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Performance Appraisal and Salary Review Process Summary and Recommended Actions

For Review and Approval by
Board Compensation Committee

Peter F. DiGiammarino

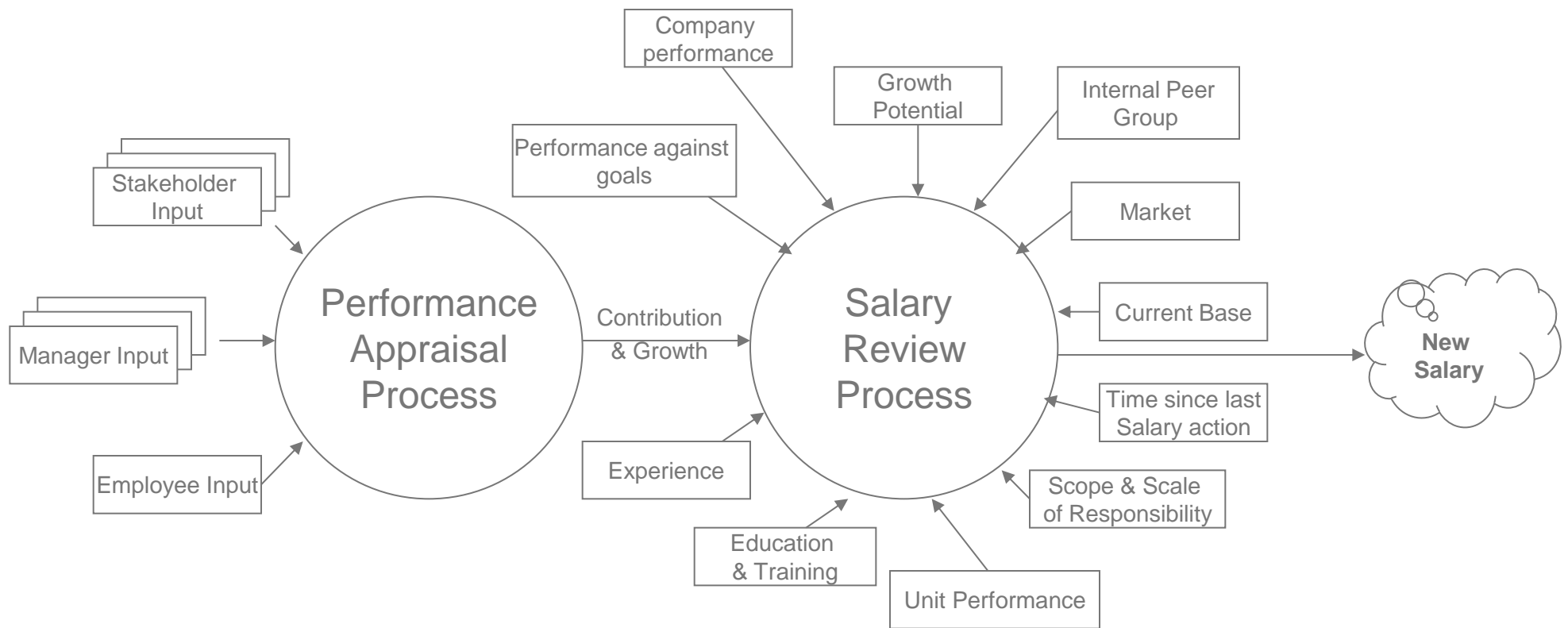
Salary Action Process Summary

- Managers complete performance appraisals to determine growth and performance for each employee on the current cycle in terms of expectation (below, at, or above)
- Executive committee sets overall salary guidance
 - Cost of living basis
 - Target average annualized percent increase
 - Ceiling for sum of all raises
- Managers propose raises for each person in their area based on:
 - Scope and scale of responsibility
 - Growth Potential
 - Current Base Salary
 - Experience
 - Education & Training
 - Market Conditions
 - Internal Peer Group
 - Company & Group Performance
 - Performance since last review
 - Growth since last salary action

