

A woman with curly hair, wearing a grey blazer, is looking at a laptop screen. The background is a bright, out-of-focus office setting.

DON'T LET MANUAL PROCESSES DRAIN YOUR PRODUCTIVITY

November 28, 2018

CERTAINTY | INGENUITY | ADVANTAGE

The logo for Computershare, featuring a stylized 'C' icon followed by the word 'Computershare' in a sans-serif font.

Upcoming Events

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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Disclaimer

Caution: These slides reflect developments as of November 1, 2018. Further developments related to the new tax law may be forthcoming as the law moves through the implementation process. Please follow developments in TNF-Tax Reform and consult an appropriate subject matter expert.

The following information is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

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Asking Questions

Enter your question into the Questions pane on the GoToWebinar Control Panel.



The screenshot shows a window titled "Audio" with a menu bar (File, View, Help) and a globe icon. Below the menu bar, there is a "Questions" pane highlighted with a yellow border. The "Questions" pane contains a text input field with the placeholder text "[Enter a question for staff]" and a "Send" button. Above the "Questions" pane, the "Audio" pane is visible, showing options for "Computer audio" and "Phone call", along with dialing information: "Dial: +1 (631) 992-3221", "Access Code: 764-626-987 #", and "Audio PIN: 57 #". Below the "Questions" pane, the "Computershare Webinar" section is visible, including the "Webinar ID: 123-456-789" and a recording status indicator: "This session is being recorded." The GoToWebinar logo is at the bottom.

Housekeeping

Presentation is being recorded

- Email will be sent to all attendees with link to recording and presentation

Presentation qualifies for one CEP credit

Please take our survey!

