INFORMED

THE VOICE OF INVESTOR RELATIONS IN THE UK

ISSUE 91 SUMMER 2016

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PLUS

- What does Brexit mean for IR?
- Six articles on best practice
- View from Johannesburg
- Why is the CIR so valuable?

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INFORMED

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OUTGOING CHAIR'S LETTER

Growing in influence

Wow. Well that's two years gone by already…

Back in June 2014, I undertook my first task as chair of the IR Society – a brief speech at the AGM. I spoke about our education and professional development programme and explained how vital it is to the future of the Society. I believe it has also underpinned our success to date and helped transform the Society from a small group of like-minded people into the preeminent advocate for the investor relations profession.

Action packed annual conference

Small wonder that the conference took careers and professional development as its main theme. It was an action-packed day: not just an ABC of IR (as the title promised) but an A-Z of what matters in our profession. As at every IR Society event, lots of IROs shared their experiences: on activism, careers, consensus, governance, roadshows, technology and plenty of other topics. Our speakers came from small, medium sized and large companies and sessions were designed to suit the experienced as well as relative newcomers to IR. We weren't just inward looking; we also heard from the buy side and from the boardroom, understanding how IR is viewed from outside. A good event can be measured by the buzz in the room and breakout areas: this was clearly a good event. There is a lot more about the conference elsewhere in this publication, so you can catch up on anything you might have missed.

Imminent launch of the Diploma in IR

During the conference, we heard from people who have built a career in IR and those who have used IR to help build a career in an associated discipline. Some of them – like me, in fact – accidentally ended up in IR, without a clear view of where it could take them. For those entering IR nowadays, the routes to advancement are far clearer.

Our profession has matured, growing in significance and stature. It continues to develop and the quality and experience of those now looking to create a career in investor relations is testament to this. The Society has grown with the profession, supporting it and promoting best practice. We're helping to professionalise what's meant by IR and ensure that the value of IR is clear and is recognised.

That's why professional development is one of your board's key priorities at the moment, along with raising the profile of the Society.

Indeed, we're working hard on something very close to my heart – the development of our Diploma in IR, which will be a senior level qualification building on the success of our existing CIR. I see this as another really important step in the growth and maturity of our profession.

We're aiming to launch the pilot later in this year and are looking for volunteers – do let us know if you're interested in finding out more.

Board changes

If you attended the 2014 or 2015 AGMs, you'll understand how disappointing the weather was for the 2016 AGM. Nonetheless, our hardy attendees enjoyed a sociable and relaxed evening and at the same time, discharged the important official business of the Society. Many thanks again to Orient Capital for their hospitality.

One item of business was Douglas Radcliffe's appointment to the IR Society board, which was unanimously endorsed. Douglas is group IR director at Lloyds Banking Group and has been working in the Lloyds IR team for the last eight years. I am sure he will bring a wealth of practical experience to our board discussions.

We also announced the appointment of David Lloyd-Seed as your new chair, with David Walker taking over as deputy chair. Congratulations to them both – they make a formidable team.

David Lloyd-Seed's appointment does have one unfortunate implication. In the interests of transparency and best practice governance, David Shriver (who is his fellow partner at Tulchan) has volunteered to step down from the IR Society board in the autumn. We will be very sad to see him go – he's done a great job in the comparatively short time he has been on the board. I am delighted that he intends to remain heavily involved with the Society.

Farewell

So this introduction to *Informed* is my very last task as your chair. I have thoroughly enjoyed the last two years and the opportunity they have provided to represent you all, our Society and our profession. It's been gratifying to see our growth in membership and influence and I am certain there is much more to come. I'll be staying on the board until we get the new Diploma successfully launched.

Let me leave you with one key message – remember that we are, each one of us, the best advert for the importance of best practice IR. Be proud of the work you do, shout about its importance, demonstrate your worth and prove your expertise (including with the CIR and the new Diploma).

Thank you for your support for the Society. I look forward to seeing how we develop further. ■

SUE SCHOLES

Lloyd-Seed becomes IR Society chair

David Lloyd-Seed has been appointed chair of the IR Society from July 2016. Formerly the Society's deputy chair, Lloyd-Seed is a partner at Tulchan, the financial and strategic communications advisory firm. Most recently he was head of IR at Severn Trent, prior to which he spent 10 years as IR and corporate affairs director at Dixons Retail.

On his appointment, Lloyd-Seed commented: "Investor relations is about an open dialogue with one of a company's most important stakeholders – its owners. IR professionals need to keep up to date on the changing dynamics of regulation, capital market trends, best practice and use of technology in their communications. With demands on IROs increasing, the IR Society plays an important role in helping its members keep abreast of all these trends and more. I want the Society to continue to lead the way in championing excellence in IR in the UK and beyond, and importantly remain widely respected as the voice of the profession." ■

See also David Lloyd-Seed's Brexit comment on behalf of the Society, 'Championing excellence in IR ' on page 8.

The IR Society's Best Practice Awards 2016 on 22 November – book now!

Entries are now in for the IR Society's 16th annual Best Practice Awards, which will be celebrated at The Tower of London on Tuesday 22 November. The shortlist of potential prize-winners will be announced in October, the judging will take place in November by an expert panel and the winners will be announced and presented with their awards at the annual dinner.

The awards recognise those companies that have demonstrated their strong understanding of, and proactive efforts to promote, clear and consistent investor communications. This year a new award category for IPOs has been introduced – 'Best IPO IR Communications'. As in recent years, there are two awards sections – self-entry and voted. Sallie Pilot, chair of the Society's best practice committee, said the awards had been re-worked "to create a simpler and clearer entry process and to reflect the changing market environment and investor needs".

The evening promises to be a glittering occasion once again, one of the highlights of the IR calendar. Be sure to book your table or seat early - for details, please visit www.irs.org.uk/events/programme or email alison.hamilton@irs.org.uk. ■

The successful awards dinner at the Tower of London in 2015.

Suddenly, it's a brave new world...

The Brexit vote showed the many challenges and opportunities ahead – and the Society is shipshape. **John Gollifer** reports.

John Gollifer is general manager of The Investor Relations Society. john.gollifer@irs.org.uk

We live in exciting times – that's certainly how it has felt over the past few months. Sometimes you can get the feeling that everything is changing around you and there's little you can do about it. Then everything seemed to stop ahead of referendum day on 23 June 2016, a day we were told that would be a once in a lifetime happening to reverberate for years to come.

As it turns out, it may well end up being a seminal event that affects us for the rest of our lives. Now everything, from the markets to politics, is in turmoil. To add to our woes, England's exit from Euro 2016 quickly followed Brexit. We will certainly need more time to reflect on what has undoubtedly been more than we bargained for only a month or so ago.

Meanwhile at the Society, our year so far concluded on a resounding note on the longest day of our events calendar. Where else should you have been than with Evan Davis and your peers on 21 June when we held our annual conference, 'An ABC of IR'? Some told us that they thought it could just as well have been 'an A-Z of IR' given all the great content we featured. Thank you for your support for what is a very important gathering of the IR community, in fact, our 30th annual conference. It is always good to see overseas associations joining us too. They came from as far as Australasia, the Middle East and closer to home, Europe, where we still belong.

Extending our reach

As I suggested in the last issue of Informed, some things you just can't control. Accordingly, we may as well focus on what we can manage and keep going. Our two busy calendars of courses and events continued with some promising highlights. It took us up to eight years to cross 500 passes in the Certificate in IR (CIR). It's taken us little more than another three years to reach 1,062 passes today and we're still going strong. Club IR, our lunch time teach-ins, included new themes, such as the Modern Slavery Act, and some old favourites, like the defence manual and sustainability. Look out for more, including IR board reporting. It was pleasing to hear at another sell-out Society AGM-cum-summer drinks reception in June that our membership numbers had hit 777, a rather healthy indicator, so something's working!

We seem to be doing more jointly-presented events with other organisations on things that matter to the Society. These events can bring together a bigger common audience. Notably in the last quarter, we had a hand in the inaugural launch of the Roddy, a CAGE initiative that celebrates the late Roddy Child-Villiers through a new IRO award. We worked closely with the CFA Society in its launch of a new report on the value of the investment profession. We were invited to the launch of the latest research by Tomorrow's Company into what's working and not working for UK plc. And we heard from YouGov at the QCA conference that the latest snapshot showed a 51-49 split for you know what – gosh, that was close, albeit the wrong way round for perhaps most!

We continue to work with other associations, particularly on professional development. We hope that we can extend these mutually beneficial relationships further with the development of a more senior IR qualification, the Diploma in IR to which our outgoing Chair, Sue Scholes, has referred.

Further, we plan to find other ways to stay involved more broadly in the wider debate and raise our profile with a larger audience that often overlaps with some of the things we are doing, not least in policy and professional development. A good example was the Brexit survey of the buy-side that we undertook in May in association with QuantiFire which was mentioned in City AM. Should you be interested in getting more involved, do let us know as we always need volunteers for a variety of supporting activities.

Changes at the Society

Where do we go from here? We've now had the same executive team in place for nearly three years. The team continue to work

An introduction from Rebecca White

I joined the IR Society (as part of the Apprenticeship Connect Programme) in April, and in this short time, I have learnt and experienced so much. As the membership and marketing associate, my role consists of monitoring the CRM system ensuring all of our members' data is up to date, dealing with membership applications, and helping out with other day to day tasks around courses and events. I am enjoying the hands on learning experience, and as the first apprentice to join the IR Society it is new to all of us here but I have a wonderful team who constantly help and support me.

Outside of work I love camping, which I got the zest for after completing my Duke of Edinburgh award, as well as attending music festivals.

So far it's been a fantastic experience and a great learning curve, which I hope will open many doors for me. In the future I plan to take the CIR exam to widen my knowledge of IR. ■

hard on your behalf and has been well complemented by the recent addition of Rebecca White who is undertaking a government-backed year-long apprenticeship with the Society. I have to say that Rebecca is making a telling difference to our day-to-day running of the customer relationship management system that supports all of our membership activities. Do tell us if your personal circumstances and details change so that we can stay in touch. On the other infrastructure we offer members, we plan to make some enhancements to the website in the second half of the year.

We have a change in our chair from July. Thank you very much, Sue, for your commitment to the Society. We're most certainly a stronger team than we were a few years ago, that's for sure. At the same time, we welcome David Lloyd-Seed, our new chair and David Walker, our new deputy chair. We look forward to carrying on the good work with our board that includes some new directors as shown on page 66.

I'll take the opportunity to quote another past chair, whose 'cautious optimism' is quite a timely reminder of where we find ourselves today. As economists like to say, on the one hand, economic growth does seem to have slowed this year, hopefully, temporarily on the back of the uncertainty we face in 2016. In any case, there has been a drop in consumption, exports and investment in the year to date. On the other hand, there are opportunities out there. Presumably, in spite of all the change we may encounter, fortune should favour the bold with the prospect of more growth in the long run given a relatively low base and a still benign inflationary environment. Let's keep going which, after all, is all we can do!

Looking ahead

Certainly from where we sit at the Society in the heart of the City, there is something to look forward to, as we seek to offer ever more value for your membership. Given our common purpose, let's salute the champions of our industry, including our recently honoured Fellowship Award recipients, Janet Dignan and John Dawson. Importantly, run as we are by IR professionals for IR professionals, let's continue to be the focal point for IR.

Do look out for all the other things we are doing in the second half of 2016, not least in the lead up to the always exciting annual Best Practice Awards. These of course culminate in that very special night at the Tower of London on 22 November – where else would you want to be? As Professor John Kay reminded us, IR remains the critical link between business and investors.

Given the testing times we live in, now is the time to prove our IR mettle by championing the five Cs of IR: clarity; consistency; credibility; commitment; and acting as the all-important conduit that your company and the market need now.

In any event, we hope to see you all again soon. Let's enjoy the wonderful British summer, something we still have, at least for the next few months! ■

NEW IR SOCIETY MEMBERS

The IR Society is pleased to welcome the following new members, who joined in the period to early July 2016.

Izabella Andersson – Cognosec
Pamela Antay – Eurofins Scientific
Emily Baker – Fidelio
Maurits Beks – AkzoNobel
Giles Blackham – Acacia Mining
Alex Booth – Investis
Vicki Bradley – Pantheon
James Brown – World Television
Andrew Buchanan – UBS
Dwight Burden – FTI Consulting
Rob Burns – World Television
Ruban Chandran – Severn Trent
Lisa Chung – Independent
Chris Claxton – Horizon Discovery
Rob Clifford – BHP Billiton
Robert Coates – Shire Pharmaceuticals Group
Helen Coghill – AMEC
Karen Coke – Tate & Lyle
Maddy Cox-Smith – Numis Securities
James Crawshaw – Independent
Emma Darke – TT Electronics
Gary Davies – GlaxoSmithKline
Reza Eftekhari – Sodali
Joseph Emery – Taylor Bennett
Greg Feehely – ASOS
Donna Fernandez – Capita Asset Services
John Fishley – Liberum
Wilton Fry – Independent
Lennice Gooding – Capita Asset Services
Christer Gruvris – AstraZeneca
Nathan Hallam – Investis
Nicole Henriques – Quadriga Capital
Lauren Hepburn – MITIE Group
Reg Hoare – MHP
Ben Jones – Pennon Group
Edward Kivell – Capita Asset Services
Thomas Kudsk Larsen – AstraZeneca
Jeremy Langham – Investis
Kevin Lapwood – Capital Access Group
Sarah Lewandowski – OneSavings Bank
Andrea Maclure – AstraZeneca
Luke Main – Fidelio
Yahsmin Malik – Taylor Rafferty
Belinda McAdam – Lloyds Banking Group
Christine McGourty – Centrica
Andy Mead – National Grid
Cynthia Meiring – Jefferies International
Adrian Meredith – Investis
Citlalli Moreno – Independent
Elisa Morniroli – BHP Billiton
Amanda Munday – Capita Asset Services
Carl Murdcok-Smith – BT Group
Ana Pita Da Veiga – KPMG Makinson Cowell
Caroline Plant – RD:IR
Rachel Price – Addison Group
Victoria Prior – Countryside Properties
Brian Rafferty – Taylor Rafferty
Nick Rose – FleishmanHillard Fishburn
Neil Sankoff – HSBC
Jill Sherratt – The AA
Andy Simms – Experian
Aarti Singhal – National Grid
Charlotte St Martin – Capita Asset Services
Nick Stone – AstraZeneca
Claire Taylor – Liberum
Jocelyn Thirlwell – Design Portfolio
Nick Turnor – HSBC
Clara Valera – Mondi
James Wall – Investis
Henry Wheeler – AstraZeneca
Rebecca White – IR Society
Julia Wittenburg – CamberView Partners

For more information about becoming a member, please contact Robert Dann at robert.dann@irs.org.uk or call +44 (0) 20 7379 1763.

IR and the aftermath of the Brexit vote

The political earthquake in the UK at the end of June will affect the IR profession. **Richard Davies** takes an early look at the issues.

I write this on the morning of a new phase of existence for the United Kingdom – the great leap into the unknown represented by the vote for Leave, as decided yesterday by the British public. While there is a broad plan for our exit from the European Union, the finer details have still to be decided or, at least, made known to us.

The impact of Brexit on the economy for any term of time is as yet unclear but already currency and equity markets, and the announcements on plans for some US financial services companies with UK offices to move to the Continent, have shown that life ahead in our new 'liberated' format will not be a smooth ride.

Much has been written from both sides of the argument of the likely or possible implications for UK business of a vote to Leave but it is clear that IROs in the UK face busy times ahead, whatever sector they operate within.

Uncertainty is hardly the preferred environment for the long-term equity investor and every UK public company must be prepared to attempt to explain the impact of market conditions which have yet to be understood fully.

Richard Davies is founder and managing director of RD:IR. richard.davies@rdir.com

Given that we already know that other major European markets outside the UK (for example, Norway and Switzerland) conduct themselves largely according to EU regulatory practice, there may be little chance of ridding ourselves of what many firms see as the common market's stifling bureaucracy. Given the potential loss of the EU passport model (a strong possibility, as I write), we may yet see the outflux of many financial services companies from London to Frankfurt or other EU cities.

The poll taken at this year's Society Conference showed overwhelming support for remaining in the EU, as a result, I assume, of the belief among UK IR professionals that departure would be bad for their companies and the economy in general, if only for an indeterminate while.

I am sure many of those conference attendees now wonder what will happen next: to their businesses, to sterling, to the regulatory environment, to their share price, and to the markets in which they operate.

The ripples of Brexit spread far and wide – many have spoken of this as a global event, extending way beyond our shores. The whole EU project is now under threat from dissent in some of the major market constituents. Talk of nationalism and self-interest has replaced the now tainted project of globalisation. Market protectionism is the avowed way forward for US presidential nomination, Mr Trump, who is perhaps a more likely winner of his election as a result of Britain's choice.

Brokers have been saying that the IPO and M&A markets would get busier in September, after the Referendum and the summer recess, but I am not sure that took into account a Leave voting outcome. Markets may well become far more active but perhaps not for the best reasons. I am sure the hedgies are delighted by the turbulent markets, and the sell-side will enjoy trading levels they will remember from the halcyon days, as volatility ramps up. UK IROs should enjoy their summer holidays as much as they can, as the next months could prove arduous. There will be much to do. ■

Championing excellence in IR

David Lloyd-Seed urges IROs to remember their professional standards as Brexit proceeds.

