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HOW TWO STEP SOFTWARE GOT IT RIGHT Product Review: Corporate Focus Version 5.1

by Jan Lewis

When Two Step Software began developing the next major release of its Corporate Focus software last year, it took an innovative step toward assuring that the features of the software were what its user base needed. How, you ask? It formed an advisory group, consisting of senior paralegals and stock administrators from leading law firms and legal departments, to guide the enhancements it would make to the product, especially to the stock option and capitalization table features.

Last year, Needham, MA-based Two Step Software, Inc., developers of Corporate Focus, the leading software package for capitalization, corporate governance and minute book management, announced the formation of what it referred to as the Ownership Advisory Group. Members of that group provided regular feedback on the product, participated in advisory group meetings and reviewed new features prior to release. Two Step then used the feedback and suggestions of the group as a basis for enhancements to the next release of Corporate Focus.

The rollout of Corporate Focus Version 5.1 was completed this past quarter, and it appears to be a hit. No surprise, since Two Step used the advisory group to draw on the collective experience of its user base throughout the development process.

The fact that Corporate Focus Version 5.1 is a major enhancement from the previous version is evident as soon as you get into the product. The ownership dashboard, which is where I like to start and which is illustrated in Figure 1, displays an overview of the company information, cap table by type (i.e. by class/series), cap table by name, and your favorite reports. There are various ways

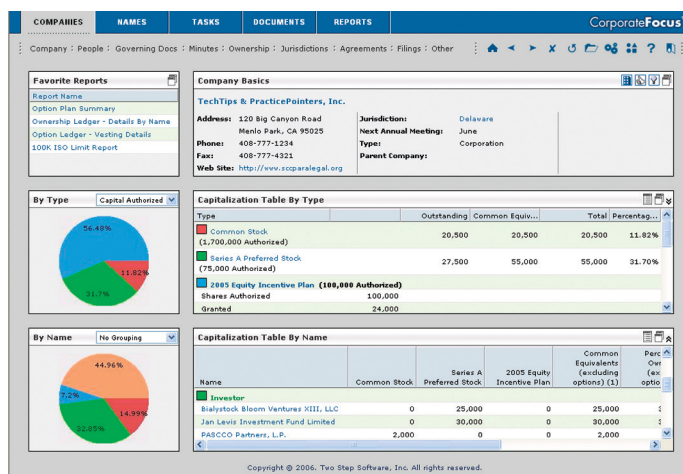


Figure 1

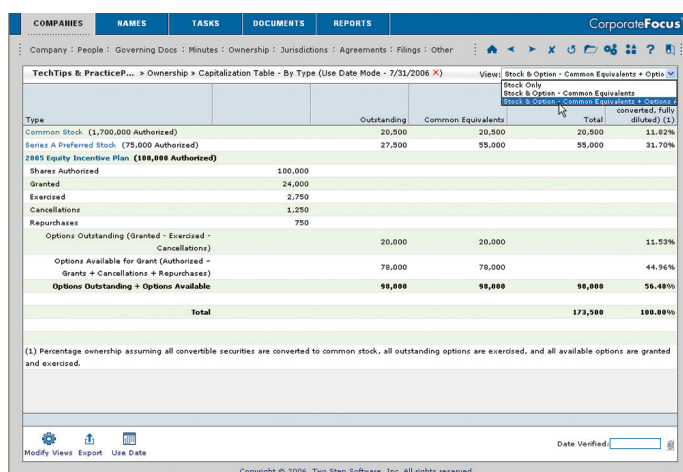


Figure 2

TWO STEP SOFTWARE PRODUCT REVIEW

you can group and display the cap table summaries. There are also other choices for your dashboard displays, all showing you useful overviews at a glance. A variation of the corporate governance dashboard, for example, would show you, in addition to pie charts of the cap table by name and cap table by type, the officers, directors, committee members, minutes and consents, active jurisdictions, and more. Between the dashboard and the easy drop-down menus on top of the screen, you're only a few mouse clicks away from whatever you want to display next.

The cap table display also illustrates the utility and flexibility of Corporate Focus Version 5.1. In Figure 2, you see a fully diluted cap table including the common equivalents of convertible securities, all outstanding stock options, and stock options available for grant. If you notice in the upper right, you could instead view a cap table with common equivalents and stock options outstanding, but without options available for grant. Or you could view a cap table displaying stock only.

The icons in the lower left of the cap table provide you with more choices. You can view the cap table using a different as-of date, for instance. You can export the cap table to Excel. Or you can customize any of the default views to modify report titles, column and caption headings, and footnotes.

When I initially evaluated Corporate Focus, my main interest was in stock administration and capitalization tracking and reporting. However, now that I see the corporate governance and minute book management capabilities of the product, I am excited about using the product for more. Imagine looking at a securities transaction... say, an increase

“Imagine looking at an increase in the stock option reserve and being a mouse click away from viewing the authorizing Board and stockholder actions and all the securities filings.”

in the stock option reserve, and being a mouse click away from seeing the authorizing Board and stockholder actions, the applicable securities filings, the blue sky memo, etc. There are also modules for management of corporate jurisdictions and foreign qualifications, agreements and even intellectual property.

Corporate Focus is a web-based application which can either be used from Two Step's hosting facility or installed on your own internal servers. You could even provide your clients the ability to view selected data and

documents via a secure internet connection. All in all, I think that the Corporate Focus paradigm for managing corporate information and documents will allow paralegals, attorneys and stock administrators to cut down on the time spent on corporate maintenance while being more responsive to their clients.

Jan Lewis is a Knowledge Management Specialist at Wilson Sonsini Goodrich & Rosati. Ms. Lewis was formerly a corporate and securities paralegal at Cooley Godward LLP, where she was a member of the Corporate Focus Ownership Advisory Group.

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