



# Accounting, Finance & Tax Transformation

June 21, 2023



# Meet your presenters



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# Finance Transformation

# Why are we talking about Finance Transformation?

## *Stagnant operations result in...*

- Bloated cost structure, yielding financial burden
- Over-extended processes with added inefficiencies and complexities
- Manual “work-arounds” solving for legacy technology / processes
- Bottlenecks with certain key / experienced individuals
- Continued compression of timelines
- Low employee job satisfaction and increased turnover




Over **90%**

of companies are using technology to **modernize their existing business model** vs. **transforming it.**

Forrester, 2020



A photograph of Jeff Bezos, the CEO of Amazon, with his hands raised in a gesture of emphasis. He is wearing a dark suit jacket over a light-colored shirt. The background is dark and out of focus.

“In today’s era of volatility, there is **no other way but to re-invent**. The only sustainable advantage you can have over others is **agility**, that’s it. Because **nothing else is sustainable...**”

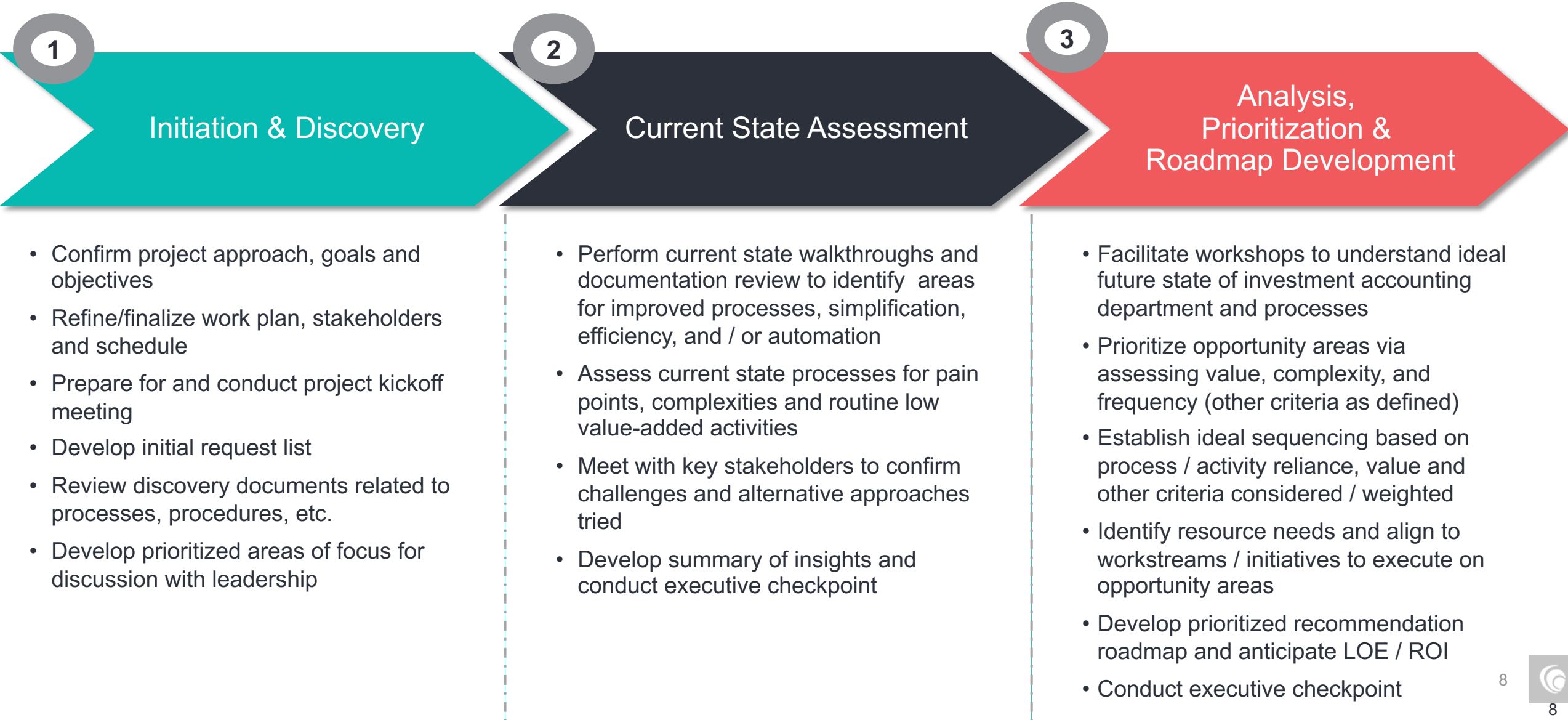
~ *Jeff Bezos*

amazon

The Amazon logo, consisting of the word "amazon" in a lowercase, sans-serif font, with a curved arrow underneath it pointing from the letter 'a' to the letter 'z'.

# **Process Assessment Approach**

# Approach to department & process assessment





# Process Assessment – Future State Definition & Strategic Roadmap Creation

*Investment Accounting Process Assessment for Life Insurance company with over \$20B AUM*

## DETAILS

### INDUSTRY

Insurance / Investment Accounting

### COMPANY SIZE

900+ Employees  
Member of Multinational Holding Company

### TAGS

Current State Assessment  
Investment Accounting  
Vendor Management  
Process Documentation  
Technology Assessment  
Financial Reporting  
Recommendation Roadmap

## CLIENT BACKGROUND:

A 110+ year-old leading provider of diversified retirement services, life insurance, and employee benefit solutions as a member of a multinational insurance holding company. With over \$8 billion in annual revenue, the client also offers a portfolio of traditional fixed and indexed annuities.

## CLIENT BUSINESS CHALLENGE:

The client need was to assess their investment accounting processes to identify operational and technical bottlenecks and inefficiencies. Our team was tasked with uncovering pain points related to the client’s processes, systems, technology, and resource dependencies. The organization has seen significant turnover and operating challenges due to poor data quality, manual processes and conflicting priorities.

## THE BAKER TILLY APPROACH:

Baker Tilly Digital was tasked with assisting the client understand where pain points existed, determine prioritization, and ultimately responsible for defining the proper strategy and sequence for addressing the opportunity areas through upcoming operating model reorganization and technology initiatives to maximize business value. Emphasis was bifurcated to focus on short-term (quick wins) while also planning for long-term investment through identifying avenues for automation using artificial intelligence (AI). Baker Tilly collaborated with stakeholders across the client organization through several process & business value prioritization workshops to:

- Collaborate with team members to understand core operations and business activities
- Identify the pain points / shortcomings in the current-state processes and brainstorm potential resolutions
- Evaluate future-state technical capabilities and required resources to deliver on the target strategy
- Outline specific project initiatives based on key findings to maximize business impact with an emphasis on return on investment
- Develop long-term strategy for implementing business transformation across multiple initiatives

## THE BAKER TILLY IMPACT:

The strategy roadmap and project sequencing created for the client focused on providing immediate value where attainable and laying the groundwork for larger future endeavors. The initiatives identified improve day-to-day client operations, while also building toward more efficient, resourceful, and technically leveraged procedures. These efforts will achieve the client leadership goal to secure automation capabilities to improve process efficiency, data availability, and minimize difficulty of organizational transformation.

# Process Assessment – Future State Definition & Strategic Roadmap Creation

*Investment Accounting Process Assessment for Life Insurance company with over \$20B AUM*

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## CLIENT BACKGROUND:

A 110+ year-old leading provider of diversified retirement services, life insurance, and employee benefit solutions as a member of a multinational insurance holding company. With over \$8 billion in annual revenue, the client also offers a portfolio of traditional fixed and indexed annuities.

Given insights delivered, the client stakeholders determined a deeper dive analysis on the current state operating model, including toolset being used and a time study to understand where process improvements would yield the most value was warranted.

- Evaluate future state technical capabilities and required resources to deliver on the target strategy
- Outline specific project initiatives based on key findings to maximize business impact with an emphasis on return on investment
- Develop long-term strategy for implementing business transformation across multiple initiatives

## THE BAKER TILLY IMPACT:

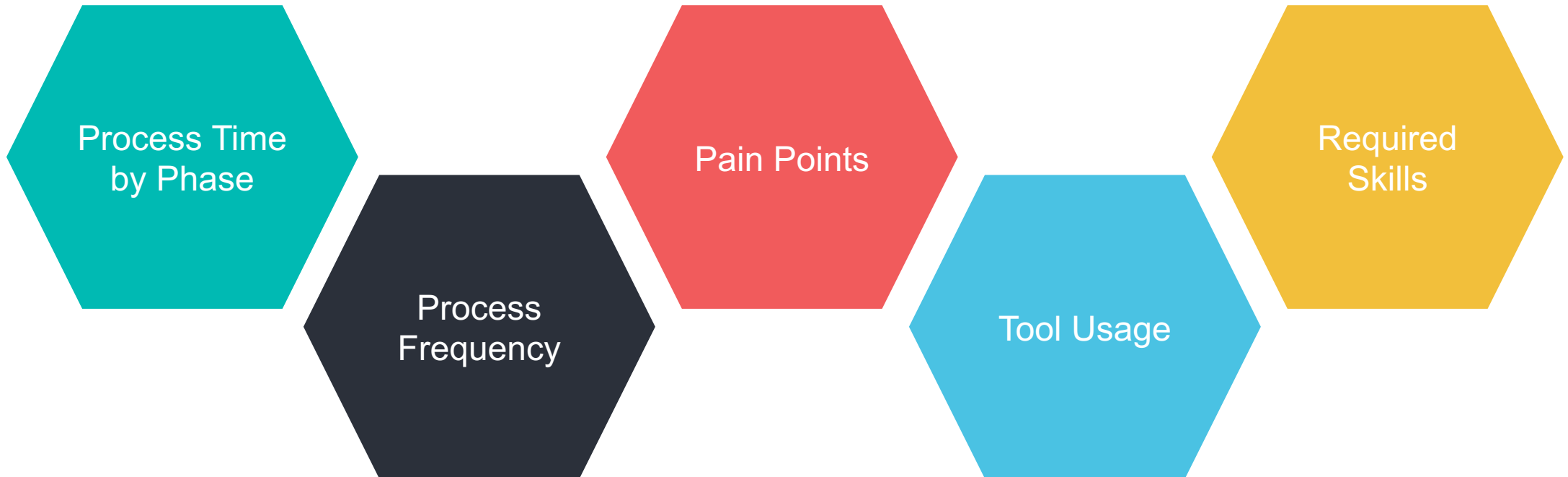
The strategy roadmap and project sequencing created for the client focused on providing immediate value where attainable and laying the groundwork for larger future endeavors. The initiatives identified improve day-to-day client operations, while also building toward more efficient, resourceful, and technically leveraged procedures. These efforts will achieve the client leadership goal to secure automation capabilities to improve process efficiency, data availability, and minimize difficulty of organizational transformation.

