



What's the Secret to Your Successful IR Program?

On April 5, 2017, the NIRI Los Angeles Chapter hosted an engaging panel of leading IR professionals including:

- Matt Danziger, Director, Investor Relations at LinkedIn;
- Chris Evenden, Vice President, Investor Relations at Electronic Arts;
- Derrick Nueman, Investor Relations & Strategic Finance Executive; and
- Arvind Sood, Vice President, Investor Relations at Amgen

Moderated by NIRI Los Angeles Board member Anne McGuinness, Investor Relations Analyst at American Homes 4 Rent, the panel had a lively discussion regarding quiet periods, analyst/investor days, rogue analysts, social media, surveillance and just about everything else in between. The number of great anecdotes and nuggets of advice are too voluminous to capture in one blog post but without further ado, here are the highlights.

Key Takeaways:

- Know your company/product better than anyone else - be THE expert
- Be a driver of content and relationships, not merely a facilitator
- Treat analysts and investors as you want to be treated (and maybe even get your sell-siders out for dinner or cocktails to build rapport)

Quiet Periods:

- While the panelists and their companies handled quiet periods differently, the consensus view was that IR professionals should not hide behind quiet periods but rather exercise good judgment to determine which calls are appropriate to take.
- Investor inquiries that are introductory or long-term in nature should always be fielded in an effort to build solid relationships with the investment community.

Analyst/Investor Days:

- The panel was split on this topic with some participants arguing it is a great opportunity to demonstrate bench strength while others were not a fan of them given the level of financial and time investment needed to execute a successful event.
- One panelist noted how crucial it is to disclose incremental information, arguing that if no new information is presented, stocks almost always trade down.

Social Media:

- The overarching position on the controversial topic of social media is that it is not an effective tool for IR. Not only have their analysts and investors communicated that social media is not helpful to their research, but one panelist also noted that he would not want to create trading opportunities around every tweet.
- Alternatively, the panelists have focused their digital attention on transitioning their IR websites from “repositories of stuff” to strategic assets that concisely communicate the company story and investment proposition.

Perception Studies:

- If done right, perception studies can be a valuable tool in an IR professional’s arsenal to get buy-in from the management team on an initiative.
- One panelist noted that he had broached the topic of initiating a dividend with his CFO to which the CFO quipped, “Go re-read chapter 14 of Brealey Myers – Principles of Corporate Finance. Growth companies should never pay dividends.” Yet results of their perception study indicated the contrary and a dividend ultimately was initiated.

Governance Engagement

- All of our panelists proactively engage with their investors on governance topics.
- At one end of the spectrum, one team reaches out to investors quarterly, while the others tended to engage once during proxy season and once during the off-season.
- One panelist even hosted a roadshow to confront a say-on-pay issue.

Next NIRI LA Event

Don’t miss our Spring/Summer Social on June 28. Please join your fellow IR professionals at The Beach Club in Santa Monica for networking and lunch with a beach view. Check www.nirila.org soon for more details.

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