



SOFTWARE

2004

Blueprint for the next decade

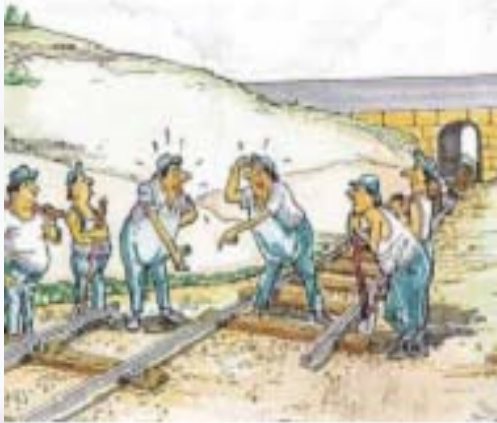
Sand Hill
Group

The People Equation in Software Companies: Achieving Maximum Results

Mark Tapling
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Everypath



Technology Companies Survive on “Discretionary Effort”



- **High performing companies have a high percentage of staff that are connected:**
 - **To the mission, the market, and the customers**
 - **Staff fingerprints are all over the business, and equal ownership**
- **Messages evolve, but the implementation style is consistent**
- **Management credibility**

Consistency in Values

- **Compliment in Public; Correct in Private**
- **Professionalism and Respect**
 - Nothing less is tolerated
- **Hard on the issues; Not the People**
- **Open communications**
 - No “dead” messengers
- **Stay in your lane**
 - Collaborative input; not consensus

Programs That Work

- **Align Desired Behavior and Systems**
- **Performance Measurement**
 - Annual Review Process
 - Objectives/Indicators of Success
 - Everybody is included
- **Compensation Philosophy**
 - Salary
 - Bonus
 - Benefits
 - ISO's



Programs That Work

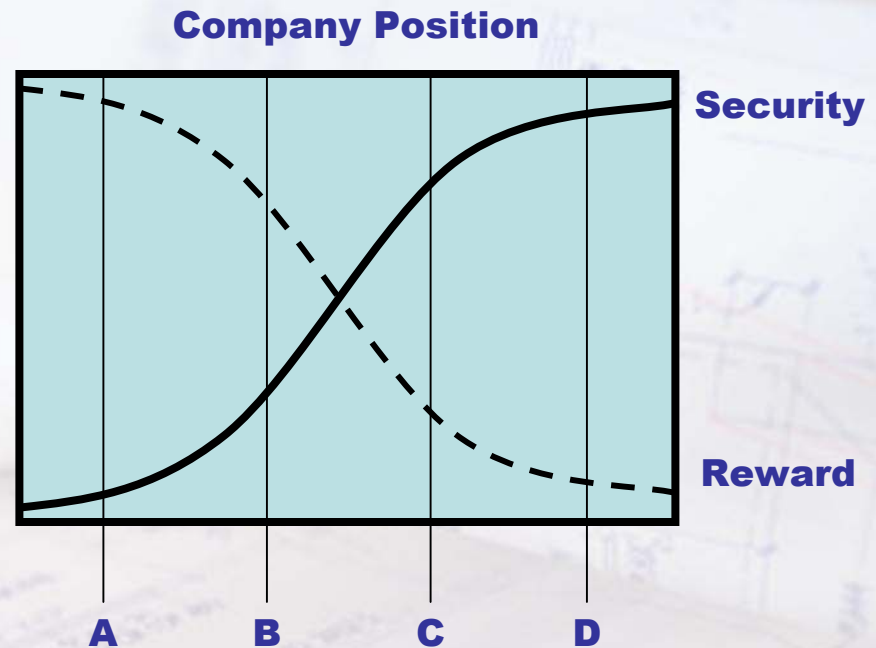
	Year 1	Year 2	Year 3	Year 4	Year 5
Unvested Options					

- **Annual ISO Performance Grants**
 - Percentage of annual pay available in grants based on rating and ranking
 - Avoids spikes in pricing and vesting
- **Manager's Meetings**
 - Avoid manager's being caught off guard
- **All Hands Communications**



High Risk Morale Windows

- **Fundraising**
 - **Public or Private**
- **Change in Strategy**
- **Launching New Operation**
 - **Sales/Development**
- **Product Launch**
- **Soft Financial Results**



Closing Thoughts and Good Housekeeping

- **Annual Review/Adjustment of Benefits to Employee Preference**
- **Management Visibility**
- **Deal with Open HR Issues Quickly**
 - **Issues won't solve themselves**
 - **Keep managers accountable**
 - **Don't let even problem staff "boil in oil"**
- **Clear and Committed Strategy**

Thank You

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