



Total Rewards Webinar

# How to Evolve your Compensation Programs as a Private Company

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Alpine Rewards

Newfront



## Meet the Presenters



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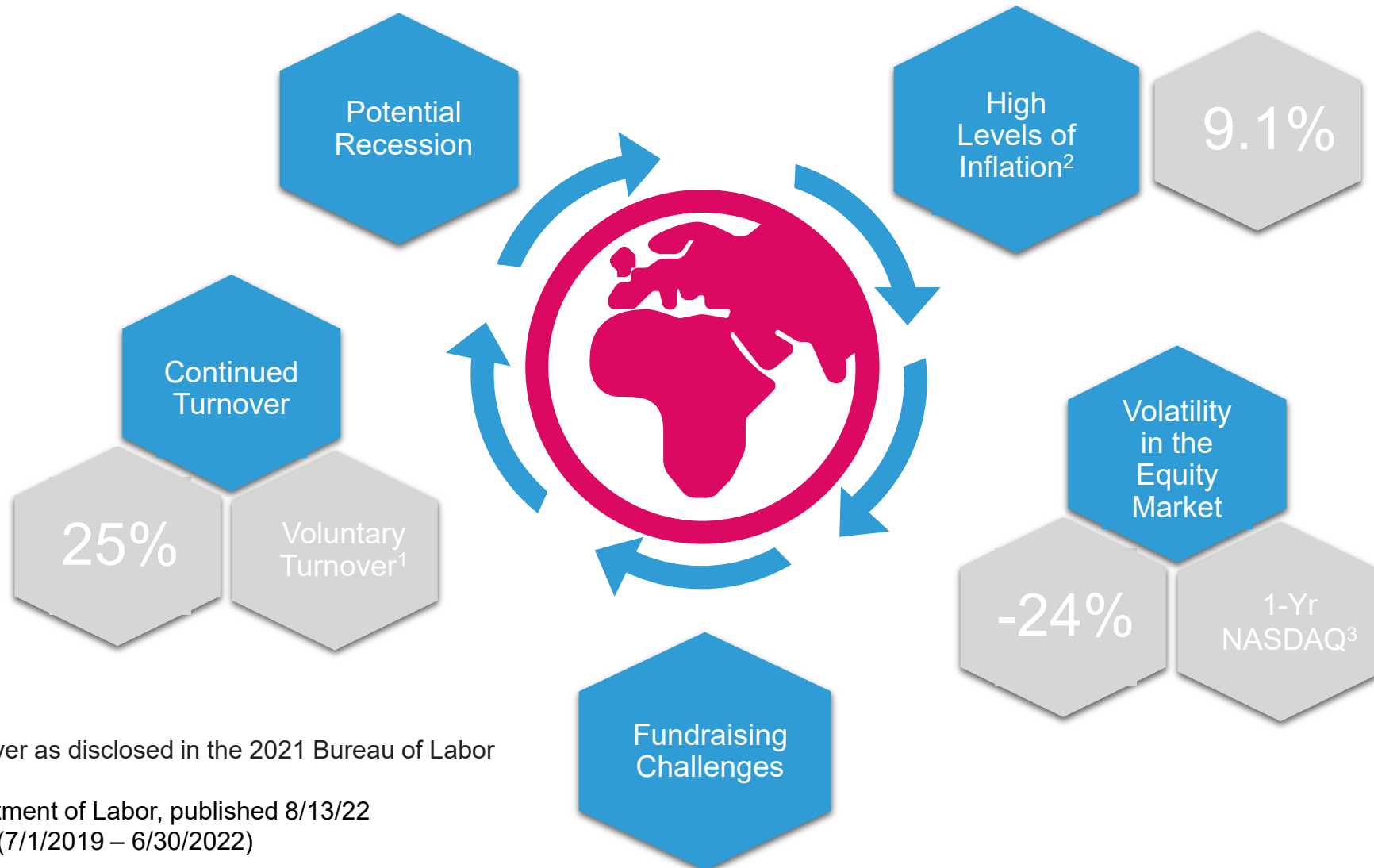


**Andrea Trudeau**  
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# Today's Topics

1. Current Market Environment
2. Compensation Strategy
3. Approach to Salaries, Bonus Programs, and Equity
4. Communicate the Value of the Total Package

## Setting the Stage – Current Market



<sup>1</sup> Voluntary turnover as disclosed in the 2021 Bureau of Labor Statistics report

<sup>2</sup> Per U.S. Department of Labor, published 8/13/22

<sup>3</sup> Yahoo Finance (7/1/2019 – 6/30/2022)

## Where to Begin – Compensation Strategy

Do we have a compensation strategy and philosophy?

What is the market we want to define?

Where do we want to position ourselves against that market?

Do we value pay transparency?

What do we do about geographic pay?

Are we more egalitarian in our approach or differentiate pay?

How do we measure performance?

Do we value certain roles differently than others?

When do we do refresh grants?  
When and how much?

# Managing Salaries – From Market Data to a Salary Structure

## Early Stage

Set a strong foundation – Consistency is key  
Modest salary with heavier equity

< 25  
employees

Industry knowledge to be competitive while avoiding disparities

## Growth

Establish target market and target positioning  
Increasing cash and heavy use of equity

25-  
100  
employees

Leverage market data but *rely* on compensation philosophy

## Growing and Evolving

Develop salary structure and ranges  
Heavier cash with modest equity

100+  
employees

Set architecture that is fit for scale

Market Pricing

Simple Matrix

Dual Career Tracks

Level-Based Pay



## If and When do we Put in a Bonus Program

Does your reason for not having a bonus program correlate with your compensation strategy?

Are you losing employees to or recruiting from public companies?

Are employees satisfied with performance reward?

Do you have a bonus program?

No

Yes

Does everyone participate?

What are the target bonus percentages for each level?

What do you measure performance against?  
How often do you pay it?

What is the role of company versus individual?

## Equity – The Great Equalizer and the Great Unknown



### Structure

Should you have percent of company or number of units-based guidelines?

Do we have a technical vs. non-technical ladder?



### Continuity

How often do you deliver equity?

Should refresh grants occur annually, after a number of years, based on percent unvested?



### Post-Financing / Dilution

Do you re stake individuals post-financing when experiencing high dilution and how?



### Vehicle Mix

What are RSUs?  
Should I be considering?

If no, when is the right time?



## Communicate the Value of the Total Package

*Are we communicating the value of all of our programs?*

*Are our cash programs targeted the same as public companies?*

*Do employees understand the potential value of pre-IPO equity?*



# Q&A



## Upcoming Total Rewards Webinars

- **Session 3: Rethinking Total Rewards in the Midst of the Great Resignation**
  - Wednesday, September 21, 2022 – 10am PST
- **Session 4: IPO Planning**
  - Wednesday, September 28, 2022 – 10am PST
- **Session 5: Building a Modern-Day Job Architecture with a Remote Workforce**
  - Wednesday, October 19, 2022 – 10am PST
- **Session 6: Prepping for 2023 Comp Planning**
  - Wednesday, November 2, 2022 – 10am PST

# Thank You!



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