DON’T LET MANUAL PROCESSES DRAIN YOUR PRODUCTIVITY

November 28, 2018
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Webinar Series
- All Things ESPP @ www.computershare.com/allthingsespp
- All Things Equity Plans @ www.computershare.com/allthingsequityplans

ESPP Day 2019
- May 2019 | Boston, MA
- November 2019 | Dallas, TX
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Source: KPMG LLP
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Introductions

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How would you like to spend your day?
# Technology Innovation

<table>
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<tr>
<th>Tools Available</th>
<th>What They Do</th>
<th>Examples</th>
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<tbody>
<tr>
<td>Data &amp; Analytics (Tableau, Microsoft Power BI)</td>
<td>Data visualization</td>
<td>Equity program statistics such as granted, unvested, vested, forfeited stats, Countries where awards are granted by level, Provided regularly to spot issues</td>
</tr>
<tr>
<td>Robotics Process Automation “BOTS”</td>
<td>Act like a user across applications to perform tasks</td>
<td>Open email, go to a database, create a report to attach and send with an email, then post to an Eroom.</td>
</tr>
<tr>
<td>Artificial Intelligence</td>
<td>Perform tasks that normally require human intelligence such as visual perception, speech recognition, decision-making and translation between languages</td>
<td>Translating documents</td>
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<tr>
<td>Blockaain</td>
<td>A blockchain, originally block chain, is a growing list of records, called blocks, which are linked using cryptography. Each block contains a cryptographic hash of the previous block, a timestamp, and transaction data.</td>
<td>Bitcoin</td>
</tr>
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Questions

1. What am I doing manually that I can automate given some of the new technologies available?

2. How can I apply this technology to my equity program?

3. What are some quick win tasks that I could automate?
Benefits of Automation

Improves troubleshooting
Improves decision making
Improves the speed of the task / reduces cycle times
Enhances participant experience
Removes human error and manual activity
Provides consistency and sets predictable expectations
Minimizes data entry
Offers employees new, potentially higher-value roles and responsibilities
Tip #1 – Areas of Focus

Determine your areas of focus for improvement

What specific processes, or even parts of processes, are most prone to human error, are subject to risk, demand a lot of time and/or might warrant a better user experience?

For example:

- End-to-end equity transactions, e.g., 6039 reporting
- End-to-end self-service, e.g., online ESPP enrollment
- Data transformation, e.g., integrating data from multiple business units or countries
- ESPP contribution funds management
- Data analysis, e.g., pay ratio calculation
- Reconciliations, e.g., plan reserve management, cancellations, terminations
- Reporting
Tip #2 – Communicate

Communicate with your team / get your people on board.

- Is everyone on the same page?
- Have you brought the necessary individuals into the discussion?

This is a key step that needs to be done in close consultation with other stakeholders and actual users of the process.

Speak with everyone that’s going to use or be affected by your new processes.

- What are their needs or challenges or pain points currently, and what are they hoping to get out of an automated solution?

**Consideration:** Keep this one people interactive.
Tip #3 – Know Your Client

Always start with the voice of your clients, i.e., plan participants and/or interdepartmental partners

- What do they want and what can they expect to be improved with automation?
  - Real-time payroll compliance; reduction in purchase allocation time, participant self-service

If you can’t trace back something you’re automating to an improved client experience or a departmental benefit, that’s usually a good indication that you shouldn’t be automating it

Automation: Consider interfaces to payroll system(s)
Tip #4 – Rinse and Repeat

Start with a few very manual and repetitive processes that, once automated, will result in visible improvements

- For example:
  - Importing employee demographic information into your stock administration system
  - Automating responses to common participant inquiries

Then begin examining other more complex cross-departmental processes that are often error-prone for further automation opportunities

**Automation idea:**

Consider a BOT to run a report from the stock admin system that then takes the information and prepares your journal entries for the G/L ready for review.
Tip #5 – Operational Model /Workflow

Choose the right workflow automation solution

Decide on the means to the end—how do you wish to achieve this business goal?

Consider outsourcing as a solution

- Outsourcing is the most strategic solution for automating processes and doesn’t have to displace employees
- Many aspects of stock administration, payroll management and HR are often outsourced so that employees can focus on more strategic matters

All companies come to a point where manual processes are no longer sustainable.

- Is your department at this point or in a potentially vulnerable position?

Automation idea:

AI is used on many support lines today. Consider routing VIPs vs. rank in force differently
Who is mobile??

Anyone!

Source: KPMG LLP
Mobility and Automation

Determining tax rate annually or with each transaction via spreadsheets or enter tax rates manually

- **Manual**
  - 1-400

- **Semi-automated**
  - 1-400

- **Automated**
  - >400

Fully automate the flow of data and transactions to remove date entry of tax rates reporting and withholding

Source: KPMG LLP
Using data and automation tools to help with equity program

Four key tenets of Data & Analytics approach

1. Data
2. Analyze
3. See
4. Act

- Mobility data
- Employee data
- Award data

Source: KPMG LLP
Lifecycle Approach

Year End → Pre-move

Pre-move → Post Release

Post Release → Pre-Release

Pre-Release → Release

Source: KPMG LLP
Lifecycle Approach

Year End → Pre-move → Post Release → Pre-Release → Release

Source: KPMG LLP
Lifecycle Approach

Year End → Pre-move → Pre-Release → Validate mobility → Post Release → Release → Year End

Source: KPMG LLP
Lifecycle Approach

Employee Year End Statements

Corp Tax/Finance

Year End

Pre-move

Post Release

Pre-Release

Release

Source: KPMG LLP
Corporate Income Tax Benefit Analysis


$32MM for 2017 tax year and can potentially be realized in certain of the affected countries

Evaluate recharge/corporate tax deduction process could be implemented.

**Automation example:** Tableau view of potential corporate tax deduction
10 Strategic Ways to Automate your Internal Business Workflows

1. Implement automation where it makes sense
2. Take existing manual processes and slowly insert tools to improve them
3. Automate for internal and external engagement
4. Implement automation to handle repetitive tasks
5. Automate small tasks for a large impact
6. Create automated connections between various software solutions
7. Audit your processes for potential automation
8. Leverage transformational projects to kick off automation
9. Fully understand the manual process you want to automate, then code them step-by-step
10. Focus on your core and automate everything else

Source: Forbes Technology Council, May 2018
Questions?

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