It is in times of crisis and market shock that effective communications come into their own. If an IRO can hold the line and continue to get the investment story across to the investment community and assure investors that it still makes sense to hold the company's shares, this can provide much needed stability.

IR can best serve their company and investors by keeping a cool head and keeping the market onside through thick and thin. In this, continued investor and analyst engagement, taking feedback, staying alert to what is happening around us and retaining credibility are key. Furthermore think about how your corporate narrative and messaging needs to evolve to address the current headwinds, e.g. the outlook for foreign exchange, interest rates, and consumer trends. Above all, keep planning!

The five 'Cs'

We would encourage our IR Society members to remember the five 'Cs' of IR: clarity, consistency, credibility, commitment and importantly, acting as a critical conduit between business and investor, something Professor John Kay reminded us of at the recent IR Society annual conference.

While it is too early to predict the full outcome and effect of the Brexit result on corporate issuers and financial intermediaries, over the coming months we will continue to offer IR Society members practical advice on how to operate in this changing environment.

The IR Society has an important role to play to represent the views of corporate issuers to the regulators as this referendum result plays out. Our overriding objective is to continue our work to support the growth and value of the profession, and championing excellence in IR. ■

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The IA productivity action plan

Industry news briefing
Selected key issues for IROs

In March, the Investment Association (IA) published its Productivity Action Plan to boost the UK economy through long-term investment. One of the IA's key objectives is a call to end quarterly reporting and for it to be on a comply-or-explain basis. With the weight of some large asset managers behind the IA, this signals the direction of travel for UK companies. Despite the EU directive to remove mandatory quarterly reporting, many UK companies continue to report quarterly voluntarily, even if the format and timeframe is more flexible. Furthermore as long as US companies continue to report quarterly, those larger-cap European companies with close US peers will continue to do so too, as well as those in faster moving sectors such as retail and technology that like to keep the market updated more regularly.

The IA will be consulting on this point in the coming months, and the Society will be holding discussions with the IA on behalf of its members.

MiFID II update

Implementation of MiFID II is now scheduled for January 2018, well before any Brexit negotiation period could come to an end, once Article 50 is triggered. Therefore the UK will continue to be part of the EU until such time and EU laws will continue to be in force. The FCA has made clear that it is ‘business as usual’ and the IR Society would encourage the IR community not to delay in preparations for these new rules which include how research is funded, and corporate access confirmed as an inducement. MiFID II will be transposed into UK law and the FCA’s MiFID II consultation paper is expected in September 2016.

IR technology platforms continue to develop in the face of this structural market change, and Meetyl Roadshow (owned by Glass Lewis) is launching a product in the UK market. Other offerings include ingage, Elite Connect from the London Stock Exchange, WeConvene, and Closir. The IR Society continues to provide practical advice and hosts events for its members in preparation for implementation of these new rules. The IR Society hosted a panel discussion at its annual conference on June 21 around how IR can benefit from regulatory change and new technology. (see page 38)

Pay dominates AGMs

Executive pay continues to dominate business news headlines and it doesn’t appear to be going away. There were a raft of shareholder uprisings this AGM season, with significant votes against remuneration packages across a range of UK company sectors, citing complex remuneration packages and flawed bonus targets. Shareholders are sending a clear signal to company management as they prepare to review remuneration policies ahead of a binding vote next year.

Payment for equity research

A quarter of fund managers will stop charging their clients for research, according to recent research carried out by EY. This follows the lead of Woodford Investment Management (Neil Woodford) who, from April 1, stopped charging clients for research in the belief that such costs are a function of a fund manager’s role and should not be a cost to the client.

This paves the way for change across the asset management industry ahead of MiFID II proposals that will require asset managers to either pay for research themselves or report in detail how research costs are passed on to clients from January 2018. The FCA has estimated that £1.5bn of investors’ money — over and above charges that savers agreed to pay to investment managers — was spent on investment research in 2012.

‘Digital Future: Data’

The FRC's Financial Reporting Lab is calling for listed companies, investors/analysts, and anyone with an interest in the future of corporate reporting to participate in a project, ‘Digital Future: Data’.

This follows the Lab's 2015 report, Digital Present, and will look at how the use of technology to communicate corporate reporting to the investment community might evolve. Those with an interest in participating should email FinancialReportingLab@frc.org.uk or telephone Thomas Toomse-Smith (020 7492 2458) or Sue Harding (020 7492 2442) by 20 July 2016.

Information during an offer

The IR Society recently responded to the Takeover Panel consultation: The communication and distribution of information during an offer. The consultation proposed a number of amendments to the Takeover Code, including around the policing of meetings during an offer. The IR Society supports any proposed amendments to the rules that serve to further promote the role of investor relations and best practice investor communications. You can read the IR Society response on the website under ‘consultations’.

Corporate banking study

In April the FCA published its interim report on corporate and investment banking. The report finds that while many clients feel well served by primary capital market services there were also some areas where improvements could be made to encourage competition. At the same time, the FCA has also published a discussion paper on the IPO process. This paper suggests improvements to the way in which information is provided to investors during the Initial Public Offering (IPO) process. The IR Society will be responding to this consultation which closes in July. ■

Seven top tips for IR professionals

The role of the IR function in business is growing in importance and recognition – but as the job grows, it is important to hone your key skills and best practice. **Loren Dufton** offers a blueprint.

I've worked in the industry for 15 years and observed many changes in IR, from how the industry was once perceived, to what it is today. Having come from a corporate finance background to a specialised IR services company, I have seen the industry grow into a profession, with guidance and support from the IR Society.

Today the role of an IR specialist is taken far more seriously and is recognised as a position of significance by the board. Many companies appoint directors with IR experience and, now that it is seen to be best practice to develop a board's skills matrix, it is an obvious decision to make. IR truly has evolved!

Many of the clients I have worked with agree that with changes to the regulatory market, such as the introduction of MIFID II on the horizon, they require better controls in-house to keep up with the ever changing regulatory environment. The very best boards have strong diversity of knowledge, and a director with strategic IR experience can be a vital asset to the board.

Loren Dufton is head of IR client services at Capita.
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For a long time companies have looked toward their advisers for support with arranging road-shows, investor targeting, or raising capital. With decreasing resources in banks and brokers, many companies have noticed that they are not experiencing the same service they received in the past. As a result I have seen more companies looking to control their IR targeting in-house.

As more companies look to take control of their investor meetings in-house they are engaging external paid support to assist, independent of the broker and their relationships.

Many professionals are finding that the process of ensuing an investor is qualified is being overlooked, or is it that they know their business best? The IR specialist is immersed in the company's day to day activities, passionate about its values and strengths. Who is best placed to market the company?

I've met with approximately 400 companies, from small cap to FTSE350s in the space of four years. Every IR specialist's responsibilities and functions differ. However, ultimately their focus is to attract investment, service their current shareholders and engage and ensure participation in voting at the AGM.

Many also have oversight of a company's strategy.

> ‘ The very best boards have strong diversity of knowledge ’

ADDING VALUE

- **More companies are looking to take control of their investor meetings in-house.**
- **Investor research is the single most important use of an IR specialist's time.**
- **The industry is forever changing – embrace the changes and work with those around you.**

If you are an IR specialist looking to do things differently my seven key considerations are:

1 The advisors and their teams are still crucial.

Their experience and understanding of the markets is imperative to support you. Many brokers are adapting their investor relations advisory teams to offer better support.

2 Use a good customer relationship management (CRM) system and/or a global ownership platform.

This will allow you to access crucial potential investors' information. This includes portfolio overviews, information about fund flow into different sectors, current trend observations and seeing who's selling out and purchasing into the sector. Most importantly it allows you to be organised and to monitor how influential your meetings are as to whether that investor increased or decreased their interest in you.

3 Investor research is the single most important use of an IR specialist's time when a company is looking to expand its investor base.

Obviously it's vital to ascertain it's likely for there to be interest in your company, but it's also crucial to research the strength of this interest.

4 Respect your existing shareholders.
Engaging with your existing shareholder base in advance of any major new development is important in maintaining happy investors.

5 Remember your retail investors.
They can help balance your shareholder base and support liquidity.

6 Consider region specifics.
It's imperative to thoroughly investigate whether there are any cultural, political or religious issues that need to be taken into consideration in your desired region. Ensuring that you do your homework, especially in countries where political upheaval or cultural differences are likely to impact your investor strategy, will help avoid any embarrassment or offence and help to guarantee your efforts are worthwhile.

> 'Many companies have noticed that they are not experiencing the same service they received in the past'

7 Never believe that because your top 20 shareholders are consolidated that your share price isn't at risk or that your relationships with investors will not change.
There's always the possibility that an investment manager will change their investment strategy, or that they wish to make money on their long term interest through stock lending and in turn this could support shorting by other institutions looking for a better price.

In summary it is clear to see that the industry is forever changing. I would advise you to embrace the changes and work with those around you. Don't be afraid to look for support, hopefully we can make the right decisions together. ■

How to apply best practice in investor relations

In times of market volatility, it is even more important to get the fundamentals of IR right. **Abi Genis** summarises the key points.

Whilst market dynamics differ across the world, there are many aspects to investor relations which can be applied whatever your sector, location or size. To ensure best practice, it is important to remember the key goals of IR: first, to create the conditions for a fair valuation of the company's equity; second, to facilitate access to cost effective capita; and third, to develop a resilient shareholder base.

Two way dialogue

It's easier for people to see, and place value on, the outward facing role of IR – the corporate's voice to the investment community. But the inward-facing role is equally as important. A good IR professional should be providing management with a current understanding of market opinion. This two-way dialogue is crucial in ensuring that the market remains fully informed, and that the company delivers on market expectations.

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Investor targeting

A desktop analysis can provide a good starting point for investor targeting, allowing you to identify investors that are either underweight or overweight your stock. But targeting needs to go beyond this. Sourcing your own market intelligence on potential investors is fundamental and the sell-side analysts can be very valuable sources. An investor target list needs to be dynamic, continually being reviewed as market sentiment and your company evolves and grows.

So what is the role of IR in this? Firstly, we need to screen investor meeting requests. Too frequently we agree to meetings without doing enough due diligence – it is important to prioritise management time. A good investor relations professional should do the initial meeting with a potential investor, covering the higher level topics. A more focused follow-up should then be offered with senior management.

Communicating effectively

At the core of all good IR is 'Communicating effectively'. Your communication with the market needs to set realistic expectations, which your company then delivers. Credibility is key. It is always good to 'Under promise and over deliver', but whilst the market doesn't like negative surprises, it also doesn't like big surprises on the upside – it makes the market feels misinformed which can impact credibility.

So what does good IR look like?

Excellence in IR is about knowledge, accessibility, transparency and consistency. Be an expert – not only on your company, but also the industry. Be accessible and be responsive. Developing the best possible relationships with your sell side analysts and key investors is fundamental to success. Be transparent. You need to present your whole story – it is important to acknowledge issues that your company may be facing and to be on the front foot with bad news. Be consistent – investors take notes and will remember what was said at previous meetings. It is key that you maintain a record of all meetings – the attendees and key discussion points.

The key ingredients for a successful IR programme

Ensuring that analyst forecasts reflect all public information is fundamental. It is extremely difficult if market expectations move away from internal company forecasts because public information is not processed by the analysts effectively, and a profit warning as a result is very poor IR. Where possible, provide a good level of public guidance throughout the year. This gives the analysts clear parameters to work within, and you – some clear reference points.

The company's formal reporting forms the backbone of an IR programme, so how

BEST PRACTICE

- **Sourcing your own market intelligence on potential investors is fundamental.**
- **The market doesn't like surprises on the downside or upside.**
- **It's good to have a rolling programme that looks at least six months ahead.**
- **Ensuring best practice will give you real opportunities to create value.**

' Be consistent – investors take notes and will remember what was said at previous meetings '

> ‘ You can create an event to educate the market ’

can you get the most out of the results process?

Look at your results release and presentation and identify the key areas analysts are likely to focus on. Practice Q&A sessions are invaluable. Ask your advisers to come in the week before your results armed with difficult questions, and arrange a rehearsal of your results presentation a couple of days in advance, to give enough time to make any changes. On the morning of the results, put calls in to the sell-side analysts as soon as the release is out. It gives you a chance to highlight the key points.

Looking at the IR programme more generally, it’s good to have a rolling programme that looks at least six months ahead. If you can – do equity sales desks briefings. They are a very effective way of reaching many people through a single meeting.

Developing established relationships with your key investors takes work, but find a reason to reach out to them on an on-going basis. Formal roadshows provide a key platform for investor targeting. IR should take a lead role in bringing these meetings together, ensuring that they match your target lists. Investor conferences are a good way of covering a lot of ground in one location, but it needs to be relevant.

A perception study of the sell-side and buy-side is a good way of getting more formal feedback. It helps to identify areas where analysts and investors have gaps in their knowledge. You can then create an event to educate the market – this could take the form of a more informal ‘teach in’, a site visit, or a full blown capital markets day.

Real value

For IR to deliver real value we need to be pro-active, to be an expert and to ensure good market communication. A well-executed IR strategy will access investors and capital, and will enable the market to make an informed judgement on your company – leading to a fair valuation of your stock. Ensuring best practice across your investor relations programme will give you real opportunities to create value. ■

Foreign companies and competition for capital

The opportunities and challenges of raising capital in Western markets are finely balanced, as **Jonathan Passmore** describes.

> **FOREIGN COMPANIES**
> - **Corporate governance is under intense scrutiny today.**
> - **The better companies are improving everything, from websites to linguistic skills, roadshow documents and shareholder outreach programmes.**
> - **Changes in the investment industry in response to technology, the demands of investors and shifts in regulation require an appropriate shift in corporate attitudes and behaviours.**

Companies domiciled in foreign markets with listings in the UK and America, or plans for depositary receipt programmes are on a steep learning curve when it comes to understanding the needs and foibles of Western institutional investors.

Having learned the importance of comprehensive financial disclosure they are realising that, far from solving the investor relations riddle, there is much more to be done.

It’s fair to say, however, that the behavior ‘gap’ between foreign and domestic companies in Western markets has shrunk rapidly, as local companies confront a market environment that is increasingly demanding, intolerant and vocal. But the issues aren’t necessarily the same.

Interestingly, ‘Say-on-Pay’ is less of an issue in the more conservative Asian markets where the prestige of leading a company or the value of controlling stakes make executive compensation less divisive. Time will tell, of course.

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But the general topic of corporate governance is under intense scrutiny today, as companies and, more significantly governments and their agencies work harder to bring their corporate identities up to scratch. Some of the crucial topics under consideration today include independent directors, communications, and proxy voting.

For example, many Asian companies, like less progressive Western institutions, have boards populated with former company executives – hardly a forum for forthright discussion and rigorous analysis and the more progressive companies know it. The temptation is to appoint a couple of ‘independent’, external directors, usually academics or retired executives from well-known firms.

Credentials

While a step in the right direction from a credentials perspective, having only 15% to 20% of a board willing and enabled to challenge management policy is inadequate. More needs to be done and regulatory bodies such as METI in Japan, which is actively engaged in encouraging higher corporate governance standards across the country, recognize this problem and are using their considerable influence to effect more change.

Hard work is also being done to improve communications, long a difficult area for companies unfamiliar with the demands of aggressive shareholders. The more enlightened companies that seek core investors overseas are responding to the challenges posed by differences in language, culture and regulation, taking important steps to modify their approach. These companies, like many of their Western counterparts, are sensing how institutional investors are increasingly choosy in their stock selection, and that if they want reliable, long-term shareholders, they have to raise their game.

The topic of communication is broad and deep and the better companies are improving everything, from websites to linguistic skills, roadshow documents and shareholder outreach programmes. One area of special attention is the annual meeting, which in Japan, for example tends to fall on the same day, for everyone. That's right, hundreds of companies holding their AGMs on the same day – quite a challenge for an increasingly engaged and demanding investor.

Relationships

Beyond a historic background of shareholder passivity, Asian companies are increasingly aware that strong shareholder relationships can provide more than capital and safe votes. The furore over executive compensation in the UK this AGM season is being watched very carefully, for what it says

> ‘ Alignment of interests is a core principle of capitalism ’

about corporate behaviour, board responsibilities and potential shareholder activism.

Alignment of interests is a core principle of capitalism and it is fascinating to observe how traditional alignments have shifted over the last two or three decades.

In his excellent book *Fixing the Game: Bubbles, Crashes and what Capitalism can learn from the NFL* (Harvard Business Review Press), author Roger L Martin illustrated how a major US company ranked its constituents in order of importance. The company believed that its responsibilities were: to its customers; its employees; the communities it served; and fourth, shareholders. He goes on to point out how those alignments have shifted over the last 20 years with the shareholder, at some companies, ranking first. That change has been prompted by increased engagement by shareholders in pursuit of value-add policies that have driven share prices higher, but sometimes at the expense of long-term progress. Compensation packages dominated by RSUs and stock options have encouraged that alignment of interest between the executive suite and the shareholder.

How curious then that this relatively recent arrangement has shifted again, if we consider recent protests against pay awards at several major UK companies. Massive compensation packages, seemingly regardless of company performance, are moving two major constituencies out of alignment. And when employees and the communities in which they live and work are disrupted too, the attention on this new misalignment is greater still.

Regardless of how Say-on-Pay disputes are resolved, companies in Asia and the West must guard against a more significant breach in the relationship with their shareholders. Changes in the investment industry in response to technology, the demands of investors and shifts in regulation require an appropriate shift in corporate attitudes and behaviours.

