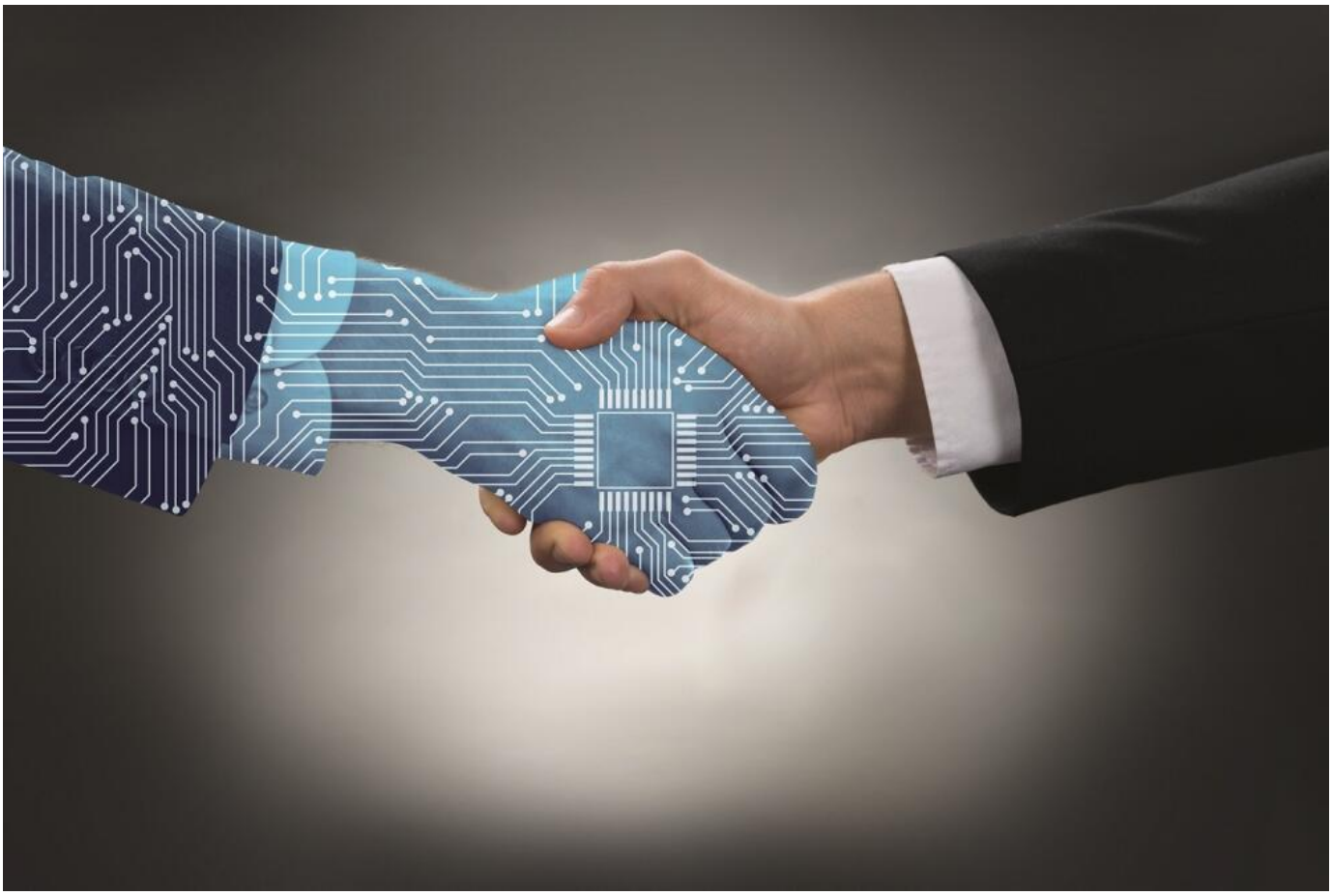
# The era of the Taxologist

Professional standards



01 January 2019

*Candice Bordeaux* considers the dawn of a new tax and technology role, and the skills required

## Key Points

## What is the issue?

The taxologist role is mainly a project focus role which gives you the opportunity to transform businesses, rather than a coding role. Having a holistic vision is

paramount and being able to communicate across the organisation is essential.

## What does it mean to me?

Those roles are only going to increase given more processes are being automated and data is becoming more complex. Tax can’t exist without technology.

## What can I take away?

It is essential for professionals to educate themselves and learn new ways of working, by making the most of processes automation and capitalising on opportunities on the market to develop their skills and careers.

In the industry, we increasingly hear about the Taxologist role, but what exactly does this term mean? What are the skills required? How can you get in that path without previous experience? Can those roles leverage your career and to which extent?

It was a term introduced by Thomson Reuters in 2014 who was offering awards to early adopters or innovators in terms of implementing tax technology solutions. Geoff Peck, from Paw Paw Technology says ‘Taxologists are the missing link between business, technology, and innovation.’