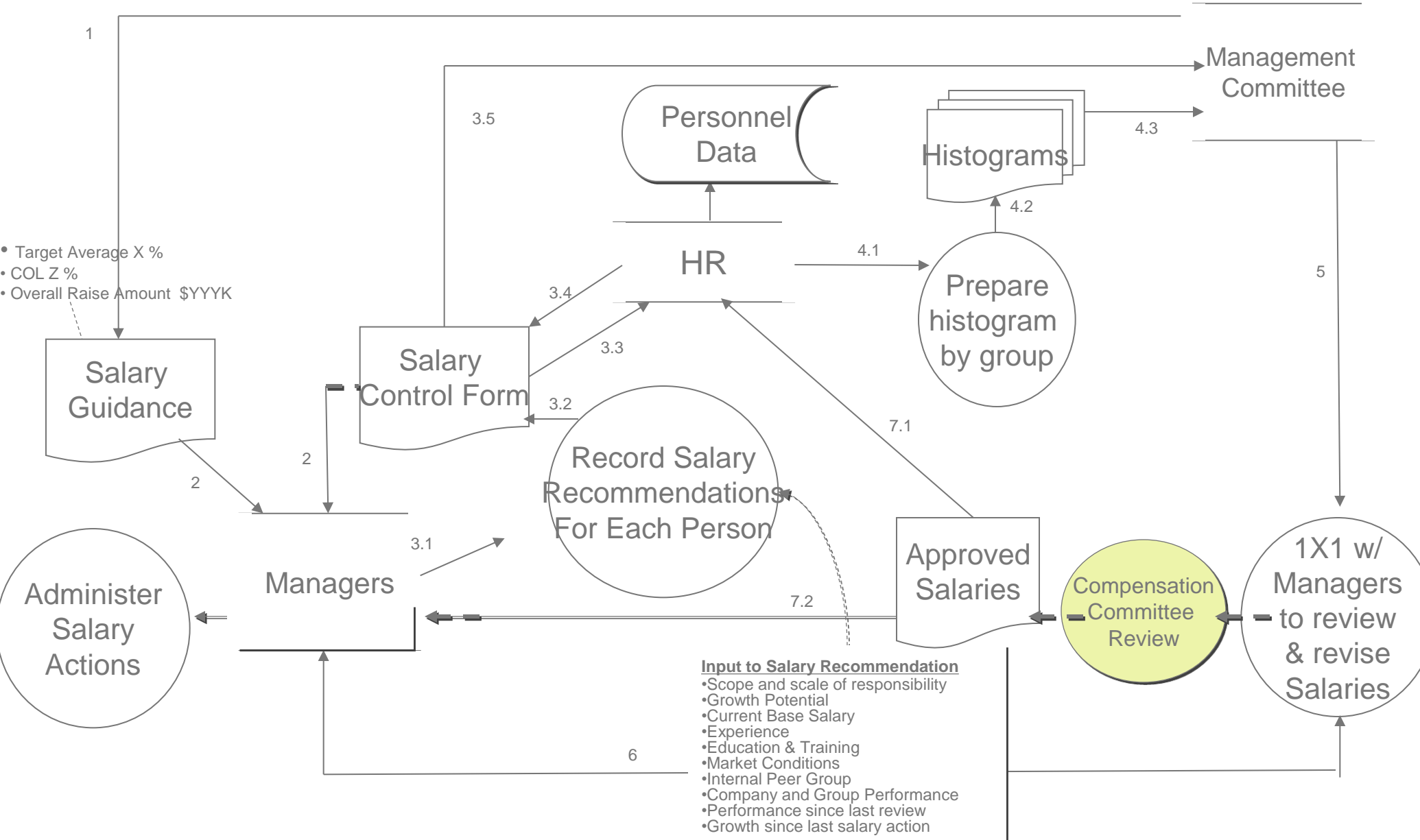
Salary Action Process Summary (continued)

- Executive committee
 - Reviews proposed salary actions in aggregate and by performance unit (e.g., client or market) and functional peer group relative to overall guidance and to assess:
 - Are highest increases going to those who have contributed and grown the most?
 - Are lowest increases going to those who have contributed and grown the least?
 - Are those who are paid the most contributing and growing the most?
 - Are those paid the least contributing and growing the least?
 - Is the distribution of increases rational?
 - Review in one-on-one conversations with managers
 - Determines adjustments and works with managers to finalize
 - Prepares schedule for compensation committee to review and approve