# Operating Model Analysis

## APPROACH

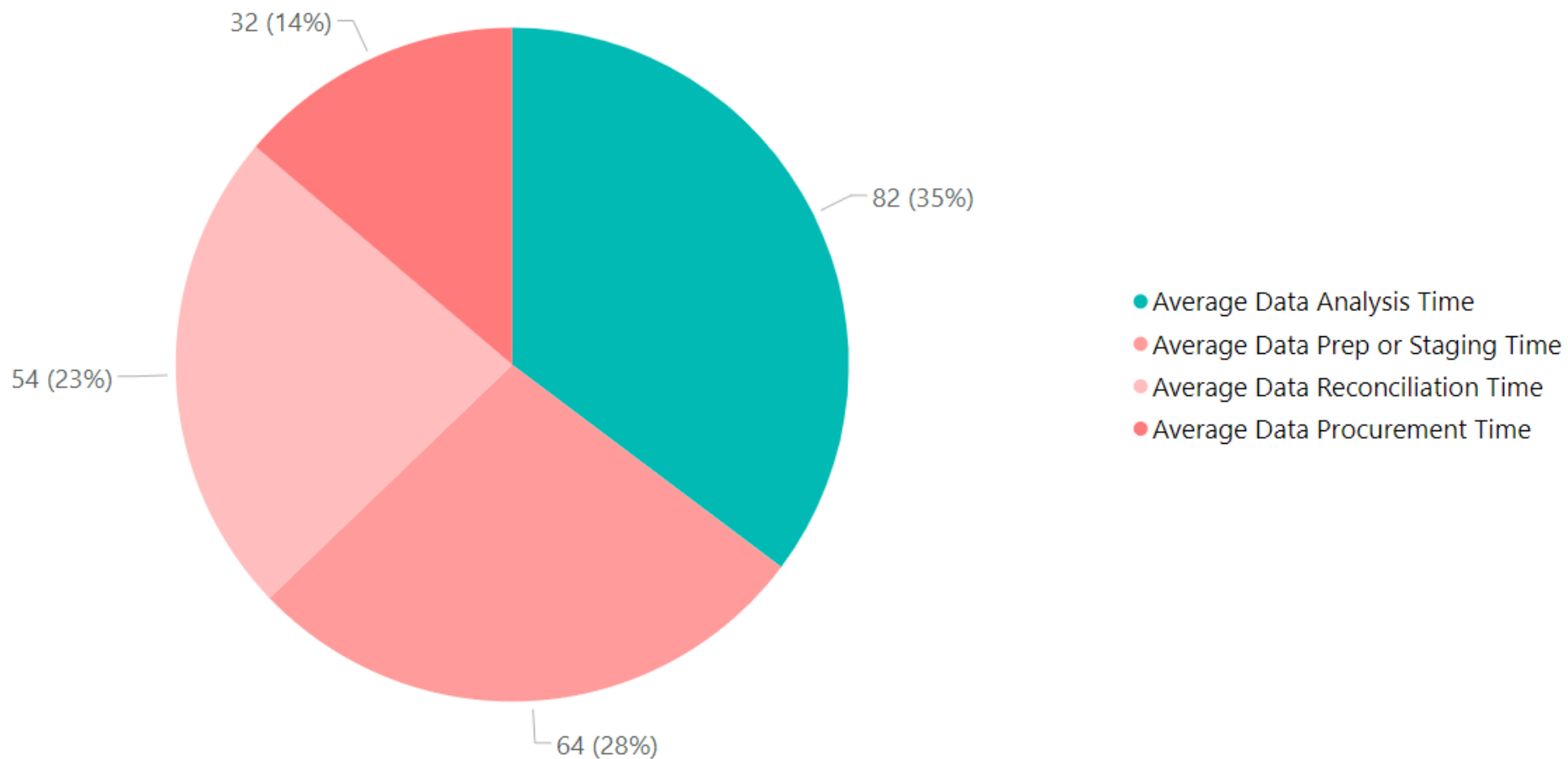
# Shadowing Sessions and a Time Study Gave us Insight Into Efficiency and Team Organization

Our team shadowed 17 month-end and quarter-end processes and collected time study data on 22 processes gathering data points like:



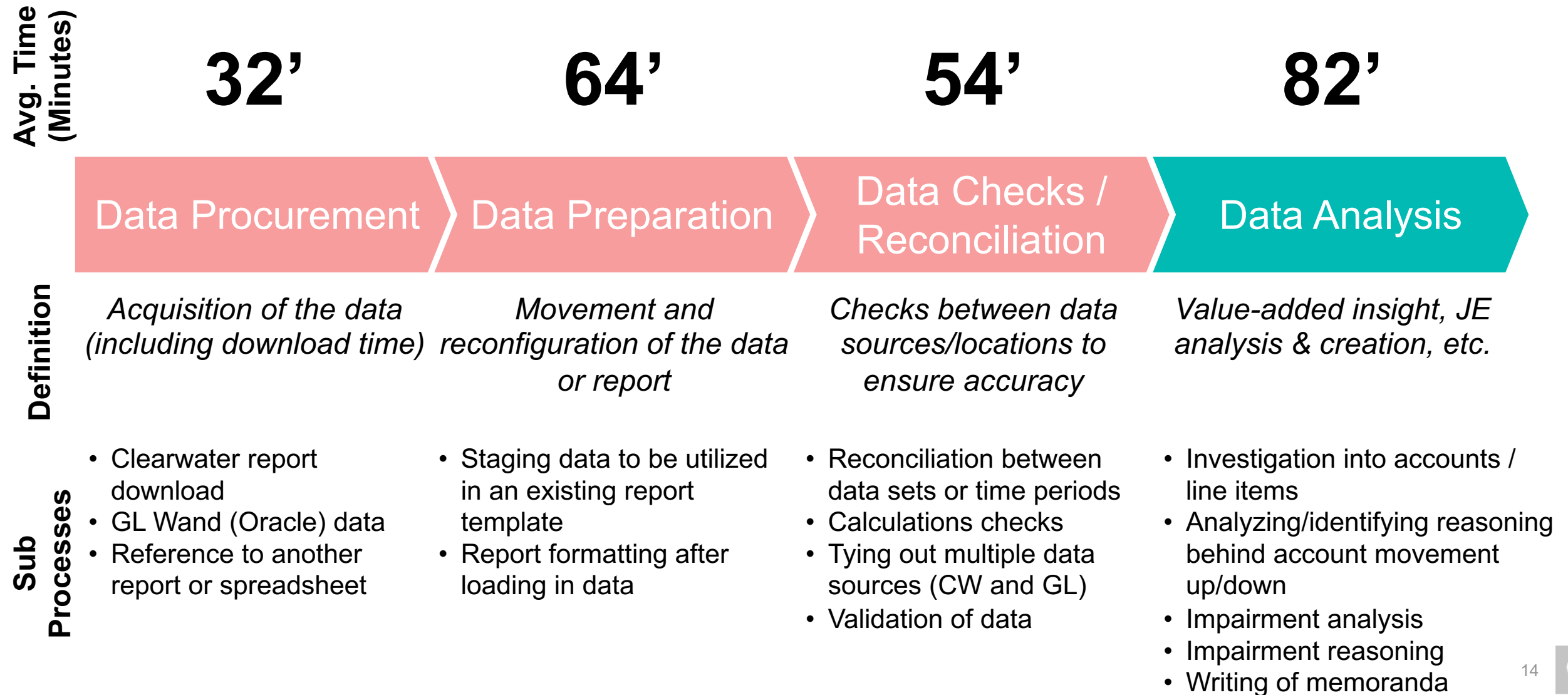
## OPERATING MODEL FINDINGS

**Average process takes 232 minutes (~4 hrs);  
only 35% is analysis and execution (*aka value added*)**



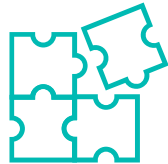
## OPERATING MODEL FINDINGS

# Investment Accounting Processes | Value Chain



# Investment Accounting's Efficiency is Up Against Limit of Toolset

In many areas, processes are as automated as they can be with the existing toolset leaving a few options:



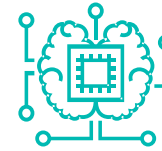
## Reorganize the Work

Distribute the work more based on timeframe than by skillset



## Improve Prep-Work

Have reports and data needed to perform processes pre-downloaded to save time acquiring the data



## Invest in a New Toolset

Build tools that automate routine or manual tasks like data procurement, validation, and formula calculation.

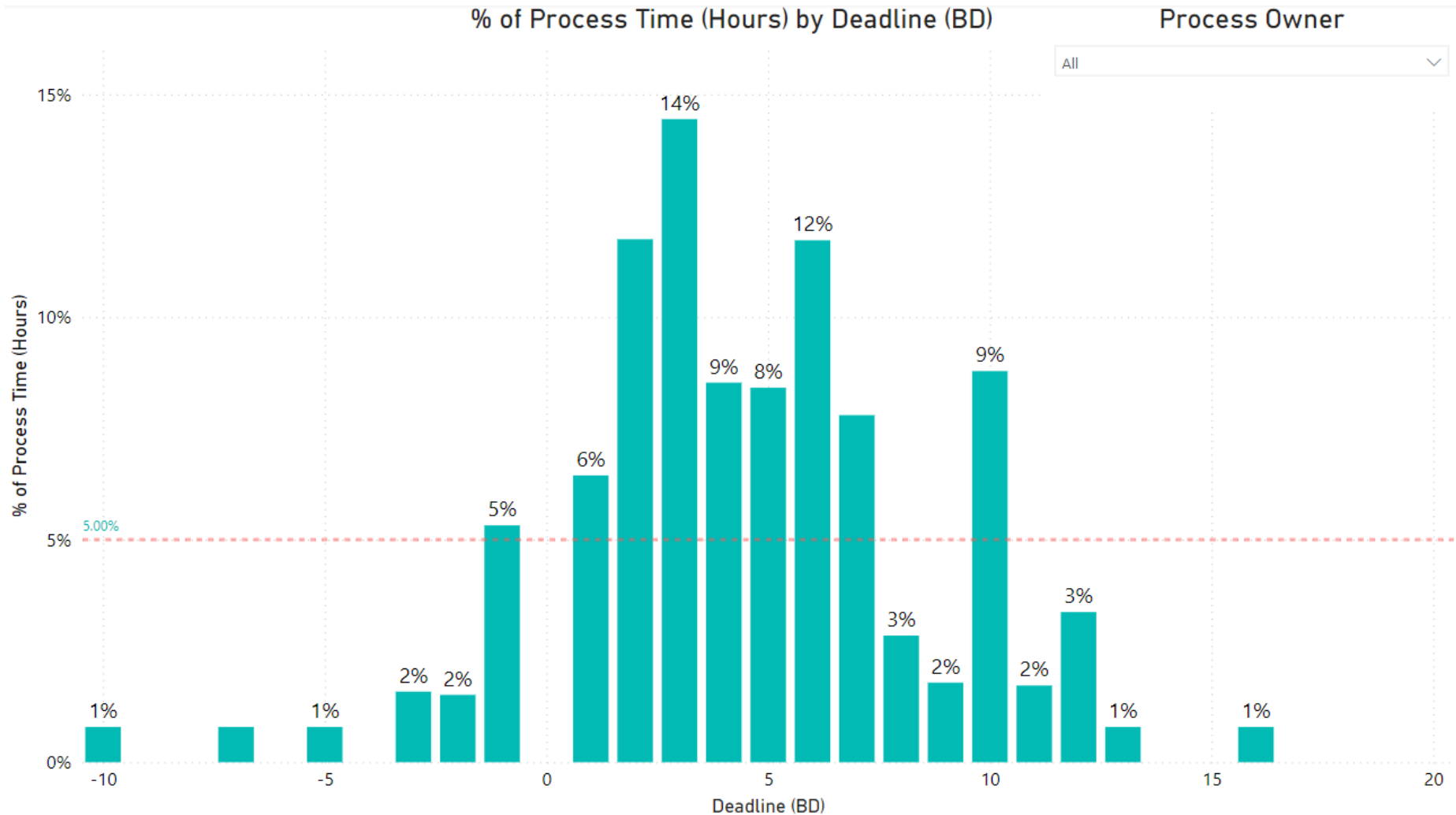
Short-Term

Long-Term

Investment

## PROCESS REORGANIZATION EVALUATION

# Process Reorganization is Not a Perfect Fix Given High Workloads Across the Team from BD1 to BD7





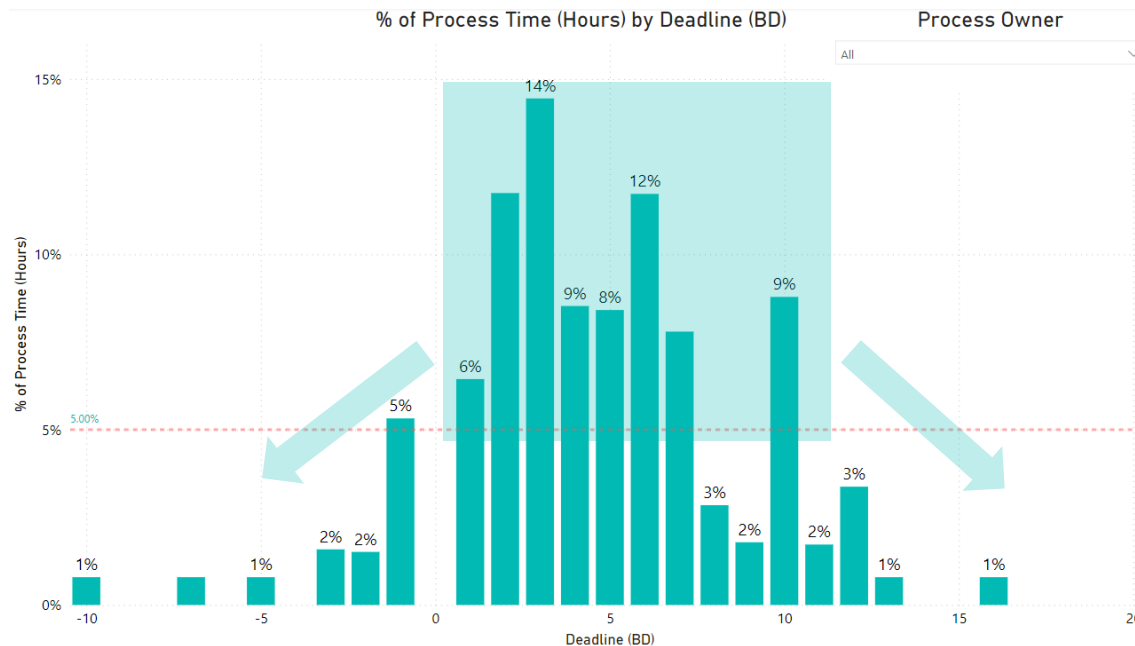
# Smoothing Demand Would Alleviate Symptoms of Peak Periods

