Steps To Shareholder Targeting And Analysis

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As all investor relations professionals know, the investor base is the lifeblood of a publicly traded company. New investors allow the company to grow further their business and implement the company vision. While shareholder targeting is a constant agenda item, the time allotted to such analysis remains limited and really truly needs a proactive approach. And when you represent a company in Turkey, such as myself, where the shareholder base is restricted to the central registry agency and you are only allowed to see it on specific occasions, namely; the general assembly, dividend distribution or change to the capital structure, then you have to work a little harder than your global colleagues. That said, investor relations really would like to favor time-saving technological applications, but budgets are limited. However, I would like to share steps that I implemented in our investor relations targeting and analysis as part of our strategy.

To begin with, look at your **current investor base**. To target investors wisely, you should start by identifying who your ideal investors are. When defining your ideal investor, the following two questions pop up: Who do you want to target with your company's story and what types of investors are suitable for you in your investor base? Hence, narrowing down and specifying your target audience will help you create feasible target strategies. The ideal match is where the investors' focus on investment fits in with your company's corporate strategy. Once the ideal investor is defined, you should have all the knowledge necessary with regards to your company, so you can start your proactive approach. Keep in mind that you not only embody the company but that you are also a management representative, hence tell the story like they do. This is especially useful, when you meet new potential investors and revisit them with management later on, they do sort of "test" you. If the story overlaps, you have their absolute trust. But this is another story to tell. Aim to establish a connection or a relationship with potential investors. Throughout the year, investor relations have so many meetings, and I am sure that not all questions have answers. Be thorough, answer their questions afterwards and invite them for feedback. While this establishes you with the investors for a successful and effective future interaction, it may even provide information and feedback you can report to your management.

Secondly, look at your **competitors' investor base**. There may be some funds that have invested in them but have never invested into your company. Research them, and in line with your investor targeting strategy, implement the method to be applied to "new" fund targets. By now, you would have established different tactics and you might even have implemented a support network. There are tons of companies the investor relations department may utilize to advance in their search by outsourcing some of their needs. But at the same time, there are quite a few user-friendly programs the investor relations department may implement if the budget allows. Just to mention a few, IHS Markit, Nasdaq, London Stock Exchange, Meetyl, Closir and Bloomberg are companies that easily can provide the investor relations department with support not only in the matters of investor targeting. But in my experience, I have found, that one company limits you to only one aspect and one group of investors, hence during target analysis the same names may pop up, whereas the diversification across products gives you deeper access and sometimes even a variety of different investors. At this point, I would also like to point out the importance of conference channels, while on site or even before, see whether you can pitch your stock to a potential investor attending the conference, sometimes much more efficient and budget friendly. That said, don't just focus on London and New York when you travel. While these are probably the most important investment centers, especially for companies listed on the Istanbul Stock Exchange, second and third level cities may contribute some variety of investors within your strategy.

Thirdly, revisit your **company's past investor base**. Such analysis may provide insights that would be quite useful in re-evaluating the targeting strategy and the targeting decision. In some instances, if the mandate has not changed, such targets are easier to approach as they still might remember the industry, trends and even your company. Hence, this might be an integral part to your investor targeting strategy. Sources and budgets need to be in line as well as methods and approaches. Day by day value-added technologies are released and many of these may increase the productivity of investor relations teams. Investor relations already makes use of technology products and services in the form of Webcast, CRM, Corporate Access platforms and keeping track of the shareholder base. Time is money! Which is why it is important for investor relations to analyze whether their productivity requirements align with the usefulness of technology and incorporate it accordingly.

Finally, your strategy is ready, you have a target investor list, but **is your story up to date?** Have you designed the messages according to investor type? Trends are changing rapidly today so investor relations need to improve their messages to stay current. And I don't mean the news on geopolitical events and such. The overall company story should also touch upon items such as corporate governance or say the social and environmental impacts on company operations. If investor relations are serious about changing or improving their shareholding structure, a proactive approach would be the best thing to adopt. To date, the role of investor relations was rather reactive by only attending meetings and responding to questions, yet by taking action investor relations can make a difference.