

# CompEdge™ Market Compensation Research and Analytics

## What is CompEdge?

**CompEdge™** is a research search tool for compensation and analytics built on verified salaries. The platform learns, evolves and delivers the most accurate estimate of “what to pay” in today’s technology job market.

## Pay Transparency built on Verified Salary Data and AI

**CompEdge™** delivers Pay Transparency across the tech sector. The real-time platform is built on a combination of recent, verified salaries, key principles of artificial intelligence (AI), and novel modeling of the factors influencing compensation. Together these components provide a rigorous framework, which supports learning and model evolution. **CompEdge™** notably leverages hundreds of thousands of actual verified salaries, compensation experts’ insights and market intelligence into compensation to create precision in pegging market compensation.

**CompEdge™** AI leverages human insights and verified salaries to peg today’s market pay:



Pay Transparency built on Verified Salary data and AI/ Human Insights

## Principles behind CompEdge™ AI

- **Essential Pay Factors:** **CompEdge™** incorporates the most essential factors of compensation. The model answers the following: which are the essential factors? How do they interact? Which factors most highly correlate with, and influence pay?
- **Rigorous AI Frameworks:** the patent-pending platform is designed and built as the most comprehensive model available for compensation research and analytics. Human insights importantly guide the mapping of essential pay factors, their real-world relationships and critical interdependencies.
- **Marketplace Learns:** the marketplace is designed to continuously learn. Fresh verified data provides the fuel for **CompEdge™** to stay current. The marketplace draws insight from multiple sources, including verified corporate data, verified salaries enabled by Pay Transparency laws; input via HR/ compensation experts, and curated user signals. All new data is stress-tested, using mathematically rigorous approaches to continually improve the accuracy of compensation.

## How **CompEdge™** is Built



### Pay Transparency at your Fingertips

#### Pay Factors

It has been long recognized that key pay factors like title, level, function, location and market space each meaningfully affect compensation. But what about the skills, experience and fit for a given role? **CompEdge™** introduces the ability to tune compensation based on the *talent value* of a job candidate, or alternatively the job performance of an employee. How does their human capital, or experience come into the equation? You can adjust sliders to measure your view of the candidate fit, or evaluations of actual employee performance. And what about a company's pay philosophy, funding stage, size or valuation?

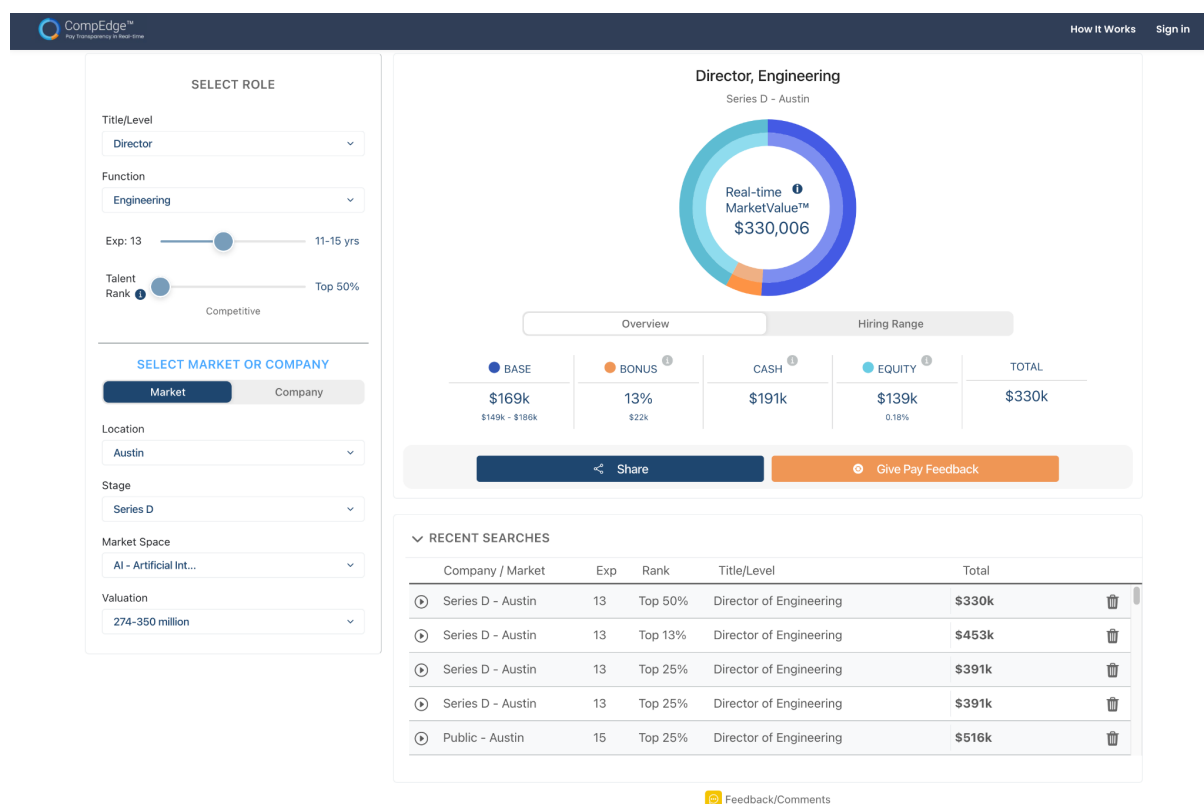
**CompEdge™** incorporates 15 carefully-selected essential factors of compensation to peg pay. The search tool gives you the most realistic and comprehensive view of compensation available. For instance, you can search pay across thousands of roles/ titles at any given company for the first time. **CompEdge™** automatically incorporates a company's funding stage, valuation, market-space and size for a specific role in a particular location. You may also specify Talent Rank, or employee performance in your search for precision in pay.

