-Service Data Preparation and Analysis Using Spreadsheets

The average impact of errors in operational spreadsheets costs companies \$10,000,000.

That makes spreadsheets the first place to start with automation. Not only will automation speed up the data cleansing process, it will also make reporting easier.

With automation, you and your team can:

- Create a clear audit trail
- Quickly identify potential tax issues before Audit
- Detect anomalies
- Reduce administrative costs
- Automate compliance processes

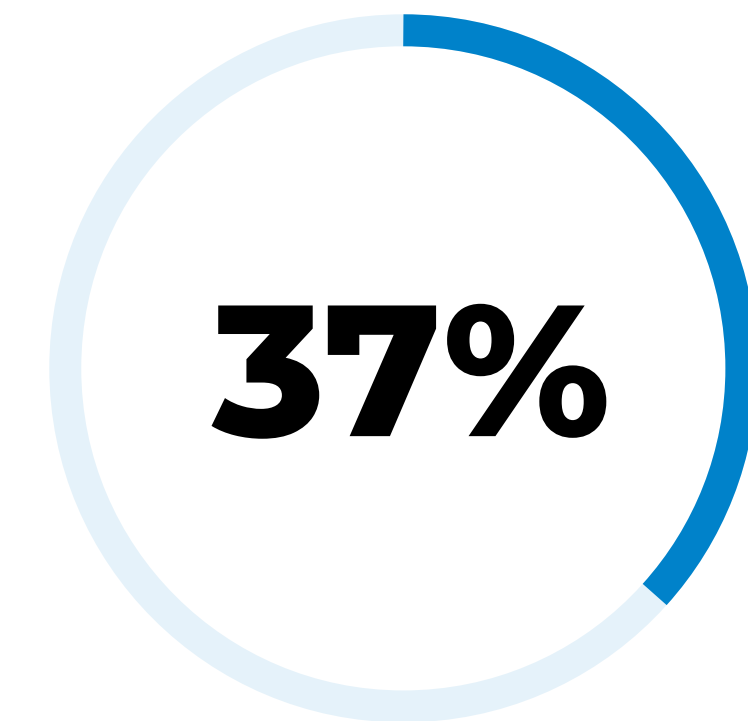
While you're at it, you should also automate your data searching and importing process.

The average company uses over *400 different data sources* for their business intelligence (BI) and analytics initiatives — and those data sources are stored in different locations, such as:

- Cloud storage
- Data lakes
- Work devices
- Personal computers and hard drives

Because of that, the average data worker spends *37 percent of their time searching for data*. That's nearly 2 days each week.

When you add up the average amount of time it takes people to find data (15 hours) with the average amount of time spent in spreadsheets (26 hours) plus repeating work (8 hours), you get (at the very least) 49 hours of time spent on finding data and analyzing it.



Of the average data worker's time is spent searching for data.

Tight deadlines. Extra hours. All of that leads to burnout. And errors.

Costly errors.

Now, you could try automating these issues using coding, but coding comes with its own mix of problems.

And this is why companies are turning to analytics automation to solve tax problems. It's why you should, too.

- Coding doesn't scale with organizational growth
- Coding requires time to revise for changing regulations
- Coding doesn't easily integrate with new software and solutions
- Coding doesn't come cheap — it requires expertise, which is expensive

With analytics automation, you and your team can save time and solve common problems in tax, including:

Sales & Use Tax Compliance

Depreciation Reporting

Identify Non-Taxed Transactions

Tax Apportionment

Meal & Entertainment Deductions

Data Formatting & Aggregation for Fast Filing

Transfer Pricing

Accrual Automation

Customs Duty Drawback

VAT Declaration

Exempt Product Code Accuracy

R&D Tax Credit Calculations

Property Taxes

Exempt Customer Validation

Automate Daily Reconciliations

Intercompany Transactions

Aged Exemption Certificate Analysis

Tax Code Change Planning

Automating these manual tasks helps your organization become analytically mature, and analytically mature organizations have impressive performance gains:

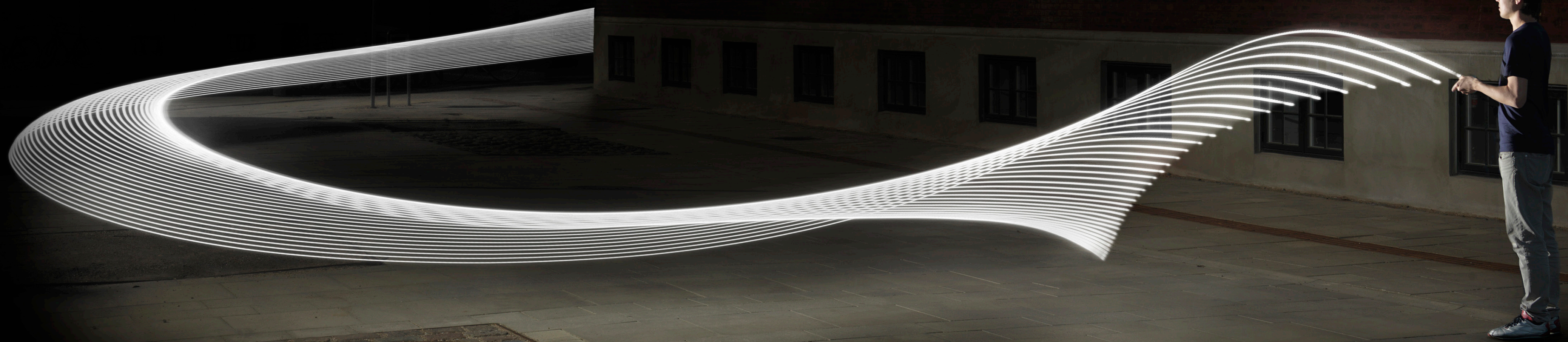
Performance of Analytically Mature Organizations