Introductions



Leann Balbona

Managing Director, Global Rewards Services

KPMG LLC

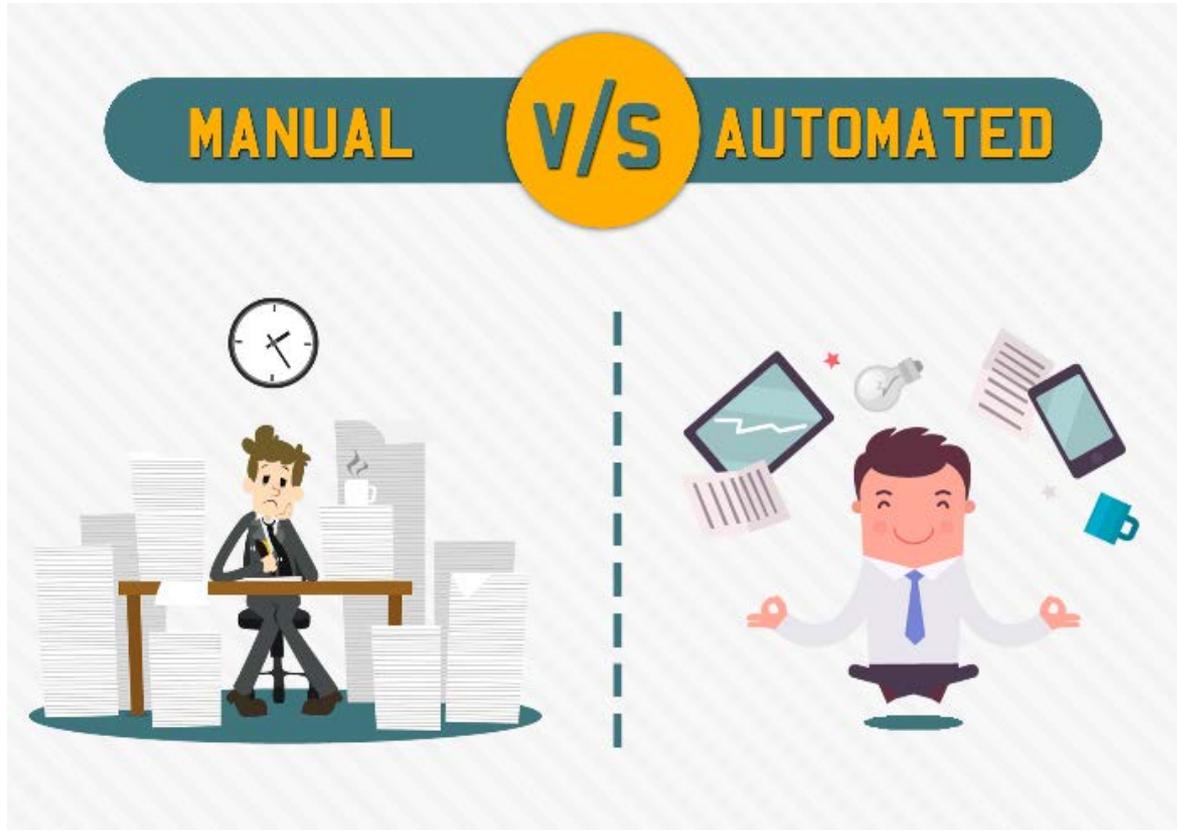


Mary Beth Anastasio

Senior Relationship Manager

Computershare

How would you like to spend your day?



Technology Innovation

Tools Available	What They Do	Examples
Data & Analytics (Tableau, Microsoft Power BI)	Data visualization	Equity program statistics such as granted, unvested, vested, forfeited stats, Countries where awards are granted by level, Provided regularly to spot issues
Robotics Process Automation “BOTS”	Act like a user across applications to perform tasks	Open email, go to a database, create a report to attach and send with an email, then post to an Eroom.
Artificial Intelligence	Perform tasks that normally require human intelligence such as visual perception, speech recognition, decision-making and translation between languages	Translating documents Sending information back to manufacturer from a machine to determine if malfunctioning
Blockchain	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.	Bitcoin

Source: Wikipedia

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 #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?

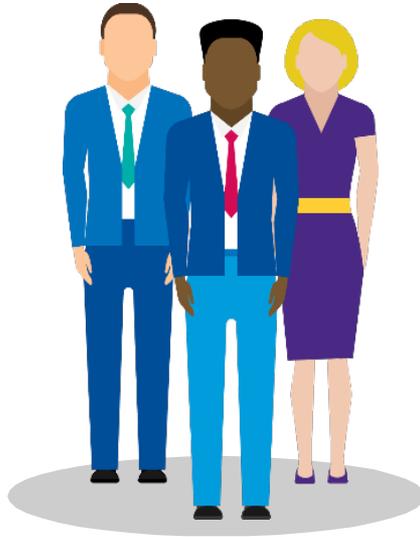
Automation idea:

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



Partially automate tax rate and payroll reportable amounts

Semi-automated

> 400



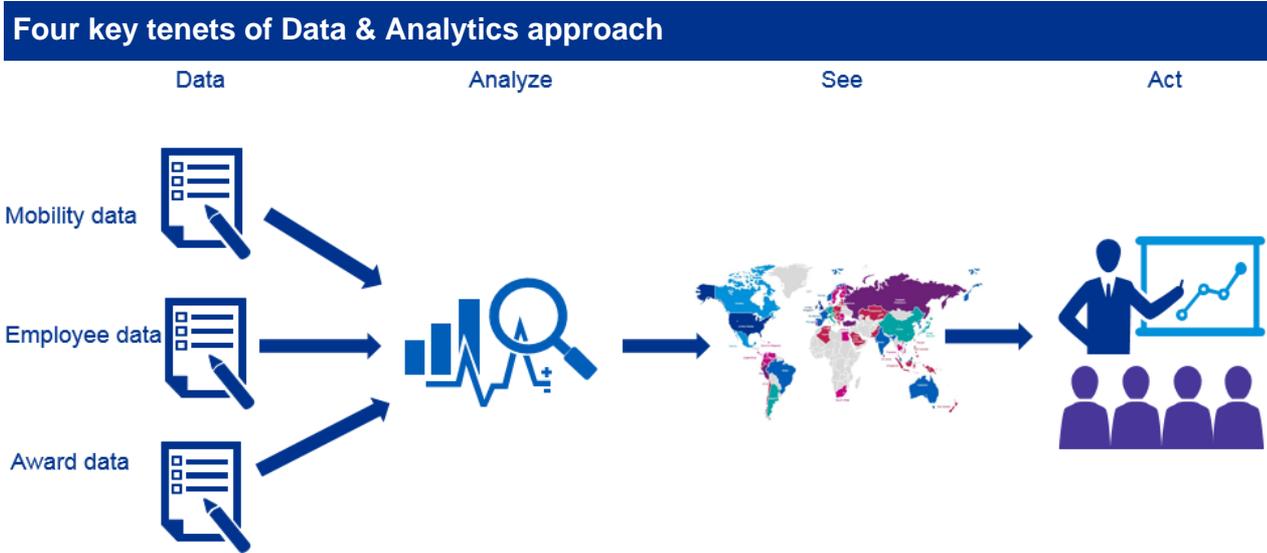
Fully automate the flow of data and transactions to remove date entry of tax rates reporting and withholding

