







Case Study: 2022 HR Tech Awards

Each year, technology companies across HR, talent, and learning apply for the HR Tech Awards to demonstrate the value they bring to their clients and to the broader industry. These case studies represent a sampling of the capabilities from the award winners in our program.

Learn more about the HR Tech Awards.

Company Name:	Sparrow
Website URL:	trysparrow.com
Insert Logo (JPG/PNG):	A Sparrow
Key Customers:	Figma, Webflow, Popsugar, LA Clippers, Classpass, Expensify

About the Company

Sparrow makes it simple for employers to care for their people with the first true end-to-end leave management solution where innovative technology is coupled with a world-class leave specialist team. This enables mid-market employers to reduce compliance risks, enhance the employee experience, operate better, and contain costs.

Our technology integrates with HRIS and payroll systems, and automates the parts of leave management that creates the most risk for employers: managing employee intake, filing all of the associated insurance claims, coordinating with medical providers, and automatically providing required notices to employees via email, mobile app, and/or text, to ensure receipt.

Additionally, we've trained and scaled a team of in-house leave experts to facilitate leave management for our customers. Because Sparrow's leave experts manage the leave process, end-to-end, for each and every employee, we save our customers (specifically, their HR teams) thousands of hours per year while also minimizing the risk of noncompliance.

Problem(s) Your Technology Solves

The process of managing employee leave is broken. The reason it's broken is because the complexities related to changes in federal and state laws continue to grow every year. There are currently four federal leave laws, 396 state-specific laws and 67 county-specific laws pertaining to employee leave



policies and programs. For HR teams at mid-market companies, filing an employee leave in a manner that is compliant with these dynamics is nearly impossible. Added to this complexity are the additional and incremental company and private carrier benefits any company can provide. This creates a logistical nightmare for employers to effectively manage employee leave in their home state, let alone in multiple States as employers continue to hire remote workers across the U.S.

Through our solution, HR teams save an average of 10-20 hours per employee leave. Additionally, Sparrow reduces the time spent on research and policy setting that would have been required for every state and county where an employee resides, which eliminates this logistical complexity and knowledge gap.

Because Sparrow exclusively focuses on managing employee leaves, when we conduct audits and set policies, companies have peace-of-mind knowing each policy set is in compliance with Federal, State, County, Company, and Carrier laws or provisions. In addition, companies can contain costs in a dramatic way when dealing with States that offer paid family leave (PFL). Many times, companies are not taking advantage of the wage replacement offered in many states, and in some cases, this can save hundreds of thousands of dollars in payroll.

Sparrow's high-tech, high-touch solution has led to a 99% client retention rate, coupled with an NPS score of 76. Our clients entrust us to manage the entire employee leave process – covering 35,000+ individuals. To date, we've saved our clients over 40,000 HR management hours and more than \$14M in payroll dollars.

Client Case Study

When Webflow was preparing to scale, they decided to partner with Sparrow to simplify employee leave management.

Webflow is a software company that helps users design, build, and launch websites—no code necessary. The company went from 120 team members in 2019 to nearly 400 in 2021. As they were gearing up to scale, they realized they needed a better system for employee leave management.

The challenge: Streamlining leave while scaling

The Webflow team prides itself on cultivating a generous, kind workplace culture that supports its employees both personally and professionally. In addition to monthly wellness stipends, commuting and snack stipends, team bonding activities, meditation classes, and coffee chats with CEOs, Webflow works hard to provide its team members with compassionate and equitable leave. The company models its



leave coverage based on California's generous state policies and extends this same allocation to every person, regardless of their location.

However, despite offering comprehensive coverage, Webflow wasn't well equipped to manage leaves internally. "We didn't have as many leaves to manage before we scaled, and the process was a bit scattered," said Johanna McLeod, people operations coordinator and leave specialist at Webflow.

Webflow's HR team was using Google sheets to track leave details. Though this manual system worked at the time, it wasn't streamlined or efficient

"We wanted to get ahead of the problem, so we got Sparrow just before our intense period of scaling," McLeod explained.

The solution: Turning over leave management to Sparrow

To better support their team members and save time, Webflow partnered with Sparrow to institute a more straightforward system for leave management. "Sparrow makes the leave management process both scalable and personal," McLeod said.

Instead of using tedious manual tracking systems and staying up to date on complex state laws, Webflow was able to turn its entire process over to Sparrow's savvy leave specialists.

"Tracking each leave is so much easier now," McLeod added. "I no longer have to deal with all of the variable state laws. I can now rest assured knowing that Sparrow handles all of this, which eliminates all of that pressure for us."