## Peak Periods Contribute To:

- Employee Stress
- Burnout
- Turnover

## Demand Smoothing May Not Be Possible Given:

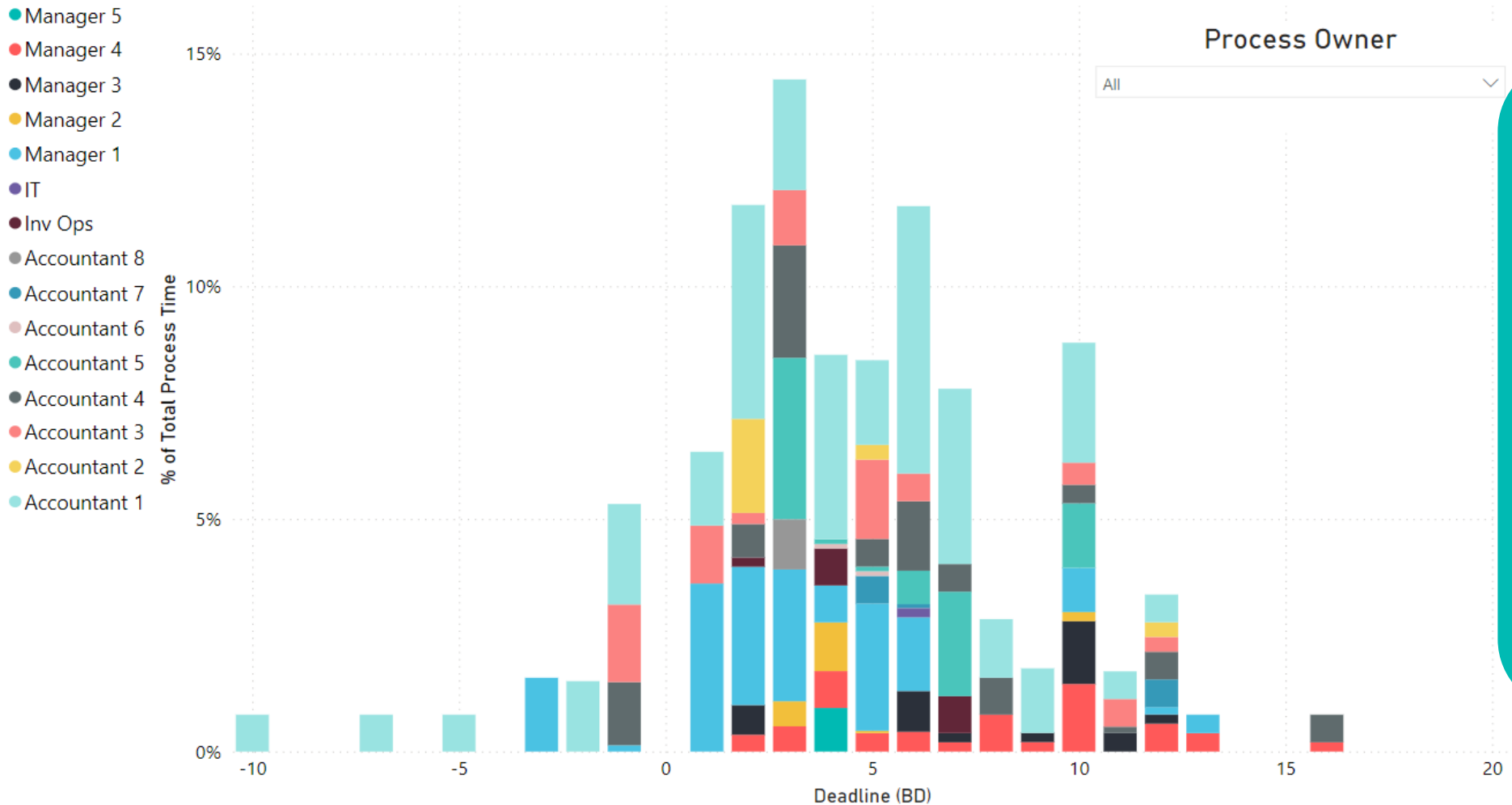
- Fixed Reporting Requirements
  - Fixed deadline
- Timelines for Data Locks
  - Fixed start time



PROCESS REORGANIZATION EVALUATION

# However, Some Employees Are Busy at Different Times So Reorganization May Alleviate Stress

Total Process Time (Hours) by Deadline (BD) and Process Owner (Anonymous)



**Note:** Analysis is an estimate based on available data

Assumed processes we do not have data for would be similar in length to the average process in the survey data

Assumed all processes in process listing are monthly unless known through survey data

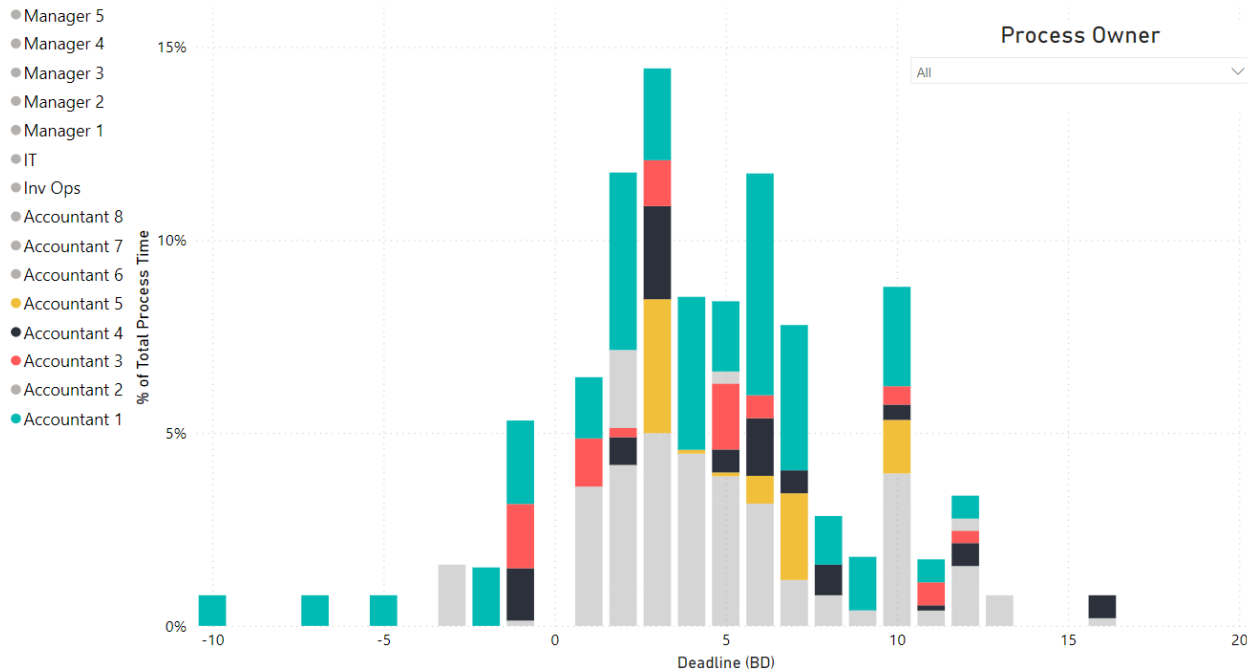
Assumed all processes take place 2.2 times / month (avg. reflected in survey data of monthly processes)



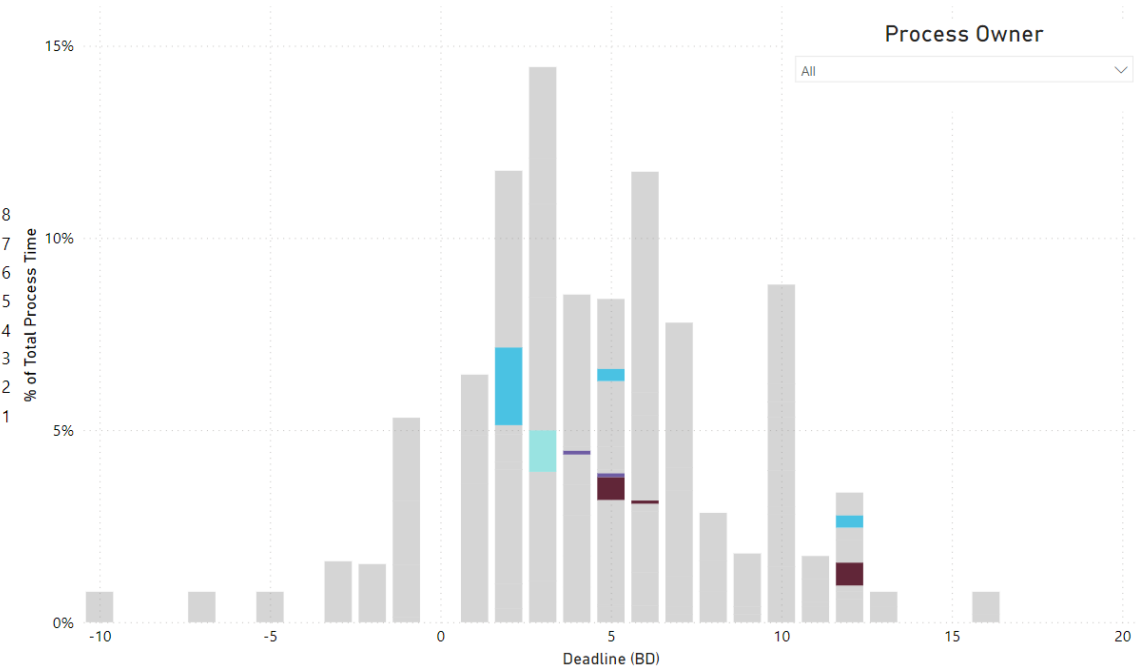
PROCESS REORGANIZATION EVALUATION

# Demand Smoothing amongst resources may reduce bandwidth constraints in peak times

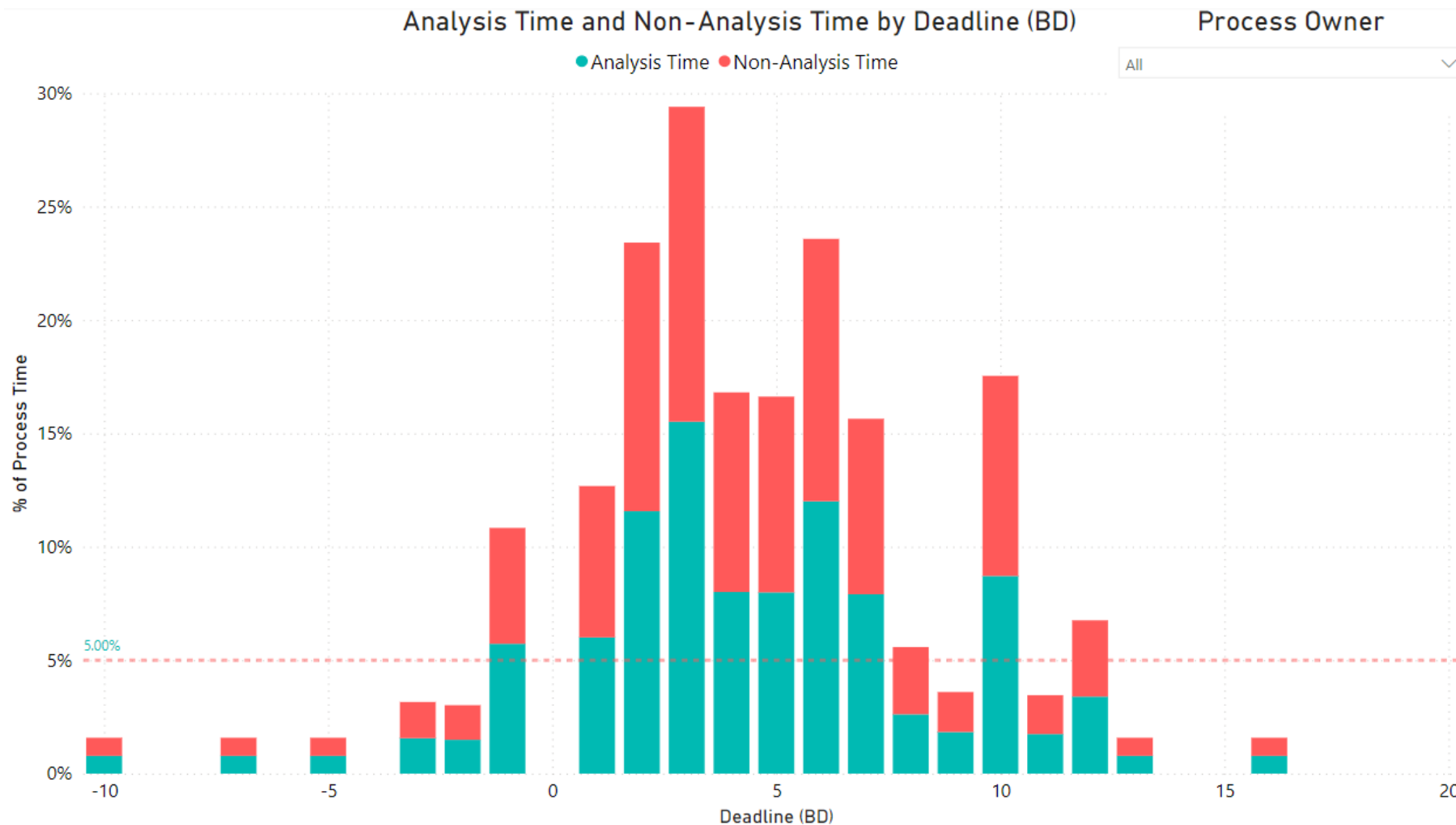
Total Process Time (Hours) by Deadline (BD) and Process Owner (Anonymous)



Total Process Time (Hours) by Deadline (BD) and Process Owner (Anonymous)



# Automation of Non-Analysis Tasks Would Reduce Spikes in Workload



# Solution Options



# Alternative Operating Model Options

## People & Process

### Status Quo

Status Quo describes the operations as they exist today with a large workload spike, low satisfaction, recurring manual work, but a high degree of accuracy.