Automated



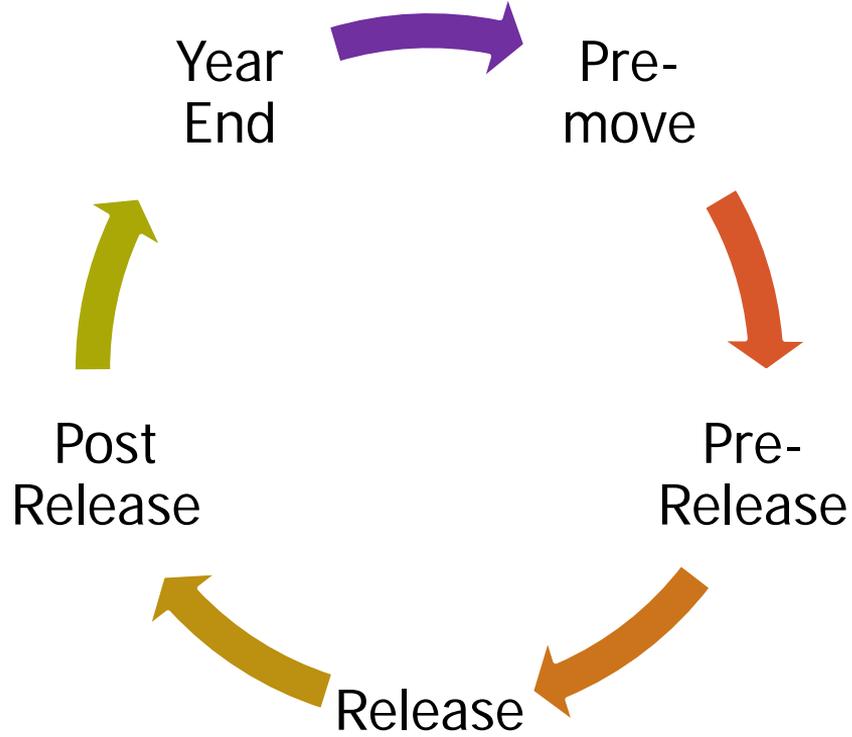
Source: KPMG LLP

Using data and automation tools to help with equity program



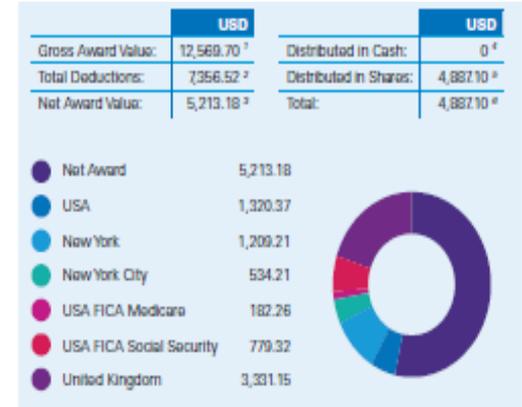
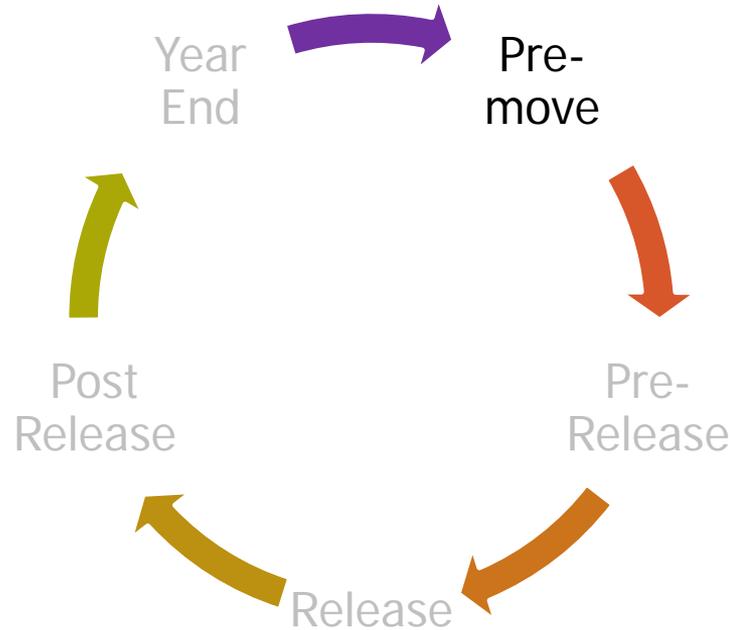
Source: KPMG LLP

