


Armanino^{LLP} Welcomes You To Today's Webinar:
Equity Administration Software Selection Tips

The presentation will begin in a few moments

Participants will receive an email within 3 business days with access to their certificate of completion.

© Armanino^{LLP} | amllp.com


To qualify for California CE, you must:



- Use a personal computer (no PDAs) and log in with your own information and unique URL
- Be logged into our online software for at least 50 consecutive minutes within the scheduled time frame of the webinar
- Actively respond to at least 75% of the polling questions
- Complete evaluation survey at the end of the webinar

Based on the California Code of Regulations, Board of Accountancy Requirements
Armanino LLP is **not** a NASBA certified provider

2 © Armanino^{LLP} | amllp.com



About the Presenters



Scott Schimberg, Director, Consulting

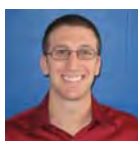
Scott has more than 20 years of financial executive, operations and consulting experience in public and private companies and has held positions as Controller and Vice President, Finance and Administration.

Scott returned to Consulting after working as the head of finance for a Med Tech company that filed an S-1. While working for TRIABeauty Inc. (TRIA), Scott learned first-hand how to address a company's stock compensation audit readiness by managing the initial audit for the company all the way through filing an S-1.

3 © Armanino LLP | amllp.com



About the Presenters



Scott Schwartz, Manager, Consulting

Scott has worked in the legal and financial industries, providing financial and consulting services to public and private companies, as well as entrepreneurs.

He has provided extensive equity compensation and valuation services to clients, as well as financial modeling and process re-engineering assistance. Scott has worked with auditors' related to stock-based compensation and other equity transactions. He has also completed various specialized training courses in business valuations, fraud, equity compensation administration, excel, and other continuing professional education.

4 © Armanino LLP | amllp.com



Learning Objectives



During today's webinar, participants will:

- Calculate the total cost of an equity plan
- Analyze who should influence the software selection decision
- Appraise the right time for an equity administration software investment
- Discover key criteria to consider when selecting equity software



5 © Armanino LLP | amllp.com

armanino

Presentation Overview




- Cost of Your Equity Plan
- Self-Assessment
- Making the Decision
 - Stakeholders
 - Timing
 - Process
- Software Requirements



6 © Armanino LLP | amllp.com

armanino




armanino

Polling Question # 1


© Armanino^{LLP} | amlp.com

The correct answer for question #1 is...

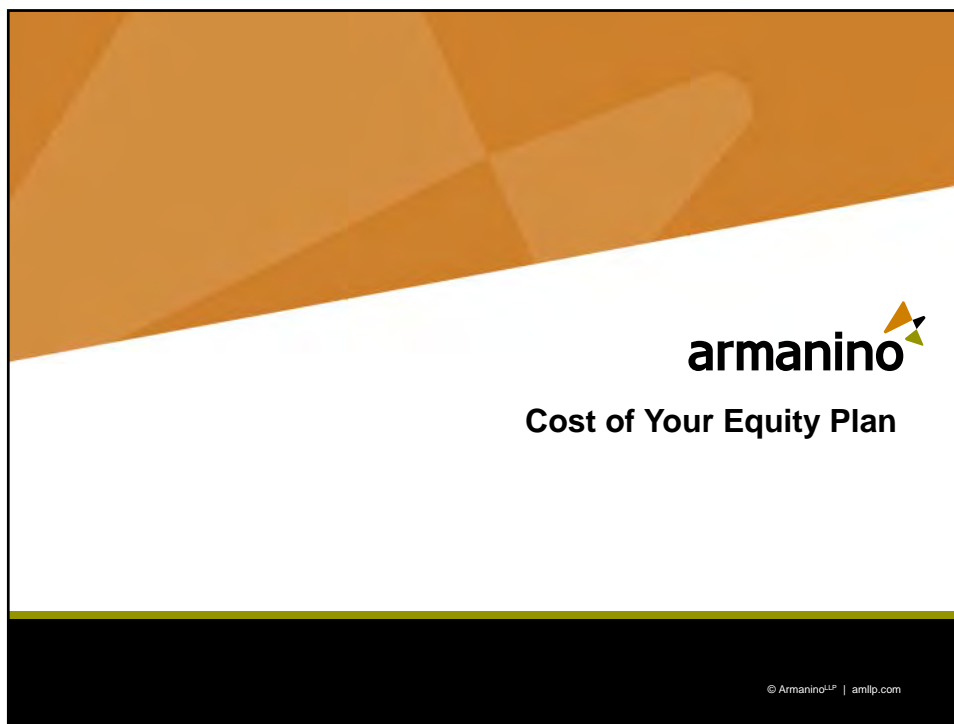
- B. - False



8 © Armanino^{LLP} | amlp.com



armanino




armanino


Cost of Your Equity Plan

© Armanino^{LLP} | amllp.com

Total Cost of "An Equity Plan"



- Stems across multiple departments internally
- Recognize all of your external costs
- Think about it annually/TCO



10 © Armanino^{LLP} | amllp.com

armanino

Those Involved...



Internal

- You
- Finance Department
- HR Department
- Tax Department
- Payroll
- Participants



11 © Armanino^{LLP} | amllp.com



Those Involved...




External

- Legal Counsel
- Consultants
 - Administrators
 - ASC 718 (FAS 123R)
 - Tax
- Valuation Firm
- Auditors
- Transfer Agent
- Software



12 © Armanino^{LLP} | amllp.com






armanino

Polling Question # 2


© Armanino^{LLP} | amllp.com

The correct answer for question #2 is...

