

BARDEN Focus



The tax professional's career guide

Practical, impartial career
advice from the experts

Practice or industry?

The experts at Barden help
you weigh up your options.

The Barden Career Model

Plan and manage your career
and salary negotiations.



BARDEN

Hello, and welcome!

A word of welcome from Kate Flanagan, tax recruitment specialist and author of this new career guide for tax professionals.

At Barden, we have years of experience working within the tax community and your journeys have informed our insights. We understand the complexity of the tax landscape and appreciate that, as a tax

professional, you deserve a bespoke guide solely dedicated to tax. Barden has created this guide to help you strategically plan your career.

This guide aims to help you understand the landscape you belong in and figure out what you want in your career. The latter is often the hardest to figure out, though!

You can use the information in this guide to help you look for a new role, be it internally or externally. Moving jobs can be stressful, so don't underestimate the power you have to change things



Kate Flanagan, Partner at Barden

in your current role. This guide also acts as an informative reference point for hiring managers, helping them to understand the career path of a tax professional in today's ever-changing corporate

landscape. To help you navigate this guide, the content is segmented as follows:

- An introduction into the general tax landscape;
- The practice landscape;
- The corporate landscape;
- Practice versus industry; and
- The Barden Career Model.

Barden created this guide as a supplement to the *Barden & Accountancy Ireland Select Career Guide 2017*. You can refer to the main guide for more detail on the various aspects of your career journey.

The general landscape

Before you rush into ‘career change’ mode, it’s important to figure out where you sit in the general tax landscape.

Before thinking about your next career step, take a step back and look at the wider context of the market. Simply put, where do tax professionals exist? The tax market can be broken down into three key sectors:

- Practice (accounting, tax and legal firms);
- The corporate sector (industry/in-house); and
- The public sector (Revenue, government and educational bodies).

Where you started your career almost always influences your choices thereafter. ‘Like with like’ is a fundamental truth that should take centre focus during your job search. You’ll be most likely to make a move to a company or role that shares something in common with your most recent company or role. The more post-qualified experience you have, the harder it is to move beyond your ‘like with like’ environment.

Take the example of Vicky, a VAT manager in a Big 4 firm. Vicky is most likely to move

into another Big 4 or Top 10 firm as a VAT manager or move to the corporate sector as a VAT manager. Vicky is less likely to move into a smaller firm looking for a tax generalist, or into the corporate sector as a corporate tax manager. However, if Vicky had realised after qualifying that she didn’t want to specialise further in VAT, it would have been easier for Vicky to make a move into a different sector at that stage in her career.

Like everything in life, there are exceptions to the rule and nothing is impossible. However, some things are just more likely than others.

Our focus...

For the purpose of this guide, we will focus on the practice and corporate landscape, assuming that the majority of tax professionals will begin and progress their career in one or the other. Suffice to say, an interest in developing tax policy and associated work would make a career in the public sector a relevant option to consider.



The practice landscape

Practice holds many advantages for tax professionals, but it's a broad landscape.

Most tax professionals qualify as tax advisors within the practice sector, making it a significant sector in the tax market. Moving between firms is very common and the rationale for doing so is generally based on the type of work and career opportunities on offer. Looking independently at the different classifications of practices is the best way to figure out which practice is best for you, or indeed if practice is the best route for you to continue your tax career.

The classifications outlined below can broadly define the different types of firms, but they are by no means exhaustive. It's also important to remember that, just as you are unique, there will be differences between each and every firm – often due to the people.

Big 4 and Top 10

- The scale and size of the Big 4 and Top 10 mean that these firms offer the most diverse range of clients and work engagements.
- You will develop a tax specialism, be it tax head or industry sector;
- Career progression with regular promotions are pretty much guaranteed;
- Salaries and benefits are typically at the higher end of the scale;
- The organisational structure tends to be hierarchical in nature; and
- This sector dominates the corporate sector in Ireland. Bear this in mind if you want to make a move in-house at some stage.

