Computershare

FIVE CONSIDERATIONS FOR CHOOSING AN EQUITY COMPENSATION PLATFORM

Managing equity compensation plans in-house can be overwhelming. Self-administration software is often the right tool to help private companies keep track of their equity plans, but with so many choices available, how do you choose the right one? Through our experience supporting hundreds of clients, we have learned what is most important to companies looking for assistance with their equity plan administration. Here are the top five things you should consider when evaluating self-administration tools.

1. Who is selling you the software?

When selecting a self-administration solution, you will of course spend time evaluating the software. But don't forget to evaluate the provider as well. What is the company's background? Do they know the industry? Are they a likely acquisition target? Are they committed to the business for the long term? When you choose a platform, you want make sure the provider is going to be around as long your company will be around. You don't want to be forced to move off the platform you chose to one someone else chose for you.

2. Was the software designed as a self-administration tool?

If you are looking to manage and administer your equity compensation plan internally, make sure the platform you choose is intuitive and easy to use. Many platforms available on the market were originally designed to be used by third-party administrators to manage multiple clients' plans simultaneously and then retrofitted as a self-administration solution. This leads to a user interface with unnecessary complexities causing frustration for the end user.

3. Will the software equip your finance department with the right tools?

Many platform providers think of financial reporting as an option or a "nice to have." However, your chief financial officer will be more than happy to let you know how important this really is. Having the ability fulfill your financial reporting obligations on your own helps mitigate errors that can occur in transferring data from one system to another and allows you to have one system of record.

4. Will the software let you manage and track all equity ownership?

Many private companies have decided to manage their own cap table in-house to minimize legal costs. You want to make sure you have an integrated cap table as part of your self-administration platform so that all of your company's ownership data is in one location.

5. Can your platform grow with you?

If you think an initial public offering (IPO) is in your future, you'll want to avoid changing platforms once your company goes public. Make sure the platform you choose can support both public and private companies – and can accommodate the transition.

Visit OPTRACK.com for more information on OPTRACK, Computershare's self-administration software solution for equity plans, financial reporting and cap table management.