Asian companies are increasingly keen to tap into the massive amount of investment capital available in the Western markets and, as we have seen in the industrial sector, are very fast learners. ■

CIR PASSES – March 2016 to June 2016

The Society congratulates the following candidates who passed the CIR from March 2016 to June 2016

CIR March 2016
Stacey Renny – Bridgepoint

CIR April 2016
Frederica Bendit – Maitland
Jamie Cameron – Independent
Mark Foley – Subsea 7
Wilton Fry – Independent
Ilene Hardy – Obtala Resources
Iwona Hugiel – Dealogic
Mariusz Jamka – SAB Miller
Sabrina Marsh – Tulchan Group
Mads Neumann – Maitland
Imran Raja – Dealogic
Anna Romelashvili – TBC Bank Georgia
Polyxeni Triantafyllou – Attica Bank

ICIR – IRPAS April 2016
Maximilian Richard Duclos Hains
Au Chee Meng Jackson
Tan Sze Ern Lynette
Nur Amira Sadiran
Adwin Low Jia Ying

CIR – Hong Kong April 2016
Ng, Ho
Ho, Rosenna
Cheung Wai Sze, Celia
Jack Chi Young Wong
Ho Wai Yuk, Angel

ICIR April 2016
Aleksandra Smeda – Capita Asset Services Poland

ICIR – MEIRS April 2016
Wassim El Hayek
Fedor Klimkin
Grace Wittenberg
Natassia Young

ICIR – MEIRS May 2016
Basma Al Mehairi
Sana Sabra
Christopher Wilson

ICIR – IRPAS May 2016
Joyce Koh Jia Chen
Unice Liu Dingying
Liang Huihui
Lee Lit Hun
Syahrial Mukhtar
Simone Utermarck
Aditya Wira Santika
Tran Chi Son
Tara Wong

ICIR – IRPAS June 2016
Emilie Rapley Mills

Inspiration from within: what IR can learn from careers

The careers content of a corporate website is highly relevant to the IR function, so don't miss a trick. **Simon Gittings** explains how to engage best with your investor audience.

The careers section is often the most visited section of a corporate website. Depending on the type of company and its recruitment requirements, careers visitors could account for more than 80% of all web traffic. For a company that might otherwise be spending heavily on expensive advertising or agency fees, having an effective careers website that helps attract and self-select the best candidates can be directly linked to saving thousands if not hundreds of thousands of pounds.

For this reason, the careers sections of company websites are often more engaging than other parts of the website, not just because of the different type of visitor need, but also because of the size of the budget. So, what can you learn from the careers section that could be applied to your investor content?

Simon Gittings is creative director at Investis.

Adopt a personal focus

For success in engaging potential candidates, careers content needs to be structured the same way that applicants rate their priorities, putting the individual before wider considerations: "It's not talking about an amorphous global entity, it's talking about the company in the context of the country they would work in and the businesses they would work in".

The same approach should be adopted within investor relations by exposing more relevant and engaging content to the different types of visitor such as institutional and retail investors, and financial journalists.

We know that press releases and results drive investor traffic, so why not also present the great content created for your annual report to this audience? Think about what pages are most popular and then consider how extra content can add context. For instance, what does the completion of that new partnership or project actually mean? Where are those operations and what is the competitive landscape actually like?

Engaging content

The window of time to gain the attention of potential applicants is slim so there's no space for excessive text, complex navigation or uninspiring imagery. If your site has poor navigation or signposting, or lengthy, overly verbose text, the chances are they won't stay on it long. The same is true for your investor audiences; they are time poor and need a simple user experience but with access to a better quality of content, in formats that help them consume information easily, such as video, graphics and concise copy.

Humanising the corporation

Companies often say that their staff are a major asset: people buy in to other people. Introducing applicants to the people within the business – and more specifically the people who are relevant to the role – can really influence them. The same is true for your investor audience. We know that they want more access to senior management, so continue with video webcasts and interviews, but also consider introducing other people in influential roles – perhaps people delivering key projects or organisational transformation. Investors want to know that there are great, inspiring people within the business, so why not use video to deliver the same type of user experience.

Create shareable content

Social networks are a vital part of a recruitment strategy. Careers content and job vacancies are widely shared not just by applicants finding and sharing, but through existing staff promoting roles. If good content is created, it will be shared, so think about your content in shareable

Continued on page 20

BEST PRACTICE

- **Having an effective careers website that helps attract the best candidates can be directly linked to savings.**
- **Likewise in IR, relevant and engaging content should be exposed to institutional and retail investors.**
- **Simple measures like having unique and shortened URLs and including social share buttons will help.**

> 'Think about what pages are most popular and then consider how extra content can add context'

formats and optimised for mobile, which now accounts for around 25% of all corporate website traffic.

Square format photography for mobile viewing, short videos with text overlaid, and infographics can all help you tell a better investor story. In addition, simple measures like having unique and shortened URLs for key content and including social share buttons will help your content travel further.

Meeting expectations

A good careers site not only attracts candidates but explains the realities of the role they're applying for. Companies can find themselves spending months recruiting staff, only for them to leave within the first few weeks because either the role has not been explained correctly or the environment is not as expected. The similarity with investor relations here is in telling a better story.

Include a greater depth of content around your business model, your strategy and market context to ensure that your investor audience is more informed, and that news and events are considered in a much broader context, allowing for balanced decision making. This content is almost certainly in your annual report – pull it out, re-work it and use graphics, interactive features and video to ensure your audiences are completely in the picture about your company.

The gauge of success of a careers section could arguably be having "the right people applying for the right jobs". The same is also true of investors – you have to work hard to attract the best investors and you invariably want them to remain as investors for a suitable period of time.

Using web tools (such as Investis' Audience Insight), you can measure the impact that your content has on your investor audience. See which investors are on your website and what they are looking at, so you can enhance your content and put a plan in place for continuous improvement. Measuring ROI for digital investor relations is now a reality. ■

> ‘ Social networks are a vital part of a recruitment strategy ’

The CIR – is it an option or a 'must'?

For those who have not yet taken the CIR exam, **Alexandre Bykov** explains why it is valuable.

Many of us come to a crossroads in our careers when we are faced with the question – what next? There are two obvious choices: either change our line of work/employer or enhance our careers with a professional qualification.

Last time I faced this dilemma, my desire was to improve my knowledge of IR (I was already MBA educated, and had City work experience). The IR Society's Certificate in Investor Relations (CIR) was a great option which offered to cover many areas in addition to fundamental principles of IR.

Should you do it?

The IR Society answers many FAQs about the exam on its website, and I am happy to share my personal experience.

Was it time consuming to prepare for the exam?

The short answer is – no. I had a choice of either attending classes or studying at home in addition to mock exams online. I chose to do the self-study.

After procrastinating for nearly four months, I decided to embrace the study, and it took me only a week to read the study guide.

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alexandre.bykov@prnewswire.co.uk

Was the exam hard?

Again, the same short answer – no (providing you spend sufficient time preparing for the test). I should admit I did not pass the CIR exam at the first attempt. It was a valuable lesson as I had to spend more time studying the principles of investor relations; and it paid off - my second exam attempt scored a 75% mark.

I can give you a piece of advice – do as many mock tests online as possible; also, if you have time and extra cash – attend the classes.

Was it beneficial?

It was indeed. It helped me to systemize my knowledge of capital markets in relation to IR as well as earning a valuable industry benchmark which has helped me with my career. Moreover, it encouraged me to go the extra mile – I set up a Digital IR community on LinkedIn and developed an online magazine, www.evolvingIR.com.

Gain professional skills

Professional qualifications are becoming increasingly popular in a wide range of industry sectors – not least IR – because they not only help to equip people with industry-specific skills but can also demonstrate a commitment to training and career development. In today's super-competitive employment arena, the professional qualification can help you to stand out from the competition and give you an edge when applying for that new job or internal promotion.

The CIR will help you to reach a wide range of objectives:

- know the main regulations and compliance;
- learn more about capital markets; and
- be familiar with the fundamentals of accounting, ratios, valuation and investment analysis

I strongly recommend the CIR as it will enable you to gain professional skills to improve performance and as a result improve your earning potential. ■

For more on the CIR, see page 58

The ABCD of IR

Diversity in the boardroom is an increasingly crucial issue for quoted companies, as **Gillian Karran-Cumberlege** and **Emily Baker** report.

The IR Society annual conference dealt with 'Access, Board, Careers: An ABC of IR'. Continuing this theme, is the D of IR 'Diversity'? Certainly the conference demonstrated the breadth of skills and attributes required to succeed in IR. Just as diversity has become a key theme in the board room, we argue it should also be on the agenda of IR professionals.

Diversity

Quoted boards are under scrutiny to diversify and across Europe there are regulations and targets in place to promote gender diversity in particular. These range from binding quotas underpinned by legislation, for example in Germany and France, to voluntary targets such as those set by the UK Davies Report.

Beyond the obvious arguments of fairness, it is pleasing to see the business case being made for diversity. It is now generally accepted that diverse groups make better decisions; importantly there is also an increasing body of research, for example from Credit Suisse[1] and McKinsey[2], demonstrating that companies with diverse boards outperform.

At board level we have seen progress. In 2015 FTSE 100 boards met the original Davies Report target of 25% female representation; a new target of 33% female representation for FTSE 350 boards rooms has been set for 2020. The new targets also focus on improving female representation at the executive layer where the picture is much less rosy. Currently female executive director representation stands at 9.7%[3] in the FTSE 100; this statistic has proved particularly stubborn.

Why diversity matters for IR?

Just as diversity matters in the board room, it matters for IR. Shareholders care increasingly about the composition of the board and of employees; for example in this year's AGM season L&G voted against four boards because they were insufficiently diverse and not taking steps to amend this[4]. If diversity matters to shareholders, it should also matter to IR directors.

Fidelio's IR executive search practice is constantly analysing what makes a world class IR function. Our research tells us that diversity is a key component. IR has a vital role to play in establishing trust between management and investors and thereby contributing to valuation. The skills required to achieve this are multi-faceted: a high degree of financial literacy along with valuation skills; a strong communications capability, both written and verbal; the ability to influence; a strong grasp of the regulatory framework; mature judgement and the courage to speak truth to power.

While an individual IR officer cannot possibly embrace all these skills to such a high level, the reality is that at different points in the IR life cycle all these attributes will be needed. The IR officer who succeeds will be the one who has the flexibility of personality and skills to meet the challenge. Equally an IR team will be greatly more effective if different skills, experiences and profiles are represented. The head of IR has a clear mandate for diversity.

A second reason why diversity matters is that IR directors absolutely should be part of the senior executive pipeline. The complexity of the role and the insight it provides into shareholder thinking are of clear relevance for the board room. Yet relatively few IROs are making that step. Fidelio is of the firm opinion that IROs who champion diversity and also work hard to broaden and diversify their own skill sets and experience will be much better candidates for future board roles.

IR's diversity score card

You may well argue that IR of all professions has a number of very successful women in leadership roles. And the author of this article certainly felt it was very possible for women to succeed at the top of large global IR teams, including in sectors such as an engineering. But Fidelio's research suggests as you dig deeper the statistics are not as clear cut. 36% of FTSE 100 IR heads are female and if we look at the FTSE 20 this falls to 25%. The figures at parallel organisations in the DAX are lower still. If we look across the larger teams we also see a disproportionate number of women in assistant roles rather than senior IR directors or deputy head of IR roles.

Fidelio certainly takes building a diverse pipeline to the board room very seriously. This is the thinking behind Fidelio's A Seat at the Table Programme which supports talented female executives to succeed to the board room table and at the board room table. Similarly we urge the IR profession to take active measures to promote greater diversity of gender, ethnicity, age and experience. This is the responsibility as much of the individual IRO, as of the industry bodies like the IR Society, NIRI and DIRK.

So perhaps next year's IR Society conference will extend to ABC and D and also provide a clear progress report on the IR diversity score card.

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1 "Gender Diversity and the Impact on Corporate Performance" Credit Suisse, 31 July 2012
2 Women Matter 2013 - Gender diversity in top management McKinsey, November 2013
3 www.boardsforum.co.uk/boardwatch.html - 13 May 2016
4 LGIM Annual Report Summary 2015

THE INVESTOR RELATIONS SOCIETY, 30TH ANNUAL CONFERENCE

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A 26-page report on the June 21 conference, held at Kings Place, London

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... and to the conference reporters, who are credited at the end of each piece – as well as Matt Fowler, our excellent **photographer**.

CONFERENCE 2016

A special feature with session reports and photos from the event.

Sue Scholes.

Evan Davis.

A lively conference before the Brexit storm

The 30th IR Society annual conference took place in the elegant surroundings of Kings Place, London, on 21 June, when 350 IR and finance professionals heard a range of expert speakers discuss a number of key topics based on the conference title 'Access, Board, Careers: an ABC of IR'.

The sessions were well-attended throughout the day and featured keynote interviews with the leading economist Professor John Kay (at the start) and Dixons Carphone's chief executive Sebastian James (at the close).

The Society's chair Sue Scholes opened the day's events by welcoming the attendees, explaining that this was the last conference she would attend as chair, having completed a two-year spell in the role. She thanked the sponsors, the conference committee and all those who were attending, before introducing the conference moderator Evan Davis, the well-known BBC journalist and presenter of Newsnight.

Davis was a familiar face to the conference audience having been the moderator for several years in succession. He started by mentioning the important background to the day's proceedings, the impending Brexit vote which would be held two days later, with many implications for the City and financial markets. He called for a show of hands from the audience on who would be voting 'in' or 'out' – the 'in' hands were in an overwhelming majority, while only four hands went up for 'out'. As we now know, those four turned out to be the winners.

During the day, there were breakout sessions at which more specialist topics were debated, and a series of plenary sessions where core topics like career planning, institutional investor feedback, regulation and corporate access were discussed by speakers from a range of disciplines. There was also a light-hearted 'panel game show' complete with off-stage noises and a steady stream of witticisms.

There was much to learn and to enjoy – and the day finished with a drinks party in the Kings Place gallery. Altogether, it was a very successful conference – and good preparation for the political upheaval that was to occur only two days later!

The quiet revolution in equity markets

The conference moderator Evan Davis introduced to the packed hall the first speaker and interviewee **Professor John Kay**, who gave a thought-provoking address about the securities markets and IR.

Professor John Kay began the first full session of the conference by outlining the changes that have taken place in the structure and purpose of the stock markets. Originally, stock exchanges grew by offering the means for companies and entrepreneurs to raise capital to invest in new projects needing plant, machinery and bricks-and-mortar assets. The finance was largely provided by wealthy and middle-class individuals investing their own capital in joint stock companies through the exchanges. "This was a model developed successfully in the 19th century in an industrial landscape," he said. "But that was then, and now it is not really like that at all."

Kay said that the largest companies in the world in the 21st century are essentially knowledge businesses and are not capital-intensive, giving as examples Apple and Alphabet (better known as Google), whose market capitalisation vastly exceeds their assets. At the same time, the fund management industry has grown enormously so that it handles the vast bulk of the savings of individuals. For personal savers, the dominant channels are the large asset managers, such as BlackRock, Vanguard and Fidelity, whose skills lie mainly in managing funds invested in a range of securities in the many secondary markets around the world. As a result, the use of stock markets as a means to raise new capital for business has declined sharply. "For the last two decades, net issuance of equity on the London stock market has been negative," Kay pointed out.

> There has been a change in the nature of the relationship between business and investors

The technique of an initial public offering (IPO) on the stock market is no longer attractive, due partly to the increased 'burden' of regulation for listed companies and partly because most businesses are longer capital-intensive. Many companies now proclaim that 'people are our greatest asset', and that is indeed true, according to Kay.

"These developments mean that there has been a change in the nature of the relationship between business and investors," he said. It is no longer necessary for a growing company to achieve a listing.

This has led to a different role for fund managers, who may only be needed to fund the early stages of development of a company. This may not lead to the stock market at all.

Rethinking

The consequences of these changes are profound, Kay argued. "We need to start asking whether the era of public markets as a means of financing business is coming to an end. We may need to rethink assumptions about the way capital markets operate when they are being used not to raise capital but to maintain corporate abilities that already exist."

Kay noted a number of issues which may help to redefine the shape of London equity markets. For example, he believed that the trend for asset managers to develop a more concentrated approach to investment in particular sectors and countries would continue.

He also said there should be further debate about the use of different share classes by companies' capital structures. In London, there had traditionally been resistance by investment institutions to the use of such structures. However he said that it was understandable that founders of businesses might want to keep control of their businesses as they grew. "As we have seen some success with these multi-class share structures in the US, we should have a debate about whether attitudes to them should change here."

Kay believed that there should be debate about the efficiency of insider trading laws, and also about the differences between public equity and private equity. "Many of our financial institutions are derived from a world very different from the one we live and work in now," Kay said. "The relationship between finance and business needs to change". He said that IR professionals, who are at the heart of that relationship, will play an important role in these changes.

Keynote interview

Evan Davis talks to Professor John Kay about economics, markets, the City and more

Professor John Kay is an economist whose career has spanned the academic world, business and public affairs. Currently he is visiting Professor of Economics at the London School of Economics, and a Fellow of St John's College, Oxford. He is a Fellow of the British Academy and of the Royal Society of Edinburgh. He is a director of several public companies and contributes a weekly column to the *Financial Times*.

‘Regulation has been more a part of the problem than the solution’

Kay was warmly applauded for his address and then took questions both from Evan Davis and from audience members.

In answer to questions, he said that he believed the principal changes needed to be made among the investment instutions, rather than within the corporate sector. “Many asset managers would like to be doing a rather different job,” he said.