A distinction is made between Tax Technologist and Taxologist. A Tax Technologist can be someone with a background in IT and who has learnt Tax skills through Tax Transformation work related to implementation of an ERP system, a leading tax compliance solution or a tax engine. It can also be someone from a Tax background who has learnt IT skills in relation to Tax configuration of an ERP system or the implementation of compliance solutions for instance.

A Taxologist is someone who brings a depth of experience to offer a more holistic and innovative approach to the business.

Now we have established the difference between the two terms, let’s go into more into details about the skills required and discuss a few misconceptions on the market.

## Where does the Taxologist/Tax Technology function sit in organisations?

Usually, this role reports to the Head of Tax. It was created to take ownership over IT projects for Tax and avoid poor deployments of ERP systems or compliance solutions. Businesses started to create Tax Technology departments to manage Tax Technology projects.

Sometimes, Tax Technology projects are outsourced to a service provider, even then, there is still a need to have someone to do the interface between the service provider and Tax, roles in Tax Technology are often created to that extent and the professional involved in the project would report to the Tax function.

## What are the skills involved for a Tax Technologist?

If the professional comes from a Tax background, often there is experience required to configure Tax in ERP systems. Furthermore, having gone through a global roll-out of one of the major compliance solutions on the market such as OneSource or Vertex, is a highly valued experience.

There are more roles in Tax Technology in Indirect Tax rather than Direct Tax, but that may change in the coming years given the ever-increasing transparency requirements required from businesses by governments globally.

Professionals coming from an IT background, typically with a SAP or Oracle background, would have configured Tax in those ERP systems and been part of a roll out of a compliance solution or a Tax engine. It is best if the professional has been involved from the requirements gathering and process design phase, as those steps are often critical in Tax Technology projects.

One of the key skills for the applicants to tax technology roles is communication, because the nature of those roles is about communicating in organisations at various seniority levels and in different departments (tax, IT, sales, logistics…). It is essential to have strong communication skills to overcome resistance to change within businesses.

A round table on the Taxologist function at the TaxTech Summit in London on the 15th November 2018 agreed that the Taxologist must be an interpreter and speak

and understand the language from IT, Tax, logistics and so on, in order to be able to communicate with various parts of the business.

## How do you get into Tax Technology roles?

How can a professional get into the Tax Technology sector? There is no formal curriculum in university to work in Tax Technology. Geoff Peck, Chief Taxologist at PawPaw Taxology has written for the industry The Tax Technology Insight Series and the Smart Tax Technology certification program. This is the first formal training programme for Taxologists and those who work with them.

In-house training will be provided by tax automation solution providers, the Tax technology team within the Big Four, consulting firms in Tax Technology or a businesses who are going through a tax transformation project.

The Taxologist role is mainly a project focus role which gives you the opportunity to transform businesses, rather than a coding role. Having a holistic vision is paramount and being able to communicate across the organisation is essential.

It is also worth mentioning that at entry level, the salaries in Tax Technology are not highly competitive with the ones in Tax or IT; sometimes they can be even lower. Individuals with four years' experience or more can command more competitive salaries.

## The tax technology market: permanent roles versus contract roles?

Historically, Tax Technology roles were on a contract basis as it is sometimes more efficient on a cost point of view to hire a contractor to lead a Tax Technology project rather than working with a service provider. There are numerous opportunities for contractors in Tax Technology.

Interestingly, there is also an increase in in-house permanent roles as well. With businesses creating Tax Technology departments to work on the deployment of technologies and complex data, the work is focused on projects, and therefore with an end at some point. However, with the ever-increasing demands for more transparency and visibility from governments, those departments are growing and recruiting in more varied areas such as business intelligence and robotics for

instance.

## A lack of professionals on the market for tax technology roles

There are not enough professionals to fill the roles on the market, especially at junior level (Assistant Manager, Manager level). For those roles, in the UK, the candidates often compete with Eastern European candidates (sometimes even with South American candidates) who have either been trained in-house or in Big Four environments.

At a more senior levels the market is a bit more crowded and professionals are often open to relocate to increase their chances to find the right job.

## Tax can’t exist without technology

Those roles are only going to increase given more processes are being automated and data is becoming more complex. Tax can’t exist without technology. Jay Nibble, EY Global Vice Chair Tax, said: ‘in the past five years there has been more changes in tax than in the last 50 and the next five years are likely to bring even more changes’. People with technology and business operations knowledge are now key members of the tax function.

Requirements such as real-time access to information and transparency are changing tax processes and the tax function itself. It is often mentioned that some repetitive processes will be or already have been automated with the tax function focusing more on strategic aspects. Given the context, it is essential for professionals to educate themselves and learn new ways of working, by making the most of processes automation and capitalising on opportunities on the market to develop their skills and careers.