Lifecycle Approach



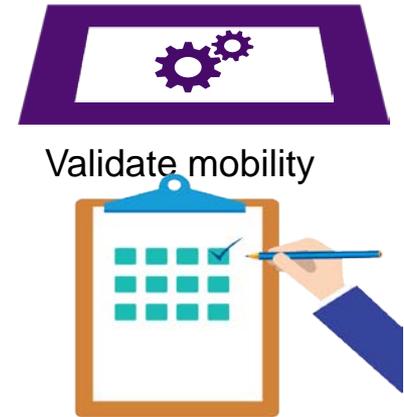
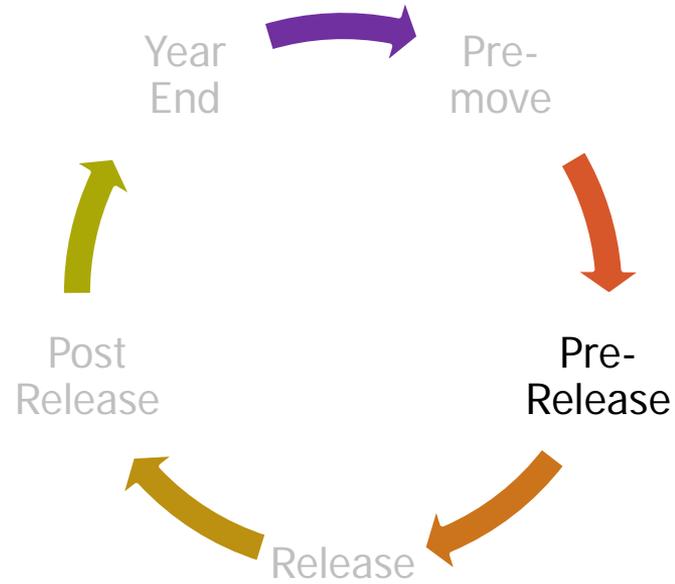
Source: KPMG LLP

