How risky is an outsourced stock plan?

It’s an honest question. One that, as an in-house provider, you are likely asking yourself daily. You know outsourcing is a smart decision that can save you time and money, and mitigate certain risks, while ensuring accuracy and creating efficiencies. Choosing the right partners adds value to your company. But choosing the wrong partner can lead to significant costs and reputational risk that you simply can’t afford.

So just how risky can outsourcing be if you don’t due chose the right partner? Consider the following pitfalls you can encounter if you don’t pick the right partner.

1. Planning for today.

Today you know what you need. You know the plans you offer and what is needed to execute them successfully. But if you limit your vendor choice to a partner that only serves your needs today, you may find yourself in serious trouble down the road. It’s not easy, but you must consider the future of your company. Will you be expanding into other countries? Is an acquisition or merger in your future? What will be the hot equity awards of tomorrow? You need a partner that aligns with your business strategy and shares the same vision for your company as you do. Your partner should be flexible and have the capacity to seamlessly execute your stock plan administration no matter how much you grow. They must also have the expertise and experience to be at your side for anything that may come your way, helping you plan for all possibilities.

2. Lack of communication.

You know that vendor you never hear from...at all? There may be some tasks you can outsource to a “silent” vendor like that but managing your employee equity plans is not one of them. This is equity, this is compensation, this is stock ownership. You have to get it right every time, so you need a dedicated, experienced team at your fingertips to support you, a virtual extension of your company’s HR team. And your vendor cannot just be reactive. It’s great they pick up the phone when you call, but they should be calling you, too, providing you the latest research on trends in plan design, updates on tax laws and regulations, and advisory services on how best to enhance your plans to ensure they stay competitive in the marketplace.
Choosing wisely means you look beyond the immediate need and focus on the big picture. And that's where Computershare comes in! Work with a partner that's got you covered; an industry leader that is in it for the long haul. A partner that can provide multiple services as needs arise.

Learn more at www.computershare.com/EmployeePlans