	Organizational Increase	Increase vs. Competitor
Revenue	11%	120%
Operating Margin	9%	125%

SOURCE: IMA, 2016

All you have to do is identify the places you want to start. Luckily for you, we have five of them.

5 Common Tax Processes You Can Automate in One Week





TAX PROCESS #1

Tax Reconciliation and Validation

Spreadsheets are limited in their ability to handle large volumes of transactions. Analytics automation can quickly access everything at a transactional level and reconcile the taxes applied at different rates. It can also alert you when inappropriate taxes are applied the moment it hits the ledger.



TAX PROCESS #2

Fixed Asset Depreciation

Analytics automation enables the automation of extensive calculations used for depreciation reporting. Repeatable processes ensure reports are accurate and timely, supporting faster filing.

TAX PROCESS #3

Research and Development Credits

Analytics automation handles the process of reconciling every transaction, reviewing each one to maximize your tax credit.

TAX PROCESS #4

Sales Apportionment

Analytics automation enables you and your team to analyze an entire dataset — rather than a sample — of transactions to determine how they should be taxed and at what level, increasing accuracy and speed.

TAX PROCESS #5

Income Tax

Analytics automation enables scenario planning, which helps you plan and prepare for multiple scenarios of tax codes and legislation.



How You and Your Team Can Start Today

The first thing you and your team should do is identify the processes that contain the most repetitive and manual tasks.

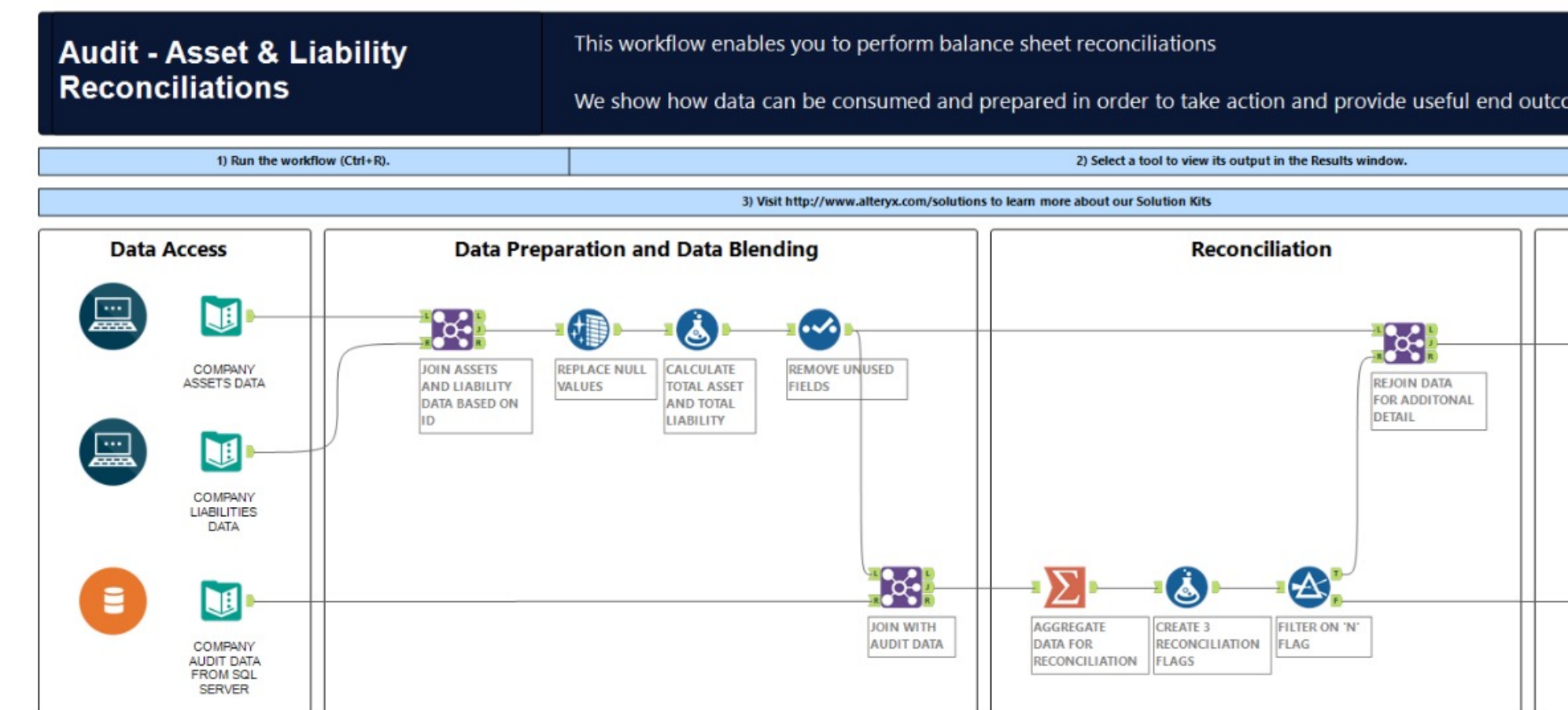
When you're ready, automate them.