Performance Appraisal & Salary Action Process Data Flow

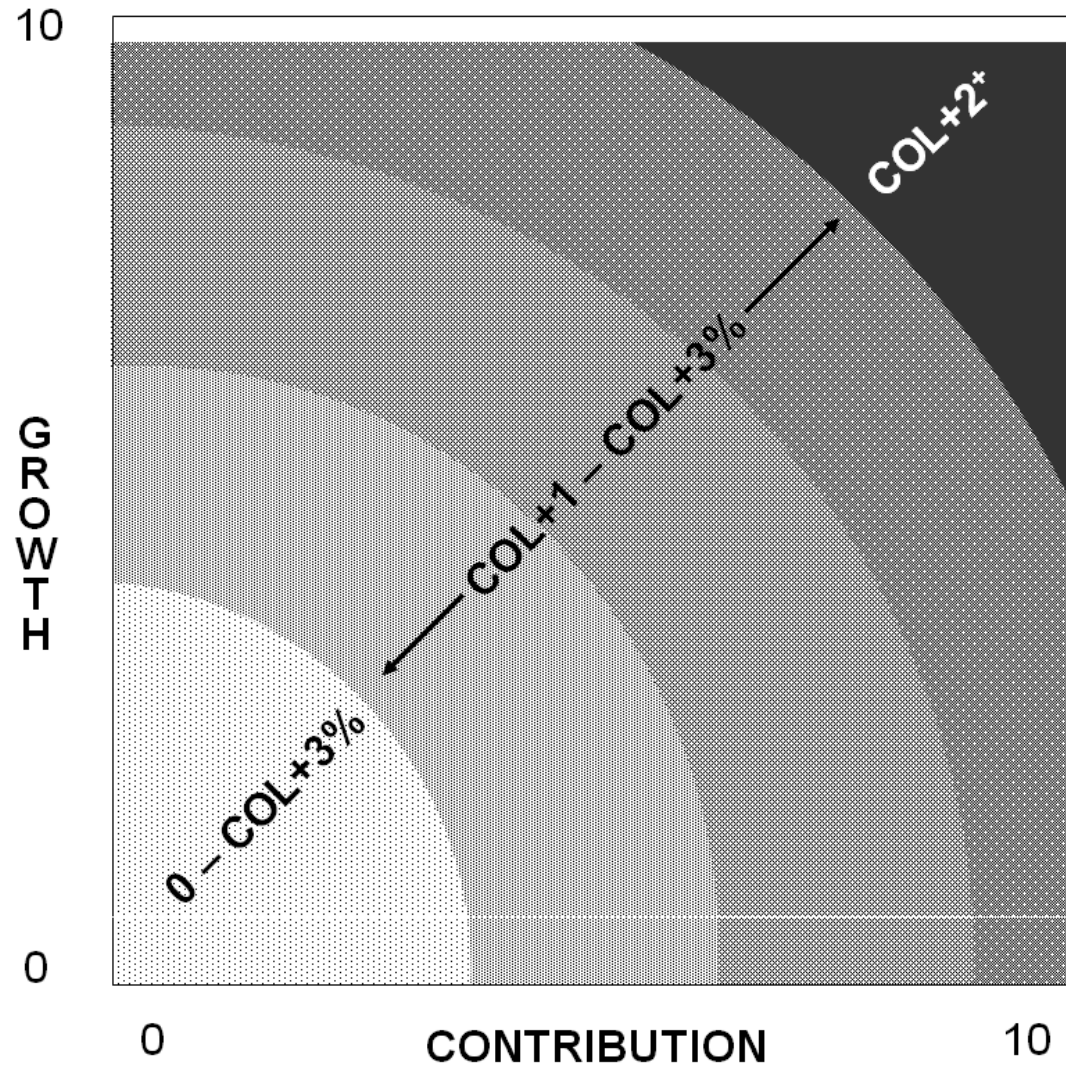


Salary Review Process Data Flow



Target Raise % by Growth & Contribution

(@ Cost of Living = COL%)



