



# The Tax Impact of the Digital Evolution of Your Company's Business

2023 U.S. Cross-Border Tax Conference

June 5–7, 2023

Lead through Complexity

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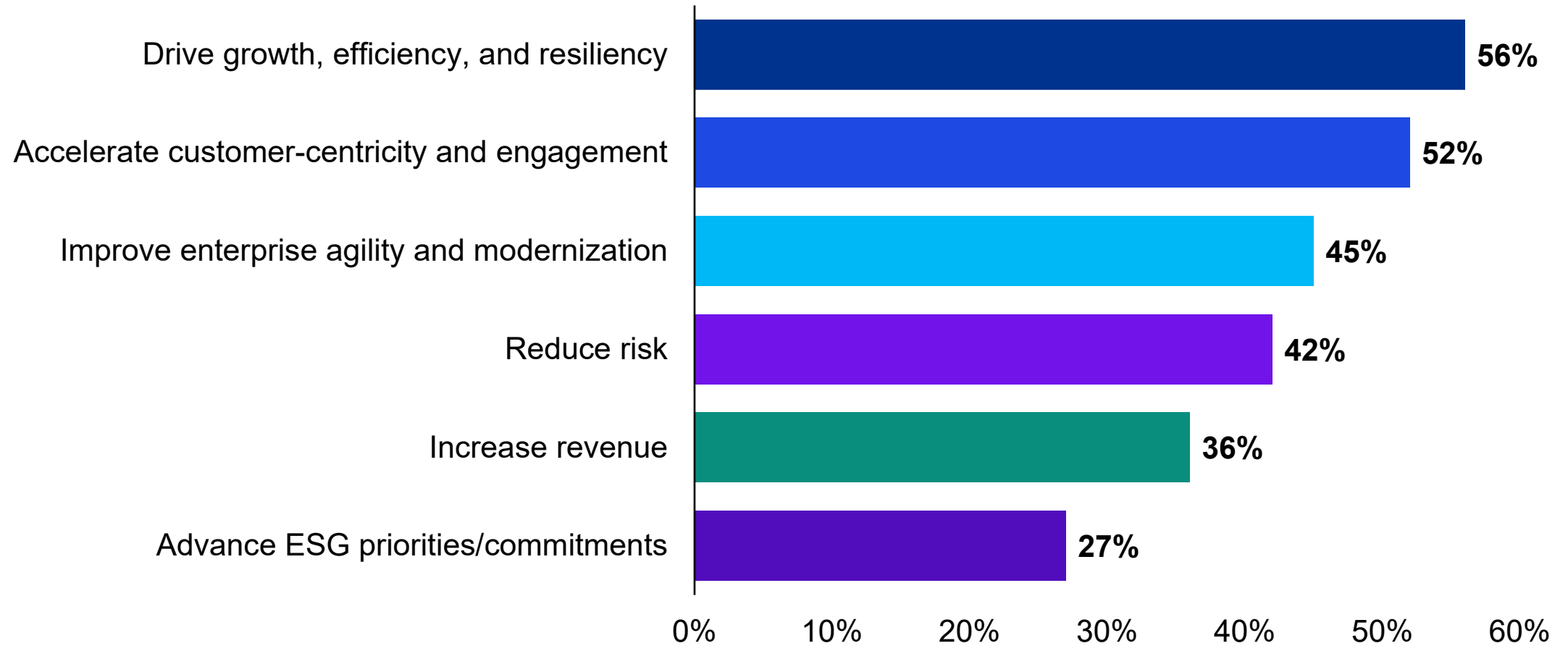
# What is Digital Transformation?



“The coupling of granular, real-time data ...with modern technologies ... to enhance products, processes, and business-decision making with customer, product and operational insights.”