How you do that is up to you. But, if you're at this point already, odds are good you don't have an analytics automation solution in place yet.

While you could start anywhere, we do want to point out that you can save time with pre-made, automated processes.

You can find them in our *Financial Analytics Starter Kit*. There's no cost, and you and your team can use the workflows to automate the following:

- Sales Tax Reporting
- Income Tax Provision Compliance
- Fixed Asset Depreciation
- R&D Calculations
- Sales Apportionment



Your team will need Alteryx Designer to use it, though, so we've provided a free 30-day trial to get started.

And, although it's intuitive, we also have resources to help everyone get started.

START FREE TRIAL

- ***Community***
A group of dedicated Alteryx experts and everyday users who help others build workflows, solve problems, and automate analytic processes
- ***Alteryx Academy***
A collection of videos and lessons to help familiarize new or current users with the automated functions within Alteryx Designer
- ***Predictive Analytics Training***
A nanodegree program co-developed by Alteryx and Udacity that equips users with in-demand skills (no programming experience required for enrollment)

Of course, maybe you need some time to work on a plan or get approval from IT.

If so, we get it. And, if that is the case, we have a guide that can help you develop a plan.

GET THE GUIDE

Blueprint for Building a Successful Analytics Center of Excellence

Step One

Identify Use-Cases + Align Organizations

Identify a beneficial use case

Define mission and goals

Seek executive sponsorship

Align with IT and your organization

Effectively communicate the why / ROI potential

Step Two

Create A Self-Service Model

Develop a self-service and self-paced learning program or training module

Create or find a strong and supportive internal/external community for learning

Establish a centralized location for data and analytic processes

Step Three

Amplify Your Success

Protect potential ROI of new projects

Share success with your organization

And, when you're ready to start, we're here to help.

Built-in data governance, centrally-managed security, and high availability allow organizations to scale analytics across departments and organization-wide.

→ Automated Analytics with the Alteryx Analytic Process Automation (APA) Platform™

The Alteryx APA Platform delivers end-to-end automation of analytics, machine learning, and data science processes; enabling the agility needed to accelerate digital transformation. With the Alteryx APA Platform you can automate analytics and data science, embed intelligent decisioning, and power your people to deliver faster, better business outcomes.

→ Alteryx Designer

Automate every step of analytics, including data prep, blending, reporting, predictive analytics, and data science. Access any data source, file, application, or data type, and experience the simplicity and power of a self-service platform with 300+ automation building blocks. Start creating interactive outcomes today.

→ Alteryx Server

Scale, share, and govern your analytic workflow processes, models, and data with Alteryx Server. Create analytic workflows with Alteryx Designer and publish them to Alteryx Server to schedule automated reporting and outcomes.

Customer Testimonials

“The Tax Department staff are now able to **free themselves of the repetitive tasks in Excel**, obtain more accurate results, and spend time doing analysis and understanding the results of the data....We could never have done this data discovery project without using Alteryx.”

Alexandra Wiegel



“Month-end close is a critical time for controllership where the focus is completing analysis in a short period of time while maintaining accuracy... **[Alteryx] allows the controllership team to focus on more value adding analysis.**”

Cheryl Erickson



“With Alteryx, I let the workflow do all the work for me and I spend most of my time analyzing the data and finding insights that might help our clients. **I didn't go to school to cut and paste.**”

Zara Muradali, Anthony Stola, Alex Schmitt



The Alteryx logo is displayed in a white, lowercase, sans-serif font. The background of the entire slide is a dark blue gradient with numerous colorful, curved lines and dots in shades of blue, green, yellow, and orange, creating a sense of motion and data flow.

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ABOUT ALTERYX

Alteryx, the Analytics Automation company, is focused on enabling every person to transform data into a breakthrough. Alteryx unifies analytics, data science and business process automation in one, end-to-end platform to accelerate digital transformation and shape the future of analytic process automation (APA™). Organizations of all sizes, all over the world, rely on Alteryx to deliver high-impact business outcomes and the rapid upskilling of their modern workforce. For more information visit <https://www.alteryx.com>.

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