

# Building a career as an IRO



*SEGRO's 6MW solar array in Tilburg in the Netherlands.*

**Claire Mogford** describes her career, how the profession has changed, and what her current role as head of IR involves.



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I started my career on the sell side, although not as a research analyst which would have been the more typical route into investor relations. Instead, I spent 12 years working in corporate access teams and was fortunate to work for brokers who believed strongly in the value of the origination function. Alongside providing corporates with market colour and investor targeting advice, I worked closely with our banking colleagues to help recently listed companies in the Middle East and Russia who were building out their IR functions for the first time. Whilst on the sell side I also studied the CIR to improve my understanding of the wider IR role, particularly the regulatory elements.

Moving into an in-house role was the natural next step but it wasn't a straight-forward move as I found lots of recruitment agencies and corporates were very biased towards applicants with an accounting or sell-side research analyst background. I had studied accounting as part of my business degree and

during my investment bank graduate training programme so was comfortable reading financial statements and using numbers more generally but didn't have a professional qualification and many job specifications consider this to be essential. I personally feel that this is quite short-sighted as IR is a multi-faceted role and can have very different requirements, depending on the business that you join. There are skills, such as reading financial statements, that can be learned, and there are other skills, such as an ability to quickly build a rapport with people and bring a story to life in an engaging way, that can't be learned as easily. I would argue that it's these skills that are more important in being a successful IRO. I was fortunate that SEGRO were very open-minded and recognised the other experience and skills that I could bring to the role and I started there as head of investor relations at the end of 2018.

### **How has IR changed since you first started in the role?**

The IR role has become much broader, even in the relatively short time that I have been working in the industry. It is not enough to just know the obvious financial and operational information that equity investors have traditionally asked questions about, you also need to be able to talk about other topics such as governance and sustainability in much more detail. Recent increases in interest rates have also meant that fixed income-related topics have come more into focus, so although our debt IR is mostly carried out by the treasury team

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I've needed to deepen my understanding of topics linked to this (financing strategy, debt covenants, hedging strategies etc) so that I can talk more confidently about these subjects with our equity investors as well.

I also think that the IR role is being perceived differently within companies and is becoming more strategic. Many IROs have additional responsibilities such as strategy or research and there's a recognition that IR isn't just about communicating outwards. It's also about taking feedback from shareholders and other stakeholders, as well as the information we learn about our peers and the wider listed universe, and feeding this back into our businesses to help influence decision-making and create new opportunities.

In today's digitally connected world, IR teams also need to be much more joined up with other parts of the organisation: marketing, communications etc. Any information that a company publishes will be read by multiple audiences, not just the one it was originally intended for. It's therefore important to be consistent across the business and also across geographies if operating cross-border. There's also an opportunity to use non-traditional mediums, for example social media, to help tell your story and make it come to life beyond the annual report, press releases and results presentations. We have an excellent in-house communications team who proactively publish information on channels such as LinkedIn and Twitter. There's an opportunity to engage with investors in this way too, using case studies and video content to help deepen their understanding of our businesses and communicate on things that don't naturally fit within the relatively short timeframe allowed for results presentations and more traditional investor communications.

Finally, I think MiFID II has had a big impact on how we interact with the sell side and the buy side. I find analysts are now covering many more stocks and update their numbers less frequently so managing consensus has become a much trickier job. Whereas investors would have traditionally reached out to analysts to get basic information on a company I think they are now more inclined to reach out directly to corporates so we spend a lot more time doing introductory meetings and also get far fewer meeting requests via brokers, with investors preferring to contact us directly. We also receive a lot less support in terms

of investor targeting and roadshow planning as lots of brokers have done away with the value-add corporate access origination function, focusing only on the logistics of roadshows and investor events. This is therefore an area where we find ourselves spending a lot more time and we've moved towards organising our main results roadshows ourselves as we find it more time efficient and we're better able to control who we see.

### Interaction with senior management

We have a very flat structure at SEGRO and are a relatively small organisation with only 425 employees European-wide. Everyone hot desks, even the management team, which makes them very accessible. I have regular interaction with all members of our executive committee as well as regular one-on-ones with the CEO and CFO.

I present to the board twice a year following our full-year and half-year results to provide them with investor and analyst feedback. This is a relatively recent development, as in my first couple of years at SEGRO I had limited board interaction. I pushed for it as felt it was important to have direct contact with our non-executive directors and these twice-yearly sessions have been well-received. We also appointed a new chair last year and I was keen to introduce him to our largest shareholders early on so spent time helping him to prepare for these meetings, which helped us to develop a good working relationship and allows for informal interaction outside of the official board meetings.

### Priorities for year ahead

Since I started at SEGRO we have changed our CRM system; created a dedicated generalist-focused investor presentation; updated our investor website; integrated ESG into our reporting; and more recently moved our annual Report into a digital-first format. Lots of the larger projects I had in mind when starting in the role are now done but there is always room for improvements so we'll continue to review our processes and keep our eyes open for technologies that might make things more efficient.

Recent capital market volatility has meant that our shares have underperformed over the past six months despite the business continuing to perform very well. This has created a unique opportunity so one of the priorities this year is to refresh our investor targeting and identify institutions who we haven't engaged with for a while who might now want to take another look at our business given the relative value opportunity. The pandemic and move towards flexible working has also brought about changes in where capital is located and there are new emerging pools in locations that we haven't visited historically, so one of our aims for this year is to really get our heads around where we should be focusing our IR efforts going forwards.

We are also looking at how we can communicate our ESG commitments more proactively. This might include producing an ESG-focused investor presentation, as well as looking at how we can better engage with the ESG contacts within our current shareholder base and also identify and target ESG dedicated funds.

Finally, I will have been in the role for five years in October and recently hired an IR manager, so with two of us to share the workload I'm hoping to find some opportunities to broaden my role and get involved in some strategic projects across the business. ■