### Activity Redistribution

Work is less organized by functional area, and more by timing, capacity, and deadlines to share workload evenly.

### Working Pods

The backlog of work (like agile) is divided up for each pod to complete. Pods are formed by the level of skill/expertise required to complete the pod's backlog.

### Agile

Almost all work can be completed by anyone. Those with capacity grab work off the "stack" to complete. Training upfront and of new employees is paramount.

## Technology & Process

### Data-Driven Automation

Automation of data procurement, prep, validation, and Excel calculations. The team analyzes outputs and makes decisions on the data presented.

### End-to-End Automation

Automation of data procurement, prep, validation, and Excel calculations. Business rules review outputs and create and upload journal entries or other output types.

## (Hybrid) People, Process, & Technology

### Activity Redistribution & Automation

Value-added analysis work remains, and processes are shared with team members based on their capacity and the process deadlines.

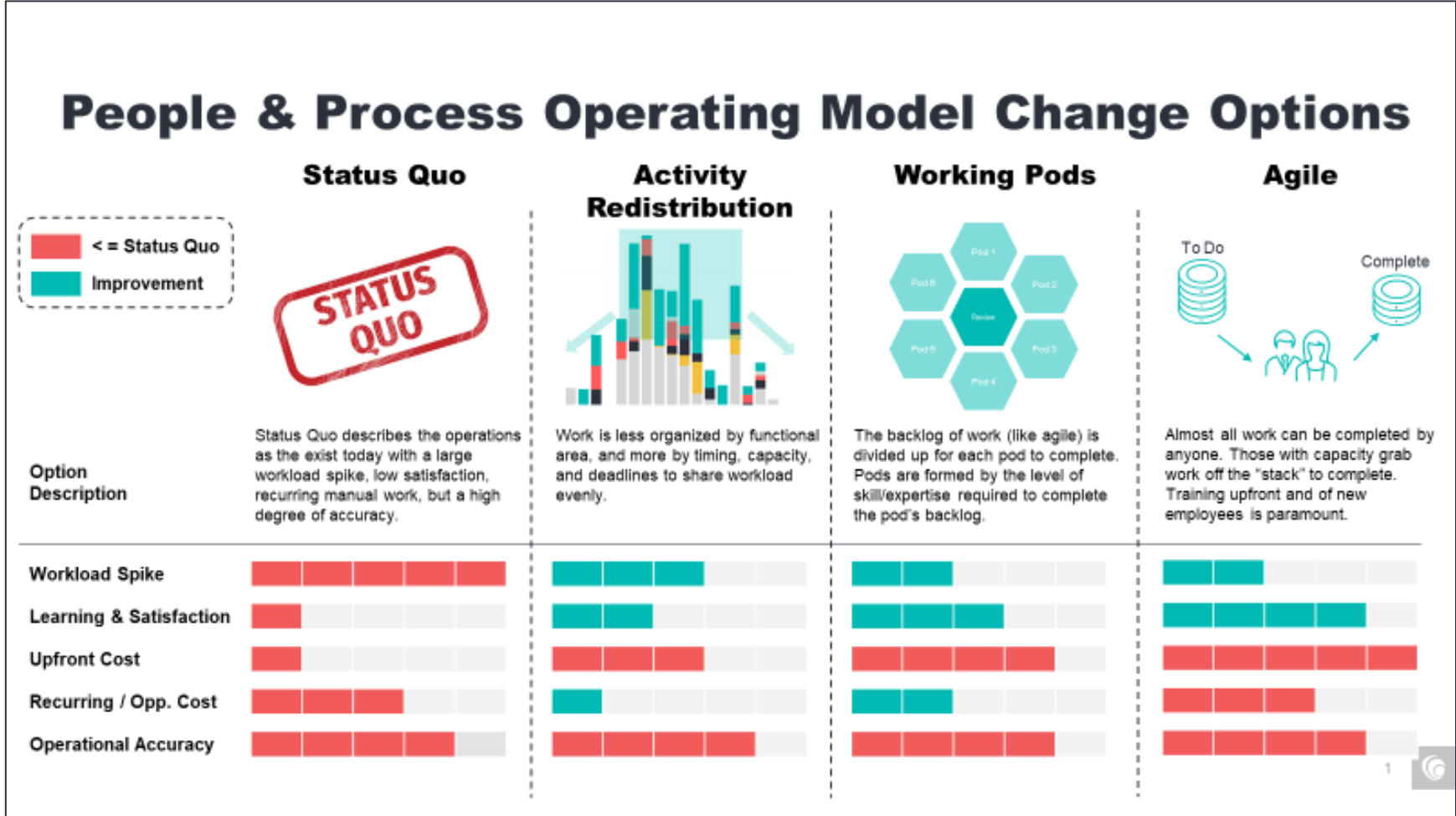
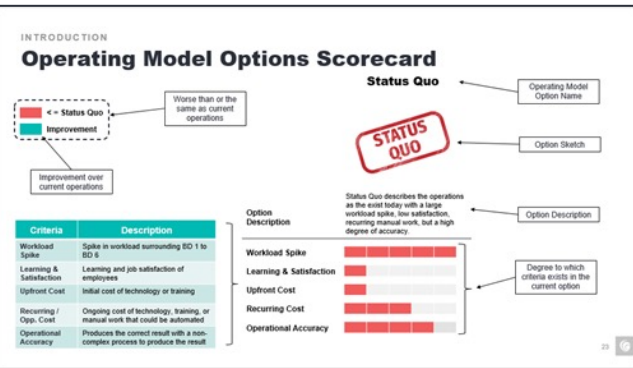
### Pods & Automation

Pods share groupings of the remaining analysis work after technology completes non-value-added tasks.

### Agile & Automation

Value-added analysis work remains, and most of the team is trained to perform any task outstanding. Training is a high, ongoing priority.

# Changing the way we work, vs. the work to be done only solves for some of the variables



# Automation improves spikes and creates repeatable, scalable operations

### People & Process Operating Model Change Options

**Status Quo**

Option Description: Status Quo describes the operations as the exist today with a large workload spike, low satisfaction, recurring manual work, but a high degree of accuracy.

**Activity Redistribution**

Option Description: Work is less organized by functional area, and more by timing, capacity, and deadlines to share workload evenly.

**Working Pods**

Option Description: The backlog of work (like agile) divided up for each pod to control. Pods are formed by the level skill/expertise required to complete the pod's backlog.

Workload Spike	██████████	██████	██████
Learning & Satisfaction	███	██████	██████
Upfront Cost	██████████	██████	██████████
Recurring / Opp. Cost	██████████	███	██████
Operational Accuracy	██████████	██████████	██████████

### Technology & Process Operating Model Change Options

**Data-Driven Automation**

Option Description: Automation of data procurement, prep, validation, and Excel calculations. The team analyzes outputs and makes decisions on the data presented.

**End-to-End Automation**

Option Description: Automation of data procurement, prep, validation, and Excel calculations. Business rules review outputs and create and upload journal entries or other output types.

Workload Spike	██████	██████
Learning & Satisfaction	██████	██████
Upfront Cost	██████████	██████████
Recurring / Opp. Cost	███	███
Operational Accuracy	██████████	██████████

#### Operating Model Options Scorecard

**Introduction**

Criteria: Workload Spike, Learning & Satisfaction, Upfront Cost, Recurring / Opp. Cost, Operational Accuracy.

Description: Spike in workload surrounding BD 1 to BD 8, Learning and job satisfaction of employees, Initial cost of technology or training, Ongoing cost of technology, training, or manual work that could be automated, Produces the correct result with a non-complex process to produce the result.

**Status Quo**

Option Description: Status Quo describes the operations as the exist today with a large workload spike, low satisfaction, recurring manual work, but a high degree of accuracy.

Option Switch: [Option Name]

Option Description: [Option Name]

Degree to which criteria exists in the current option: [Scorecard]



# Combining Technology with People & Process change drives the most value.

### People & Process Operating Model Change Options

**Status Quo**

Option Description: Status Quo describes the operations as the exist today with a large workload spike, low satisfaction, recurring manual work, but a high degree of accuracy.

**Activity Redistribution**

Option Description: Work is less organized by functional area, and more by timing, capacity, and deadlines to share workload evenly.

**Working Pods**

Option Description: The backlog of work (like agile) is divided up for each pod to complete. Pods are formed by the level skill/expertise required to do the pod's backlog.

**Agile**

Option Description: Almost all work can be completed by anyone. Those with capacity grab...

Workload Spike	██████████	██████	██████
Learning & Satisfaction	████	██████	██████
Upfront Cost	██████████	██████	██████
Recurring / Opp. Cost	██████████	██████	██████
Operational Accuracy	██████████	██████	██████

### Technology & Process Operating Model Change Options

**Data-Driven Automation**

Option Description: Automation of data procurement.

**End-to-End Automation**

Option Description: Automation of data procurement.

### Hybrid Operating Model Change Options

**Activity Redistribution & Automation**

Option Description: Value-added analysis work remains, and processes are shared with team members based on their capacity and the process deadlines.

**Pods & Automation**

Option Description: Pods share groupings of the remaining analysis work after technology completes non-value-added tasks.

**Agile & Automation**

Option Description: Value-added analysis work remains, and most of the team is trained to perform any task outstanding. Training is a high, ongoing priority.

Workload Spike	██████	██████	██████
Learning & Satisfaction	██████	██████	██████
Upfront Cost	██████████	██████████	██████████
Recurring / Opp. Cost	██████	██████	██████
Operational Accuracy	██████████	██████████	██████████

Note: The analysis above assumes process automation. For end-to-end automation, add one box to Learning & Satisfaction, Upfront Cost, and remove one from Workload Spike.

