

Compliant Reporting Solution Supports 15,000 Participants Worldwide

THE SITUATION

A global internet powerhouse had a large stock plan that spanned the globe, and it was relying on a combination of an administration platform and spreadsheets for administration and reporting. Reporting required a raw data dump and massive recalculation for several million tranches which took seven or eight days. The company needed an ASC 718 compliant reporting tool to handle NQSOs and RSUs for its 15,000 employees around the world. Manual reporting was riddled with risk and not a scalable solution.

THE TRANSFORMATION

The technical accounting manager recognized that the current software was not GAAP compliant, and he began researching what was available. Upon meeting with Certent, the company discussed its wish list for ASC 718 compliance, batch reporting, and additional functionality specific to multinational companies. Certent met many of the requirements out of the box, was willing to develop new reports to meet the rest, and offered the ability to group and filter participant data by line item, which was a big plus. The technical accounting manager was excited about the flexibility Certent offered to allow the company to continue using its administration solution.

Equity Management Customer Profile

Company Name:

Confidential

Industry:

Technology

Client Position:

Technical Accounting Manager

Key Result:

Elimination of manual Excel workflows and dramatic time savings in the reporting and auditing processes

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THE RESULTS

With Certent in place, the client was able to scale from 11,000 participants to 16,000 over the first year. The client was able to process more grants, reduce errors, and use less skilled labor to do so: “On average, we process 37 tranches per grant given the 12-month cliff vesting and the forfeitures have to be applied on a tranche basis. Certent handles the forfeiture calculations right.

In addition, Certent doesn't allow for a termination date before a hire date. We've significantly reduced the risk of human error and our SFAS 123R reporting process no longer requires people with deep FAS expertise to be involved at the detail level.”

As a result of the new process, the company shaved a full three days from the seven or eight it used to take each quarter to do its calculations and reporting. It no longer needed another set of eyes to verify the accuracy of the spreadsheet calculations. The audit took less time once the auditors were able to do their work more quickly using Certent. Finally, the client found dramatic time savings by using the common stock equivalent report, which provides dilutive values of equity compensation for the earnings per share calculation.

As with many Certent customers, this client was able to eliminate reliance on an Excel spreadsheet rife with pivot tables, macros, links and tabs that was a challenge to audit due to its complexity and nonstandard output. With Certent, the client now had a standard output that provided the high



“With a click of a button I can do what used to take me 45 minutes to an hour. This is one of the many great tools in the Certent system that makes my job easier.”

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level data, with an audit trail tracking where all the numbers came from. All the data the team members needed to produce filings was at their fingertips, and the burden of reporting on their stock plan decreased dramatically.

ABOUT CERTENT

Certent, Inc. is a leading provider of software and services for equity compensation and financial disclosure management and reporting. Founded in 2002, Certent serves more than 2,400 public, private, and pre-IPO companies with innovative stock plan management, regulatory compliance and reporting technology. With five global offices, Certent delivers confidence across mission-critical finance and HR processes.



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