The result is incredible time savings: "Using Sparrow has cut down the leave process by at least an hour or two each leave," McLeod said, "which is massive when we have as many leaves as we do. If not for Sparrow, it would be a full-time job just managing leave at this point."

Sparrow works closely with Webflow, taking a huge burden off of the HR and payroll teams. "Sparrow has been incredibly helpful for our payroll team, making the process simpler by coordinating our company's benefits to align for the best possible result for our team members," she said.

Webflow team members also benefit from easier communication. "Team members taking leave don't have to contact me, their manager, and Sparrow," McLeod explained. "They just tell their Sparrow leave specialist who then does the heavy lifting in terms of coordinating and communicating."

The bonus: Compassionate, personalized support

With Sparrow, not only did Webflow save time tracking leaves—they also gave their team members the gift of a smooth transition away from, and then back into, work.



Beyond explaining state laws and breaking down their coverage plan, Sparrow specialists also help team members navigate payment details and get in touch with their healthcare providers. And when people are preparing to return to work, Sparrow sends them an email about how to plan and what to expect in terms of their compensation and coverage.

"I've always appreciated how supportive, flexible, and understanding the Sparrow specialists are. They're a really compassionate group," McLeod said. Her personal experience with Sparrow's leave support was so positive that she felt inspired to become a leave specialist at Webflow.

"Sparrow helped me through the entire process when I had my first baby," she said. "I had a particularly difficult case as my healthcare worker wasn't communicative. But Sparrow took the reins and called them until everything was sorted. The experience really made me passionate about taking care of team members during times of change."

Supporting employees at every stage

By outsourcing leave management to Sparrow, Webflow has saved countless HR hours and given their employees the emotional support and practical tools they need to navigate major life changes.

"Sparrow really reflects Webflow's culture of genuineness and kindness. We share the same values and are on the same page in wanting our team members to experience the best possible care," McLeod said.

Going forward, Webflow is excited to continue supporting their team as they scale and announce new improvements to the Webflow platform.

Key Differentiators

Service

Sparrow's high-touch service model has been a differentiator and contributor to our success. We understand the buyer and the consumer mindset (the HR leader and their employee going on leave), in that managing and going out on leave is stressful. The employer is concerned with ensuring everything is legally correct, which is nearly impossible. And the employee simply wants to deal with the event that is forcing them to take leave (new birth, injury, bereavement, etc); and to simply know what their weekly income will be and to have confidence in that payroll calculation.

To this end, having a point-of-contact with specific expertise in leave management is critical to be the voice of reassurance during any step of the process for both the employer and employee. Our service team consists of leave experts who provide guidance on a wide array of areas such as:



- · Leave policy benchmarking, guidance, and strategy
- · Leave policy compliance best practices review
- Analysis of Federal, State, and Local leave requirements
- Review of current leave insurances and benefit policies:
 - STD, LTD, TDI, Supplemental insurances
- Review and assessment of required paperwork and claims processes by each carrier
- Review of current disability insurance policies for leave-related benefits (i.e., maternity benefits)
- Creation and enforcement of customized policies
- · Employee leave management and communication
- · Leave document/paperwork collection
- Employee leave management and communication. Sparrow leave specialists:
 - Ensure all questions or concerns are addressed
 - Conduct check-ins at significant touchpoints during the employees leave
 - Share updates from the employee, such as return to work dates. If pay is impacted, they ensure any updates are provided prior to leave end.
 - Provide reminders to the employer and employee typically 1-2 weeks prior to the end of the leave
 - If sudden changes occur, coordinate as appropriate.

Technology

Sparrow technology integrates with HRIS and payroll systems, and automates the parts of leave management that create the most risk for employers: managing employee intake, filing all of the associated insurance claims, coordinating with medical providers, and automatically providing required notices to employees via email, mobile app, and/or text, to ensure receipt.



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SPARROW	ADMINISTRATOR DASHBOARD			LOGOUT
Dashboard				
Documents	Your Company, Inc. Leaves			+ EMPLOYEE LEAVE
Profile				
Administrators	= EMPLOYEE	= LEAVE		
Reports	Test Test Unknown - CA - Non-Exempt	Status TBD Medical Leave	LEAVE TBD	
	Chris Smith Account Ex - CA - Exempt	Status TBD Nonbirthing Caregiver	LEAVE TBD	•
	Clerk - CA - Exempt	Status TBD Birthing Caregiver	e LEAVE TBD	•
	A C ABC - N/A - Exempt	Status TBD Nonbirthing Caregiver	e LEAVE TBD	•
	James Williams Administrative Assistant - CA - Exempt	Upcoming Nonbirthing Caregiver	NOW 1/10	3/6
	Jason Martinez Engineering Manager • NY • Exempt	Upcoming Nonbirthing Caregiver	NOW 1/10	4/3 0
	C Thomas Miller	Upcoming Nonbirthing Caregiver	NOW 1/10	4/3 0
	Janet Baker Account Executive - NY - Exempt	Upcoming Birthing Caregiver	NOW 2/23 4/19 © Leave dates not finalized	7/12
	Jane Smith Product Manager • CA • Exempt	Active Birthing Caregiver	11/10 NOW	3/15
	November Fall Payroll Specialist - CA - Exempt	Active Medical Leave	12/1 NDW	2/22