#### Operating Model Options Scorecard

**Introduction**

- Worse than or the same as current operations
- Improvement over current operations

**Criteria**

Criteria	Description
Workload Spike	Spike in workload surrounding BD 1 to BD 5
Learning & Satisfaction	Learning and job satisfaction of employees
Upfront Cost	Initial cost of technology or training
Recurring / Opp. Cost	Ongoing cost of technology, training, or manual work that could be automated
Operational Accuracy	Produces the correct result with a non-complex process to produce the result

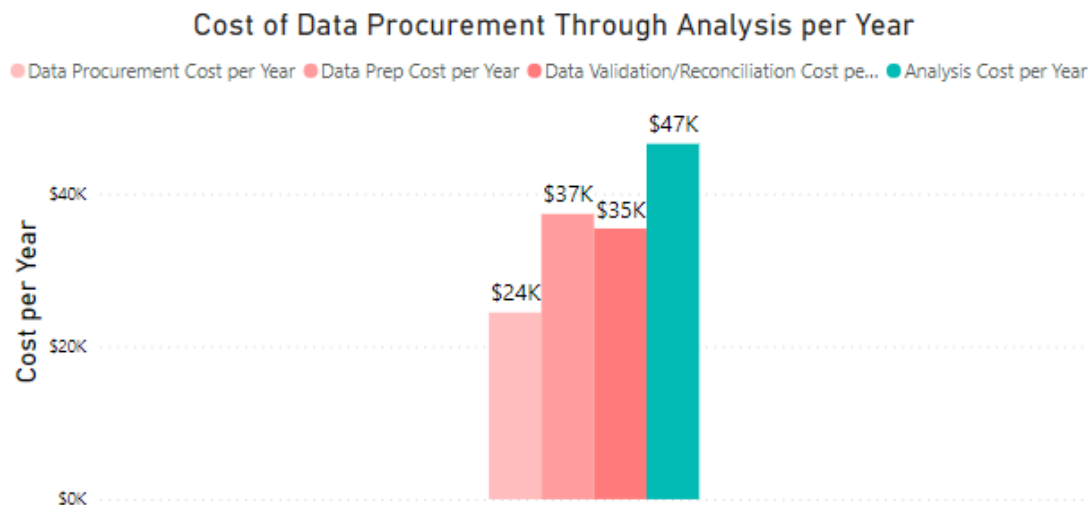
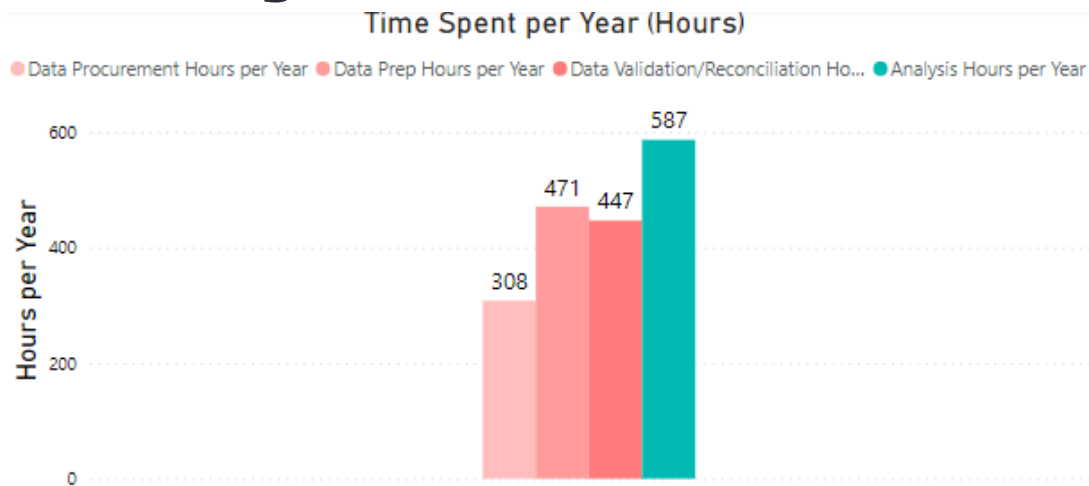
**Option Description**

Status Quo describes the operations as the exist today with a large workload spike, low satisfaction, recurring manual work, but a high degree of accuracy.

Degree to which criteria exists in the current option

AUTOMATION & LOST TIME MODELING

# Detailed Payback Scenario Analysis



21

Processes Included in Analysis

Avg. Employment Cost of Process Owner(s)

\$165,000

Cost of Data Solution

Redact

% of Non-Analysis Time Replaced

100%

1226

Non-Analysis Hours per Year

\$97.29K

Non-Analysis Cost per Year

Redact

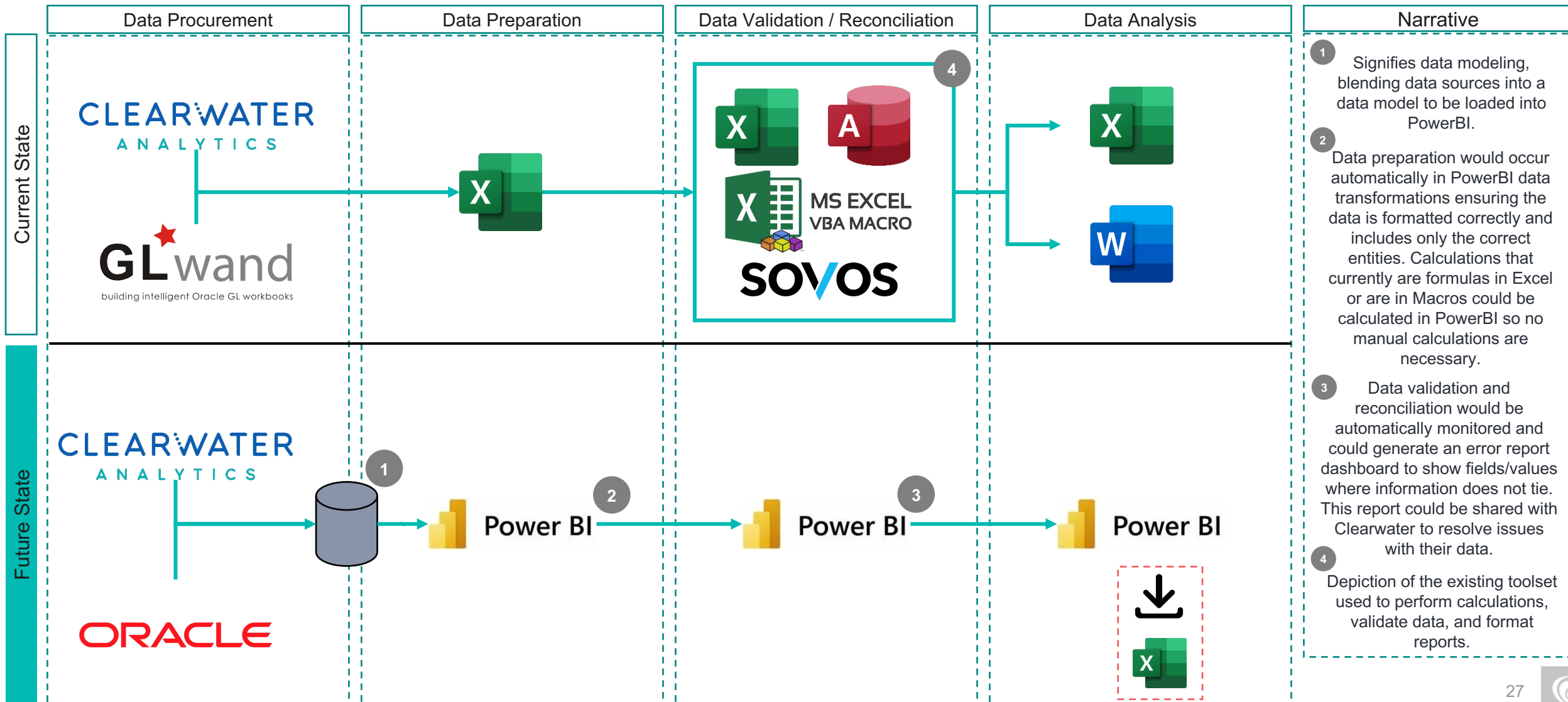
Payback Period (Years)

Cost estimate is illustrative. To be scoped and priced based on need.

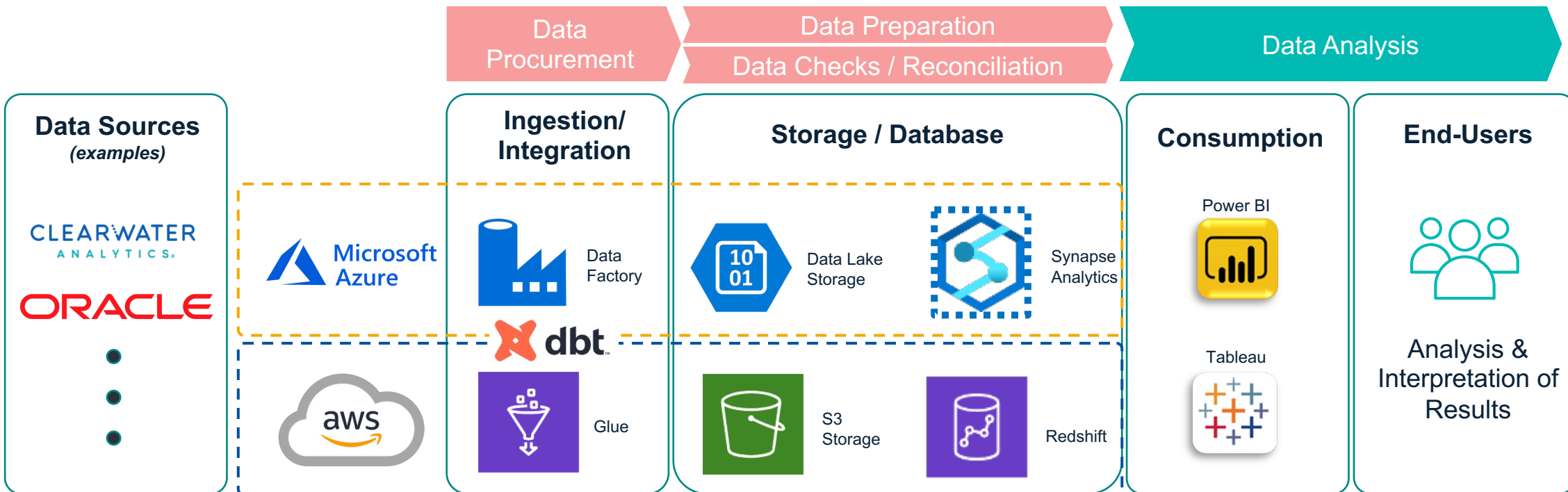


LONG-TERM OPERATIONAL EFFICIENCY

# Efficiency Through Automation & New Tools



# Illustrative Solution Detail in Azure or AWS



The **Ingestion/ Integration layer** is where data is integrated from source systems (Clearwater, Oracle, etc.)

In the **Storage & Database layer(s)** the data is landed, business rules / logic transform the data into needed formats, data is organized and made available for query and analysis. Data values are validated with automated checks throughout

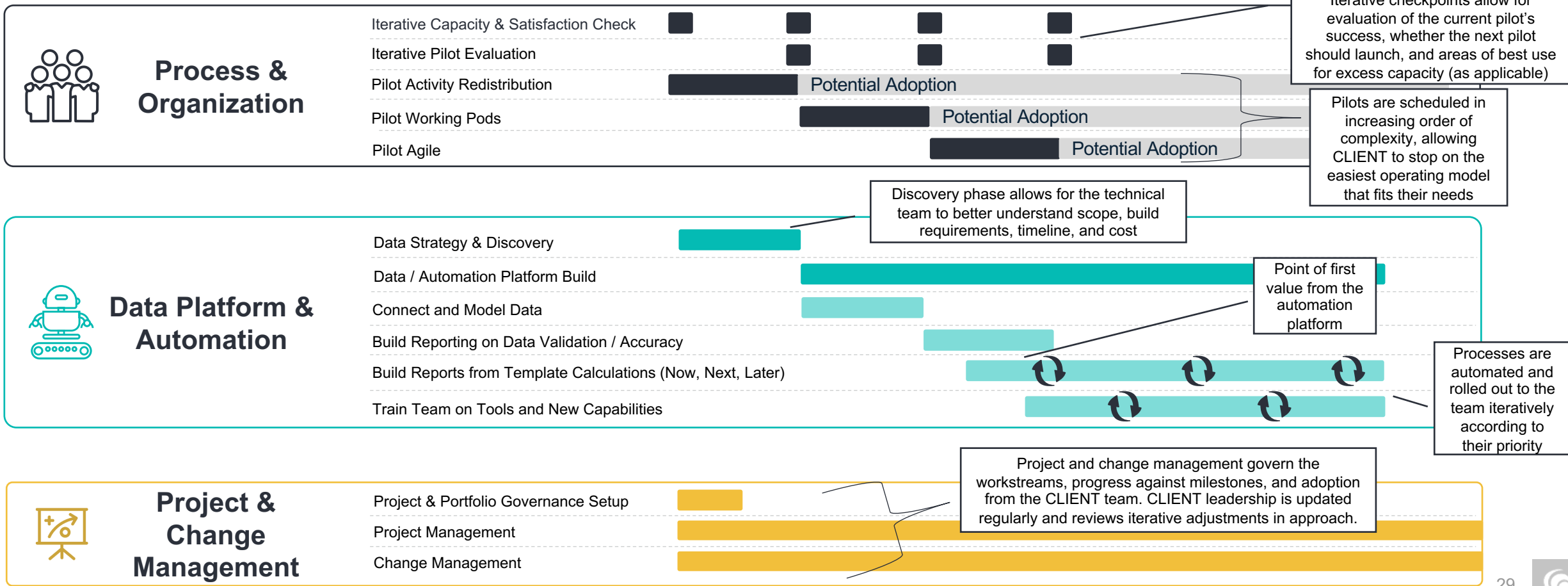
In the **Consumption layer** through a visualization tool, end users interpret the data, perform analysis and take action based on the presented results. This is direct value-added activity



# Operating Model Improvements | Roadmap

Timeline is illustrative.  
To be further refined.