#### Essential Factors are built on 1.2 million verified salaries

The essential pay factors used to peg job market compensation are modeled and selected, by applying statistical analytics across 1.2 million *verified* salaries, most actual job offers. Recent, verified salaries are collected and inserted into the **CompEdge™** platform weekly. The initial data modeling was performed by a team of mathematicians led by three PhDs. The core datasets included compensation data from more than thirty compensation resources, spanning more than fifteen years.

## Talent Rank pegs Quality and Fit

As mentioned previously, the Talent Rank slider enables you to tune compensation levels, based on your view of a candidate's/ employee's human capital, competency, and/or fit for a specific role. Where does the candidate, or employee rank among peers for this role? Are they among the top 10%, top 25% or maybe the top 50% in today's talent market. While this may seem like a subjective judgment it is no different than assigning percentile to a given employee. As a user of **CompEdge™**, your judgment remains relatively stable, enabling you to apply your expert view of talent value consistently. Talent Rank can be used as a measure of an employee's human capital and role-fit, versus using percentile as an arbitrary metric. You may decide to set a *target value* for Talent Rank for your organization for new candidates. Custom talent rank tools are available for enterprise customers. Think of this as the usual level at which your company tends to hire, or promote employees. Here is a snapshot of **CompEdge™** when searched at a hypothetical company, using location, stage, market space and valuation:

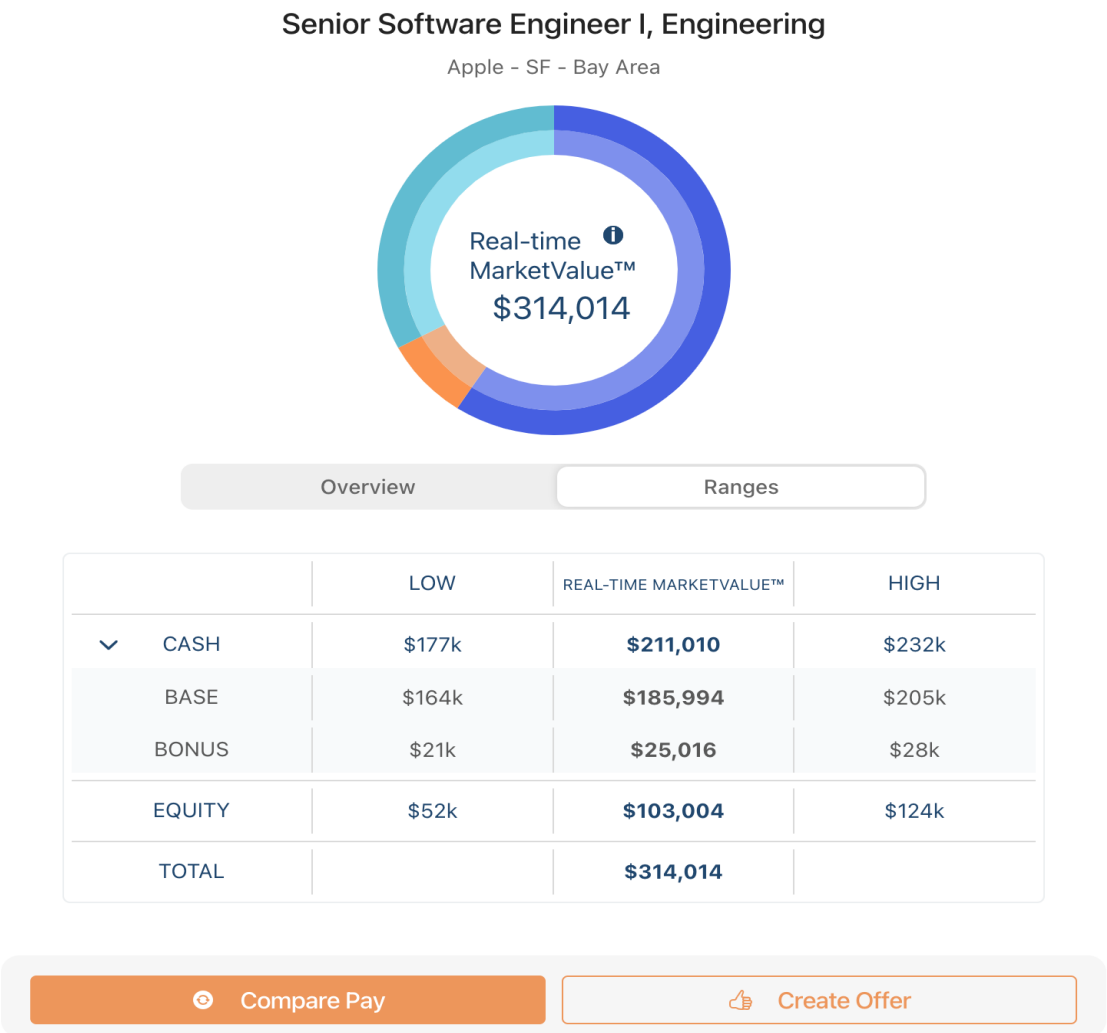


## Statistically-derived Frameworks

**CompEdge™** leverages a set of frameworks built on deep statistical insights into pay factor relationships. Factor relationships can be inferred, and estimated from historical data. While those relationships can be mathematically derived, they too, may evolve over time. It should be noted, there exist surprising interdependencies between pay factors. For example, key pay factors for location can also form interdependencies with other factors like market space, company pay philosophy and stage. The frameworks can be complex, but all factor relationships are fungible and gain greater precision as new market data is captured. **CompEdge™** frameworks provide the foundation for accuracy for market-based compensation.

Total Compensation for the First Time

Pegging total compensation is the holy grail for making job offers and addressing changes to employee compensation. **CompEdge™** goes beyond simple salary data found in most compensation tools. For the first time, this tool builds-in estimates for bonuses, cash levels, equity/stock and total compensation for thousands of roles, across 11 funding stages and 50 market spaces at more than 17,000 companies. Understanding and evolving the relationships between compensation components like base salary, equity and total compensation for every company demands incredible precision in the frameworks upon which **CompEdge™** operates.



**Marketplace Learns:** fresh data fuels an AI-driven compensation market. As new information is captured from market participants, the marketplace learns. Each data point can create exponential improvement and influence thousands of other profiles. This is the NASDAQ effect. Market prices as derived from current and verified compensation data informs talent value across broad tranches of the market. Even with sparse data, the market can learn fast.



## What's Different?

### CompEdge™ Features

- Pegs compensation for thousands of roles at more than 17,000 tech companies
- Search by company or stage: seed, Series A..... through private equity to Public
- Total compensation: includes base salary, bonus, equity/ stock and total estimates.
- Search pay, using 8 powerful filters, including role/title, location, market space, experience, company valuation, performance, and/or talent rank.
- Built on more than 1.2 million verified salaries at more than 22,000 companies.
- Salary data updated weekly.