Boutique or specialist firms

- Specialist tax advisory firms solely focused on tax and business consulting services;
- You will develop a deep technical expertise;
- Work is often a lot more consultative – you can become a business advisor;
- There may be limited career progression in terms of title but self-development is usually guaranteed; and
- A lack of accounting or compliance work may prove to be an obstacle for a future move to industry.

Small/medium practices

- Usually generalist rather than specialist, gaining experience across all tax heads;

- Serving domestic clients rather than international – this can be an obstacle to a future move to industry;
- Opportunity to have a hybrid role in accounting, audit or business advisory services;
- Entrepreneurial in nature, may be involved in the firm's strategy and future growth;
- Flat structure with closer access to partners; and
- Lower salaries and benefits until you reach senior level.

Legal firms

- The nature of the work is typically transactional for large corporates and high net worth individuals, often with an international element;
- A legal qualification over an accounting qualification is often perceived as more relevant; and
- A lack of compliance or accounting work can be an obstacle when moving to industry, unless you are moving to a tax planning role.

As you can see, the practice landscape is vast for tax professionals. To decide which practice is best for you, you need to decide what you like in terms of type of work, type of environment and where you see yourself long-term. It's also beneficial to understand the firm's vision and

growth strategy to ensure you gain visibility of your future career path. For example, is the strategy to grow bigger in scale or to carve out a particular niche? Such factors can be vital to ensure you meet your career goals. It is also important to consider how a company's culture may change as the business develops.

Recent market trends

1. There has been a noticeable increase in tax professionals returning to practice from industry because of the career progression opportunities (a more structured career path), variety of work and improved benefits within the practice landscape. Of course, where such factors exist in the corporate sector, this trend may diminish (see the next section for further comment).

2. With corporations meeting the demands of rapidly changing regulations, increased audits and new tax technology functions, some have become overwhelmed by how much tax influences their business strategy. This leads to a number of outsourcing arrangements. The recent PwC/GE agreement may have ignited a new trend of outsourcing an organisation's tax function.



The corporate landscape

In the corporate landscape, what you do on a day-to-day basis will influence your future career options, so choose carefully.

The in-house tax advisor has become as important as the tax practitioner. The opportunities within the corporate sector vary due to a number of factors, including the type of organisational structure and the stage of incorporation in Ireland. Understanding this will help you figure out if a move to industry is the right step.

Organisational structure

Organisational structure plays a big role in the work you'll be exposed to and future career opportunities. Tax professionals can be found in group functions, shared services centres (SSCs), large indigenous businesses or a trading entity of a multinational. Here's some information on organisational structures:

- Group finance functions, whether in the form of an Irish plc or a multinational headquartered here (global/EMEA), generally have large and diverse in-house tax teams. They are structured with tax specialisations, and operate under a consolidation environment where the key decision-makers or leadership teams sit;
- SSCs can be similar to group finance functions in terms of size and structure, with a focus on centralising certain functions for all jurisdictions (a centralised VAT function, for example). This results in a strong focus on international taxes and, in some cases, activity is more compliance focused than consulting focused;
- A large indigenous business or a multinational trading entity is likely to have a small tax team – often a standalone role – as the scope of responsibility is less expansive in terms of geographical reach. However, it will offer a diverse role in terms of tax heads, along with closer access to business units and senior management. Exposure to international taxes can be limited;
- Tax reporting and provisioning play a big part within a group function and SSC where monthly, quarterly and yearly tax reporting is required;
- Listed companies generally involve more reporting obligations. Investor relations is pivotal and funding projects can often be a key focus;

- The operation's level of autonomy is important when determining how much of your role will involve tax planning or advisory work. Some group functions and SSCs have full autonomy with little parent involvement, while others are tightly controlled by the parent company;
 - A highly acquisitive company will offer opportunities to get involved in M&A and project work. The scope of compliance work will also increase post-acquisition; and
 - Most organisations offer alternative opportunities outside tax, and a chance to join other group functions.
- Stage of incorporation**
- If a company is in the early stages of setting up a global/EMEA finance function in Ireland, the work you will be exposed to can be more project management-orientated, setting up new systems and procedures and so on. You will be more likely to rely on external advisors;
 - If the group plans to expand into emerging markets and undertake future acquisitions, you will be expected to advise on such transactions from a tax and commercial perspective;
 - A company in the start-up or early stages, whereby you are the first tax hire, will inevitably result in future progression as you build your team; and
 - In the case of an established team or company, the larger the team the more opportunities will present themselves for career progression. However, a lot of tax professionals find themselves at a point where there is no further development (unless their boss leaves or they move overseas with the group) and an external move is the only option for progression.

