

## Corporate Focus Helps High Tech Startup Streamline and Simplify Stock Option Management

### CUSTOMER



#### KEY BENEFITS

- Stop using multiple, error-prone spreadsheets for equity administration and reporting.
- Automate option expensing and guarantee 100% accuracy and confidence.
- Go from hours to minutes for complex calculations and reports.
- Reduce audit and legal fees by using a standardized system.
- Share information and reports more easily with all stakeholders.

T-Edward, Inc. is a strategic and operational consultancy firm that provides finance, accounting and administrative services to all types of companies, including high-growth technology companies. When one of its clients, FullContact - a provider of contact information aggregation and resolution technology - found itself investing too much time and money on corporate governance, equity administration and option expensing, T-Edward found a solution that would allow them to efficiently manage all aspects of their equity reporting process in one comprehensive system. That solution was Corporate Focus.

#### THE CHALLENGE: INEFFICIENCY LEADING TO LOFTY LEGAL FEES

Historically, equity administration has been a complex and tedious process involving spreadsheets, supporting documents, and other disparate sources of information that need to be reconciled amongst many parties. Over the years, Tom Kelly, T-Edward's Managing Director, has watched companies pay their law firms more than \$200 an hour to maintain spreadsheets, answer basic questions, and even send out stock certificates. The fees could be exorbitant to a cash strapped start-up.

"Having grown up in the CFO ranks, I knew exactly how much time, effort, and energy needed to be invested in stock option administration," Kelly says. "It makes no business sense to rely on a law firm for these kinds of administrative tasks. No one is ever on the same page, and the result can be disastrous. My client needed a start-to-finish solution that could simplify the management of equity and compliance information and save them time and money—and that's exactly what Corporate Focus does."

#### THE SOLUTION: A COMPREHENSIVE, CLOUD-BASED SYSTEM FOR EQUITY MANAGEMENT

Kelly introduced his client to Corporate Focus as a tool for comprehensive online equity management. Being all too familiar with the disastrous capitalization tables that were characteristic of small businesses and startups after several rounds of financing, he was particularly interested in the system's capitalization table features and functionality.

"I can click on a shareholder and view a complete snapshot of their ownership record, as well as drill down into the documentation and details behind that data. This has been extremely helpful for my client, whose capitalization table has grown both in size and complexity," says Kelly. "Even if a company starts out with just five investors, that number can increase quickly and exponentially - so it's worth the effort to get the information accurate, actionable and accessible from the start."

### THE HIGHEST STANDARD FOR EQUITY REPORTING

- Corporate Focus has been delivering efficiency, accuracy and peace of mind since 1995.
- Trusted for tracking ownership information for more companies than any other solution.
- Secure, online capitalization tables, option expensing and equity reporting means greater productivity and less risk.
- No software to install. SAS 70 Type II certified, enterprise class hosting facility.

### ABOUT T-EDWARD

T-Edward, Inc. is a strategic and operational SaaS consultancy, providing cloud expertise and services to Fortune 500 and private equity-backed companies. By combining their unique cloud-based outsourced solutions along with their C-level services, T-Edward helps businesses improve, scale and control their administrative functions while also reducing their costs.

### THE RESULTS: SIGNIFICANT COST AND TIME SAVINGS, INCREASED EFFICIENCY

According to Kelly, some of the key benefits of using Corporate Focus include:

**Greater efficiency.** Because all of a company's ownership information is centralized within the system, there is no longer a need to get many people involved for something as simple as a stock certificate printing. Corporate Focus even allows the user to print out mailing labels with which to mail certificates to stockholders. "The efficiency of the system is what makes it so unique," says Kelly. "Everything we need is right at our fingertips, and the system is built to ensure that we're managing the client's plan appropriately."

**Significant reduction in legal fees.** Kelly estimates that since Corporate Focus eliminates the constant need for input from paralegals and lawyers, his client saves anywhere from \$15,000 to \$20,000 annually in legal fees. "The client was extremely impressed with how we mitigated these legal expenses traditionally associated with cap table management, stock certificate printing, and other tasks."

**Easier sharing of information.** Corporate Focus' multi-user access has enabled Kelly to ease the constant requests for information or reports, both from inside the company and out. "If someone needs information, such as the law firm, a board member, or an officer of the company, I give them a username and password and manage their access rights from my side. I can also send customized information to employees about their stock options. It's been a great communications tool for our team."

**More confidence in data reliability.** Since key data is entered into Corporate Focus just once, users can trust that it's reliable. "When it comes to stock option expense reporting, our clients' accounting firms are extremely pleased with the depth and accuracy of the reports Corporate Focus provides. The system does a great job as far as giving these firms confidence in our reporting and compliance."

### CONCLUSION

Would Tom Kelly recommend Corporate Focus to other service providers or early-stage companies? The answer is a resounding yes. "The beauty of Corporate Focus is its ability to consolidate all of the equity and compliance related information, something that has typically been very decentralized in the past. The system brings it all together into a much more efficient process with data that is far more accurate and reliable."

More importantly, Corporate Focus allows T-Edward to offer its services to more clients and get the work done in less time. Says Kelly, "If I had to manage a client's equity reporting process the old-fashioned way—with spreadsheets and minute books—it would be a full-time job keeping it all together. But Corporate Focus takes care of everything for me, so I can assist many more companies. It's an easy-to-use, cost-effective system that allows me to get the job done for my clients—and get it done right."