SPARROW	Empl	loyee Payroll			
J2	TIMES	SPAN	BENEFITS	HOURS BY EMPLOYER	
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ocuments			PRIVATE DISABILITY \$0.00		
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			CALIFORNIA PFL \$0.00		
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			PRIVATE DISABILITY \$2,464.00		
		CALIFORNIA SDI \$3,101.71			
			CALIFORNIA PFL \$0.00		
	⊳ Jan 1, 2022 - Jan 15, 2023	n 1, 2022 - Jan 15, 2022	EMPLOYER \$5,267.81	47.9 / 80	;
			PRIVATE DISABILITY \$616.00		
			CALIFORNIA SDI \$775.43		
			CALIFORNIA PFL \$2,132.43		

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The Company Behind the Technology

Sparrow aims to ensure that each employee has the resources they need to do your best work, so we regularly benchmark our benefits on what other similar companies are offering. But the real benefit of working at Sparrow is working with an incredible (and diverse) team that is on a mission that matters.

The diversity of the Sparrow team is one of our strengths. Our company is comprised of people with all types of backgrounds, and our representation currently consists of 54% women, 44% racial minorities, 17% LBGTQIA+, and 4% non binary. Additionally, we have teammates in 10 states and counting.

We also believe in investing in the team's growth. When employees are hired at Sparrow, they begin with 2-4 weeks of training and onboarding. They are then paired with a mentor who provides them with support. We work very cross-functionally, and we support everyone in learning about areas outside of their core expertise.

Lastly, we provide an array of competitive benefits including:

Health, Dental, and Vision. Sparrow covers premiums for some of the best health, dental, and vision plans available.

Flexible Spending Account. Our FSA enables our people to use pre-tax dollars to pay for life's extra medical expenses.



© 2022 <u>Lighthouse Research & Advisory</u> Proprietary Material. **Work from Anywhere.** While our HQ is in San Francisco, the Sparrow team was remote before being remote was cool, so we have strong remote-first work practices. Additionally, we offer a 'home office reimbursement' up to \$200 to assure people have what they need to work effectively at home.

Flexible Time Off. We encourage our people to do what they need to find the appropriate balance to stay happy, healthy, and productive, so we provide flexible time off (with guidance of three weeks).

Paid Family & Medical Leave. We aim to support our teammates through whatever their life throws at them, which is why we provide generous paid family and medical leave that is in-line with industry benchmarks.



About Lighthouse Research & Advisory

<u>Lighthouse Research & Advisory</u> is a modern, independent analyst firm dedicated to setting the standard for excellence in talent, learning, and HR with practical research and a hands-on approach. By providing compelling research and actionable insights, our team enables HR, learning, and talent leaders to deliver more value to the business. Our research examines competitive practices, cutting-edge technologies, and innovative strategies.

Ben Eubanks is the Principal Analyst at Lighthouse, providing insights for today's talent leaders and vendor partners. He works with practitioners from areas across the HCM spectrum, delivering highquality research, insights, and advisory services to enable better business performance. His book, <u>Artificial Intelligence for HR</u>, was published in 2018.

Prior to joining Lighthouse, Ben worked as a researcher, writer, and speaker for nearly more than 10 years, focusing on learning, talent acquisition, and talent management. During his tenure as a researcher, he has published more than 1,000 reports, case studies, and articles in addition to providing advisory services to executives from some of the largest and most respected organizations in the world.

He also has hands-on experience working as an HR executive, leading both strategic and tactical talent practices and giving his research a distinctly practical perspective. Ben has interviewed business leaders from notable organizations such as Southwest Airlines, IBM, H&R Block, McDonald's, AARP, and AlliedUniversal in his role as the host of <u>We're Only Human</u>, a podcast focused on the intersection of people, technology, and the workplace. In addition, he founded and operates upstartHR.com, a community serving HR leaders that has reached more than one million readers since its inception.