— **Bill Schmarzo, the “Dean of Big Data”**

# What are the key drivers of your organization's digital transformation and corresponding investments?



Source: <https://advisory.kpmg.us/content/dam/advisory/en/pdfs/2023/digital-core.pdf>



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# Digital Transformation is Occurring Across the Value Chain



## Enable

- Smart products
- IoT
- Data-as-a-Service
- Everything-as-a-Service



## Procure

- Digital sourcing
- Vendor visibility
- Pricing analytics
- Blockchain
- Vendor experience



*“Enterprise leaders are bullish on how emerging digital technologies will fundamentally change how businesses function across every part of the value chain.”*

— Barry Brunsman, Principal, CIO Advisory, KPMG in the U.S.



## Develop

- Digital twinning
- Analytics / AI driven engineering
- Digital design



## Make

- Industry 4.0
- Intelligent automation
- AGVs, Co-bots
- Work flow management
- Production planning



## Distribute

- Order & fulfilment management smart warehousing and inventory management
- Predictive shipping
- Order pattern data collect,
- Supply chain & logistics management



## Back Office Support

- Robotic Process Automation (RPA) across finance, cybersecurity, risk management, data privacy, regulatory



## Sell

- Pricing and market analytics
- Ecommerce (B2B)
- Touchless transactions
- Chatbots
- Digital marketing



