



## To Build or Not to Build? That Is the Question.

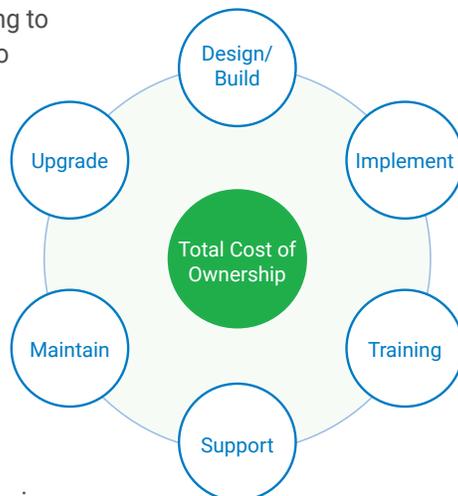
### 3 THINGS TO CONSIDER WHEN YOU'RE DECIDING WHETHER TO BUY VS. BUILD TAX AUTOMATION SOFTWARE

The **buy vs. build** debate is an age-old argument and one that many tax departments will face over the next couple of years so it's important to begin your preparations now. To make a well-informed decision and avoid surprises, there are three things that must be taken into consideration: **Cost, Time and Risk.**



#### Total Cost of Ownership

One of the key drivers for choosing to build in-house is that it appears to be less expensive compared to buying professional software. Plus, by definition, it is built for your specific needs, rather than having to be configured. However, the total cost of ownership includes short term, long term, direct, and indirect costs that are difficult to define and often prove much more expensive in terms of time, resources and ultimately compromise.



#### Our clients benefit from:

##### Design/Build

All customers start with the same standard out-of-the-box solution with the flexibility to adapt to your specific needs

##### Implementation

Deeply skilled team covering the breadth of tax and technology, applying best practices developed over years of experience implementing customer solutions across the globe

##### Training

Standard training courses delivered by specialized tax trainers that are easily tailored to your company needs

##### Support

24/7 support desk staffed with experienced tax and technical resources ready to support your every solution need

##### Maintain

Relevant and visionary product releases to support the evolving needs of the tax department

##### Upgrade

Efficient and cost effective upgrade path reduces the burden on the tax department

## Have you considered these issues which impact cost?

- Supplementing key tax resources while they work on **designing and building** the system
- **IT** costs for resources assigned to support the development and build of the solution
- Creating and delivering **training** to your global users
- **Custom** systems require continuous investment in maintaining skill sets and acceptable performance
- **Upgrading** the technology as IT systems change
- **Updating tax logic** as tax regulations and business needs change
- **Multiple versions** are required to take a vision to a reality, often resulting in significant compromise



### Time

When assessing the total time to value of software, it is imperative that you take into consideration the amount of time

required to design, build, test and deploy a solution from the point of project initiation to go-live. An in-house build requires considerably more time in the design and build phases than implementing an out-of-box solution, thus resulting in a significantly longer time to value.

The tax department is under constant pressure to deliver real-time information critical to the health of the organization. It can become a significant practical challenge to manage this and it is likely that any software build would take a back seat to the day-to-day requirements of the business. Within an ever changing Tax landscape where rules and jurisdictions are constantly evolving it's no wonder that time is one of the most critical considerations for any "buy vs. build" decision.



### Risk

In a "buy vs. build" decision the question of risk mitigation is a key consideration.

Many Tax departments today rely on in-house built spread sheets that require extensive manual input and constant checking to ensure accuracy. A single input error can wreak havoc on your organization's tax position. However, there are a number of other risks to consider as part of the overall decision-making process.

### Resource Risk

When developing an in-house software solution, it is important to think beyond the IT resources required to actually build it. Developing the key requirements in an often-undocumented world is both time consuming and fraught with risk. The amount of time required for a tax team to develop the key requirements is often the first show-stopper that companies face; especially given the generally small tax teams in place today. Clearly you can engage a Tax Service Provider to assist in developing these requirements, but that will usually come at a premium price.

### Technology Risk

Setting aside the fact that you have to dedicate an IT development team to design and build an in-house solution, the fact is that regulatory and jurisdictional changes occur quite frequently and impact tax. Your organizational tax needs will continue to evolve, so, to keep pace, it's not necessarily a build once situation.

### Formulae Risk

Testing your in-house built solution to ensure that the tax logic in the calculations is accurate is both time consuming and challenging. In most cases, your tax team is required to monitor, update and test any changes to the logic within the solution, thus taking away from their day-to-day duties of delivering the tax capability to your organization.