### CompEdge™ Solutions

CompEdge™ offers solutions for many of the challenges inherent in other compensation tools. It also delivers innovations that both complement and extend the power of your current salary tool.

### CompEdge™ Firsts:

- **RangeFinder patent-pending tool:** CompEdge™ captures and processes verified corporate data on salary ranges now available via Internet job postings. New pay transparency laws require companies to publish verified salary ranges. RangeFinder captures pay ranges for thousands of recently posted job titles. Using CompEdge AI-frameworks, the tool converts those ranges into target market benchmarks for both the hiring market and incumbent employee pay.

By applying AI and advanced mathematics that leverage marketplace factor relationships and patterns, CompEdge™ pegs target salaries for thousands of titles at any one of more than 17,000 tech companies, which is advertised on the Internet. A separate visualization for talent value is graphically displayed, one for new hires and the other for incumbent employee pay.

**Leveling the playing field with Pay Transparency.** It's important to note that using the most up-to-date, verified company data, all stakeholders, including employees, job candidates, managers, recruiters and HR-compensation will equally share the fairest and yet, most competitive data for negotiating compensation.

### Power of CompEdge AI-Frameworks

For each new data point captured, CompEdge™ is updated to display more than 345,000 pay profiles for that single title. For instance, let's say the patent-pending RangeFinder captures a salary range for a Senior Project Manager at Intel in Portland. CompEdge™ immediately updates to estimate salaries for that same role at more than 17,000 companies, across 21 regions. The model expands exponentially. Future data points acquired for this same title at any company later adjusts and calibrates more precise market compensation. CompEdge™ uses a combination of Bayesian machine learning and K-nearest neighbors methodologies to evolve the accuracy of the platform. Bottom line, the marketplace learns and accuracy improves with expert feedback and additional verified salary data.

- **Negotiate** tool: when differences arise with companies and candidates, or even employees over job offers or annual salary raises, a stalemate often unfolds. This can undo goodwill between employees and their managers, or companies. With our premium tool, **Negotiate**, you simply input a few data points, for a given role. **CompEdge™** calculates and suggests an optimal job offer. **Negotiate** suggests a pay package, given the targeted compensation for all parties. The algorithm considers market forces, candidate/ employee experience, employee performance/ talent rank and competitive factors. Presto, the [pay perception gap](#) that often exists vanishes when negotiating stakeholders agree to compromise.

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## Compensation Analytics

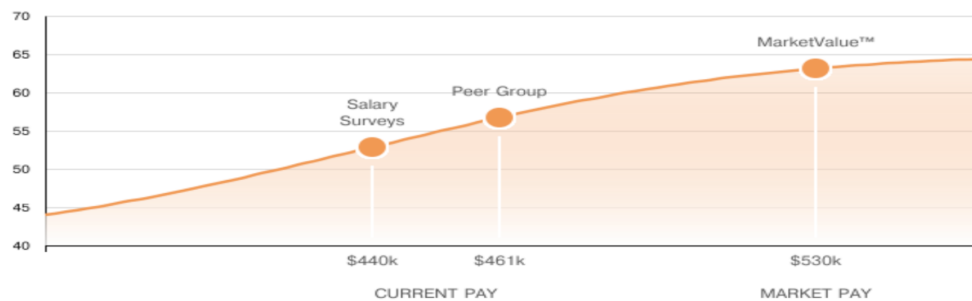
Here are market compensation analytics for the Staff Engineer I of at DoorDash.



Company:	DoorDash	Title/Level:	Staff Engineer I
Market:	Consumer: Marketplace	Function:	
Stage:	public	Experience:	6-10 yrs
Region:	SF - Bay Area		
Revenue:	1 to 5 Billion		
Employees:	10,000+		

## Total Pay Overview

How do you stack up?



### Summary

	Base	Bonus	Equity	Cash	Total	Delta
<b>MarketValue™</b>	\$228k	\$52k	\$250k	\$280k	\$530,440	--
<b>Peer Group</b>	\$198k	\$46k	\$218k	\$244k	\$461,483	13%
<b>Salary Survey</b>	\$189k	\$44k	\$208k	\$233k	\$440,265	17%

- **Market Pay Report:** **CompEdge™** instantaneously generates market pay reports for any pay profile selected. This report can be shared with team members, employees and job candidates. Compensation benchmarks for the job market, your peer group - competitors for talent, and salary surveys are featured to offer the ultimate in Pay Transparency to your prospective candidates or employees. These reports drive friendlier, more authentic and collaborative negotiations.

