eMoney

NOVEMBER 2022 TOWN HALL

Q&A Summary

People Experience

- **Given that we are now considered remote employees, will we be given another stipend like we were in 2020 for office furniture/supplies?**
    - There won't be another lump sum stipend as all employees currently receive a $50/month ($600/year) flexible work allowance. It is a separate line item on your pay stub: FlexWorkAllow.

- **Are there any plans to increase the 401(k) match? Vanguard matches up to 14%.**
    - We continue to monitor the competitiveness of the market to align with our overall Total Rewards Strategy. 401k match is something we discuss yearly when we review our overall TR strategy. Healthcare has risen 20%+ per year and we made the decision to absorb the majority of the increases as a company and continue to offer a free High Deductible Medical Plan that is seeded every year. We need to continue to ensure that the financial impact incurred is in the best interest of the company, our employees, and investors.

- **Are there plans to adjust our salaries for inflation? I know the company runs an analysis twice a year to compare us to other organizations. It seems like the fair thing to do given that prices for everyone are going up, even if other organizations are opting out of doing so.**
    - We are committed to our Total Rewards Strategy and will continue to review salaries twice a year or more if the market moves significantly for certain positions. Our analysis keeps pace with market changes, and the results are inclusive of inflation.

- **Are there any plans for resuming in-person holiday parties?**
    - With employees in more than 30 states, companywide parties have become increasingly more difficult to execute due to travel and accommodation expenses, limited venue options for 700+ people, etc. To help get people together more frequently, all business units now have budgets to conduct more in-person events throughout the course of the year. The EEC is continually looking for new ideas, alternative solutions and options to foster collaboration, connection and culture across the company. Email your ideas to EEC@emoneyadvisor.com.

- **Are there plans to fill the P.O. roles for Scrum Teams that do not have one?**
    - When someone leaves the company, we work with the hiring manager to understand the business need of an open role. Rather than automatically backfilling roles, we take time to assess how we can best allocate and optimize resources.

Legal, Risk & Compliance

- **What is being done to improve the Privacy Impact Assessment (PIA) process? .**
  - We are making great progress to better educate people around privacy initiatives to make sure they have adequate training (live discussions, training guides, etc.), so that when you receive a questionnaire, you understand the purpose/intention and what some of the terms mean. We're also exploring a better long-term technology solution to make the process much more transparent.
  - When we rolled out the PIA process in relation to the upcoming changes in privacy laws, we failed to adequately make sure that the company was ready with a baseline understanding of what privacy is, what privacy isn't, and how our day-to-day jobs get impacted by it. But please know that we are actively and diligently working on this to make sure it's a positive experience. We thank you for your partnership and patience, and more importantly, your collaboration.

- **What is PIA?**
  - PIA is a privacy impact assessment. These assessments are completed when anyone at the organization wants to bring on a new piece of technology or even a new vendor. Before doing so, we have to assess the impact of the data that vendor or new technology would have access to.

Finance

- **Has the lack of sales of Incentive impacted our overall financial health for the year?**
  - No. The miss in Incentive sales will be offset by favorable performance in both sales and retention, in addition to a delay in churn at the enterprise level.

- **How much will the price increase help us remain financially stable going into 2023?**
  - We are estimating the price increase to yield approximately $1M lift to Annual Recurring Revenue (ARR) in 2023.

- **How are we tracking toward bonuses?**
  - There is still a lot of work to be done before the end of the year but based on the numbers shared during this month's Town Hall, we are on track to land north of ninety percent for the bonus funding.

Client Services

- **When will we receive consistent and written guidance on tracking time to JIRA tickets and the value we as an org are getting out of this effort vs. the cost of tracking?**
  - **Client Services (Tech Support):** The tracking of time within the Jira ticket is important as it provides the department with the necessary information to understand what it takes to support our users so that we can provide an optimal experience with aggregation. As far as making the process less cumbersome, there are active conversations underway to streamline the time entry process so that there is only

one approach instead of multiple, which may be the cause of some confusion today. If you have questions on how to currently enter your time, please reach out to your direct Manager for assistance.
  - **Technology (Development):** The value of collecting accurate data is well understood. It's required to do accurate and auditable financial reporting. We have no option but to do it for this reason alone. It is also necessary to do accurate planning, budgeting, and reporting on different work efforts such as Client Work, Core & Maintenance, and non-functional work (Technical Debt, Technical Currency) so we can ensure teams and ARTs have the capacity available to do the work that will be asked of them. We will review this topic and address the other part of the question about consistent and written guidance in the upcoming Prod/Tech Town Hall on Tuesday, Nov. 15.