Lifecycle Approach



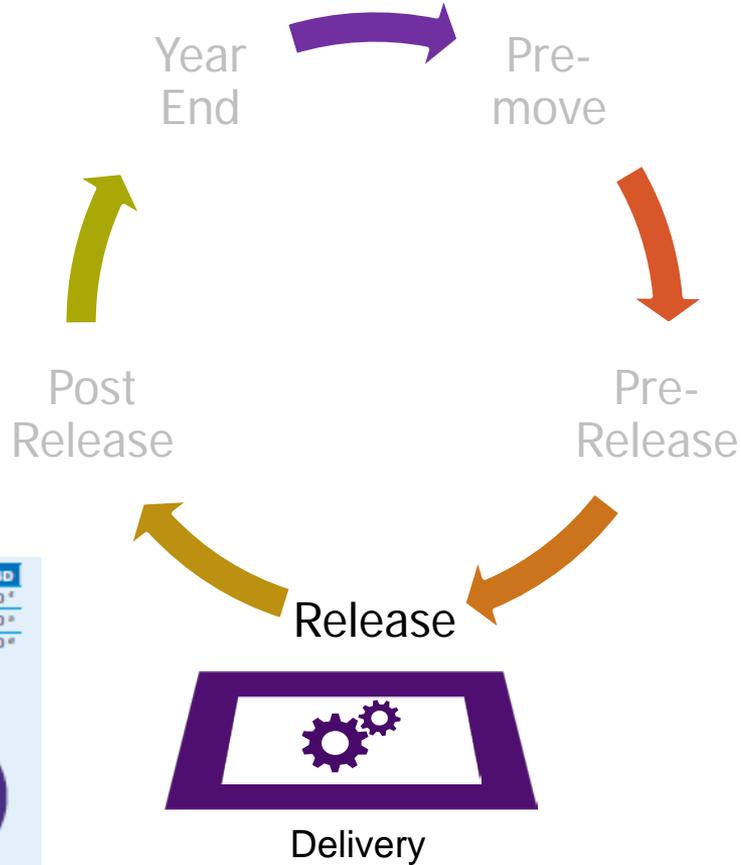
Source: KPMG LLP

Lifecycle Approach



Source: KPMG LLP

Lifecycle Approach

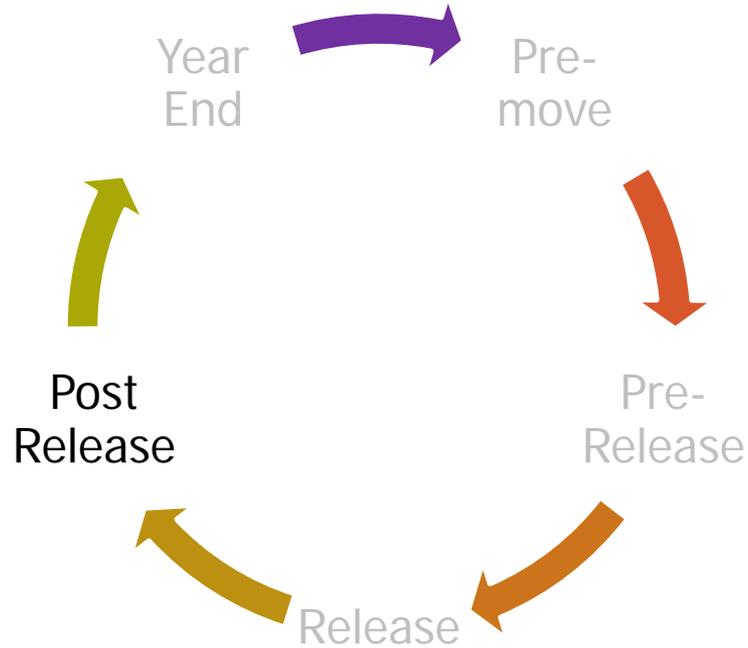


	USD		USD
Gross Award Value:	12,569.70 ¹	Distributed in Cash:	0 ⁴
Total Deductions:	7,356.52 ²	Distributed in Shares:	4,887.10 ³
Net Award Value:	5,213.18 ²	Total:	4,887.10 ³

Net Award	5,213.18
USA	1,320.37
New York	1,209.21
New York City	534.21
USA FICA Medicare	182.26
USA FICA Social Security	779.32
United Kingdom	3,331.15