Responding to a question about institutions and their relationship to sell-side activities, including research, he thought that “the growth of intermediaries, many duplicating their own operations and expenses, are not helpful to investors.” He believed that this led to too much of a focus on short-term activity, rather than on the interests of long-term savers.

Rigorous

Asked about regulation in the equity markets, Kay said “regulation has been more a part of the problem than the solution, and a rethink is needed”. There should be more of a focus on the structure of the securities industry and on the rules. “We need more rigorous fraud legislation and less emphasis on making rules.”

Kay replied to a question about institutional investment in the smaller companies sector. He said that generally, there should be a sharper distinction between active and passive investing – “I would like to see a more concentrated philosophy of investing by institutions.”

Finally, he was asked about recent controversies over remuneration packages for company executives. He believed that various lessons needed to be learnt, as too often executives seemed to be rewarded for failure as well as being incentivised for success. “The irony is that share-based incentives were introduced to align the interests of management and investors, but they are now the main source of friction between them!”

Reporting by Silverdart Publishing.

Investor relations: the 'front of house' role

The first plenary session of the day featured a lively debate among four experienced corporate and IR professionals, moderated by Evan Davis, about the role of IR in business.

Plenary session
Access, Board, Careers: an ABC of IR

Moderator: Evan Davis
Speakers:
- Phil Cowdy, head of corporate affairs & strategic planning and IT, Smith & Nephew
- Amanda Mellor, group secretary and head of corporate governance, Marks and Spencer Group
- Rupert Taylor Rea, IR director, RSA Insurance Group
- Mav Wynn, ex-head of IR and brand communications, SuperGroup

(Clockwise) Mav Wynn, Rupert Taylor Rea, Phil Cowdy, and Amanda Mellor.

Setting the scene for the conference, this session focused on building a career in IR. By sharing their stories, the speakers highlighted the skills, experience and technical expertise they have developed and the crucial professional relationships they have fostered with their boards, the buy- and sell-side and with their peers.

Evan Davis started the session by asking the panel if their route into IR was planned. Three of the panelists 'fell' into IR from backgrounds in finance or banking. Phil Cowdy actively sought the role IR at Smith & Nephew as he felt it was a good route into a company from corporate broking.

The panel felt that IR is a front of house role that requires financial skill with a strong knowledge of the business. You need to be curious, a self-starter with a good internal network as IR has to pull parts of the company together that may be operating in silos. You need good people skills to win their trust and be a problem solver.

Access to the C-suite is critical for IR's credibility with investors and analysts. You don't need to be a member of the senior team as IR does not need to be a party to all the discussions on governance, audit and succession but you do need access. You have to create your own opportunities, network like crazy so everyone in the business knows you. Many employees have shares so they are interested in what you do so offer to talk at team meetings. In very large organisations use your external contacts to help with your internal networking. Even your desk location is important so try to sit outside CEO/CFO/chairman office.

Relaying information

To be taken seriously you must show that IR is more than just a mouthpiece and you are genuinely interested in the business. When you are in the car with the CEO/CFO talk about the business, markets, competitors and the sector. Put your hand up for other opportunities and responsibilities. Email CEO/CFO with interesting information and a quarterly review – but don't bombard them. A real value add of IR is feeding information and ideas back into the company particularly on peers' disclosure. This is useful both as a benchmark of transparency but also the details help inform and shape strategy.

When joining a new company to build the IR function your induction process should include meeting as many people from across the business as possible. Make as many contacts as you can – both internally and externally – while they know you don't know anything as this gives you a great opportunity to listen.

> Have a clear 100-day plan to develop an IR strategy for the next 18 months

Have a clear 100-day plan to develop an IR strategy for the next 18 months signed off by CEO and CFO. Be clear on what you will and won't do in IR. Manage expectations so they don't assume you will hold a capital markets day within two weeks of joining!

IR is now a recognised career. Many companies also see it as a development role. For moving on you have to demonstrate you have the skills. Amanda Mellor recounted that as IR at M&S she had been given the right to around the business. When the role of company secretary became vacant the board thought she had the skills to 'give it a go'. She said that an IRO needs to be really nosy. But a company secretary needs to be super nosy. It is a technical role where she leads a team of 60 and her people and problem solving skills from IR were a great base.

Davis asked if IR is 'shaping' and not just 'connecting' should it be resourced better. If IR is part of a wider function, such as corporate communications, budgets can be flexed. Cowdy's budget priorities are first to have the right people, followed by a good CRM system and travel. Others said they fight for budgets to be maintained.

Be brave

To close the session the panel shared their top career tips. Mav Wynn said it is essential to have a clear IR plan and strategy supported by CEO/CFO stating what you will and won't do. Rupert Taylor Rea stressed the importance of internal network and encouraged IROs to spend time with divisional management. Cowdy encouraged IROs to be brave and put your hand up for additional responsibilities and roles. And Mellor advised IROs to actively think about your career and what skill sets you need to take you to next level. ■

Reporting by Diane Faulks.

Activism: the case of Rolls-Royce

How do you handle an active investor seeking to influence the company? This session discussed recent events at Rolls-Royce.

Break-out session 1
Working with activism

Moderator: John Dawson, director of IR, Rolls-Royce.
Speakers:
- Muir Paterson, COO of M&A shareholder advisory at Goldman Sachs
- Michael Henson, managing director, Sard Verbinnen & Co
- Jim Rossman, managing director and head of corporate preparedness at Lazard

This session provided a fascinating insight in to the events leading up to activist investor ValueAct gaining a seat on the board of Rolls-Royce Holdings earlier this year.

Dawson started by providing background to ValueAct's July 2015 announcement of a 5% shareholding in Rolls-Royce. The company had just appointed a new CEO who had to announce a profits warning on his second day in the role, after several under his predecessor who announced his retirement in April.

Reflecting why Rolls-Royce was targeted, Paterson commented that activists take a long time to consider investments and act when the risk balance skews in their favour. The new management team presented an opportunity for ValueAct to help shape the company's direction while the profits warnings meant many investors were prepared to sell, providing optimum levels of liquidity.

Rossman recommends management always consider who they are dealing with. The likes of ValueAct have very different modus operandi to someone like Carl Icahn, he suggested. During the initial period, it is critical to construct a solid communications strategy so everyone is aligned and no-one says anything they may later regret. He went on to recommend that management should be on the front foot and treat the activist with the same respect as any other shareholder.

From a media perspective Henson commented that ValueAct had been opportunistic, pouncing before the new CEO had a chance to set out his strategy. Lack of information in the market leads to speculation and IR teams should play a key role in managing this process – unfortunately for the company Dawson had himself only just arrived.

Regarding communications, Paterson noted that it is rare for an activist to buy without speaking to the existing largest investors. All companies should know what their shareholders really think, he added – "allow them the ability to provide blunt feedback therefore demonstrating that their interests are considered on the board". Rossman suggested that there is a widespread lack of appreciation on boards as to what shareholders really want, and that activists may know the shareholder base better than companies themselves.

Dawson mentioned that ValueAct's position had increased to 7% by October at which point they requested a seat on the board. Paterson recommends boards aim to contain dialogue privately at this point to understand the activist's ideas and identify any areas of consensus. Henson suggested that the wider shareholders would expect you to engage regardless of your initial feelings and to be careful to avoid being drawn into a "media spat" that could kill any chance of a good conclusion

During this period Rossman stressed that normal IR efforts should continue and in particular ensure that the Governance Teams at each investor are engaged with, since these people will play a critical role in determining the position of each investor. Additionally, stock ownership monitoring is essential, particularly to try and track the activities of event-driven hedge funds.

Dawson observed that a further profits warning in November effectively paved the

(L to R) John Dawson, Muir Paterson, Michael Henson, and Jim Rossman.

way for ValueAct's success. Paterson suggested that the majority of shareholders were questioning the reliability of the Rolls-Royce board. While Rossman conceded it was unfair not to give the CEO time to set out his plan, historic poor performance, a challenging environment and a new CEO created a perfect storm. In March 2016 Value Act Nominee Brad Singer was appointed to the board in a deal which the panel believed was a good outcome for Rolls-Royce, but nonetheless marked the first instance of an activist joining the board of a FTSE 100 company. ■

Reporting by Nick Dawson, Proxy Insight.

KEY SESSION TAKEAWAYS:

Jim Rossman
- Recognise that all shareholders are very different
- Shareholders are becoming much more engaged so Investor Relations is critical
- Concentrated share ownership means 10-12 can determine your future
- Index funds have a much larger influence

Muir Paterson
- Activism was seen as a US phenomenon - this is no longer the case
- Break down the walls and allow more board engagement
- Shareholders want to become more vocal

Michael Henson
- You cannot take shareholder support for granted

Your IR roadshow programme

Planning ahead is one key factor in a successful roadshow, but there are other crucial elements to this essential IR practice, as our panel noted.

Break-out session 2
An ABC of IR: Planning the perfect roadshow

Moderator: Charles King, IR director, Worldpay
Speakers:
- Jonathan Brown, managing director, head of corporate access and product marketing, Credit Suisse
- Debbie Holmes, IR manager, InterContinental Hotels Group
- Simon Young, formerly of Blackrock and Aviva

Teflon, powdered milk, and the value of a 'warts and all' approach were some of the topics touched upon in this session on 'Planning the perfect roadshow'. Since the panel consisted of a corporate broker, an IR manager and a fund manager, it was able to give valuable insights from all sides.

Fund manager Simon Young started by giving us an idea of the demand roadshows can make on time – during busy periods, a small cap fund manager might have six to seven meetings a day, with three to four for larger cap managers. For him, one of the biggest mistakes issuers can make in roadshows is to spend too long on preamble – teams should make sure they move to the meat of the meeting rapidly so that time can be spent in valuable discussions.

For Jonathan Brown, mistakes include ignoring hedge funds during a roadshow – they represent a 'huge pool' of capital and ignoring them 'can cause more suspicion than its worth' – and talking about the share price during a meeting as that's for 'the market to decide'. And make sure you watch body language – if the fund manager indicates they want to move straight to Q&A, that's what you do.

> ‘ If a broker has executed a roadshow well, go with it again – regardless of its recommendation on your stock ’

We all know that good projects are built on strong foundations – and roadshows are no exception. There was a lot of debate on how best to prepare, with tips including:

- plan ahead – Debbie Holmes pencils in diary time with the CEO/CFO one to two years ahead, which is essential for capturing their time;
- briefing notes covering previous interactions with the institution and other pertinent information. A one-pager is best for the time-pressed CEO and CFO. Including client photos can be useful too (for when meetings and people seem to blend into one!);
- focus on giving the client what they want by finding out as much as you can beforehand, including preparing answers for questions sent in advance. This tip led to an interesting discussion later, on the value of seeing how management responds to unexpected or negative questions – this is when they need to be ‘like Teflon’;
- use your corporate broker to help decide the best institutions for your company to visit at that stage of its cycle; and
- if a broker has executed a roadshow well, go with it again – regardless of its recommendation on your stock.

The unvarnished truth

Timing and the dream team were other areas in which the panel had views and the audience had questions. Ideas here included having roadshows outside of the traditional results treadmill, so there’s no temptation to use the results as a ‘sop’ to shy away from discussions on longer-term issues.

On the thorny issue of accommodating all meeting requests, there was agreement that while you had to be clear on your priorities, everyone is important. Small lunches/breakfasts during results roadshows (or meeting at conferences) can be great for non-holders, small institutions and hedge funds.

The panel recognised that while clients often wanted to see the CEO on their own or with the CFO, there was value in other approaches. For example, a CFO may highlight different angles in the absence of a dominant CEO, and an alternative member of the executive team may be able to offer operational understanding, ‘especially if associated with new products and initiatives’. This also shows the breadth of management, great for insight into succession planning. Simon Young pleaded not to make them ‘uberpolished’ – ‘warts and all’ can show the depth of corporate culture.

Also discussed were whether to do debt and equity IR meetings together (no, for reasons of different locations, conflicts of interest) and whether sales people/analysts should sit in on meetings (good for IR-led meetings or if they have a great relationship with the client).

So how does powdered milk fit in here? A tale from Young shows that there’s more to a book than its cover. Visiting a US company, he met the CFO (who was also the IRO, treasurer, you name it) and was served an unpleasant cup of coffee complete with powdered milk. The result? A great meeting, all questions answered, and a 47% return on his investment. ■

Reporting by Emma Palmer Foster, EJ Palmer Consulting.

(L to R) Jonathan Brown, Debbie Holmes, Charles King, and Simon Young.

The increasing importance of governance issues

Corporate governance has become a major focus for IR professionals, as the need to get these matters right has grown sharply in recent times. This session explored the issues.

Break-out session 3
Governance goes prime time

Moderator: Peter Swabey, policy & research director, ICSA
Speakers:
- David Patt, senior analyst, corporate governance and public policy, Legal & General Investment Management
- Mark Simms, CEO, CMi2i
- Blake Stephenson, head of business development, governance - corporate solutions, Nasdaq
- Kimberley Stewart, formerly vice president, investor relations, Technip

Peter Swabey introduced the session and started with the question to the panel: "what are the key issues coming up?" Blake kicked off the discussion with three buckets for themes: accountability, transparency, and engagement. Mark Simms agreed with these themes and added that their research showed feedback from institutions focused on the need for further engagement. He raised the issue of the disconnect between the company and the corporate governance expert at institutions.

The institutions want to talk about strategy (sustainability of the company), and cyber security (very high on the agenda, but being poorly dealt with at the moment).

Kimberly Stewart discussed the need for companies to be more proactive with meetings.

David Patt discussed how important it was for institutions to be able to fully understand the decision making process at board level. They are looking to hold companies to account for their board decision making.

Stewart had found at Technip that roadshows were not always necessary, need to have something new to say to make them worthwhile. If institutions do turn down meeting requests, the company can often take this as a good sign! Investors have time constraints and will prioritise meetings with companies they have issues to discuss.

Patt agreed that he would be more likely to want to talk to a company if they have a specific issue to address and also stressed the severe time constraints the institutions are often under to fit in meetings.

In response to Blake Stephenson's question as to who typically contacted him from the company, Patt said it was usually the company secretary, but can be IR. Patt suggested that joining up the company secretariat and IR is very important. Governance should be related to strategy and so needed IR input to give a cohesive story. He also discussed how it raised a red flag for institutions if the stories from the executive board and from the supervisory board are not aligned.

Early engagement

Simms then asked Patt for any advice he has as to who is the right person for the company to speak to at the institution.

This can vary in different institutions, so hard to give a general answer. L&G do give guidance to new companies and tell them what the institution will expect from the relationship with the company.

Simms discussed his firm's role in advising both sides, explaining company position to investors over contentious issues. The key is early engagement to gauge support for the company's position.

The panel then took questions from the audience. The first question was whether investors engage enough with smaller cap companies?

Patt's response was to stress again how time-constrained the investors are as not sufficiently resourced to cover the number of meetings they would like. He recommended to companies that if they think a vote is going against them, they should make an announcement to explain

> ‘ Governance should be related to strategy and so needed IR input to give a cohesive story ’

the issue and get their message out to investors.

The panel discussed the different perception that the company and the investors have as to what a 'large investor' is. The company focuses on the holding in their market cap. The investor focuses on the percentage of their portfolio which is held in the company.

Patt also gave advice on using the corporate governance expert in the institutions as a sounding board. A fund manager will listen to companies issues but can then respond in position. However, companies don't always listen to the advice of the governance expert! Engagement should be via whatever channel works for the company.

The next question from the audience was to ask for the panel's views on collective engagement.

The response was that a governance roadshow can be very useful when investors all have the same issue. Apparently 94% of investors will engage with other investors prior to the AGM.

> ‘Companies don't always listen to the advice of the governance expert!’

David felt that if the investor feels they are not getting through to the company, then collective engagement can help focus the company's mind!

The final question from the audience as to whether as cuts have meant that portfolio managers have been taking on corporate governance issues as part of their remit, will this be likely to reverse in the future and was it actually a good thing that PMs had a wider remit?

Peter wound up the session by asking the panel to give the one single thing they would advise companies to do:

- Stephenson suggested coordination on the corporate side between IR/COSec/risk management teams;
- Simms suggested they get a better understanding of shareholders, clarity as to what they want;
- Stewart suggested internal processes on resolutions etc and getting good market feedback; and
- Patt suggested that investors view on a good IR team is that they: know their company really well, respond to queries and understand issues around queries, and get to know the investors.

Reporting by Deborah Morton-Dare, Faculty-One.

(L to R) Peter Swabey, David Pratt, Kimberley Stewart, Mark Simms, and Blake Stephenson.

Seeking consensus on the consensus

Break-out session 4
Consensus management

Moderator: Alex Money, managing director, ACE Consensus.
Speakers:
- John Crosse, head of IR, Clydesdale Bank
- Bethany Hocking, director of IR, N Brown Group
- Geoff Lowery, partner, Redburn

This late morning breakout session shone much needed light on the difficult subject of consensus management.

By way of introduction, Dr Alex Money revealed that the panel had already agreed to disagree on consensus policy and it was therefore clear there was no 'consensus on consensus.' But why was this? Alex ventured some of the reasons. Should a company give guidance at all? If it does, should a company steer the sell side into a narrow band of forecasts which can then regularly be beaten to please investors? And who should gather this data – and how?

John Crosse explained that while fund managers clearly need sell-side forecasts for their investment research, problems for an IRO begin when one of those forecasts starts to diverge from a narrow range. Is it right for a company to engage with that analyst when every analyst should already have the same information?