Sales

- **Did we take a hard look at the two-prong sell approach as opposed to providing firms the ability to purchase on-demand?**
  - Yes, all channels were considered prior to determining our strategy.

Product/Technology

- With Incentive being put on the backburner, that makes 2 major projects that have been scrapped over the last couple of years (Bamboo being the other). **Why is eMoney struggling to come up with a solid path forward in regard to projects like these?**
  - At the time, the business case presented to the board for Incentive – and even Bamboo – made sense. However, the speed in which we can create and bring these products/solutions to market needs to improve.
  - Moving forward, we'll approach new products/solutions with the following methodology:
    - What makes us unique and superior in this space?
    - Review and analyze market and user research and conduct a competitive analysis.
    - Confirm that we have the subject matter experts that can deliver this product in the timeframe necessary to get an ROI.
    - Assess whether or not the target market is large enough for us to meet our business objectives.

- **Are there any new products we'll be bringing to market in the next year or so?**
  - We are going to be laser focused the modernization initiative, which is critical to us. We need to have the architecture in place before we can deliver new products in the future.

- **When will be revamping the product roadmap to include the new improvements that we need to make to stay competitive? Will these be shared companywide?**

- We're still in the planning process. As we start to uncover opportunities that are part of our product modernization effort, we will tweak the roadmap. We are committed to providing greater transparency in terms of providing the what and why behind what we'll be working on and plan to share updates with the company in early 2023.

- **Can you define modernization? Is it to reimagine a new planning front-end and back-end experience for current markets?**
    - There is a clear need to be able to deliver value faster to be able to unleash a lot of the capabilities that we have today within the box of our software. So, when we think about the modernization effort, it is not only going to help us innovate faster around our planning application but it's also about how we deliver new solutions more quickly. **Think about modernization as the maintenance and the upgrade that we need to do on our current technology that will enable us to take advantage of opportunities more quickly.**

- **Has there been thought toward offering some of the functionality the Incentive team has built as "pre-plan" or lead generation API products?**
    - One of the lessons learned from Incentive is that there is a great demand for the capabilities that existed within our mobile app; however, the market space for mobile apps was crowded. In short, yes. We plan on exploring ways to leverage some of those capabilities to deliver those once we have the right architecture in place.

- **In regard to the new Roth conversion, will developers update the 10 year distribution?** Currently this feature causes the account to fully distribute in the 10th year and if the advisor wants to do it over 10 years, they still have to set up a transfer flow. This seems like a poor function of a new tool as our traditional workaround is required. I'm concerned that if we don't keep up with tweaking our new releases we will fall further behind.
    - If the advisor wishes to distribute using RMD and then full distribution in year 10, it's supported. If they have a custom distribution schedule it still has to be done in the Transfers area. The goal of the change was to ensure we upheld the new IRS interpretation of the law for inherited IRAs. Adding distribution scheduling would be a different feature, not that it would be a bad thing. This is the first I've heard of the request.

- **Is there a plan to acquire or integrate with firms that can add value to our Incentive product such as adoption and continuous engagement with the app?**
    - We continue to look for growth opportunities, however our platform modernization effort will be our priority for 2023.

- **Usually, a new product is given into users hands to increase brand-recognition, have we thought of that before sunsetting the Incentive?**
    - The teams conducted a beta program with Incentive prior to launching the product in market. As part of the beta, early adopters provided eMoney with their feedback on the app, helped inform the product roadmap, participated in our steering committee,

and committed to helping us increase the adoption of the product among end users. The decision to sunset Incentive was based on a number of factors, including the lower than anticipated adoption rates on the app after nearly two years in market, and the challenges of competing in a crowded market with many options for end-users. We will always rely on the data to help inform us on when to pivot so that we may continue to invest in areas of the business that will meaningfully impact our ability to grow and generate revenue.

- Looks like with Incentive being paused, we're now focusing on modernization initiative to be more competitive and protect our existing revenue. **Is there anything we're going try again with new product initiatives to increase our revenue in the future?**
  - The effort to modernize our platform will be focused on not only protecting our existing planning revenue but also on helping us grow and increase market share. This includes ensuring we are delivering value via our planning software more rapidly and releasing functionality that will enable us to continue to differentiate and maintain our leadership position in market. In addition, we continue to explore new areas of growth for the business and will be developing the business cases around these areas to determine if they are viable revenue streams for us. Some avenues we are exploring include new ways to package and price our APIs to deliver value to large enterprise clients and enable them to personalize the financial planning experience for their advisors and end-users in new ways. We are also looking into whether we might be able to deliver incremental value to insurance firms with some of our current functionality. These opportunities will require further validation through business case development before we move forward.