Salary Review Process Control Sheet

1	2005			12	13	14	15	16	2006							28	29	30	31	32	33	34	35	36
Name	Base	Bonus	Total Comp	Projected Total 2005 Compensation	2005 Bonus as a % of Base	Direct Manager	Director	Job Title	Recal	Recalibrated Base	Raise %	Raise Amount	Annual Base	2006 Base Pay Per Pay Period	Annualized Raise %	Increase % In Total Comp	Hire Date	Review Date	Last Review	Mo's @ Current	Contribution Rating	Growth Rating	Commission/Bonus Plan Participant	Notes
			-	-	#DIV/0!						0.00%	-	-	-	#DIV/0!	#DIV/0!				00	0.00	0.00		
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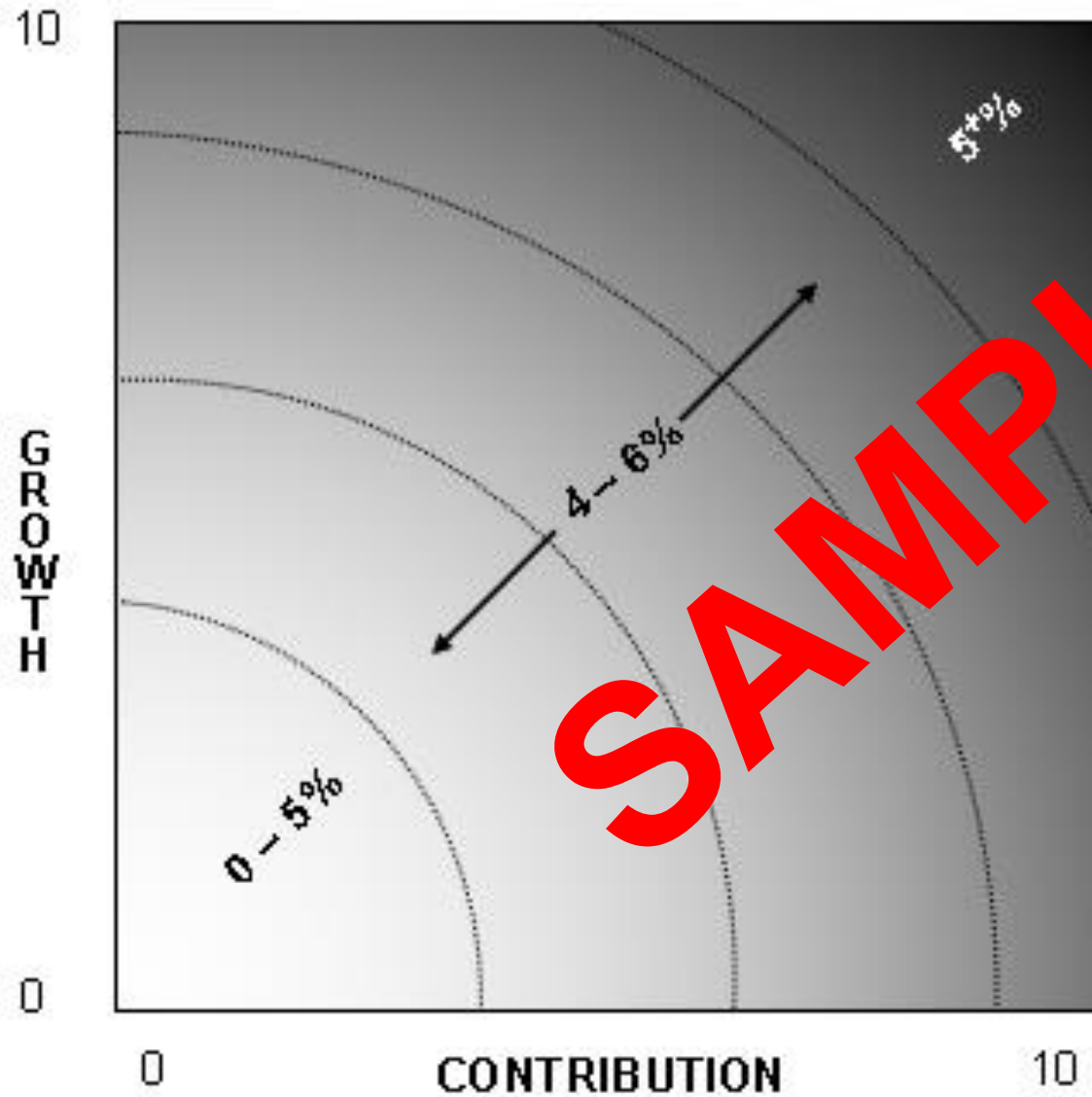
Manager Approval: _____ Date: _____
 President Approval: _____ Date: _____
 Reid Jackson