- **Comparative pay reports.** You can also create comparisons using **CompEdge™** for the key panelists in your searches, specific companies you compete with, or even comparisons with your key employees at the same level. These reports can help guide job offers and internal pay equity considerations.
- **Pay Equity: CompEdge™** is the engine that powers our enterprise class pay equity dashboard for companies. **Pay Equity** leverages market benchmarks and shows two key views into your employee's compensation. It answers the questions, “are we paying competitively?” And “are we paying fairly across demographics like age, gender and ethnicity?” Here's a snapshot of the internal pay equity analytics:

☰

Pay Equity

⊕

Lattice

▼

✎

🗑️

Group: All

▼

Add Employee

Import

Compensation: Benchmark

Salary Survey

▼

Demographic: Benchmark

All

▼

Lattice

▼

Team: All

▼

Leader

▼

Title

▼

Demographic	Internal Equity	Total Pay	Base	Cash	Equity
▼ Age Group					
▶ 30-39	--	+1.5%	+3.0%	+4.4%	-1.6%
▶ 18-29	-7.2%	-5.7%	+1.1%	+3.1%	-41.3%
▶ 40-49	-9.4%	-7.9%	-6.9%	-5.4%	-9.6%
▶ 50+	-22.3%	-20.8%	-1.6%	-8.5%	-27.5%
▼ Gender					
▶ Male	--	+0.7%	+3.6%	+4.1%	-3.7%
▶ Non-binary	-7.2%	-6.5%	-2.2%	+3.3%	-18.2%
▶ Female	-12.0%	-11.3%	-8.5%	-7.3%	-20.8%
▼ Ethnicity					
▶ Asian	--	+0.6%	+2.6%	+4.6%	-1.1%
▶ White	-0.5%	+0.2%	-0.1%	+2.8%	-9.5%
▶ Hispanic	-19.4%	-18.7%	-3.1%	-9.8%	-25.7%

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## What about Salary Surveys?

### CompEdge™ complements and extends data from Salary Surveys

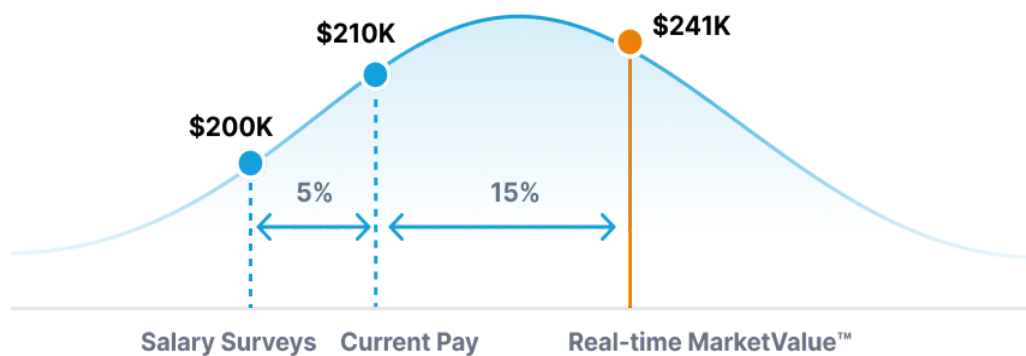
CompEdge™ is not a salary survey. Surveys are generally just data. Think of CompEdge as a compensation research and analytics tool that both complements and extends your current compensation data. Being empowered to search compensation by company, stage, equity/stock, bonus, total compensation, talent rank, performance, and employee experience in today's job market are all features you probably don't have in your salary survey or compensation tool.

CompEdge™ ensures credibility with employees and candidates as it is publicly available at [www.compedge.io](http://www.compedge.io) for all to see and use. This Pay transparency offers an additional market perspective and opens the way for greater trust and authenticity with employees.

CE enables users to filter across 8+ compensation factors that can make a difference.