- **Have we considered, and would it be possible, to repurpose the Incentive app as an eMoney app that advisors can offer to their clients?**
  - We are exploring ways that we could potentially apply functionality and content from the Incentive app to our existing offerings, but no decisions have been made at this point.

- **When can we expect the Product organization to be built out more?**
  - We are in the process of updating our product roadmap, which will determine how our current team can execute priorities in 2023 and/or if there's a business need for additional roles.

General/ Strategy

- **What was the rationale behind the timing of the announcement on Incentive?** The roadmap presentation at Summit was definitely broad enough to encompass a potential pivot in the mobile application but was this calculated and known for a significant amount of time or was it a response to attendees' feedback on Incentive?

- The Summit presentations were written and recorded over the summer, and no decision about Incentive had been made at that point.

- As a leader, **how do you recommend encouraging those who have been at eMoney for the last 12-18 months and been through multiple strategy changes** and are disheartened/lack belief that we are going to stick with the new strategy?
  - Our long-term strategy of being planning-led has not changed. We continue to focus on driving value into our planning product and investing in our core business while we look forward toward areas of the business that will drive future growth – just as we did with Incentive. Bringing a new product to market is a big undertaking. And as with any new product offering, we will listen to the market and adjust our offering as the market shifts and dictates the need to do so.

  - In the case of Incentive, being able to pivot and make that decision to take the product out of market when the data showed that the product adoption wasn't where we had projected is actually a very positive thing and something we should all feel good about. In order to stay innovative, we need to be able to take those calculated risks, continue to invest in these areas of growth for the company, and stay nimble enough to listen to the market and shift our approach to respond to market needs. We'll always rely on the data to help make those decisions. They are not arrived at lightly, but they are the right thing for the business. And we'll continue to look for those new areas of growth while we focus on driving more value to our clients via our planning solutions.

- **How does our mission and vision statement differ from our strategy? I thought they were separate things but based on what Rachel has said, I am thinking that mission=strategy. Is that true?**
  - Our mission of helping people talk about money continues to be a guiding principle in the way we develop and bring products to market, how we deliver our services, and ultimately how we demonstrate value to our clients and enable them to bring value to the households they serve. As a planning-led company our strategy is guided by our mission and focused on delivering the products and services to our clients that help facilitate those conversations.
  - Our vision of "Financial Peace of Mind for All" represents a longer-term aspiration for eMoney; this is where we aim to be in the future. We are guided by this vision, and it is core to who we are as a company. Our vision drives our strategic direction and the approach we'll take as we look ahead to pursue future growth opportunities and areas of innovation that will enable us to bring more plans to more people.

- **How will we work together to modernize the platform moving forward?**
  - We're excited to get back to the basics and make the investments required to enhance our core planning platform to protect and grow market share. By simplifying our priorities, we will foster an environment of increased collaboration and productivity companywide. We're eager to share more details on our roadmap and

how we will execute it together in early 2023. In the meantime, here's some areas of progress that will help us achieve our modernization objectives.

- **Better Alignment:** Moving forward, our teams are closely aligned on what's needed to modernize our platform and enhance aggregation. Priorities include Fact Finding, Simulation/Monte Carlo and Reports and Presentations; for aggregation, it's improving scale and leveraging cloud services.
- **More Experience:** Thanks to our work on Incentive, we gained vital experience building and operating modern, cloud-native applications. We also have great talent with experience modernizing existing platforms to cloud native applications. Lessons learned from previous initiatives are being incorporated into the plan for these efforts, and SMEs are/will be engaged in the planning process.
- **Deep Planning and Program Management:** Modernizing a complex, existing application with strong presence in the marketplace brings a lot of product, technical, operational and organizational challenges, but we're confident we have the right experience and resources to be successful. We will focus on careful, detailed planning in areas such as product, user experience, architecture, organizational design, and branding. Additionally, we will rely on program management to manage the significant number of moving parts.
- **Strong Focus and Commitment:** Modernizing an existing application takes strong focus, financial commitment, and time to plan and execute. Our core planning platform and aggregation engine were built over many years, and it will take time to modernize them. CLT and the eMoney board are committed to dedicating the financial resources and time needed to make these initiatives successful. These initiatives will be managed and monitored as top priorities of the company for several years to come. Additionally, as we communicate our modernization efforts to our customers, they will hold us accountable for these commitments.