Bethany Hocking disagreed. Her company had experienced wide ranging analyst forecasts and the level of divergence had become an issue. In response Bethany now had an effective process in place to gather data and produce a three year consensus forecast. For N. Brown Group she asks analysts for their forecast P&L, cash flow, US revenue and EBIT numbers. This data is then assimilated into a document showing the overall average as well as the maximum and minimum ends of the scale and it is then shared with the buy and sell-side ahead of each close period. Hocking added that sharing this information with the market was vital because of the inaccuracies that find their way into the aggregators numbers. Points to watch include differences in forex rates and the inclusion of potentially out of date forecasts. As well as helping N. Brown to manage forecasts better than before, the figures can now be used as a prop when discussing numbers with the buy-side.

Consistency is key

Geoff Lowery's view was that all companies should have a policy on consensus given how much of a touchstone it is at results time. The challenge is deciding how much a company should guide or steer the market, based on whether a business wants to be known for tight consensus management or not.

The watchword, Lowery said, was consistency. If a company starts to guide closely, then it should stick to that policy year on year. It should also be consistent about the numbers it focuses on. Any sudden shift, from for example EBIT to sales would be a warning sign to the market. In reference to the amount of data companies were asking for, Lowery made a plea against overloading the sell side. His own team follows 15 companies which on average request for eight sets of numbers a year, that being 120 times however many numbers were being asked for.

The next issue was knowing when to include or exclude an analyst based on whether they had provided updated numbers in answer to a request. The panel's view was that if an analyst does not submit to the latest set of numbers gathered, their old number should be excluded. This raised the question of what incentive there might be for the sell-side to submit their numbers. The panel's view was clear: the reward for analysts who input their numbers is to receive the aggregated numbers in return. But should the whole market see these numbers? To answer this a straw poll of the audience was taken which showed roughly one third posted the data on their corporate website.

Looking to the future, Money asked if consensus should be regulated. The panel was understandably concerned at the prospect of ever more legislation. However, Crosse ventured that given the absence of a best practice model for consensus management, regulation might help. He added that MiFID II is likely to affect aggregators like Bloomberg, making the task of consensus data gathering harder. This in turn will make it even more important for companies to gather their own data.

In conclusion, the panel agreed that each company should have a policy on whether and how it manages consensus and that policy should be consistent. Further, whenever analysts are guided, the conversation must not deviate from what has been said to other analysts. Lowery's advice was straightforward – analysts closely monitor the evolution of corporate language when guiding and inconsistencies will be remarked on.

Reporting by Fred Stone.

(L to R) Geoff Lowery, John Crosse, Bethany Hocking, and Alex Money.

Influencing people: a guide for IROs

Leadership expert **Mark Fritz** provides practical advice for IROs on how to influence those around you and maintain strong relationships.

Lunchtime session 1

IR and leadership: Expanding your influence

Mark Fritz is an international speaker and consultant focused on helping international business leaders to achieve even greater success in leading across distances and cultures.

Mark Fritz opened this practical session by stating that: "leadership equals influence and influence equals leadership". He went on to highlight three themes of the day's session, which were: mindset; motivators; and managing relationships.

Mindset

Fritz suggested that highly successful leaders focus on their influence on outcomes rather than activities. He said that all too many company meetings are about discussing something – which is an activity – rather than focusing on the outcome, which should be either an agreed action, agreed decision or alignment. He went on to say that when people know that you run the best meetings, you attract the best people – and when the best people attend, you get the best outcomes. But be warned – the reverse is also true!

Next, Fritz suggested that when trying to influence somebody, you must picture what is already in their head, and tailor your message to that picture (and maybe change that picture for greater influence) – you should see the world from their perspective. In terms of motivating people, the 'why?' is much more important than the 'how'… the people who only know 'who' will always be led by the people who know 'why'. He went on to say that the key to getting people to own an achievement is by adding the 'why' to all of your conversations. If people feel ownership – they will try and solve problems without bringing them back to you. Fritz reiterated this point with the question: "When did you last wash a rental car?"

In order to be world-class, you must enjoy 80-90% of what you do. Fritz reminded the audience that nobody needs to be motivated to do something they enjoy. They need to be motivated to do what they don't enjoy. He also suggested the importance of setting a good example for your team, and doing the non-enjoyable first – you will gain huge respect. To get people to do an their non-enjoyable tasks, Fritz suggested making the connected achievements visible – putting peoples reputations at risk if they don't deliver.

On the topic of micro-management, Fritz warned that it comes with a speed limit. The team can only operate at the speed which the leader can keep everything straight in their head, and tell their people what to do. The leader misses using the team's capacity.

Motivation

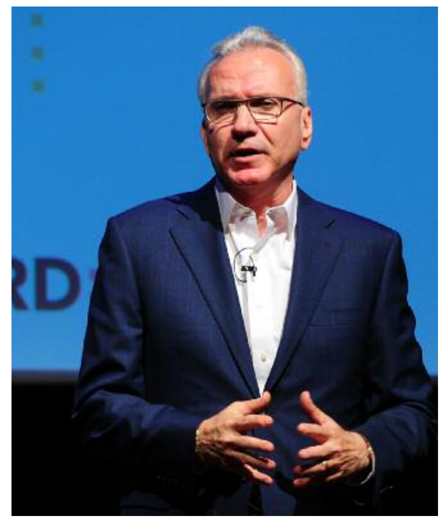
Fritz spoke about the role of money as a motivator. He suggested that money will always provide focus, but not necessarily motivation unless something is attached to it, for example, deciding ahead of time to spend this year's bonus on a new boat, and reminding yourself of the boat all the time.

He went on to look at the brain as a motivator, suggesting that only 2-4% of our habits and behaviours are driven by conscious thought – and that a dominant thought, with attached emotion will be the strongest form of self-motivation.

Fritz suggested that directing your influence at an emotional level, rather than intellectual level is much more likely to have a lasting effect. This can be done by addressing 'how?' and 'why?' questions, rather than 'what?' questions. He went on to highlight three areas to target when attempting to influence: relevance (why should they care about this), power (if they have no choice, they feel powerless), and ego (everyone likes to have their ego stroked!).

Managing relationships

Fritz stated that the key to maintaining good relationships is to know what is most important to the people around you – and to package your message to cater for them. The aim of communication is to get the other party to think in a certain way, feel a certain way and to do something – Fritz said that to build an emotional connection is the best way to accomplish this.



Mark Fritz.

He said to remember that 75% of people in the world think differently to you, and great communicators are consistently different in their delivery.

According to Fritz, stories and examples are extremely powerful. Psychologically people don't think they are being told to do something if they hear it in a story or example, so they don't feel annoyed with you, Fritz joked.

Next, Fritz provided a tip from a successful salesperson: "If the customer is talking, I'm winning". If you listen to somebody, you are showing them that they are valued – and when you get others talking something through, they begin to sell it to themselves!

The session concluded with Fritz asking attendees to do their own mini-reflection on what they take away from the session … on what they could do 'more of'; what they are already doing, but could give more focus – 'same as'; and lastly what they could do 'less of'. Remember, reflection is the opportunity to give yourself advice!

Reporting by John Thistlethwaite, Silverdart Publishing.

Can IR benefit from new regulation and technology?

Improvements in technology can enhance companies' ability to deal with regulatory and other market changes. This session looked at the latest developments.

With the regulatory environment in the UK and Europe experiencing significant structural change, how can new IR technology platforms take advantage and offer a complete IR solution? Will regulatory change positively impact IR in terms of budgets, resources and IR team sizes? These were some of the main questions tackled by the panel during this afternoon lunchtime session, moderated by Emma Burdett.

Throughout the session, Burdett touched on key themes which had emerged from the earlier plenary sessions, exploring how regulation can be seen to somewhat hinder change, whilst technology can significantly be used to improve daily interactions and engagement with investors. Charles Nelson, with 30 years of sell-side experience, set the scene by commenting on the difficult nature of the IR industry, where there is clearly a regulatory burden in the UK and Europe. Meetyl was set up three years ago in the US with a premise of introducing a better way of engaging with investors. It was highlighted by the panellists as showing the importance of creating a 'best fit' with investors, using 'a pure platform of technology' – a real enabler, that's private, direct and efficient – to reach out to different investors, broaden your investor base and enhance roadshows for new investors and new jurisdictions. Moreover, it's not just about increasing the number of investors, but ensuring you're seeing the right people, at the right place, as one panellist emphasised.

Looking at the future

Technology is therefore 'a real work-flow solution for IR,' and regulation is 'a catalyst for change to happen,' suggests Emma. But for smaller listed companies, with less in-house resources and who currently rely more on the services of the corporate brokers, it may be more difficult to access investors and information by other means, so they could be disadvantaged by the new regulatory framework. To this end, with some advances of regulation, Michael Chojnacki noted the challenge of ensuring companies are not being exploited; 'there are, inevitably, large gaps between countries,' says Chojnacki, however two recent trends in IR suggest that there is generally an increased appetite for global investment – particular in opening markets, including China, Saudi Arabia, and also large parts of Africa, who are keen to open up to foreign investment.

Lunchtime session 2

Embracing change: How IR can benefit from new regulation and technology

Moderator: Emma Burdett, partner, head of IR & governance, Maitland

Speakers:

- Michael Chojnacki, CEO, Closir
- Anna Clauser, head of product development, primary markets, London Stock Exchange Group
- Michael Hufton, managing director, ingage IR
- Charles Nelson, managing director, Meetyl

So how do the panel see the future? What cultural change will take place, and shape the IR profession? Technology will no doubt drive interactions, across high level areas. The panellists argued there will be a 'cost efficient' and 'less conflicted model' than we have today. Investors are beginning to think how they will outsource their technology efforts. How do we measure the effectiveness of these new functions, or how easily will one adapt to these new IR

(L to R) Emma Burdett, Anna Clauser, Michael Chojnacki, Charles Nelson and Michael Hufton.

‘ It’s essential to develop a service to make it easier to meet and talk with people ’

platforms, asked one member of the audience. Anna Clauser discussed the digitalisation of technology, coming into force in different ways, both indirectly and directly. She emphasised that as more people are travelling, and have limited time and opportunity to meet people, it’s essential to develop a service to make it easier to meet and talk with people. We use technology for a lot of things in our lives to make things easier. In IR, people/companies seem to be using the same tools, and it was explained that there are high value and flexible ways to use technology and manage the engagement process significantly better. Whilst the panel commented on the request for more ad-hoc meetings, a survey conducted by ingage IR highlighted that institutional investors stated it’s impossible to substitute physical investor engagement altogether with technology.

A catalyst for change

One panellist proposed that technology should co-exist across the broking channel. Burdett said that it’s about ‘finding the perfect storm’ – there’s not a one-size-fits-all solution for every company. There are notably different benefits and capabilities to suit different companies, and it will take some time for the industry to adapt and understand the benefits and new tools.

The finalisation of MiFID II will be a catalyst for change, though changes happening now in the industry will allow companies to take back control and reap the benefits of enhanced digital communications – not just across existing investors, but broadening their reach across wider investor communities, emerging markets and new jurisdictions. Perhaps it’s about realising the potential and grasping the opportunity technology has to offer; embrace the cultural change – and be one step ahead of your peers. ■

Reporting by Nicole Solomon, IR Society.

The FD’s view on investor relations

Many IROs report to their company’s finance director. So what do the FDs think of IR? This session explored the relationship.

Plenary session
IR as viewed from the C-Suite

Moderator: Evan Davis
Speakers:
- Chris Sweetland, deputy group finance director, WPP
- Paul Venables, group finance director, Hays

During this informal discussion, Chris Sweetland of WPP and Paul Venables of Hays shared their views on the importance of IR, the skill set for best practice IR and how the role has evolved.

Evan Davis started by asking what they see as the toughest challenges for IR. A variety of issues were discussed including competition commission/OFT reviews, AGM support and disclosure. Venables said that giving guidance in a business that has 3-5 weeks visibility is tough and IR needs to help investors see through the noise. Guidance needs to be accurate as your reputation is all you have. Both speakers agreed that the real value of IR is dealing with the difficult times.

Sweetland said it was important for companies to be aware of issues and have an agreed way to deal with these. IR is key in choosing the exact wording as the smallest difference can cause confusion. IR needs to make sure people internally are briefed as the CFO sits in a lot of meetings making decisions and needs accurate information. IR has to be close to management but cannot be party to all the board discussions that can be sensitive in a people business.

Hays is a bell weather stock but as a smaller company with less resources IR is actively involved in business reviews, M&A and projects. It is better for IR to hear from the business first hand. Venables knows the business and has a feeling of how the economy will impact business. IR knows the markets and how the different shareholders will react as they have discussions with a more diverse shareholder base. For results, the CFO and IR brainstorm the key themes into three main messages. As the nuance of words is so important for the market, IR needs to be good at writing all documents including report and accounts.

WPP has wider resources so IR is not so involved in strategy or M&A. If you come

(L to R) Chris Sweetland, Evan Davis and Paul Venables.

to IR with the skills that relate to financial management then you can progress. Background is very important and IR should know the institutions and market from another discipline. IR needs to know who to call.

On career development, Venables said he moves people every 3-4 years and he feels a failure if IR does not develop. Former IROs now hold roles such as UK finance director and European finance director. He looks for a strong work ethic and a desire to look beyond IR. IR has been a good route to bring talent into the firm, usually from investment banking, as IR needs to have an intuitive feel for the numbers and good judgment.

Avoiding short-termism

Evan referred to earlier sessions on changes in the capital markets and share register concentration. Both CFOs welcomed a more active engagement. Venables said that quarterly reporting which Hays has maintained, reduces risk of selective disclosure. Sweetland felt that too frequent reporting can be a distraction as it drives investor short-termism. He added that the US investors usually take larger positions which leads to longer-term dialogue but they do not forget smaller shareholders meeting them through forums such as the Investor Association.

> ‘ Both CFO’s thought that the IR role has evolved to react to the speed of transmission and dissemination of information ’

Beyond delivery of the day-to-day commitments IR is measured on investors getting answers to what they want to know Sweetland said: they are happy with IR meetings and don’t ask just to see management the next time. Venables judges IR on their credibility in the business and the effective use of his time. As CFO he spends 20-25% of his time on IR so this needs to be used well.

At WPP the board would not expect to have time with IR as Venables and Sweetland interacts with the chairman or remuneration committee. This does not mean that IR’s opinion is not valued as he and the CEO seek IR’s views on many things. Venables said that as Hays is a smaller company he encourages IR to take the board through the key messages and market reaction. Not only does it give the board another view but it also lets Venables see how IR acts in front of the board.

Both CFOs thought that the IR role has evolved to react to the speed of transmission and dissemination of information. Also as sell-side analysts’ remuneration has been cut the standard and breadth of research has reduced so IR becomes more important. Sweetland said the breadth of knowledge required by IR has increased as the business and the media sector is much more complex today. The basic skills required for IR have not changed but there is a higher level of engagement with the investment community as investors are under more pressure due to short-term focus. ■

Reporting by Diane Faulks.

The IR gameshow!

Never say we don't innovate! This year we presented a light-hearted panel show, based (loosely) on IR issues, but complete with repartee, offstage buzzers and bells and a wise-cracking host. It worked!

Interactive session
'Fudging Talk'

Moderator: Craig Marks, director of IR, AstraZeneca
Speakers:
- Sarah Heald, head of IR, Pennon Group
- Rupen Shah, PLC finance and IR director, Britvic
- Ramona Tipnis, director of IR, Mothercare
- Lyndsay Wright, director of IR, William Hill

Delivering your key messages in a memorable and interesting way is a perennial IR challenge. It's probably fair to say that not many of us have used a game show format – the approach adopted to considerable effect in this post-lunch panel.

Chaired in droll fashion by Craig Marks, 'Fudging Talk' awarded the panellists points (complete with sound effects) based on their answers to a range of IR questions.

Drawing on their experience across a range of sectors the panel gave the audience a light-hearted guide to IR success. Meeting tips included:

- always double check practicalities such as who's bringing the presentation materials (so that you and the broker don't turn up at an important meeting each thinking the other has got them);
- know your client (so they don't start the meeting stating they have no idea what your company does);
- keep the conversation away from politics, if you're wondering how to deal with aggressive or unengaged (aka asleep!) investors or a flagging management team;
- ask the investor directly if they are getting what they want from a meeting; and
- develop signals with your management team to indicate when it is the time for the IRO to speak or to change speaker – it can be easy for the CEO or CFO to lose focus in a gruelling roadshow.

The key to success is to learn what your executive team does best and how it likes to work, including the optimum number of meetings and how often food is required!

While the range of approaches to capturing meeting content ranged from the Luddite (pen and paper) to high-tech (typing into the CRM in the meeting), there was agreement that themes discussed and questions asked were the key outputs. One recommendation was keeping a list of corporate themes and ticking them off as they were covered during a meeting. A useful suggestion was to develop an IR Q&A top 20 to cover most pertinent current topics, as well as a Q&A 'bible' of all the questions ever asked.

Interaction with the equity sales force was a topic touched on in various ways at the conference, with this panel no exception. Approaches here ranged from the IRO briefing the sales force followed by a get-together with the management team over drinks, to a meeting first thing in the morning, which can be great preparation for a day of investor engagements. It was observed that the CEO and CFO often enjoy the opportunity to 'spark off' the sales team and answer a different set of questions – as well as the immediate amplification effect (if 10 sales people talk to 10 clients...). Investor targeting was another subject upon which the panel had some great insights. Tips included:

- comparison with the investor base of companies in different sectors but of similar value and geographical focus;
- intra-sector comparisons;
- analysis of which investors could take bigger stakes; and
- following fund managers, buy- and sell-side analysts as they move around your sector (one panel member recommended an analyst 'facebook' complete with photos to help the executive team with speedy recognition!).