Guidance Parameters

- Cost of Living Basis: 3%
- Target average increase: 5.50%
- Target ceiling increase to annual salaries: \$285,000

SAMPLE

Target Raise % by Growth and Contribution (@ COL = 3%)

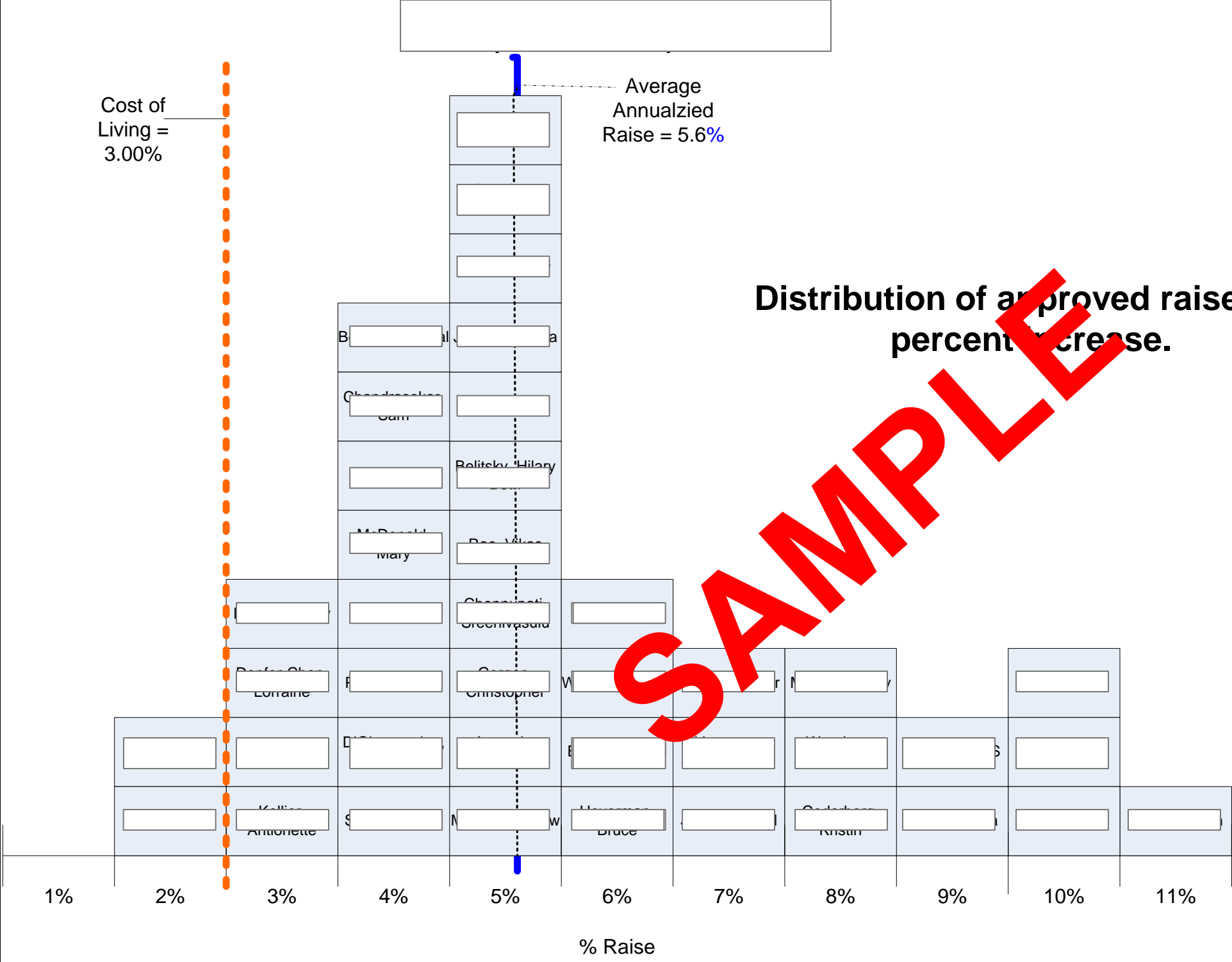


Cost of Living = 3.00%

Average Annualized Raise = 5.6%

Distribution of approved raises by percent increase.