## Customer Experience

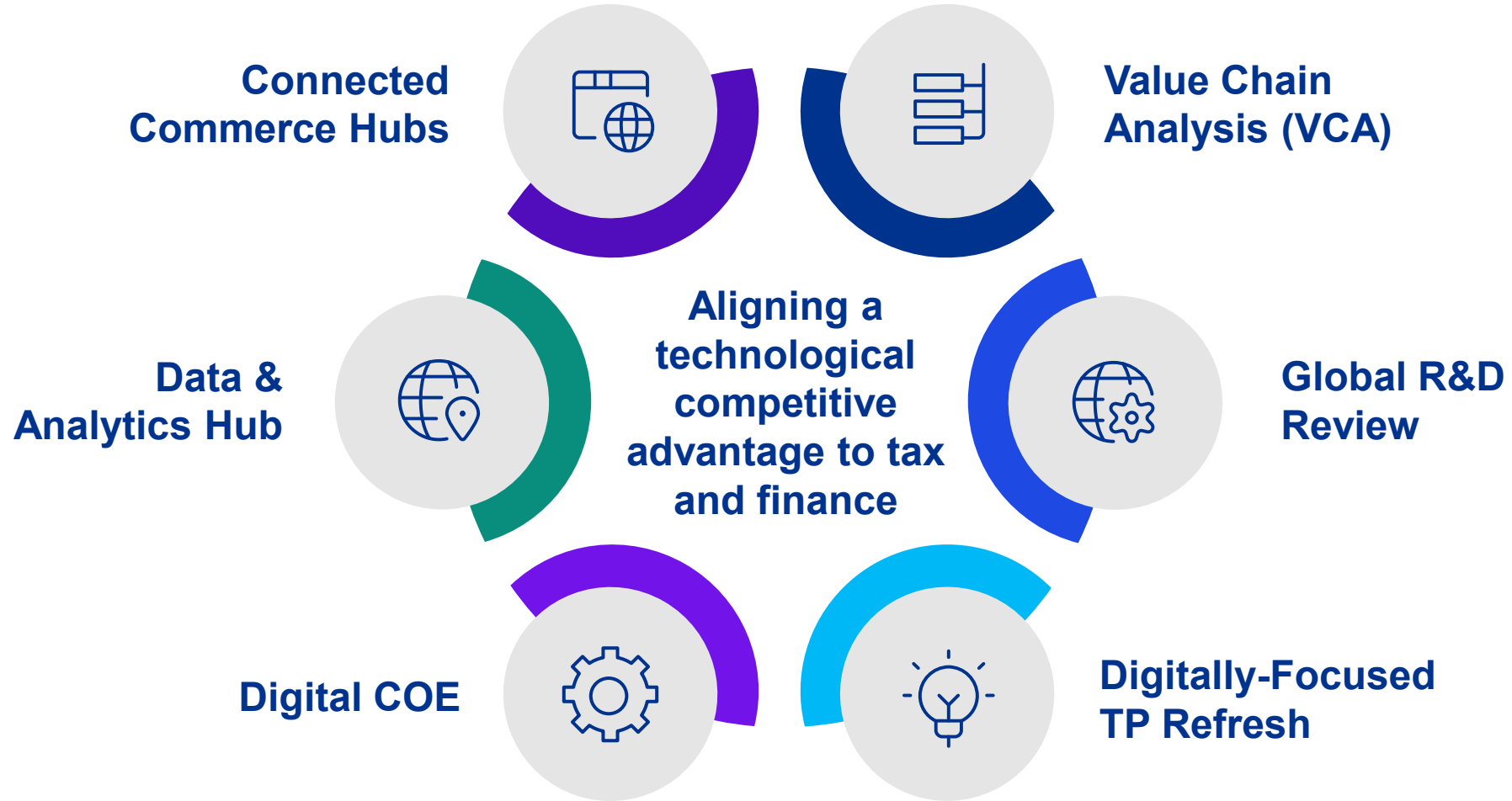
Data driven

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# How Can Tax Capture Value of Digital Transformation?



# Unlock Hidden Value through Digital Value Chain Mapping

1 Plan	2 Code	3 Release	4 Deploy	5 Run/operate	6 Monitor	7 Legal	8 Data
1.1 Digital Strategy	2.1 Developer Toolset	3.1 Release Planning	4.1 Deployment Strategy	5.1 Infrastructure (including Cloud) Strategy	6.1 Event Detection, Logging, & Reporting	7.1 IP Protection	8.1 Data Strategy
1.2 Budgeting	2.2 User Stories and Sprint Planning	3.2 Build	4.2 Deploy Environment Provisioning	5.2 Cloud Enablement	6.2 Diagnosis, Feedback	7.2 Contracting (internal / external)	8.2 Data Acquisition (source, collect)
1.3 Product Vision, Goals, Success Criteria	2.3 Source Code Management	3.3 Pipeline Management	4.3 Configuration Management	5.3 Infrastructure Management	6.3 Usage Metrics, Analytics and Telemetry		8.3 Data Cleansing
1.4 Selection and Prioritization	2.4 Local Environment Provisioning	3.4 Testing	4.4 Deployment Automation	5.4 Service Resiliency	6.4 Incident Management		8.4 Data Enhancement
1.5 Portfolio/Product Management	2.5 Code Creation	3.5 Release Management	4.5 Continuous Deployment	5.5 System Delivery	6.5 Cyber and Data Security Strategy		8.5 Data Management
1.6 Requirements Management	2.6 System Architecture	3.6 Release Approval	4.6 Health Check & Rollback	5.6 Service Operations			8.6 Data Privacy and Security
1.7 Resource Management	2.7 Code Approval	3.7 Manage Artifacts		5.7 Service Management			8.7 Data-as-an-asset
	2.8 Cybersecurity Requirements						8.8 Data Delivery / Exploitation

Legend		
<span style="display:inline-block; width:10px; height:10px; background-color: #FF69B4; border: 1px solid black;"></span> Activity that supports tax technical position	<span style="display:inline-block; width:10px; height:10px; background-color: #ADD8E6; border: 1px solid black;"></span> Activity that supports DEMPE position	<span style="display:inline-block; width:10px; height:10px; background-color: #8A2BE2; border: 1px solid black;"></span> Activity that supports both tax technical position and DEMPE position





# Lessons Learned





A person wearing a red jacket and a wide-brimmed hat stands in the center of a slot canyon. The canyon walls are illuminated with a gradient of purple and blue light, creating a dramatic, ethereal atmosphere. The rock surfaces show distinct horizontal layering and wavy patterns. The sky above is a deep blue with some light clouds.

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**Thank you!**



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