As the session drew to a close, the competition for points in this enjoyable mock game show hotted up. Sarah Heald was declared the final winner... but it was a close run thing!

Reporting by Emma Palmer Foster, EJ Palmer Consulting.

(L to R) Sarah Heald, Lyndsay Wright, Craig Marks, Ramona Tipnis, and Rupen Shah.

Fund managers and IR: views from the buy-side

IROs work hard to present their companies to the best investment institutions – but what do those vital investors think of the IROs, and what are they really looking for from a business?

Plenary session
An ABC of IR: Views from the buy-side

Moderator: John Andrews, head of IR, Deutsche Bank
Speakers:
- Matt Born, managing director & director of research, Fidelity Management & Research
- Marina Leacock, senior vice president, research analyst, Lazard Asset Management
- Ross Turner, founder, Pelham Capital

IR officer interest in what the buy-side is thinking has always seen good attendance at the IR Society conference. This year the panel proved to be as great a draw as ever.

John Andrews set the scene by asking the panel to give their views on a range of key topics affecting the buy side including the rise of passive management, the search for beta, whether sell side research is still important and how IROs treat hedge funds.

Addressing the rise of passive management, Matt Born commented that Fidelity had always believed in active management and that its year-on-year returns were usually 300 to 400 basis points ahead of their benchmarks, demonstrating the benefits of an active approach. However he admitted that the days of Fidelity's famous fund manager, Peter Lynch, having an information advantage were over and that information on companies was now much more widely available. To counter this, Fidelity asks companies for their outlook over five years and takes a long term investment approach, made possible by their solid asset base.

Turner added that Pelham also has no information advantage, but can go short as well as long and is not tied to a benchmark. Pelham's approach is to invest in as few as 15 core stocks of which 10 may be held for over four years – making the title 'hedge fund' somewhat of a misnomer.

Prior engagement

Turning to where fund managers source their information, Turner stated that engagement directly with a company prior to making an investment was essential due to the scale of investment Pelham normally makes, buying between 2% and 4% of a company. In situations where a company views Pelham as a hedge fund manager and is reluctant to meet, Turner approaches the head of IR to gain access to the C-suite.

> ‘If a business focuses on operating successfully it will never have to worry about who owns it’

Sell-side research as a source of useful information on companies received mixed views. Marina Leacock commented that with 80 in-house analysts, Lazard is not dependent on sell-side research. However, when looking at a new investment idea, broker research was useful for comparison purposes. But Leacock usually calls a company directly to better understand its business. Fidelity's situation was similar said Born. With 130 analysts and 80 fund managers, Fidelity still takes research from the sell side but not corporate access services, as Fidelity employees its own in-house corporate access team.

With payment for sell side services a hot topic, the panel was asked how they reward brokers. At Pelham, a range of external consultants are called upon to provide input to the research process and the sell-side are part of that group, said Ross, who rewards through commission payments. Leacock added that Lazard pays brokers through dealing commissions and makes the amounts transparent, while for corporate access Lazard arranges many of its meetings directly with companies. Turner added that in his view, investors should not have to pay for corporate access and he had noted the rise of independent third party corporate access providers.

The company story

Andrews then turned the spotlight on IROs, asking the panel what frustrated them most about the companies they meet. Turner wondered why so few asked about Pelham Capital, being surprised that companies did not ask more about their owners. Born's frustration was the obsession companies have about who their shareholders are. If a business focuses on operating successfully it will never have to worry about who owns it, he said. Leacock's bugbear was the misconception some companies have that fund managers pay attention to broker buy or sell recommendations. What fund managers need is the company story. The fund manager will then decide whether the stock is a buy or sell.

Further panel advice on IR included Leacock's on capital markets days – only hold them when you have something new to say and take care in choosing your speakers. Born's advice was that he needs to know the bad news as well as the good news and a cardinal sin was finding the IRO unavailable when the stock price was down. For Turner, his bugbear was Pelham being labelled a hedge fund and only being invited to special meetings arranged for hedge fund managers.

> ‘The panel expressed concern at ill-conceived incentive plans for corporate managers that encourage short termism’

Andrews' next question, on the relevance of social media, divided the panel. At Fidelity, access to social media sites is barred. Leacock cautioned that the problem for companies using social media is that they can so easily lose control of the message. But for Turner it's an essential communications channel in today's world and a vital part of news flow for a younger generation, noting that the team at Pelham have an average age of 33.

Corporate governance also received its share of comment. The panel expressed concern at ill-conceived incentive plans for corporate managers that encourage short termism. The importance of ESG factors when investing was also mentioned by Fidelity. And on proxy voting, Turner observed that because voting could be technically difficult for some fund managers, companies should not assume that low voting thresholds means that investors do not care about the issues at stake.

The final advice for IROs was to know your company inside out – 'aspire to be the CFO' said Born, be consistent and truthful in all communications and remember that a breach of trust is hard to recover from. ■

Reporting by Fred Stone.

(L to R) John Andrews, Marina Leacock, Matt Born, and Ross Turner.

Building a consumer technology business

In the final session of the day, Evan Davis interviewed **Seb James** in a freewheeling conversation about Dixons Carphone, investor relations, data breaches, competing with Amazon and using Twitter.

Exclusive interview

Evan Davis talks to Seb James about business, IR, technology and more...

Seb James was appointed group chief executive of Dixons Carphone in 2014 following the merger of Dixons Retail Group with Carphone Warehouse. He joined Dixons in 2008 and held various roles, including group operations director. Before joining Dixons, James was CEO of Synergy Insurance Services Limited. He is also a non-executive director of Direct Line Insurance Group plc and a trustee of the charity Save the Children.

ED: Almost two years after the merger of Dixons and Carphone Warehouse, how do you feel about the deal? Did the market accept it?

SJ: Generally people think it was a good merger. It was not really planned, but came out of an informal conversation between the two sides about other matters, when we realised that the two companies were a tight complementary fit and were about the same valuation. People in the markets already worried that our industry was in trouble, and they were slightly concerned about the long term of both businesses. So, in message terms, the idea was to explain to the market that there is an alchemy, and that we can sell our vision of the future. I think it has worked.

ED: In general, the history of mergers and acquisitions is not always a great one. Why is your deal working well?

SJ: You need a couple of things. First, a genuine logic – what we now provide matches what people want much better than two separate companies. Second, we were not competitive with each other. We did different things, though they were highly complementary.

> ‘ What we now provide matches what people want much better than two separate companies ’

ED: What are your views about the role of investor relations?

SJ: I'm a big believer in investor relations. When doing a deal, and if some people think its not the right thing, IR is very important for getting the message across. While we spend our whole time working out what to do next, it's very important to have a very honest person letting you know what investors are saying. So I make sure I get all of the news, good and bad. And I think I do!

It can be frustrating. We went to see one investor, a powerful fund manager. We saw them, told them our story. As we left, they said: great, thanks for coming, now I am wondering whether to sell your stock! But I enjoy those challenges. For example, we have one analyst who is always bearish on the stock, but telling them our story and challenging their point of view is always the most fun bit of all.

ED: Is there an interaction between PR and IR?

SJ: Investors aren't that interested in the non-financial stories out there unless they are going to influence the share price. We did have the case of a data breach last year, when details of 2.4m Carphone Warehouse customers were reported by the BBC as having been hacked. I was abroad at the time and was contacted by our PR and IR advisers, who said: first don't say anything till you have found out the full story; then tell the full story; and after that, say nothing. That was good advice, which we followed.

We identified the breach, immediately got a lot of very skilled technical people working on it and sent emails out telling customers exactly what had happened.

Technically we didn't need to say anything publicly for a short while, and it was reasonable for us not to go to the market with an RNS. We chose to go to the press as this was principally a consumer issue. There was no effect on the stock price. Our weekly market share fell for around 10 days then returned to normal.

ED: When you encounter these crisis situations, is there a problem in giving yourself too much time to react?

SJ: Possibly, but you do need to have all the facts before you decide what to do. If you smell smoke in a theatre, is it a bloke smoking by the toilets or is the place on fire? There is a risk until you know for sure.

ED: How can you really compete with Amazon?

SJ: We are structurally more profitable at selling electrical goods. More than 90% of

(L to R) Evan Davis and Seb James.

customers want to come and have a look or a conversation in store, because it's an important purchase; 0% of them are prepared to pay for that conversation. In fact, some time ago there was a customer who came into our store and had a great time with our colleagues. He then took his phone out and ordered right from Amazon there and then. So we have to be at the right price and we are!

How can we leverage our assets? First, we have one fantastic asset, we have 150m face-to-face conversations with customers every year. How do you leverage that to be more profitable than the 'pureplayer' e-retailers in sales? We have a 9% gap in costs, overheads etc to fill. The way we do that is very simple. We are much more successful than Amazon at selling new technology. We say: come to our store, it's the same price as Amazon – great – but let me show you the HDR TV, let me show you the 4k TV, let me show you the OLED TV. What we find is that half of the time, people choose newer technology. Their happiness is higher. And the newer tech has better end-to-end profitability – so suppliers reward us.

> 'I'm a big believer in investor relations... it is very important for getting the message across'

Second, when you sell a notebook by post, it's boring. If you add setup, software, internet, etc, it becomes a living device and we can charge for that.

Third, customers do the last-mile delivery. It costs £1.67 for me to get an item to a store on a truck, whereas it costs the pureplayers £13.50 to get it to your house.

When you add it up, we are significantly more profitable.

ED: We had a chat earlier about social media, and I learn that you're a tweeter?

SJ: Yes, indeed. One of the things I love about Twitter is that there is inbound stuff that is totally unfiltered. Of course some people are totally bonkers, but you can see from social media whether you have a systematic problem developing somewhere.

Every day we get a few complaints about the business. I love that you can smell the world around you without any filters or explanations. I've gone for Twitter because I like that it's public. You do get stuff that you otherwise wouldn't catch. You've got to live with that.

Reporting by Silverdart Publishing.

A valuable opportunity for 350 IR professionals to network...

... whilst enjoying the breaks, the exhibition and the post-conference drinks!
















Building IR programmes in South Africa

South Africa faces unique economic and political challenges but has a strong corporate and IR culture, as **Nikki Catrakilis-Wagner** explains.

Emerging markets have long been seen as a beacon of growth for investors seeking an alternative to stuttering growth and low yields in developed markets. Now, with rate hikes in the US looming and appetite for risk assets waning, it is more important than ever before to be more selective not only about emerging market geographies, but also the companies that operate in them.

Emerging markets are by definition more volatile than more established markets, and are too often subject to the ebbs and flows in sentiment driven by media headlines.

This volatility is magnified when viewed against the backdrop of growing global macroeconomic risks and rapidly changing economic signals from around the world, creating a daunting set of investment challenges for even the most seasoned professionals.

In South Africa we know these challenges all too well, despite the fact that there is a well-established track record of governance and a universe of great publicly-traded companies with world-class management teams.

Nikki Catrakilis-Wagner is chair of the IR Society of South Africa and IR executive of Tiger Brands.
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The country's investment grade credit rating – only a single notch above 'junk' status – has been scrutinised by global rating agencies, whilst ongoing political instability has added to significant market turbulence. These factors are unlikely to change soon.

The operating environment on the ground also remains challenging. This year will be characterised as one of the toughest trading environments in many sectors within the economy – interest rates are rising despite faltering growth, which along with large-scale retrenchments in many industries has heightened job insecurity and placed an embattled consumer under increased pressure. Those effects are felt across many sectors. There are bright spots, however, with the collapsing currency breathing new life into a mining sector that was on its knees only a year ago.

Top tips for IR success

South African IR programmes have over time proven equal to the task of dealing with this volatility. There are excellent investor relations teams who have provided the market narrative that has allowed so many local companies to become respected global players.

We need only think of companies like Mr. Price, Naspers, Mediclinic, Tiger Brands, Standard Bank, AngloGold Ashanti, Sasol, to name only a few – which had little offshore presence a decade or two ago, and are now cornerstone investments in so many emerging market portfolios.

Whilst the South African corporate landscape is varied, there are nonetheless commonalities which the country's best-in-class investor relations programmes share. Below are some tips for IR success against a turbulent macro backdrop:

IR IN SOUTH AFRICA

- **This year will be characterised as one of the toughest trading environments in many sectors within the economy**
- **Most South African companies have successfully embraced technology including video, teleconferencing, interactive platforms and 'apps'.**
- **South African companies' share registers are increasingly dominated by offshore shareholders.**

> ‘ South African IR programmes have over time proven equal to the task of dealing with this volatility ’

Remaining consistent

Despite the incessant 'noise' around political and economic change or upheaval, consistent engagement with existing shareholders and debtholders, and also potential investors and sell-side analysts, is key to building trust and ensuring that the investment proposition is communicated adequately and properly understood. A good crisis is a terrible thing to waste. It inevitably means that you have investors' attention – regardless of the reason – and so it is an opportunity to tell your story.

Staying focused

South African management teams are, for the most part, highly regarded for expertly navigating a myriad challenges and delivering superior returns amidst the macroeconomic and political uncertainty. Staying focused on the business and the elements of the environment that can be influenced – and communicating that focus clearly to investors is key to maintaining and enhancing credibility.

Contextualising the noise
Be sure to have a cogent and considered view on topical media coverage (on either the company, the industry or the country). Ensure that the company's positions on topical issues are discussed and agreed upon. Should an industrywide stance be required, work with peer companies to thrash out an industry message and agree on a unified communication approach through a central industry body where possible. This consistency in communication is imperative to ensuring that value-destructive uncertainty among investors is minimised and doesn't take root.

Providing access to management
Providing investors with consistent access to C-suite executives is key to burnishing the company's image and ensuring its prospects are not diluted by any prevailing negative sentiment. In addition, access to operational management highlights critically important bench strength and confidence that the business remains on track despite exogenous challenges. Strong IROs with deep sector and company knowledge are critical in ensuring the strategic message and investment case are properly communicated consistently, even outside of C-Suite investor marketing set pieces. They are often the face of the company and must be an efficient, reliable and well-respected point of contact.

> ‘ Be sure to have a cogent and considered view on topical media coverage, on either the company, the industry or the country ’

Governance is key
South Africa has led the way in terms of corporate governance, particularly with respect to King III (soon to be King IV) and the International Integrated Reporting Framework, which focuses on how a company creates value through market cycles. Although the concept of a triple bottom line is not new, integrated reporting has expanded the concept to embrace the changes to widely-held notion of value creation, and the impact of a company's commercial operations on the broader society and environment. This integrated approach has increased transparency and has helped investors focus beyond the macro uncertainty.

Embracing technology
Most South African companies have successfully embraced technology including video, teleconferencing, interactive platforms and 'apps'. The initial use of technology was originally prompted by South Africa's relatively remote location and the resultant need to effectively reach offshore investors, but companies have cleverly leveraged technology to align with best practice in shareholder communication. They continue to embrace the digital age by aligning their investor relations programmes with the latest trends in how investors consume information, using a range of media, whilst reducing costs.

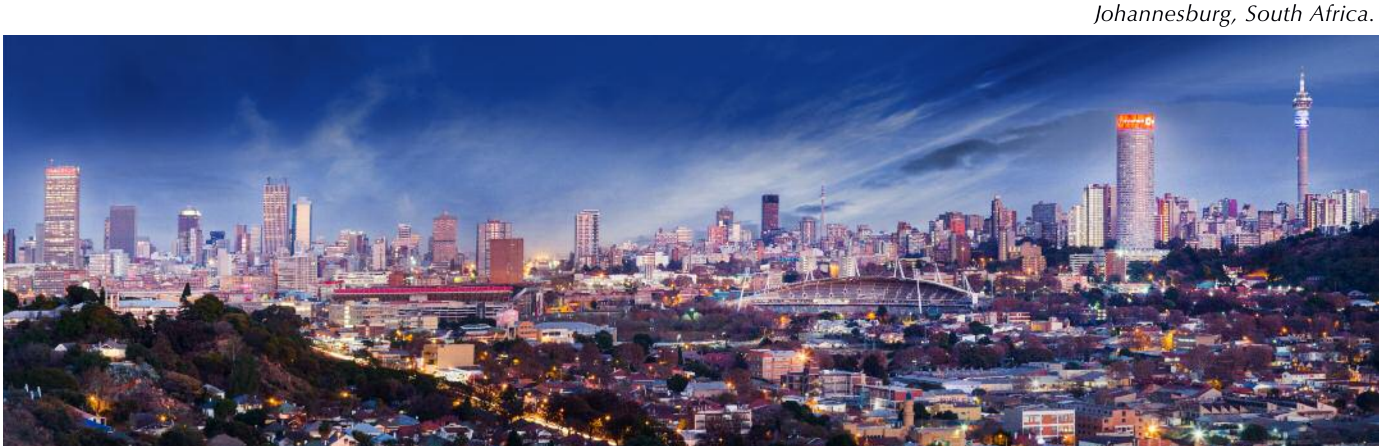
Going global
South African companies' share registers are increasingly dominated by offshore shareholders who recognise excellent businesses that present strong prospects and good value relative to internationally domiciled peers. This broader reach of investor marketing is a product of consistent application of global targeting strategies that ensure non-deal roadshows are scientifically designed and executed.