Recent market trends

- Disruptive forces, including globalisation and digitalisation, mean that tax professionals are undergoing an evolution in the skills necessary to survive in the corporate sector. While a strong technical orientation will remain important, the tax professional of the future will need to have a more rounded skillset;
- The emergence of the "tax technologist" who understands data analytics, as well as the tax rules, will be required so that tax professionals can add value in innovative ways; and
- Tax directors are becoming key players at the front-end of business strategy. With the international tax structure undergoing a fundamental overhaul, the tax department is being further drawn into a broader strategic business role.

Practice or industry?

Is a career in industry better than a career in practice? There's no right answer, but there are certain ways to weigh up your options.

Practice or industry – which is better? Talk to a tax partner and he/she will say practice. Talk to a head of tax in industry and he/she will say industry. Talk to a specialist tax recruiter and she will say: “It all depends!” It's not as simple as comparing practice to industry. It depends on what practice, what industry, what role, what team, what person and so on. However, there are some obvious differences which can steer you in the right direction.

Different environment

Within industry, you focus on core areas of the business rather than working with multiple clients. A good client portfolio in practice will ensure you have a variety of work. However, a busy group function of a successful corporate will also provide a wide spectrum of work.

Different culture

Notwithstanding differences in culture between different companies and different firms, there is a major difference in culture when comparing practice to industry. With a practice background, you come from a culture where you trained with similar people within a

very collegiate environment. A move to industry means that you will now be part of a wider business setting. Tax can be perceived in a different context and you may even feel like you're at the bottom of the pile again.

Different opportunities

You are more likely to progress your career within tax if you stay in practice. A move to industry may afford you the chance to move into operational roles, and possibly out of tax. It is often argued that working in industry is more commercial than working in practice. Yes, whilst you will be more exposed to commercial teams and commercial elements of work within industry, it's not conclusive to state it's a more commercial role; again it varies from firm to firm. Tax professionals in practice must be commercial to be able to deliver tax commercial solutions to their clients.

Different work

Tax is tax, right? In this changing business landscape, the role of the tax



practitioner and the role of the in-house tax advisor seem to be constantly shifting and reversing. With so many different outsourcing agreements, it's not as easy to define roles. The person/team you will be working with will also have an effect on the work you are exposed to (be it industry or practice). Tax is such a technical specialism and a profession where having a mentor (rather than just a manager) is fundamental at every step of your career.

Career development

A career in practice (particularly within the larger firms) tends to be more structured as a transparent and clear career path is often carved out. Industry lacks this definitive structure in terms of promotional opportunities for tax professionals. However, the success and culture of any organisation are general signs as to whether an opportunity to progress will become available. The growing importance of tax across the globe has resulted in an increased

emphasis on strong in-house tax teams with additional headcount required and thus, promotional opportunities.

Work/life balance

Is it true that industry can provide a more balanced work/life balance? It depends. Needless to say, the environment in practice is client-facing, so you are expected to deliver as required and demanded by your clients. But the corporate sector also has clients in the form of internal stakeholders and investors, where challenging deadlines can arise at any time. It's often a question of figuring out who is controlling the workload. Senior tax professionals in practice can get to a stage in their career where they can control the workload, as can tax teams in industry where the decisions are made in Ireland or Europe. If decisions are made in the US, however, you may have limited control over your day.

Salary and benefit trends

When it comes to salary, is practice or industry better? In years gone by, a move to industry almost always resulted in a significant uplift in salary. However, firms have really disrupted this trend in recent times as they have recognised the need to improve salaries and benefits to retain talent. There has been an increased focus on intrinsic rewards within both landscapes, such as office amenities, flexibility to work from home, career progression and opportunities.