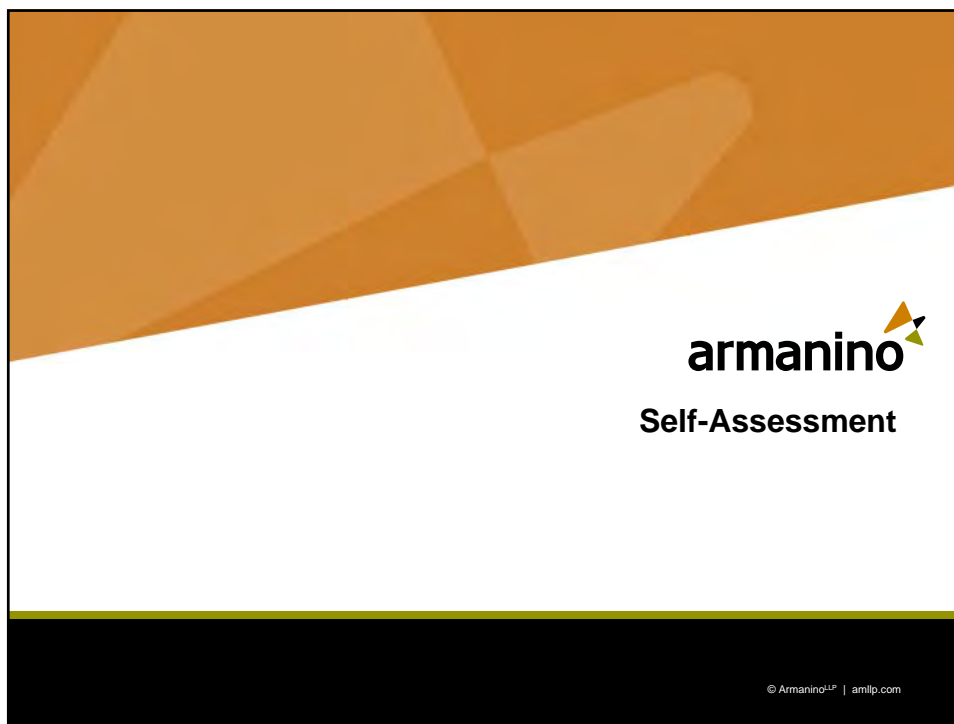
- B. - Administration




14 © Armanino^{LLP} | amllp.com




armanino




Self-Assessment (6 Questions)



- 1. What are my business objectives/needs?**
 - IPO Readiness
 - Cost Saving
 - Ease Administrative Burden
 - Reporting
- 2. Where do I have the most challenges?**
- 3. What are alternatives?**



16 © Armanino^{LLP} | amllp.com



Self-Assessment (cont'd)

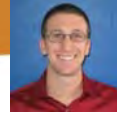


4. Where will technology solve problems? Where will it not?

5. What type of solution am I looking for?

6. Where do I expect my company to be in a year / three years?

Examine Key Stakeholders



Most Important

- Finance Department
- Board of Directors
- HR Department
- Participants
- Legal
- Auditors
- IT

Influence Decision

- System Users
 - Finance
 - HR
- IT
- Auditors



The correct answer for question #3 is...

- B. - False



21 © Armanino^{LLP} | amllp.com

armanino

Key Timing Considerations




- No Formula for Ideal Time
 - Before First Audit
 - Before Financing – Cap Table more complicated
 - Before Complex Vesting Schedules
- Wrong Time – Waiting until Liquidity Event
 - Audit/IPO
 - M&A activity



22 © Armanino^{LLP} | amllp.com


armanino



armanino

Polling Question # 4

© Armanino^{LLP} | armlp.com



armanino

Software Requirements

© Armanino^{LLP} | armlp.com

Key Software Requirements



- Public vs. Private requirements
- Solves your pain points
- Implementation Strategy
- Participant Interface
- Post-implementation support



25 © Armanino^{LLP} | amllp.com



Meet your needs



Department	Requirement
HR	Administrative needs (different award types)
Payroll	Tax calculations
Accounting	Fair value and expense calculations, Journal entries
Tax	ISO/NSO; DTA
Legal	Stock ledger/Cap Table
Board	Cap Table
Participants	Self-service

26 © Armanino^{LLP} | amllp.com



Financial Reporting



- Journal Entries
- Disclosure Reports – all data needed
- Tax
- EPS
- Insider Reporting
- Automated Reporting



27 © Armanino^{LLP} | armlp.com



Polling Question # 5

© Armanino^{LLP} | armlp.com

The correct answer for question #5 is...

- D. – All of the above



Why does equity software matter?



- Auditors
- Employee
- Executives/Board
- SEC/Public



In Conclusion...



During this webinar, we've covered:

- How to compute your total cost of "equity ownership"
- Insights into the equity software selection process
- Key Company considerations
- Key software considerations



What Questions Do You Have?

Submit Your Questions Now!





Armanino^{LLP} Certified Public Accountants & Consultants

Scott Schwartz phone: 415 568 3468 email: scott.schwartz@amllp.com

Scott Schimberg phone: 925 790 2622 email: scott.schimberg@amllp.com

Participants will receive an email within 3 business days with access to their certificate of completion.

© Armanino^{LLP} | amllp.com