Great effort, along with the latest products, are used to good effect to ensure the right cities are visited, appropriate pools of capital identified, fund mandates understood, and peer holdings ascertained. This ensures maximum impact from expensive and time-consuming marketing activity.

Remaining abreast of global conference schedules and building relationships with a diverse group of investment banks also aides this global outreach programme. ■

With thanks to Stewart Bailey, senior vice president, investor relations and group communications – global, at AngloGold Ashanti.

Johannesburg, South Africa.



Getting back to basics at Canadian conference

letter from
North America

The recent CIRI annual conference in Quebec produced lively debate on some fundamental IR issues, says **Karen Keyes**.

In the same week that the IR Society community gathered in London to discuss 'The ABC of IR', its Canadian counterparts were together at the CIRI conference in Quebec City. The theme for the 29th Canadian Investor Relations Institute (CIRI) Annual Conference was 'The 360º of IR: Creating Value for the Long Term' and there were some important basics of IR included as part of the programme.

Assets: it's about performance and growing assets

The CIRI conference co-chairs opened with a Fidelity commercial to remind us that the fundamental driver for our IR "clients" is the assets they have understand management. The ad portrays Mr. Danoff, a fund manager at Fidelity Investments, receiving a photo of a young child and a typewritten letter from a client explaining that he and his wife have entrusted their money to Mr Danoff's mutual fund to eventually pay for their young son's college education. The tag line "We don't just manage money, we manage people's money" is set against a further correspondence showing the college age son.

The introduction served as a good reminder that ultimately the performance of the securities that we issue and the assets that we safeguard and grow for our shareholders underpin the financial security and wealth of individuals both in our home markets and around the world.

Karen Keyes is senior vice president of investor relations at Aimia.
karen.keyes@aimia.com

Communication: the investor presentation is a key document

Performance is crucial but the way we communicate around performance and ensure that our communications are relevant to the people we speak to is also a basic tenet of IR.

A second session at the CIRI conference focused on the investor presentation, setting research conducted with IROs by CIRI alongside research conducted with investors by Corbin Perception. The session served as a good reminder that success in marketing securities is highly dependent on a solid, well thought out and well-articulated investor presentation.

The investor presentation ranks alongside management interaction as the leading source of information for fund managers researching a company. Interestingly, the research suggested that IROs (most of whom develop their investor presentation in house) are not necessarily producing what investors would like to see. While 58% of investors would like to see three-year targets in the presentation, less than 20% of IROs were providing them – with most focused on one-year targets.

Long term strategy was the most relevant content that investors look for and one of the ultimate drivers for investing, alongside management quality. Investors also want to hear about sustainable competitive advantages. Why is your management best in class? Do you have a culture that focuses on operational excellence? Are there high barriers to entry? Is your innovation or technology unique or better than others?

Your investor deck should run between 30 and 65 slides. Once you have one, don't forget to get it in front of investors. A leading investor at another conference session noted that "there are still websites where we can't find the presentations". Corbin suggested sending email prompts that let them know when an update is available, noting that 53% of investors say they would use them.

STRATEGY AND SUCCESSION

- **Relevant communications should cover long term strategy.**
- **While 58% of investors would like to see 3-year targets, fewer than 20% of companies provide them.**
- **Investors care about succession.**

Boards: ensuring the right management is in place

Management quality is a key driver of investment. A third session on governance and "what keeps directors awake at night?" noted that more investor attention is being placed on succession planning and ensuring that boards are taking this seriously. This has been echoed in some recent conversations I have had with investors.

Investors looking to invest for the longer term want to be sure the right people will be around to safeguard and grow their assets. And as IROs, we have a vested interest in the Board getting this right – 27% of IROs report to the CFO, while 32% report to the CEO. ■

Professional development

Our sponsor

Deutsche Bank's American Depositary Receipt group is pleased to sponsor The Investor Relations Society's 2016 Professional Development Programme.

American Depositary Receipts (ADRs) are a means for non-US companies to raise their profile with US investors, make their shares more easily available to them and raise new capital in the US. Deutsche Bank's ADR business is dedicated to providing excellent service for companies with ADR programmes.

Deutsche Bank provides all the services necessary to set up and run a successful ADR programme plus a range of added services to ensure that both the issuing company and its investors get the most from the programme. This includes providing specialist investor relations support to companies with ADRs to assist them in communicating with their US investors.

For further information please contact:
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KEY TO COURSES

• **IR Fundamentals**
These courses provide an excellent introduction to IR by explaining the workings of the financial markets, identifying key relationships and developing awareness of crucial IR techniques.

• **Core IR Skills**
These courses allow IR practitioners to develop their knowledge in the fundamental areas of understanding financial accounting, IR regulation and compliance, investor targeting, media relations and best practice annual reporting.

• **Advanced IR**
A range of advanced IR courses are offered in 2016. These are targeted at specialist areas, and aimed at a broad range of IROs and other industry participants, covering topics such as Debt IR, and ESG/SRI Sustainability.

Courses at a glance for 2016 Q3

July	
Monday 18	Club IR workshop
Thursday 21	Best practice in IR
Tuesday 26	Managing stakeholder audiences
August	
Monday 1/Tuesday2	Demystifying company accounts and valuations
Wednesday 3	Beyond the traditional investor base
September	
Tuesday 6	Introduction to IR and the financial markets
Wednesday 7	Annual reporting – best practice in practice
Monday 12	Club IR workshop
Thursday 15/ Wednesday 21	IR Regulation and compliance essentials
Monday 19	Club IR workshop
Monday 19/Tuesday 20	Demystifying company accounts and valuations
Monday 26	Club IR workshop

In-house training course
The IR Society can also tailor a number of our training courses to meet your particular needs and deliver them in-house. This is a cost-effective way of ensuring staff are kept up to date with the latest regulation, IR principles and IR best practice.

Bespoke training courses
Based on your training brief we will develop an entirely unique course utilising content and materials most relevant to your particular needs.

Tailored courses
We will adapt our existing courses to suit your specific training requirements.

Off the shelf courses
Save money by having one of our existing courses delivered in-house for your team.

Contact Nicole Solomon for more information at nicole.solomon@irs.org.uk or +44 (0) 20 7379 1763

Club IR resumes for 2016!
The IR Society has been undertaking a series of lunchtime workshops for more senior delegates on a range of themes such as:

- Key elements of the IR calendar
- Managing C-suite issues
- Improving investor engagement
- Updating your IR toolkit

These workshops are targeted at IR manager and IR director level, and their advisory counterparts, where interaction and real examples from attendees are an integral part of the discussion.

Moderated by an experienced market professional, they will be an efficient and highly focused way for busy practitioners to keep up to speed on issues which are integral to their job, but are not covered at this advanced level in the main programme of IR Society educational events. Please check www.irs.org.uk/professional-development/booking/club-ir-new-for-2016 for sessions and dates.

Detailed course information for 2016

For more information and to book a course, please see www.irs.org.uk/professional-development or contact Nicole Solomon at nicole.solomon@irs.org.uk or call +44 (0) 20 7379 1763.

IR Fundamentals

BEST PRACTICE IN IR This discussion-based half-day course explores 'best practice IR' and looks at the most current tools and techniques available to IROs to help them achieve this.	• Thursday 21 July • Wednesday 19 October
INTRODUCTION TO IR AND THE FINANCIAL MARKETS This course provides an introduction to IR and the financial environment in which IR professionals work. It explains how the financial markets operate and are regulated. A Q&A session with an IR professional provides an invaluable opportunity to clarify any practical areas of particular interest to the participants.	• Tuesday 6 September • Thursday 1 December
INTRODUCTION TO WRITING FOR IR This full-day workshop will help you to write impactful IR communications, ensuring your key messages are delivered to the market consistently and aligned to your core company narrative. It will look at putting this in practice when writing press releases, factsheets, websites and annual reports.	• Dates for 2017 to be confirmed
IR FOR PERSONAL AND EXECUTIVE ASSISTANTS Personal and executive assistants who come into contact with investors, research analysts and external advisers need to understand the dynamics of the financial markets. This course will help you to understand the financial jargon, who the key participants are, what to prioritise, what information can be disclosed and how you can best support senior management.	• Thursday 6 October
MANAGING STAKEHOLDER AUDIENCES – UNDERSTANDING INVESTORS, ANALYSTS AND THE MEDIA This interactive half-day course, presented by senior practitioners, helps IROs build stronger relationships with their key stakeholders, through developing a better understanding of their key priorities for an IR function. It explores the practitioner's day-to-day roles within fund management firms, sell-side, advisory firms and the media and builds on the aspects covered in the Introduction to IR and the financial markets course.	• Tuesday 26 July • Thursday 3 November

Core IR Skills

ANNUAL REPORTING – BEST PRACTICE IN PRACTICE With the new strategic report requirements in place for over a year now, we aim to reflect on how far companies have come. During this process we will look at how companies have approached the new requirements and identify what emerging best practice looks like – both in print and online. Looking to the future, the course will also update you on new narrative requirements which are on the horizon.	• Wednesday 7 September
BEYOND THE TRADITIONAL INVESTOR BASE – HEDGE FUNDS & SOVEREIGN WEALTH FUNDS This half-day course provides an overview of how hedge funds and sovereign wealth funds operate in today's global financial market place. It will offer an insight into these non-traditional investors and look at their investment approach; the mechanics of short-selling and leverage; the difference between investment Alpha and Beta; and the increasing appearance of sovereign wealth funds on company shareholder registers.	• Wednesday 3 August
DEMYSTIFYING COMPANY ACCOUNTS AND VALUATIONS – MODULES ONE AND TWO If you are working in IR or financial PR you need to understand financial statements and be able to answer questions from analysts, investors and the financial press. This two-part course will help you achieve this by providing foundation knowledge in understanding a set of accounts.	• Monday 1/Tuesday 2 August • Monday 19/Tuesday 20 September • Wednesday 9/Thursday 10 November

For more information and to book a course see **www.irs.org.uk/professional-development** or contact Nicole Solomon.

HARNESSING THE POWER OF MEDIA FOR IR

This half-day course will give participants an insight into the evolving nature of print, digital and social media and their importance in the changing IR landscape. On this course you will hear directly from a financial PR adviser on understanding online and print media; a communications consultant on social media trends; and an expert on how to implement your online IR strategy.

- Dates for 2017 to be confirmed

HOW TO ENHANCE YOUR INVESTOR TARGETING

Learn how proactive investor targeting can dramatically enhance the effectiveness of your IR activity on a global basis, through leveraging external advice and resources as well as third party tools. Understand how to analyse your shareholder register and how to maximise the investment in brokers, sales teams and other service providers, getting a perspective on the key requirements for executing a successful roadshow.

- Tuesday 4 October

IR REGULATION AND COMPLIANCE ESSENTIALS – MODULES ONE AND TWO

For IR professionals, compliance with rules and guidelines is an essential part of the job. Whether it is in financial reporting, market disclosures, compliance with relevant listing regimes, the treatment of inside information, or in the context of a transaction, mistakes are costly – not least in reputational terms. This two-day course provides an analysis of current legislation and forthcoming changes.

- Thursday 15/Wednesday 21 September
- Tuesday 6/Thursday 13 December

IR SCRIPT WRITING FOR MANAGEMENT PRESENTATIONS

This interactive course aims to help you improve the quality and impact of your script writing for results presentations. It will help you ensure your scripted investor communications are clear, efficient and authoritative. The course will involve critique of participants' scripts from the trainer and each other. Course attendees will spend the session preparing a draft script and learn techniques for writing quickly as well as effectively. By the end of this session you will have the necessary skills to deliver clear scripted investor communications and ensure your management teams are presented at their best.

- Thursday 14 July

Advanced IR

BUILDING YOUR DEBT IR CAPABILITY

This is a half-day course aimed at IR teams looking to build their debt investor relations activity. During the session, participants will look at current best practice in debt IR, discuss how to deliver an effective debt IR programme, review debt-IR related case studies, consider the interaction with rating agencies, and start work on an action plan that participants can take back to their business.

- Thursday 17 November

CLUB IR WORKSHOPS: *NEW TOPICS FOR 2016*

The IR Society holds a series of lunchtime workshops for more senior delegates on a range of themes, including key elements of the IR calendar, managing C-suite issues, improving investor engagement, and updating your IR toolkit. Taking place on a Monday lunchtime at the IR Society offices, these sessions have proved very popular as efficient ways to get practical advice, war stories and new ideas to takeaway and put into practice. See www.irs.org.uk/professional-development/booking/club-ir-new-for-2016 for details.

- Monday 18 July
- Monday 12 September
- Monday 19 September
- Monday 26 September
- Monday 3 October
- Monday 17 October

FINANCIAL MODELLING: FROM INTERNAL FORECASTING TO VALUATION

This practical course will help IROs to build a simple internal financial model to help in understanding valuation and dialogue with the market. It will introduce participants to the necessary concepts and techniques in order to be able to adapt an internal budget or strategic plan for valuation purposes. Many sectors have particular methodologies used by the market and these will be reviewed, together with their challenges. This will be a hands-on course with practical aspects and model-building exercises which can be taken away for future use.

- Tuesday 18 October

NEW FOR 2016: SRI/ESG: SUSTAINABILITY ISSUES FOR IROS

This course will focus on helping IROs manage the growing IR-related communication and reporting requirements around SRI/ESG. Participants will gain a better understanding of the key sustainability issues, current and future trends and how to successfully identify and engage with key stakeholders.

- Dates for 2017 to be confirmed

Certificate in Investor Relations

About the CIR

The Certificate in Investor Relations (CIR) is an internationally recognised qualification for the investor relations profession. The qualification allows successful candidates to demonstrate their knowledge of the financial and market environment and the regulatory and reporting requirements for listed companies and their sound understanding of the principles of investor relations, which will enable them to operate competently and safely. The CIR is a valuable benchmark for those already in the profession and an essential prerequisite for those seeking to work in investor relations. With over 1,000 successful candidates from more than 25 countries, the CIR is firmly established as the leading IR qualification worldwide.

Why should I sit the CIR?

There is no better way of demonstrating your competency in investor relations. Specifically, on completion you will:

- Understand the fundamental principles and practice of investor relations
- Know the main regulations concerning the structure, governance and behaviour of listed companies
- Be able to identify the different types of shares and shareholders
- Understand the role of stock exchanges
- Know the regulations governing the conduct of investor relations and in particular the disclosure of information
- Know the legal requirements regarding the financial calendar
- Be familiar with the fundamentals of basic accounting, ratios, valuation and investment analysis
- Be aware of the requirements for UK listed companies conducting investor relations in major overseas markets
- Be aware of the required ethical and professional standards expected of investor relations practitioners

Successful CIR candidates will be eligible to apply for full membership of the IR Society.

2016 Revision course

Aim
To revise subjects for the examination and assist candidates with any questions they may have on specific sections of the syllabus.

Who should attend
Registered candidates who have completed the CIR study guide and are preparing to take the CIR exam.

What you will learn
A review of the CIR syllabus and opportunity for Q&A with the course trainer.

Candidates may find it useful to take the following two courses prior to the revision course and exam as part of their preparation: Demystifying company accounts and valuations; and IR regulation and compliance essentials. A discount on these two courses is available for registered CIR candidates.

Cost
IR Society members £419 + VAT
Non-members £599 + VAT

For more information about the CIR visit our website: www.irs.org.uk/professional-development/certificate-in-ir

What they say about the CIR

"I decided to take the CIR qualification for two reasons: to learn and as a credibility boost. Both were important because I was new to IR, my predecessor was an experienced IR professional and because there is only one IR role at Halfords, requiring a lot of independent working. It is important to me to learn as much as I can about any role that I am in and the CIR provides a structured and recognised way of doing this, which complements the on-the-job learning."

Adam Phillips, head of IR, Halfords Group

"The CIR greatly improved my understanding of Investor Relations, and I would highly recommend this qualification to anyone looking to develop their knowledge of the industry. The syllabus is broad and provides a great grounding in all aspects of Investor Relations, as well as related areas such as financial markets, regulation and accounting."

Ed Harris, analysis team leader, Orient Capital

"I found the CIR an excellent introduction to investor relations. It provided a combination of need-to-know legal and regulatory information, IR best practice and broad-based teaching across subjects anyone involved in IR needs to understand. The study guide gave a good level of detail, presented in a way that suited self-study. The online mock exam was very helpful in consolidating my learning and providing a focus for revision."

Paul Stockdale, financial controller, e-Therapeutics

Home Study guide

The study guide provides a comprehensive overview of the main subject areas that you will need to know in order to pass the CIR examination. It is intended to support other learning sources such as courses and reading material. The study guide summarises the required knowledge for each subject area. Each section of the study guide will indicate sources of background reading for you to broaden your knowledge. On average, 40 hours of self-study is recommended to complete the CIR. You should also consider attendance on other relevant IR Society courses to expand your knowledge base and understanding of the topics covered.

As a revision aid, you can take an online mock examination which will help you assess whether you have grasped the key principles. These questions do not cover every aspect of the CIR examination.

For more information about the Home Study programme, please contact Janet Kelly

Key dates

For bookings, contact Janet Kelly at janet.kelly@irs.org.uk

CIR Exam dates 2016
Wednesday 12 October
Wednesday 7 December

Revision courses 2016
Wednesday 21 September
Thursday 24 November

Recent CIR passes are on page 16

The International CIR

We offer an international syllabus of the CIR which captures the essential elements common to international markets. The CIR currently runs in the UK, Hong Kong, Indonesia, Malaysia, the Middle East (CIRO), Nigeria, Russia, Singapore and Sri Lanka.