Start Month 1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11 M12



**tax  
transformation**



# Common factors impacting corporate tax operating models

- Lower growth gross domestic product (GDP) & low interest rate environment led most insurance companies to continuously challenge the internal cost structure year over year, including tax function spending, pressure to avoid increase in headcount – even with new transitions and added business complexity – in order to improve return on equity (ROE) and combined ratios.
- Tax activities continue to become digitized and traditional workpapers are moving to shared sites. Secure collaboration tools, advances in remote access and secure cloud-based technologies are opening new opportunities for efficiencies and maximizing internal resources.
- Major advances in “light grade” tax technology solutions that can be built out rapidly and at a low cost to solve business problems. Examples include Power BI, Tableau and Power Pivot, which are keying off of existing ledger systems including OneSource (provisions), Alteryx and CorpTax provision software.

# Common data challenges

- Finance and tax professionals spend more than 50% of their time and effort gathering data that could otherwise be spent on value-added activities
- Data is housed in multiple places in different formats; i.e., system databases, excel spreadsheets, etc.
- Manually consolidating and reviewing the data is time consuming and prone to risk and errors
- Excel workbooks are the primary technology utilized for core tax calculations/technology, is outdated and/or lacks automation
- Lack of integration between upstream finance applications and downstream direct and indirect tax applications
- Aggregate, manage and translate a large amount of information, increasing large number of formula errors and invalid data sources
- Reconciling data from multiple (10+) source systems
- Lack of controls to perform completeness test and reconciliation of the data population back to its source





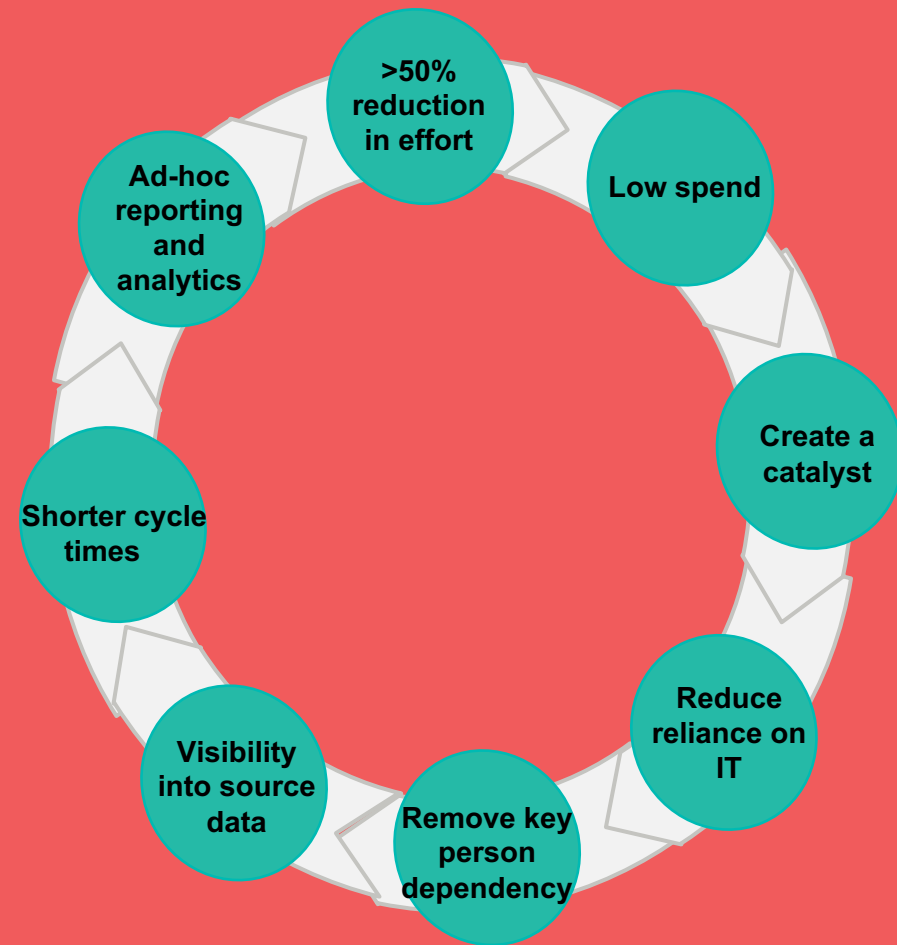
# Data automation and analytics



Creates the ability to leverage data and use visualizations to highlight opportunities and bring more value to upper management

Provides increased level of insight into data and reveals patterns, trends and associations in all the data affecting tax department

Can be easily customized to include impactful data across all jurisdictions to plan strategically and make sound business decisions



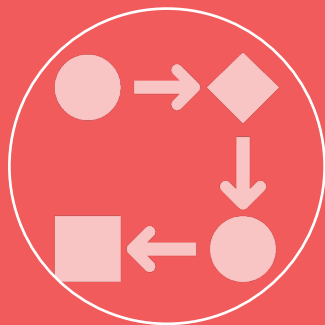
# Factors improving insurance tax function operating model



Upskilling of client personnel in automation trends and identification of practical use cases to promote citizen-led behavior



Review existing processes to identify data gaps and pain points within manually intensive processes



Design process and technology solutions



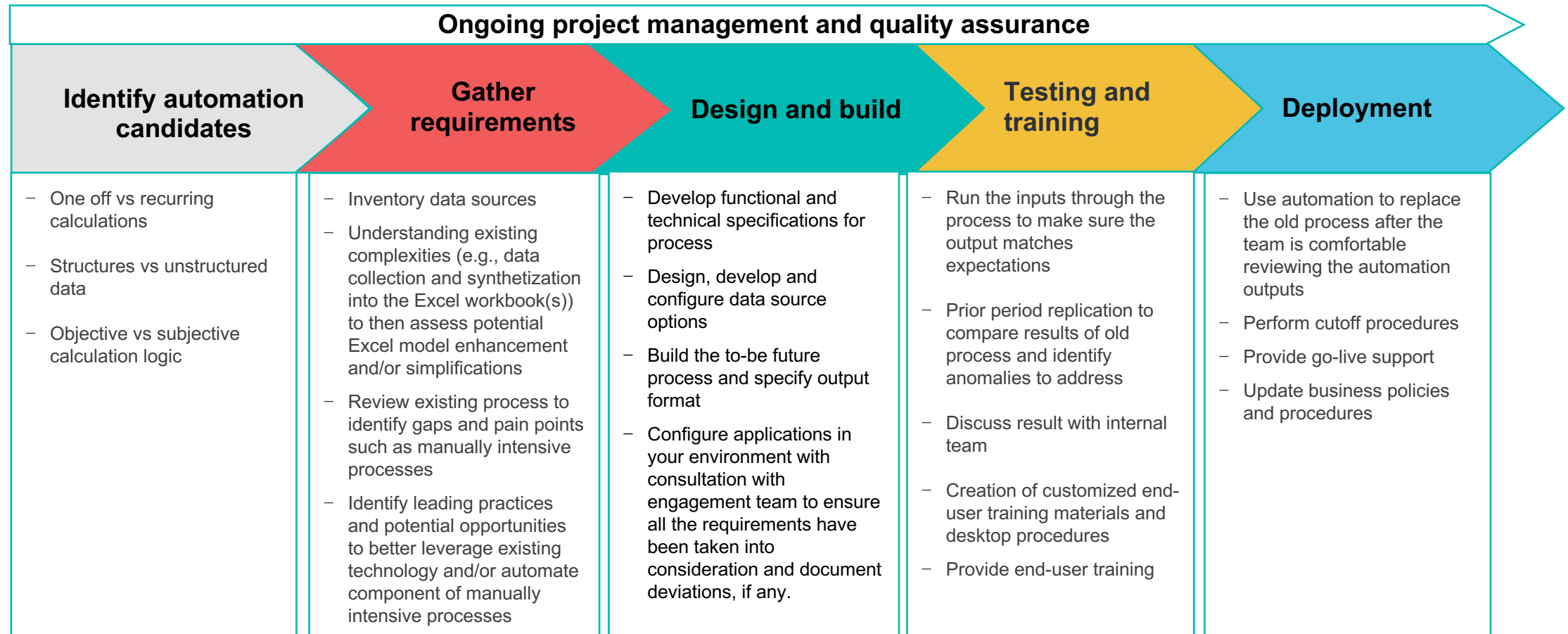
Enable the rapid deployment of the automation model(s) to eliminate more than 50% of the hours spent on manual data manipulation



Establish a sustainable/agile governance model that formalizes stakeholder roles and responsibilities, enables the review/update of internal controls, addresses additional change management challenges and monitors business/legislative changes



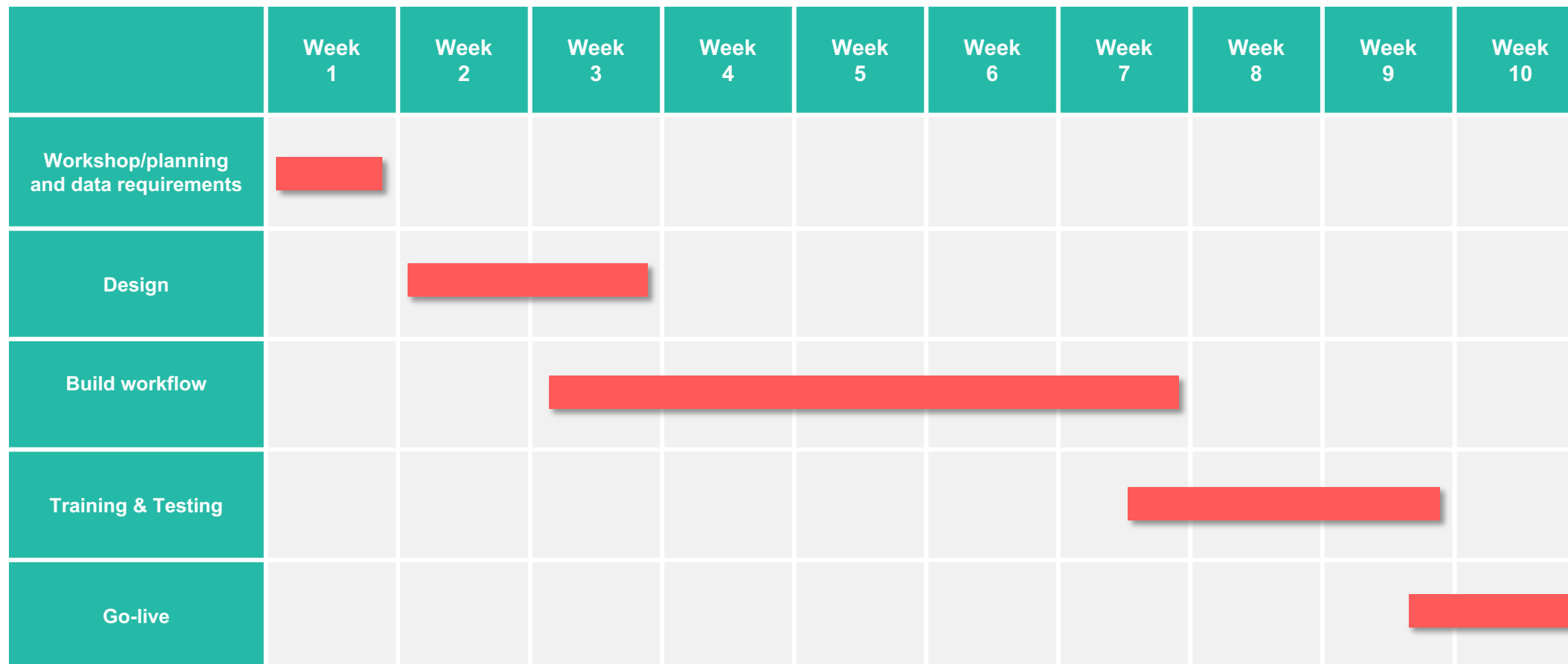
# Methodology and execution – Lifecycle



# Key points of tax technology implementation

- The scope and design will be led directly by the specialist implementation team, and this will ensure the client receives the best possible service and ensure the smoothest deployment. We have the best relationship with the vendor product team(s) and should we require assistance with software bugs, they will be on hand to prioritize our implementation.
- Our approach is to work together with client engagement teams throughout the project in order to ensure that the end deliverable meets the requirements, and the client engagement team is comfortable with the implemented tools/systems and how it integrates into the overall process

# Typical timeline



# Operating model assessment

## Start with an overview of people, processes and systems

- Co-managed services alternative – natural flow from insurance tax transformation
- Full outsource: Future tax department functions outsourced to qualified firm where work is completed and reviewed by subject matter experts
- Retain tax department, maintain current team and grow via incorporating the transformation tax technology tools and enhance and maintain reduced headcount by relying on outside service provider to validate the historical data reported in the tax returns and provision calculations
- Hybrid approach: Third party tax service provider validates the historical tax data and executes on select on-going services, i.e., state tax compliance, premium taxes, K-1 reporting, partnership returns and investment tax support.

