

## GETTING A SEAT AT THE TABLE

A phrase we hear over and over again is "if only my boss/CFO/comp department had asked for my input..." Too often new compensation programs or changes to current programs are dropped on the equity compensation department when it's often too late for meaningful feedback to be incorporated. While administrative ease should not drive plan design decisions, how the program will be communicated and administered should be part of the planning process. But how do you get a seat at the table for these discussions?

The best advice I have received on this topic is not to wait to be invited to the table but to take a seat at the table. Yes, easier said than done, but the underlying meaning of the phrase is that you are the one in control; you have to take responsibility for getting that seat. There are three aspects that you control - your expertise in the topic, how the decision makers perceive you and your knowledge, and when they think you need to be involved.

### EXPERTISE

To start off you need to be an expert in your job. That means having an expertise in all facets of equity compensation and understanding how equity compensation fits in to your company's overall compensation programs.

To tackle the first issue -- learn as much as you can about equity compensation -- become a Certified Equity Professional, listen to any and all webinars you can get your hands on (SOS has some great ones), join the NASPP and use all of the resources they offer (webinars, news and alerts, discussion forms to name a few), the CEP Institute publishes a monthly list of industry educational opportunities (email [cepi@scu.edu](mailto:cepi@scu.edu) to join the mailing list), and the National Center for Employee Ownership publishes numerous books on the equity compensation field. Build a network with other equity compensation professionals to learn from others and gain valuable expertise. To build your network, go to industry meetings and events, join online message forums (Linked In and Yahoo Groups have a number of good ones), talk to your vendors to see if they have other clients who have similar programs.

Do not run from topics that you are not comfortable with. We all have topic areas where we excel and areas that need some work. For those areas that you are not as comfortable with, you need to educate yourself. There are numerous books and webinars on all topics. Use your network to find out who has expertise in a certain topic and will help you. You should show management that you take all aspects of your job seriously.

In addition to having in-depth knowledge of equity compensation you also need to understand how the equity compensation programs fit in to your company's overall compensation program and what are the intended goals of the programs. This knowledge will help you have educated discussions as to whether or not the programs are attaining those goals or what you can do to measure the achievement of those goals. There are a couple of very easy ways to gain this knowledge. First is to read your company's proxy statement and plan documents. The proxy

statement details the executive compensation programs and the plan documents discuss the equity compensation programs in depth. Make notes of any questions or things you do not understand. Does the proxy statement say that the equity programs are set up to encourage long-term employment, but the equity plans have provisions that benefit a participant if they leave the company? Once you have familiarity with the documents, set up a time to meet with the VP of HR or Compensation to further discuss their perceptions of the equity compensation programs and how they fit in to the overall compensation strategy of the company. Be sure to continue these discussions by trying to meet consistently over time. This will not only keep you abreast of how the compensation programs might be changing, so you can suggest changes to the equity programs, but also will keep you on forefront of the goals of the program change.

## **PERCEPTION**

It is completely within your power to change how you are perceived by upper management. How you perceive yourself and your value to the company will translate to your communications with management. Do you see yourself as "just a stock administrator" or do you see yourself as a Certified Equity Professional with an expertise that no one else in your company brings to the table? When you are talking to management speak with declarative statements not words that illustrate you are unsure of yourself and your knowledge. Instead of saying "I don't know, does that sound right?" say "I understand the concept, but let me do some research before responding." This will let management know the information they receive from you is well thought-out and accurate.

You need to illustrate your expertise to management and why your information can be trust and applied. Since you are reading lots of newsletters and listening to webcasts, you are the first one to hear of any changes to the equity compensation landscape or trends. Did you just read an article that said the SEC is focusing on a certain compliance topic? Forward that article up the chain along with a note about how you have audited your procedures, how this problem occurs at other companies, and why this will not be a problem because the administration is top notch. If we do our jobs right, no one hears about it, they only hear when there is a problem. You need to be out there educating the company on what you are doing to keep them in compliance.

## **GETTING A SEAT**

Now that you have illustrated that you are an expert in equity compensation, how equity compensation is used at your company, and that you know your stuff, how do you make sure management remembers to involve you?

By constantly talking to others who are involved in changes and new programs, you will find out about meetings and discussions that are going on. Find out who scheduled the meeting, and then request to be invited. Then as Sheryl Sandberg said in her book *Lean In* in the chapter Sit at the Table "**Take your seat. Speak up.**" Again, you have an expertise that no one else in the company brings to the table. For discussions that are going on, again find out who initiated the

discussions, find articles that illustrate the concepts, email these articles to the group with your notes. As your value is illustrated in these meetings and discussions, it will become automatic that you are included.

What to do when you are surprised with a new program or a sweeping change to your current program? At that point, create a Cliff Notes version about the program (this may already exist, ask around), then document how you will comply with each administrative step and how this impacts administering the program. Will there be additional costs? Will there be additional time or headcount needed? Are administrative tasks reliant on input from other departments? What are the risks/costs if a manual step is missed? Then this document needs to go back up the chain -- again this will illustrate that you have an expertise and will show the impact financially and in corporate risk of not including equity compensation in the decision making.

There will be a bigger reward by putting yourself out there to show your expertise and help the company than if you stay in the shadows and hope that someone will become your champion. You are your biggest champion!

### **LINKS**

Certified Equity Professional Institute (<http://www.scu.edu/business/cepi/>)

Equity Compensation Experts  
(<http://equitycompensationexperts.groupsite.com/main/summary>)

Global Equity Organization (<http://www.globalequity.org/geo/>)

National Association of Stock Plan Professionals (<http://www.naspp.com/home/>)

National Center for Employee Ownership (<http://www.nceo.org/>)

### **NETWORKING SITES**

You can join various groups on networking sites, but if one does not exist, you can start one! This is a great way to exchange information with groups of people with similar interests.

Linked In (<http://www.linkedin.com/>) (CORPORATE Compensation Professionals, Certified Equity Professional Institute, Equity Compensation Experts, Global Equity Organization)

Yahoo Groups (<http://groups.yahoo.com/>) (BayAreaCEP covers relevant San Francisco Bay Area equity compensation topics)

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*Having started in equity compensation in 1995, Christine has worked as an in-house stock plan professional for such companies as Sybase, Ask Jeeves, Handspring and Dolby. She's also worked for the Certified Equity Professional Institute (CEPI), the National Center for Employee Ownership (NCEO) and E\*TRADE Corporate Services. She has been an independent consultant for the last 6 years, during which time she's helped a wide range of companies solve their equity compensation challenges.*

*Christine, who earned her Certified Equity Professional (CEP) designation in 2000, frequently speaks at industry events and she was honored with the National Association of Stock Plan Professionals (NASPP) Individual Achievement award in 2007. She has extensive knowledge of the rules and regulations and accounting standards that drive so many of our stock plan processes. From Section 16 to FAS 123R/ASC 718 to SOX 404, Christine is a subject matter expert. She specializes in establishing and streamlining scalable processes and procedures, data clean up and reconciliation, IPO prep, vendor implementations, hiring and training stock plan staff, employee education, participant communications, administration and reporting for options, restricted stock/units, employee stock purchase plans, performance awards, and stock appreciation rights.*

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