CIR
International Certificate in Investor Relations

Hong Kong
www.hkira.com
info@hkira.com

Indonesia & Sri Lanka
that.irguy@gmail.com

Malaysia
www.mira.com.my
mira@bursamalaysia.com

Middle East
www.me-irsociety.com
cpiot@me-irsociety.com

Nigeria
www.customsstreet.com
obiora.onyeaso@customsstreet.com

Russia
www.irfr.ru
info@irfr.ru

Singapore
www.irpas.com
info@irpas.com

CONTACT
For more information about our international CIR partners, please contact Janet Kelly.

What they say about the International CIR

The Investor Relations Professionals Association (Singapore) (IRPAS) was established in 2006 by leading IROs, supported by the SGX. Our mission is to champion IR best practices, enhance the professional competencies and elevate the overall standard of the IR profession in Singapore. While we have good representations amongst the large cap issuers, many of SGX's small to mid-cap companies still lack a trained IRO.

We took the first step to partner with the IR Society in introducing the CIR qualification in Singapore in 2013. Later this transitioned to the ICIR which captures the essential elements common to international markets. We are pleased to announced that from its introduction, there are already 65 successful candidates. Initially not all these candidates are practitioners but we are already beginning to see some of them taking on the IRO positions in our listed companies.

This clearly demonstrates the value of the ICIR curriculum which equips the candidates with the fundamental knowledge of investor relations, its strategic value to the company, best practices and understanding of the financial and market environment and the regulatory and governance issues that the company operate within.

Shortly, IRPAS will be launching its own IR Professional Development Programme targeting at more advanced IROs using case studies with practical applications. This will provide an avenue for IROs to receive continuing development of their skill sets.'


IRPAS Board of Directors

CIR Online Learning Support Modules

The CIR Online Learning Support Modules are an additional resource to help ensure that candidates have the very best chance of passing the CIR exam.

The modules focus on the more theoretical elements of the CIR syllabus, where most value can be added by the online learning process: Companies & Regulation; Regulatory Environment; and Accounting, Valuation & Investment Principles.

The other sections of the CIR syllabus should be covered by using the study guide. At the end of each online module there will be multiple-choice questions to answer.

If you have any questions, **please contact Janet Kelly** – janet.kelly@irs.org.uk or +44 (0) 20 7379 1763. For an introductory video, see: ***www.irs.org.uk/professional-development/online-cir-learning-support-modules***

"For those that live overseas, or cannot attend the regular classes, the CIR online support modules provide a great opportunity in terms of preparation for the CIR exam. The material is easy to access from everywhere, bringing the appropriate linkage to the study guide model, and providing two testing questions at the end of each section that work as a preparation for the mock exams. In my case, living overseas, the CIR online support modules were an essential tool to obtain the certification, and I would definitely recommend them even for those that would simply like to use them as a support for the regular classes."

Ricardo Santana MIRSoc is based in Brazil.

The following topics are covered in the Online Learning Support Modules

CIR Study Guide Section	Certificate in Investor Relations Module Topics	International Certificate in Investor Relations Module Topics
Companies & regulation	1. Concept of limited liability, Companies Act 2006, formation of a company, key requirements for share capital 2. Directors, members meetings and resolutions 3. Auditors, company communications, identification of shareholders and statutory reporting	1. Concept of limited liability, broad understanding of the principles of company law, formation of a company, articles of association, key requirements for share capital 2. Key requirements concerning directors, members meetings, members resolutions – voting requirements and types 3. Duties and requirements for auditors, company communications, Identification of shareholders, statutory reporting
Regulatory environment	1. Introduction to regulatory environment, key principles and who enforces it, concepts of insider dealing and market abuse 2. Listing rules, class tests and role of sponsors 3. Model code, disclosure rules and transparency rules (DTRs), financial reporting calendar 4. Corporate governance, takeover panel, regulatory announcements, overview of AIM rules and US regulation	1. Introduction and key principles, insider dealing, market abuse 2. Listing rules, continuing obligations, role of sponsors 3. Disclosure rules and transparency rules (DTRs), periodic financial reporting 4. Regulatory announcements, overview of US regulation
Accounting valuation & investment principles	1. Fundamental principles behind all investment decisions, concept of time value of money and discounted cash flow (DCF), cost of capital 2. Valuation models and measures 3. Portfolio theory and risk & return 4. Financial statements & accounting ratios	1. Fundamental principles behind all investment decisions, concept of time value of money and discounted cash flow (DCF), cost of capital 2. Valuation models and measures, 3. Portfolio theory and risk & return 4. Financial statements & accounting ratios

The IR Society events programme

Sponsored by Orient Capital

Orient Capital is a global leader in share ownership analysis, equity market intelligence, proxy solicitation, investor communication and shareholder management technology.

miraqle is our unique web-based platform through which our products are delivered or managed. Acclaimed for its intuitive design and integrated functionality, it comprises a constantly evolving series of modular products – each designed to assist companies to efficiently and accurately identify, profile, track, manage, target and communicate with investors, potential investors and the wider investment community.

For further information please contact:
+44 (0)20 77 76 75 74
www.orientcap.com

orient capital

Events news

The events below are scheduled throughout the year for IR Society members. Further events will be announced in due course. For the latest information and to register for our events, please visit www.irs.org.uk/events.

Events contact

If you have any events queries, please contact Alison Hamilton at alison.hamilton@irs.org.uk or call +44 (0) 20 7379 1763

Events overview for July – October 2016

JULY

CLUB 22
Tuesday 12 July

SEPTEMBER

NETWORKING EVENT: CYBER SECURITY
Thursday 8 September
Free for members. £50 plus VAT for non-members

CLUB 22
Tuesday 13 September

IR LUNCH: MEET THE FUND MANAGERS
Wednesday 21 September
Free for members. £50 plus VAT for non-members

IR WEBINAR: HOW TO PREPARE FOR THE YEAR AHEAD – CHANGING CORPORATE ACCESS
Thursday 29 September
Free for members and non-members

OCTOBER

IR SEMINAR: THE GOVERNANCE OF GOVERNANCE
Thursday 6 October
Governance is an increasingly important part of corporate life but who is governing governance? We look at the impact of governance issues on Investor Relations and ask whether we are really moving to better managed companies or merely imposing a set of rules which stifle growth.
Non-members £200 plus VAT

CLUB 22
Tuesday 11 October

IR WEBINAR
Tuesday 18 October
Free for members and non-members

BEST PRACTICE AWARDS 2016
Tuesday 22 November
Don't forget to mark Tuesday 22 November in your diaries, for our Best Practice Awards dinner, which is taking place at The Tower of London when we announce this year's winners. Last year we welcomed over 520 IR professionals at this premier event in the IR calendar.

The IR Service Providers Directory

The *Informed* IR Service Providers Directory features those organisations who offer key services to the IR community and shows the categories in which they have chosen to appear. This section is published in parallel with the service provider section on the IR Society website – www.irs.org.uk. For more information, please call John Thistlethwaite on +44 (0)1285 831 789 or email john@silverdart.co.uk.

Key to IR SERVICE PROVIDERS by category

ADR depositary services
BNY Mellon
Deutsche Bank
Citi

Annual reports
Addison Group
B2B Design Bureau Zebra
Black Sun
Capita Asset Services
Design Portfolio
Emperor Design
EQS Group
Investis
Langsford Corporate Design
Luminous
Lyonsbennett
MSLGROUP
MerchantCantos

Board advisory
Capita Asset Services
Capital Axis
Citigate Dewe Rogerson
Fairvue Partners
Fidelio

Corporate broking
Capita Asset Services
Liberum
Panmure Gordon

CRM databases
ingage
IR.soft
Orient Capital
Nasdaq Corporate Solutions
RD:IR

CSR/sustainability
Addison Group
Capita Asset Services
EM
Luminous
Lyonsbennett
MSLGROUP

Debt IR
Citigate Dewe Rogerson
EM
Fairvue Partners
Orient Capital

Executive search
Broome Yasar Partnership
EMR
Fidelio Partners
Taylor Bennett
VMA

Fund management
Exane BNP Paribas

Internet services
Addison Group
Black Sun
EQS Group
Investis
MerchantCantos
Nasdaq Corporate Solutions
Obsidian IR
WorkCast

Investor communications
Crossfire
PR Newswire
Valor IR Consulting

Investor presentations
Capita Asset Services
Crossfire
EM
Emperor Design
EQS Group
Luminous
Lyonsbennett
Media Sterling

Investor relations
Addison Group
Aura Financial
Broadridge
Capital Axis
Citigate Dewe Rogerson
Clare Williams Associates
EM
EmCo
EQS Group
Equiniti
Fairvue Partners
Fidelio
Financial Times
FTI Consulting
Instinctif Partners
Investis
Maitland
Makinson Cowell
Meetyl Europe
MHP
Nasdaq Corporate Solutions
Obsidian IR
Orient Capital
RD:IR
Taylor Rafferty
WorkCast
World Television

Investor roadshows
Capita Asset Services
Capital Axis
EM
Meetyl Europe
ingage
Nasdaq Corporate Solutions
RD:IR

IR for small caps
Capita Asset Services
Citigate Dewe Rogerson
EM
EQS Group
Fairvue Partners
Investis
Meetyl Europe
Nasdaq Corporate Solutions
Obsidian IR
RD:IR

Mobile technology
Addison Group
EQS Group
ingage
irFactory
Orient Capital

News providers
EQS Group
Obsidian IR

Opinion research
Capital Axis
Nasdaq Corporate Solutions
Orient Capital
QuantiFire
RD:IR
Rivel Research Group

Proxy and corporate support
Capita Asset Services
Equiniti
Orient Capital
ProxyCensus
RD:IR

Publications
IR Magazine
Financial Times

Public relations
Bell Pottinger
EM
Finsbury
FTI Consulting
MHP
MSLGROUP
Nasdaq Corporate Solutions
Obsidian IR
PR Newswire

Registrars
Capita Asset Services
Equiniti

Shareholder research
Capita Asset Services
Capital Axis
Clare Williams Associates
EM
Equiniti
Fairvue Partners
Nasdaq Corporate Solutions
Orient Capital
QuantiFire
RD:IR
Rivel Research Group

Shareholder targeting
Capita Asset Services
Capital Axis
Citigate Dewe Rogerson
Equiniti
Fairvue Partners
Nasdaq Corporate Solutions
Meetyl Europe
Orient Capital
RD:IR

UK Regulatory Disclosure
EQS Group
PR Newswire

Video
Addison Group
Crossfire
EQS Group
Instinctif Partners
World Television

Webcasting
EQS Group
Investis
Nasdaq Corporate Solutions
Orient Capital
PR Newswire
WorkCast
World Television

Website development
Addison Group
Black Sun
Clare Williams Associates
CKD
Emperor Design
EQS Group
Investis
irFactory
Luminous
Lyonsbennett
MerchantCantos
MSLGROUP
Nasdaq Corporate Solutions
PR Newswire
WorkCast

More information at:
www.irs.org.uk/resources/service-providers

ADDISON GROUP – www.addison-group.net – *annual reports, CSR/sustainability, internet services, investor relations, mobile technology, video, website development*

AURA FINANCIAL – www.aura-financial.com – *investor relations*

B2B DESIGN BUREAU ZEBRA – zebra-group.ru/en – *annual reports*

BELL POTTINGER – www.bellpottinger.com – *public relations*

BLACK SUN – www.blacksunplc.com – *annual reports, internet services, website development*

BNY MELLON – www.bnymellon.com/dr – *ADR depositary services*

BROADRIDGE – www.broadridge.com – *investor relations*

BROOME YASAR PARTNERSHIP – www.broomeyasar.com – *executive search*

CAPITAL AXIS – www.capitalaxis.com – *board advisory, investor relations, investor roadshows, opinion research, shareholder research*

CAPITA ASSET SERVICES – capitaassetservices.com – *annual reports, board advisory, corporate broking, CRM databases, investor presentations, investor roadshows, IR for small caps, proxy and corporate support, registrars, shareholder research, shareholder targeting*

CITI – www.citi.com/dr – *DR depositary services*

CITIGATE DEWE ROGERSON – www.citigatedewerogerson.com – *board advisory, debt IR, investor relations, IR for small caps, shareholder targeting*

CLARE WILLIAMS ASSOCIATES – www.clarewilliamsassociates.com – *investor relations, shareholder research, website development*

CROSSFIRE – www.wearecrossfire.com – *Investor communications, investor presentations, video*

DESIGN PORTFOLIO – www.design-portfolio.co.uk – *annual reports*

DEUTSCHE BANK – www.adr.db.com – *ADR depositary services*

D.F. KING – www.dfkingltd.com – *Board advisory, opinion research, proxy and corporate support*

EM – www.em-comms.com/en – *CSR/sustainability debt IR, investor presentations, investor relations, investor roadshows, IR for small caps, public relations, shareholder research*

This section is published in parallel with the service provider section of the IR Society website – see www.irs.org.uk

EMCO – www.em-co.ru/eng – *investor relations*

EMPEROR DESIGN – www.emperordesign.co.uk – *annual reports, website development*

EMR – www.emrrecruitment.co.uk – *executive search*

EQUINITI – www.equiniti.co.uk – *investor relations, proxy and corporate support, registrars, shareholder research, shareholder targeting*

EQS GROUP – www.eqs.co.uk – *annual reports, internet services, investor presentation, investor relations, IR for small caps, mobile technology, news providers, UK regulatory disclosure, video, webcasting, website development*

EXANE BNP PARIBAS – www.exane.com – *European equities broker*

FAIRVUE PARTNERS – www.fairvuepartners.com – *board advisory, debt IR, investor relations, IR for small caps, shareholder research, shareholder targeting*

FIDELIO – www.fideliopartners.com – *board advisory, executive search, investor relations*

FINANCIAL TIMES – www.ft.com – *investor relations, publications*

FINSBURY – www.finsbury.com – *public relations*

FTI CONSULTING – www.fticonsulting.co.uk – *investor relations, public relations*

INGAGE – www.ingage.com – *CRM databases, investor roadshows, mobile technology*

INSTINCTIF PARTNERS – www.instinctif.com – *investor relations, video*

INVESTIS – www.investis.com – *annual reports, investor relations, IR for small caps, webcasting, website development*

IRFACTORY – www.irfactory.co.uk – *mobile technology, website development*

IR MAGAZINE – www.irmagazine.com – *publications*

IR.SOFT LTD – www.irsoft.com – *CRM databases*

LANGSFORD CORPORATE DESIGN – www.langsford.co.uk – *annual reports*

LIBERUM – www.liberum.com – *corporate broking*

LUMINOUS – www.luminous.co.uk – *annual reports, CSR/sustainability, investor presentations, website development*

LYONSBENNETT – www.lyonsbennett.com – *annual reports, CSR/sustainability, investor presentations, website development*

MAITLAND – www.maitland.co.uk – *investor relations*

MAKINSON COWELL – www.makinson-cowell.com – *investor relations*

MEETYL EUROPE – www.meetyl.com – *investor relations, roadshows, small caps, shareholder targeting*

MERCHANTCANTOS – www.merchantcantos.com – *annual reports, internet services, website development*

MHP – www.mhpc.com – *investor relations, public relations*

MSLGROUP – www.mslgroup.co.uk – *annual reports, CSR/sustainability, public relations, website developent*

NASDAQ CORPORATE SOLUTIONS – business.nasdaq.com/intel – *CRM databases, internet services, investor relations, IR for small caps, investor roadshows, opinion research, public relations, shareholder research, shareholder targeting, webcasting, website development*

OBSIDIAN IR – www.obsidianir.com – *internet services, investor relations, news providers*

ORIENT CAPITAL – www.orientcap.com – *CRM databases, debt IR, investor relations, mobile technology, shareholder research, shareholder targeting, webcasting*

PANMURE GORDON – www.panmure.com – *corporate broking*

PR NEWSWIRE – www.prnewswire.co.uk – *investor communications, public relations, UK regulatory disclosure, webcasting, website development*

QUANTIFIRE – www.quantifire.co.uk – *opinion research, shareholder research*

RD:IR – www.rdir.com – *CRM databases, investor relations, IR for small caps, investor roadshows, opinion research, proxy and corporate support, shareholder research, shareholder targeting*

To appear here, call 01285 831789 or email John Thistlethwaite at john@silverdart.co.uk

RIVEL RESEARCH GROUP – www.rivel.com – *shareholder research, opinion research*

TAYLOR BENNETT – www.taylorbennett.com – *executive search*

TAYLOR RAFFERTY – www.taylor-rafferty.com – *investor relations*

VALOR IR CONSULTING – www.vmagroup.com – *executive search*

VMA – www.vmagroup.com – *executive search*

WORKCAST – www.workcast.co.uk – *internet services, investor relations, webcasting, website development*

WORLD TELEVISION – www.world-television.com – *investor relations, video, webcasting*

This section is published in parallel with the service provider section of the IR Society website – see www.irs.org.uk

ir society

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THE BOARD

Ever wonder who makes the global economy run?

BNY Mellon provides a comprehensive range of investment services that encompass every stage of the investment lifecycle. This gives us the power to enhance transparency, maximize liquidity and help mitigate risks. As one of the oldest, continuously operating financial institutions in the world, BNY Mellon has endured and prospered through every economic turn and market move since our founding over 230 years ago. And today we're invested like never before, fueling the engine that drives the world's financial markets. To learn more, visit bnymellon.com.

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