SAMPLE



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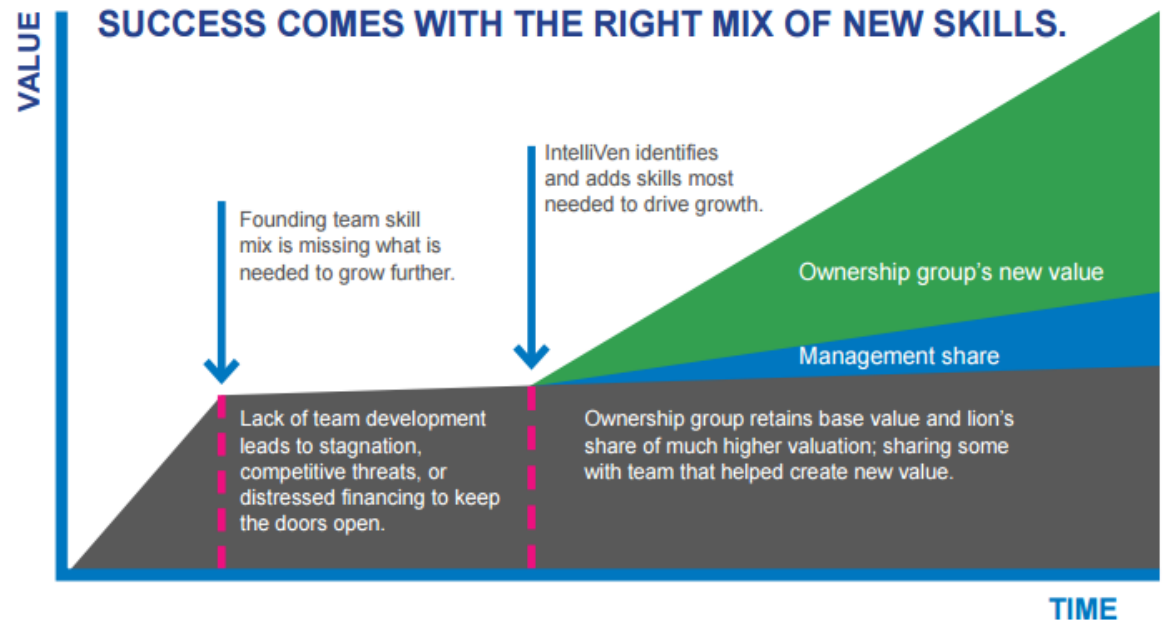
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If your organization's performance and growth have stalled, IntelliVen tools and services can help.

HIGHLIGHTS

- Comprehensive, world-class, proprietary templates, insights, workbook, workshops, and artifacts.
- Serving organizations with \$5M to \$500M in annual revenue.
- Impeccable 15-year track record helping organizations achieve their potential to perform and grow.
- Proven operators available by the meeting, hour, project, and as part- or full-time CXO.

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INTELLIVEN HELPS LEADERS:

- Perform and grow according to a plan.
- Manage growth and complexity of systems and processes.
- Protect market position.
- Create sustainable growth and enterprise value.

CLIENTS INCLUDE:

- Late-stage start ups that seek to fulfill their potential to perform and grow.
- Owners, investors, founders, and management teams preparing for exit.
- VC and PE groups seeking to develop portfolio companies.
- Large organization operating units and strategic initiatives.

MANY OF OUR CLIENTS ARE:

- At a growth inflection point.
- Rolling out a new product or entering a new market.
- Reorganizing, merging, divesting, or spinning out.
- Transitioning, expanding, or culling executive team.
- Preparing for funding or stepping up after a cash infusion or big win.

CLIENTS WANT TO KNOW:

- "How do I transition operations to the next generation of leaders?"
- "How do I bring in help without giving away control or killing culture?"
- "How do I avoid giving up or selling below target valuation?"

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