# Alteryx automation

# Trial Balance Aggregator

The screenshot displays the Alteryx Designer interface for the Trial Balance Aggregator workflow. The main canvas shows a workflow with the following tools and steps:

- Input Files:** File Browse (40) Select Current Year Trial Balance, Update Input Data Tool, Current year Trial balance, Entity Listing, Select Prior Year Trial Balance, Update Input Data Tool, Prior year Trial balance.
- Process Current Trial Balance:** Update column headers with OTP, Select required columns, Filter for rows with, Transpose to columnar format, Rename column headers.
- Combine Trial Balance (Current and Prior Year):** Create OTP TB with all accounts, Create an absolute value column to identify zero values, Removed rows with 0 in both CY/ PY, Remove absolute amount column.
- Trial Balance Output:** OTP TB output.

A 'Processing' window is open, showing the workflow progress. A 'File Selection' dialog is in the foreground, titled 'Trial Balance Aggregator - File Selection'. It contains the following fields:

- Select Current Year Trial Balance
- Select Prior Year Trial Balance

The dialog also features the bakertilly logo and navigation buttons: < Back, Finish, Cancel, Help. A status bar at the bottom right indicates 'Last Updated 03/21/2022'.





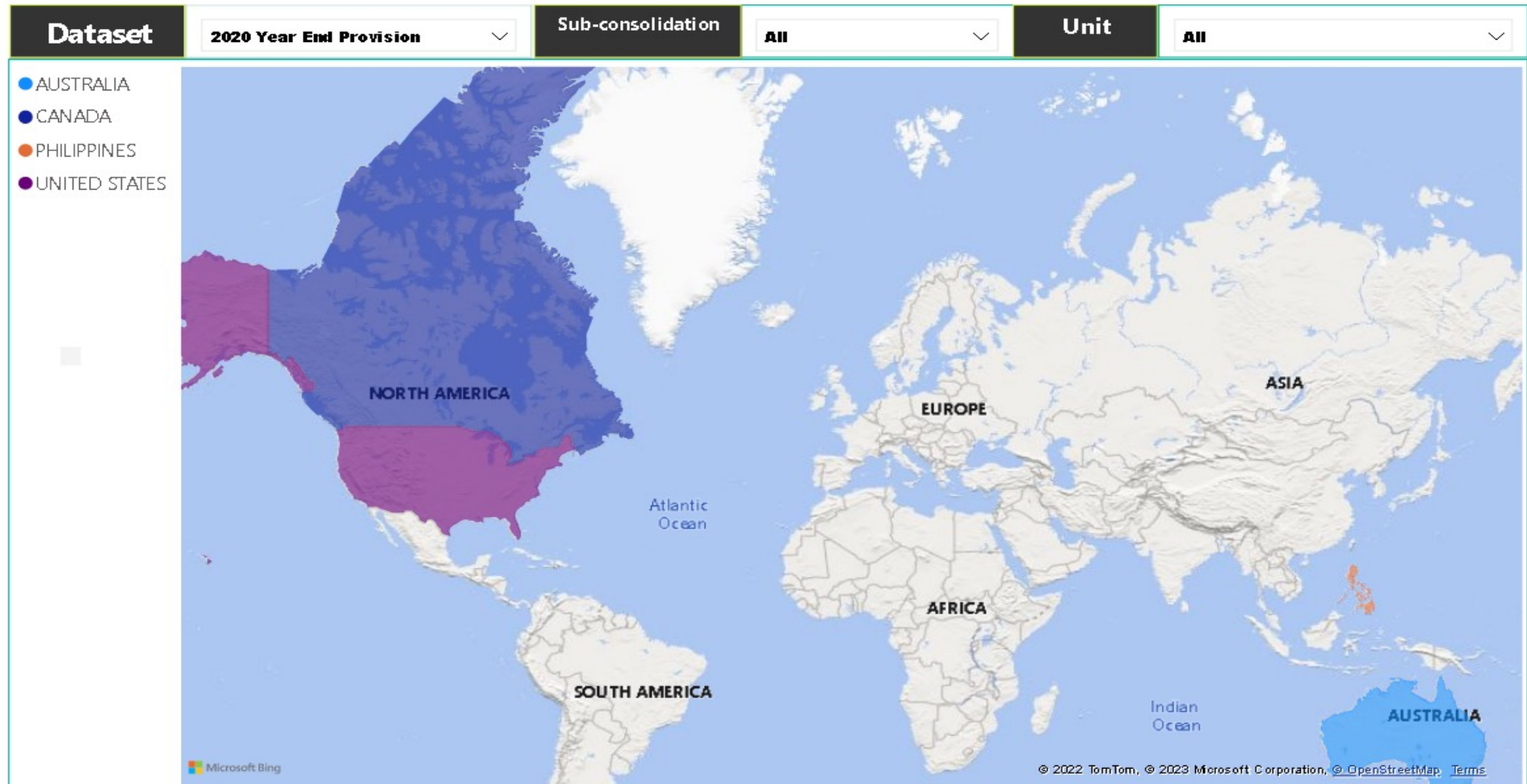
# Provision analytics

# Tax Provision Summary

Reset View

Tax Provision Client

- Index
- ETR Summary
- ETR Details
- ETR Comparison
- Tax Provision Summary
- Tax Provision Comparison
- Deferred Analysis
- Payable/(Receivable) Analysis
- Payments/(Refunds) Analysis



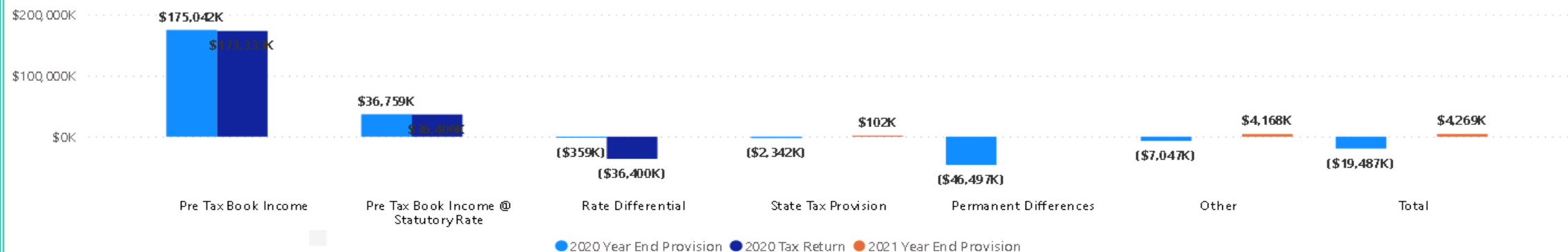
# Tax Provision Summary

[Reset View](#) [Index](#)

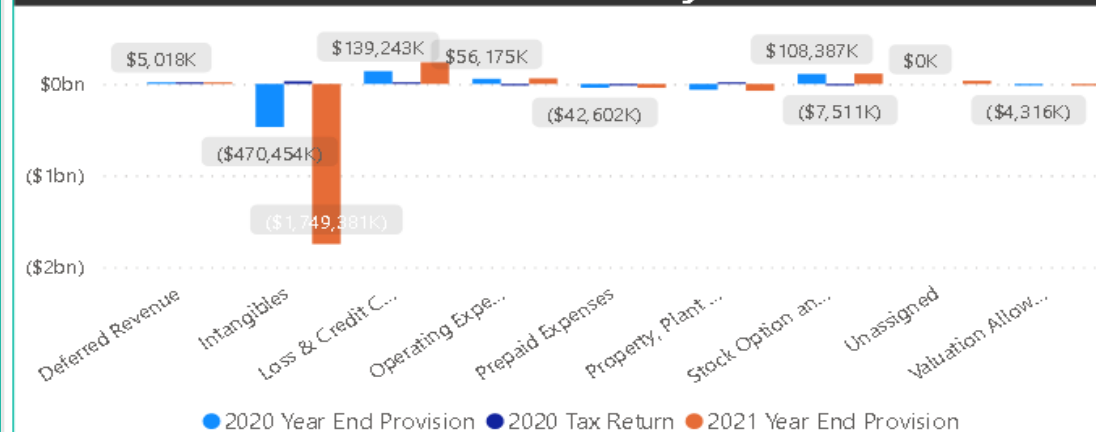
Tax Provision Client

Dataset	Subconsolidation	Unit
All	All	All

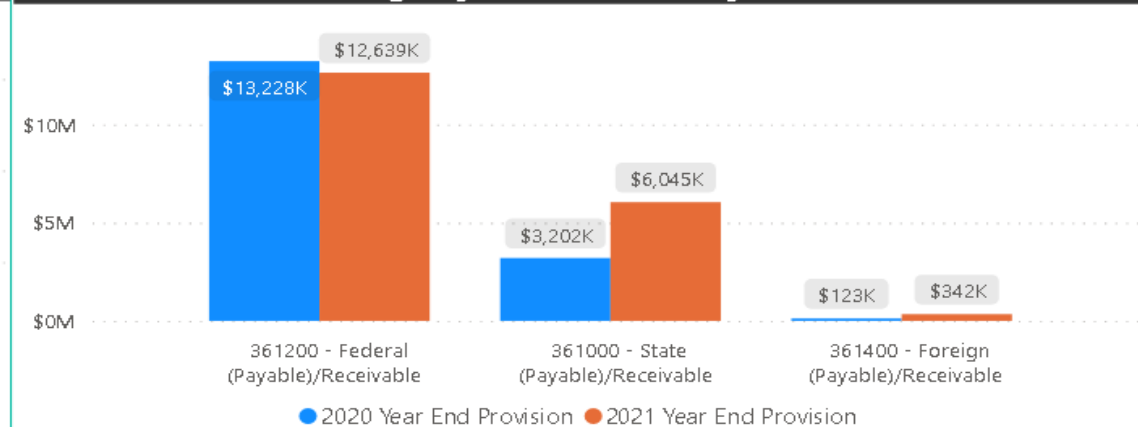
## Rate Reconciliation Summary



## Footnote Deferreds by Bucket



## Ending Payable Balances by Bucket



# Effective Tax Rate - Comparison

[Reset View](#) [Index](#)

Tax Provision Client

Dataset 1	Dataset 2	Subconsolidation	Unit	Amount Threshold	
2020 Year End Provision	2020 Tax Return	All	All	\$1	\$185,833,637

## Effective Tax Rate - Dataset Comparison

Description	Dataset 1 (Amount)	Dataset 1 (ETR %)	Dataset 2 (Amount)	Dataset 2 (ETR %)	Difference (Amount)	Difference (ETR %)
Pre Tax Book Income	\$175,041,643		\$173,332,825		\$1,708,818	
Pre Tax Book Income @ Statutory Rate	\$36,758,744	21.00%	\$36,399,893	21.00%	\$358,851	-0.00%
Rate Differential	(\$358,850)	-0.21%	(\$36,399,893)	-21.00%	\$36,041,043	20.79%
State Tax Provision	(\$2,342,372)	-1.34%			(\$2,342,372)	-1.34%
Permanent Differences	(\$46,497,100)	-26.56%	\$0	0.00%	(\$46,497,100)	-26.56%
Other	(\$7,047,340)	-4.03%			(\$7,047,340)	-4.03%
<b>Total</b>	<b>(\$19,486,918)</b>	<b>-11.13%</b>	<b>\$0</b>	<b>0.00%</b>	<b>(\$19,486,918)</b>	<b>-11.13%</b>