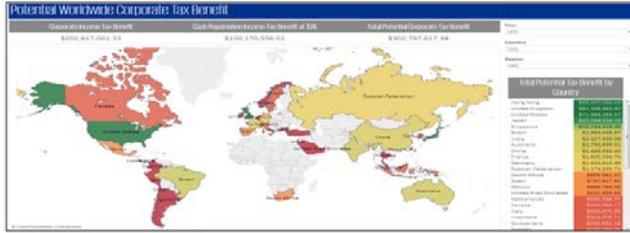
Source: KPMG LLP

Lifecycle Approach



Source: KPMG LLP

Lifecycle Approach

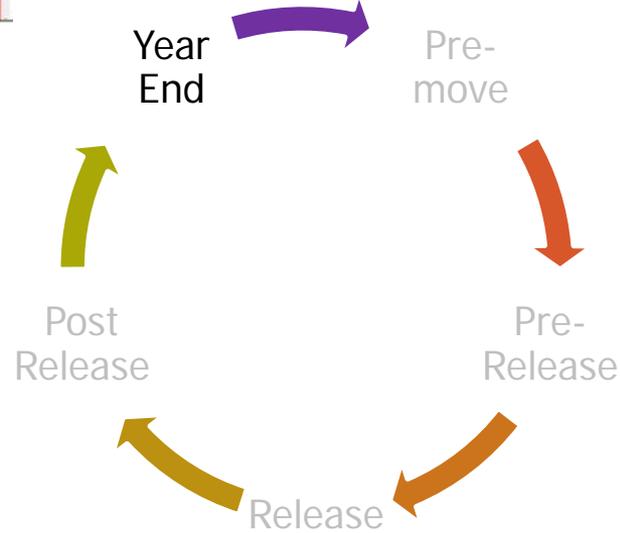


Corp Tax/
Finance

Source: KPMG LLP

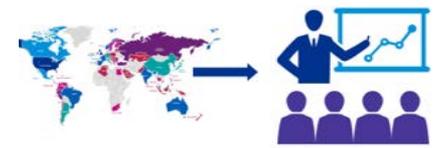
Employee Year End Statements

The screenshot shows a form titled "Employee Year End Statements" with a KPMG logo. It contains several tables with columns for "Year", "Gross Pay", "Federal Tax", "State Tax", "Local Tax", "Social Security", "Medicare", and "Net Pay". The form is designed for employees to review their year-end earnings and tax withholdings.



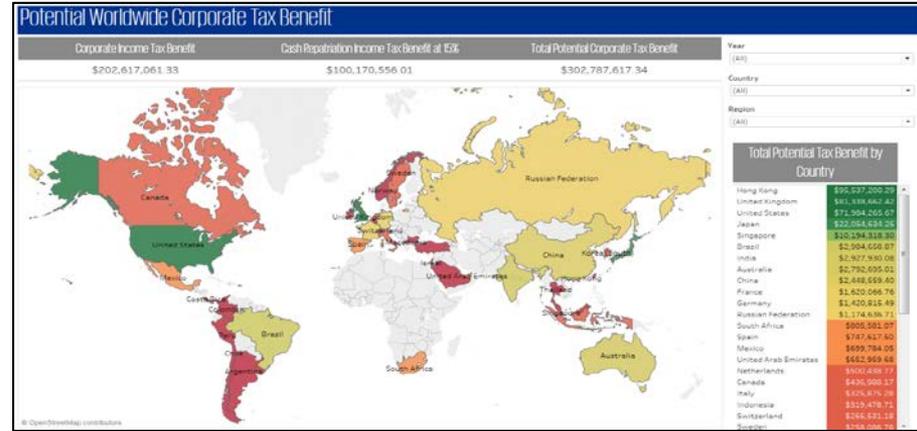
Source: KPMG LLP

Corporate Income Tax Benefit Analysis



\$303MM in potential corporate tax benefit from 2010 - 2017.

\$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

Country	Quick Award (A)	Hybrid/Deferral Tax (B)	Award/Deferral of Hybrid/Deferral Tax (C)	Tax Grossed (D)	Total Corporate Income Tax (E) (D-B-C)	Hybrid/Deferral Tax Ratio (F) (E/D)	Corporate Income Tax Benefit (G)
United States	\$183,875,012.97	\$16,302,021.25	\$175,375,994.83	\$39,432,268.76	\$356,608,530.47	95.00	\$71,394,265.67
Hong Kong	\$309,396,044.31	\$12,847,208.89	\$297,548,835.42	\$0.00	\$297,548,835.42	100.00	\$448,294,448.89
United Kingdom	\$420,124,798.89	\$10,814,798.93	\$209,670,360.27	\$32,849,208.29	\$241,497,814.92	40.00	\$448,294,448.89
Japan	\$37,041,981.00	\$0.00	\$0.00	\$0.00	\$37,041,981.00	100.00	\$10,354,518.35
Singapore	\$0,000,000.00	\$447,368.82	\$3,094,312.89	\$0.00	\$3,094,312.89	17.00	\$10,354,518.35
Brazil	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Australia	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
China	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
France	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Germany	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Russian Federation	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
South Africa	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Spain	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Mexico	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
United Arab Emirates	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Netherlands	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Canada	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Italy	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Indonesia	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Switzerland	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Sweden	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
India	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
South Africa (South)	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Colombia	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Hungary	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Argentina	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Cuba/Ric	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00
Turkey	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	\$0,000,000.00	0.00	\$0,000,000.00

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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