You can think of CompEdge™ as a leading source for *job market* pay levels. These compensation metrics, which incorporate recent verified data, reflect what is happening in the job market today. Levels can be 11-20% higher than incumbent pay, but when used effectively, CompEdge™ can settle differences between candidate-desired compensation and corporate pay targets and pay ranges. Everyone shares the same data empowered by pay transparency.

#### Today's Hiring Market



Salary surveys and other compensation tools can be useful in developing pay philosophy, compensation architecture and creating internal pay bands. The best surveys provide a degree of verified compensation to ensure data rigor and employee confidence. This can be important to your current employees, but many job candidates are skeptical of salary surveys. Further, compensation professionals are typically forced to use aggregated market metrics like national average, or single compensation components such as “base salary” to create your company pay framework. It should be clear that surveys that use over-simplified formats can create gaps in achieving fair and competitive pay.

For instance, what does this tell us about compensation comparisons between a given role in Chicago versus one in Seattle? One leading vendor actually includes 800 SaaS companies in one standard engineering pay model for all companies, whether a series A startup in Atlanta, or a public company in the SF-Bay Area.



Surveys often are published with incomplete compensation data, which can leave too much room for subjectivity in job offers and may miss today's job market by 11-20%. To effectively peg compensation for new hires and stay abreast with today's market, new benchmarking tools are needed.

### **Further Challenges**

Top compensation professionals can find their carefully-crafted internal pay structure, or pay philosophy sometimes falls short. They can find themselves out of step with their competitor's pay for talent. Compensation and rewards teams work tirelessly to peg internal pay grades and create sensible pay ranges. Yet, what happens when top candidates come away underwhelmed with your job offer? Do you find yourself faced with having to pay outside of the range? Markets are dynamic. There are times when your survey-based pay architecture may not hold up in today's job market. Integrating your salary data with **CompEdge™** can allow you improved visibility into dynamic market conditions and help inform more holistic compensation models.

### **Percentiles - a proxy for the value of talent?**

Another consideration is the use of percentiles in crafting job offers. This is an artifact of salary surveys. Most of us are used to seeing market breakdowns in salary surveys that quote the 25th, 50th and 75th percentiles. Percentiles can be useful. But, what do they really mean? Most companies use the percentile approach because we've always done it this way. It's natural to simply apply these percentiles, or some averaged metric. Yet percentiles can still create a highly subjective view of compensation, as there are really too many factors to precisely model a given job group, or family across different size, stage, market space, location and pay philosophies out there. In the end, percentiles often serve as a proxy for talent. If so, why not simply use performance or other metrics like Talent Value that reflects the value to the corporation for that employee in a specific role, title and function. The question:

[Are percentiles in salary surveys the “right” or only yardstick for assessing the value of talent?](#)

### **Pay Transparency Conversation**

Finally, the big topic for 2023. As Pay Transparency gains momentum, published salary ranges are beginning to drive a lot of uncomfortable conversations. This is where it gets even more tricky. The tools that have divided companies and employees, salary surveys and job websites, will no longer provide refuge for anyone. Thousands of companies are already publishing verified salary ranges for all their posted jobs. How will this play out with your employees, who are deeply under-market? Do you have the tools and analytics to address and successfully manage these conversations?

### **Conclusion**

We respect the value of salary surveys, but we also believe **CompEdge™** offers robust research and analytics power for conscientious compensation decision-makers. The platform offers breakthrough features, which empower compensation leaders, HR professionals and managers with the tools to make better job offers and reward loyal employees with salary adjustments that are consistent with the actual job market. With the bevy of pay transparency laws in Colorado, California, Washington, New York City and elsewhere, broad-based, pay transparency has arrived. **CompEdge™** enables HR professionals and managers with greater

visibility into dynamic market conditions. With this tool, you can take greater control of the coming conversations about pay transparency and pay equity.

With the patent-pending **RangeFinder**, the market compensation platform captures published compensation data across the tech sector in real-time. **CompEdge**™ emerges as more than just a simulated market for compensation in today's job market. **CompEdge**™ can empower you with a powerful solution that delivers up-to-date insights and perspectives you can't find with other compensation tools. We aim to give you a simple, but decisive edge in bringing all stakeholders together in crafting fair and competitive compensation.

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[www.compedge.io](http://www.compedge.io)