## Effective Tax Rate - Dataset Comparison

Description	Dataset 1 (Amount)	Dataset 1 (ETR %)	Dataset 2 (Amount)	Dataset 2 (ETR %)	Difference (Amount)	Difference (ETR %)
Pre Tax Book Income						
Pre Tax Book Income						
UPTBI - Pre-Tax Book Income	\$175,041,643		\$173,332,825		\$1,708,818	
Pre Tax Book Income @ Statutory Rate						
Pre Tax Book Income @ Statutory Rate	\$36,758,744	21.00%	\$36,399,893	21.00%	\$358,851	-0.00%
Rate Differential						
AU - AUSTRALIA	(\$18,290)	-0.01%			(\$18,290)	-0.01%
CA - CANADA	(\$294,732)	-0.17%			(\$294,732)	-0.17%
PH - PHILIPPINES	(\$45,828)	-0.03%			(\$45,828)	-0.03%
US - UNITED STATES	\$0	0.00%	(\$36,399,893)	-21.00%	\$36,399,893	21.00%
State Tax Provision						
Current Year Activity	\$10,547,932	6.03%			\$10,547,932	6.03%
Excess Tax Benefit						



# Tax Provision

[Reset View](#) [Index](#)

Tax Provision Client

Dataset	Sub consolidation	Unit
2020 Year End Provision	All	All

## Tax Provision Summary

Description	2020 Year End Provision	2020 Tax Return	2021 Year End Provision
Pre-Tax Book Income	\$175,041,643	\$173,332,825	
Deductible State Tax	\$1,304,299		\$682,94
Permanent Differences	(\$223,123,567)	(\$221,374,494)	
Temporary Differences	\$23,477,037	\$27,155,167	
Federal Taxable Income (Pre-NOL)	(\$23,300,588)	(\$20,886,502)	\$682,94
Federal Tax-Current	(\$5,167,029)		
After Tax Temp Differences	(\$3,891,591)		
Cash Tax Adjustments	\$226,912		
Non-Cash Tax Adjustments	(\$5,598,996)		\$4,940,11
Federal Current Provision	(\$14,429,704)		\$4,940,11

## Tax Provision Details

Subcon Description	01a United States				01b Foreign					Total
	D001	D080	D 151	Total	AUD1	CAD1	F152	F153	Total	
<input type="checkbox"/> Pre-Tax Book Income										
UPTBI - Pre-Tax Book Income	\$185,833,637	(\$12,061,199)	(\$439,608)	\$173,332,830	\$87,097	\$1,403,486		\$218,230	\$1,708,813	\$175,041,643
<input checked="" type="checkbox"/> Deductible State Tax	\$1,308,252	\$11,633	(\$15,586)	\$1,304,299						\$1,304,299
<input type="checkbox"/> Permanent Differences										
P012 - Fines and Penalties	\$16,046	\$978	\$305	\$17,329						\$17,329
P015 - Non-Deductible Dues	\$148,326		\$44,684	\$193,010						\$193,010
P030 - 1/2 Meals	\$652,415	\$67,431	\$20,717	\$740,563						\$740,563
P060 - IRC Sec 162 (m)	\$12,916,108			\$12,916,108						\$12,916,108
P105 - ISO Compensation Book Expense	\$6,657,225			\$6,657,225						\$6,657,225
P115 - ESPP Compensation Book Expense	\$2,025,904			\$2,025,904						\$2,025,904
P125 - ESPP Excess Tax Benefit	(\$192,342)			(\$192,342)						(\$192,342)
P130 - ISO Excess Tax Benefit	(\$37,351,256)			(\$37,351,256)						(\$37,351,256)



# Deferred Tax Analysis

[Reset View](#) [Index](#)

Tax Provision Client

Dataset	Subconsolidation	Unit	Deferred View	Amount Threshold		
2020 Year End Provision	All	All	Pre-Tax <input checked="" type="radio"/> Pre-Tax <input type="radio"/> Federal <input type="radio"/> State <input type="radio"/> State + FBOS <input type="radio"/> Federal + State + FBOS <input type="radio"/> FBOS	\$0	\$790,000,000	
Rollup Description				2020 Year End Provision	2020 Tax Return	2021 Year End Provision
Deferred Revenue				\$3,284,906	\$13,602,941	\$6,709,484
Intangibles				(\$303,994,993)	\$28,943,229	(\$1,129,770,611)
Loss & Credit Carryforwards				\$81,455,633	\$35,112	\$151,020,810
Operating Expenses Not Currently Deductible				\$36,611,588	(\$4,090,091)	\$39,534,083
Prepaid Expenses				(\$27,843,499)	(\$7,868,438)	(\$28,206,211)
Property, Plant & Equipment				(\$43,304,954)	\$4,043,677	(\$50,445,075)
Stock Option and Employee Benefit Plans				\$70,949,061	(\$7,511,263)	\$73,847,888
Unassigned						\$21,043,879
<b>Total</b>				<b>(\$182,842,257)</b>	<b>\$27,155,167</b>	<b>(\$916,265,753)</b>

## Deferred Details

Subcon	01a United States				Total
	D001	D080	D151	Total	
Deferred Revenue	\$3,284,906		\$0	\$3,284,906	\$3,284,906
T233 - Deferred Revenue	\$11,904,628		\$0	\$11,904,628	\$11,904,628
T400 - Sec 481 adjustment	(\$8,619,721)			(\$8,619,721)	(\$8,619,721)
Intangibles	(\$166,620,573)	(\$59,408,686)	(\$77,965,734)	(\$303,994,993)	(\$303,994,993)
T160 - Tax Amortization	(\$166,620,573)	(\$59,408,686)	(\$77,965,734)	(\$303,994,993)	(\$303,994,993)
Loss & Credit Carryforwards	\$38,147	\$63,187,949	\$18,229,538	\$81,455,633	\$81,455,633
NOL_All - All NOL		\$63,187,949	\$18,229,538	\$81,417,487	\$81,417,487
T260 - Charitable contributions carryover	\$35,112	\$0		\$35,112	\$35,112
T510 - Capital Loss Carry forward	\$3,035			\$3,035	\$3,035
Operating Expenses Not Currently Deductible	\$32,828,517	\$788,178	\$2,994,893	\$36,611,588	\$36,611,588
T030 - Allowance for doubtful accounts	\$8,476,199	\$210,047	\$1,125,865	\$9,812,112	\$9,812,112
<b>Total</b>	<b>(\$127,720,687)</b>	<b>\$3,440,276</b>	<b>(\$58,561,846)</b>	<b>(\$182,842,257)</b>	<b>(\$182,842,257)</b>



# Receivable / (Payable) Analysis

[Reset View](#) [Index](#)

Tax Provision Client

Dataset	Subconsolidation	Unit	Payable Year	Amount Threshold	
2021 Year End Provision	All	All	All	\$0	\$16,968,416

## Ending Receivable/(Payable) Summary

TxnBucketCodeName	2020 Year End Provision	2021 Year End Provision
361000 - State (Payable)/Receivable	\$3,202,003	\$6,045,091
361200 - Federal (Payable)/Receivable	\$13,228,387	\$12,639,012
361400 - Foreign (Payable)/Receivable	\$123,356	\$341,594
<b>Total</b>	<b>\$16,553,746</b>	<b>\$19,025,697</b>

## Ending Receivable/(Payable) Details

TxnBucketCodeName	01a United States	01b Foreign	Total
361000 - State (Payable)/Receivable	\$6,045,091		\$6,045,091
AL	\$13,558		\$13,558
02 - PRV - Provision	\$13,558		\$13,558
RTP - Federal or State RTP Payable Auto Posting	\$13,558		\$13,558
BS	\$5,372,147		\$5,372,147
01 - BBAL - Beginning Balance	\$4,966,291		\$4,966,291
BBAL - Beginning Balance	\$4,966,291		\$4,966,291
02 - PRV - Provision	\$10,000		\$10,000
RTP - Federal or State RTP Payable Auto Posting	\$10,000		\$10,000
03 - REFUND - Refunds	(\$398,538)		(\$398,538)
REF - State Refund	(\$398,538)		(\$398,538)
<b>Total</b>	<b>\$18,684,104</b>	<b>\$276,858</b>	<b>\$18,960,962</b>



# What now? How do I start?

- **Perform Current State Assessment**

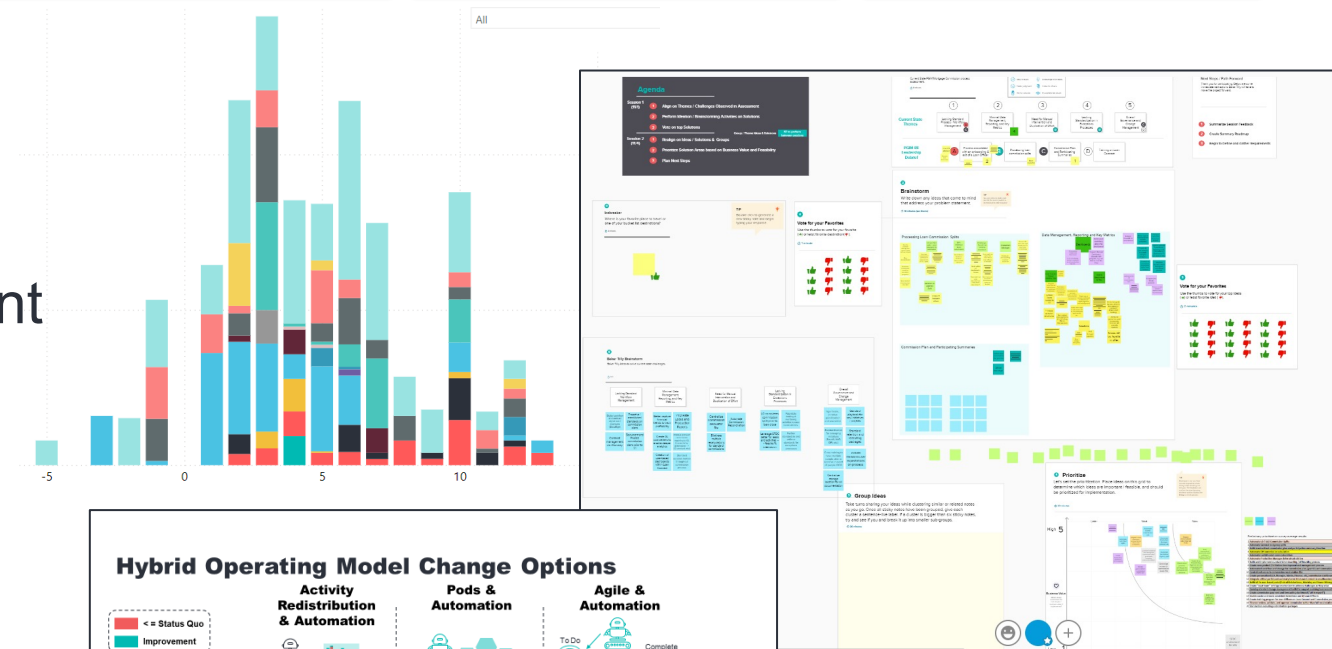
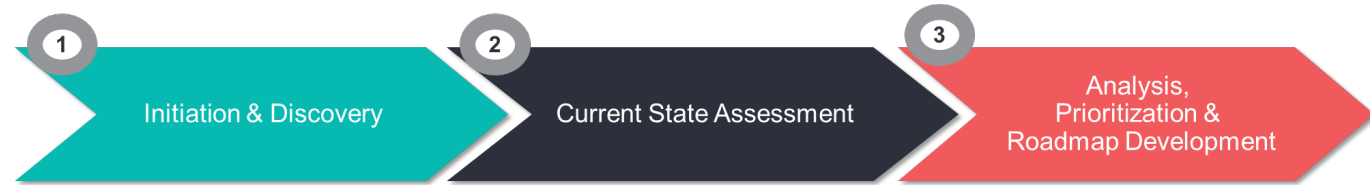
- Understand your business (and the pain points that come with it)

- **Establish a Future State Vision**

- Define how “transformative” you want to be

- **Approach with an unbiased / open mind**

- Many of the lessons learned are typically not anticipated by the business



**Hybrid Operating Model Change Options**

	Activity Redistribution & Automation	Pods & Automation	Agile & Automation
<b>Option Description</b>	Value-added analysis work remains, and processes are shared with team members based on their capacity and the process deadlines.	Pods share groupings of the remaining analysis work after technology completes non-value-added tasks.	Value-added analysis work remains, and most of the team is trained to perform any task outstanding. Training is a high, ongoing priority.
<b>Workload Spike</b>	Low (teal bar)	Low (teal bar)	Low (teal bar)
<b>Learning &amp; Satisfaction</b>	Low (teal bar)	Low (teal bar)	Low (teal bar)
<b>Upfront Cost</b>	High (red bar)	High (red bar)	High (red bar)
<b>Recurring / Opp. Cost</b>	Low (teal bar)	Low (teal bar)	Low (teal bar)
<b>Operational Accuracy</b>	High (teal bar)	High (teal bar)	High (teal bar)

Note: The analysis above assumes process automation. For end-to-end automation, add one box to Learning & Satisfaction, Upfront Cost, and remove one from Workload Spike.





# Stay connected



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