The Barden Career Model

The unique Barden Career Model will help you plan your career and manage your salary negotiations.

At this point, you're armed with a few different ways to analyse yourself and the external market. The Barden Career Model (see right) will enable you to pull this analysis together, as you begin to plan your future. The model can be used as a strategic tool to plan your career path and help manage your salary negotiations. For a more comprehensive overview of the model, refer to the *Barden and Accountancy Ireland Career Guide 2017*.

Career model

The Barden Career Model is a robust, strategic career tool designed specifically for accounting and tax professionals. It can be used to understand the context of your experience, how this reflects on the external market and, critically, how you should be compensated for the value of your time. The following basic principles apply:

Step 1

Let the centre of your circle represent the company and role in which you will be “perceived” to add the most value and hence you will be compensated most for the value of your time (i.e. paid

more). “Perceived” is key – this isn't just about you; it is about how a hiring manager will view/rate your experience compared to “the other guy”.

Step 2

Your near environment contains companies, firms and roles that have something in common with your centre. Taking the earlier example of Vicky the VAT Manager, another VAT team in a Big 4 firm would be within Vicky's near environment. Likewise, if Vicky's client portfolio consisted of financial services companies, then a VAT manager within the in-house team of a financial services company would also be in her near environment. This is not a purely linear process and you need to use your imagination to populate your near environment. Your far environment contains companies and roles that have less in common with your centre. For example, for Vicky, a corporate tax manager within a pharmaceutical company would be in her far environment.

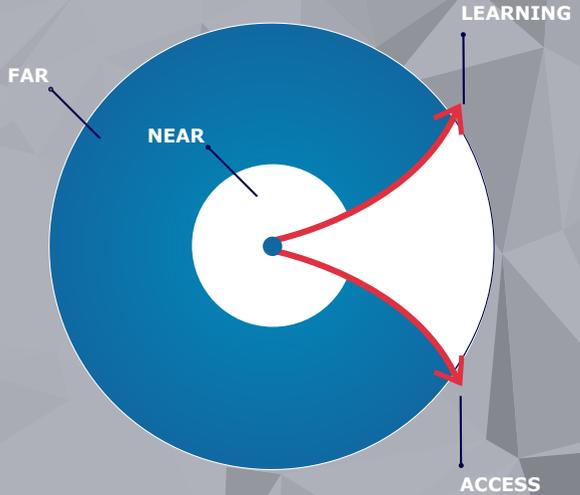
Step 3

Your model has two lines – your access curve and your learning curve. Your access curve

represents the “perception” of your ability to do a job compared to the other person (which is pretty much the same as your chances of getting that job). Your access curve begins to dip as you move away from your centre. Your learning curve represents the “perception” of the amount of learning there will be for you in a given job (how much a company will need to invest in you to get a return). Your learning curve begins to ascend as you move away from your centre.

Your salary

The closer a role is to your centre, the more you should be paid and the less you will learn. The further from your centre a role is, the less you should be paid and the more you will learn.



What's next?

This is only the start! Life isn't about answers – it's about asking questions to make sure you're going in the right direction. This guide should get you thinking about your options, asking yourself questions, and figuring out if the direction you're going in is the one you want to go in. Tax is a fantastic career and many tax professionals have already carved out their

chosen path, so talk to your network; discuss different opportunities and please get in touch with me – your specialist tax recruiter. I'd be delighted to give you some more detailed insights tailored for your career.

Kate Flanagan
Partner, Barden



Kate Flanagan
Partner Barden
kateflanagan@barden.ie
+353 (0)87 0916575



Ed Heffernan
Partner, Barden
edheffernan@barden.ie
+353 (0)86 2098701



B A R D E N

Consult Barden before you start planning your next step

Dublin | Block 4, Harcourt Centre, Harcourt Road, Dublin 2, +353 (0) 1 477 3463

Cork | Phoenix House, Monahan Road, Cork, +353 (0) 21 240 9000