



# IR Best Practice – in practice

*Hints and tips from a corporate IRO*

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## Outline

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- Putting theory into practice
- Maximising the effectiveness of intermediaries
  - Getting the best from your broker relationships
  - The paid-for alternative: agencies and consultants
- Roadshow planning and execution
- Measuring performance in investor relations



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# Putting theory into practice

- The essence of superior investor relations
  - Knowledge
  - Proactivity
- Have a plan, but be flexible



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## Maximising the effectiveness of intermediaries

- The broker offering:
  - Qualified capital markets advice
  - Shareholder analysis and investor targeting
  - Plan, arrange and execute roadshows
  - Initiate reverse roadshows and site visits
  - Provide post-meeting feedback
  - Host investor conferences



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## Selecting a broker

- Criteria to use:
  - **Research** – Sales – Trading - Corporate Access

### *Hints*

- *Prioritise quality research coverage*
- *Demand relevant inputs*
- *Corporate access should be knowledgeable and proactive*
- *Rank your brokers and reward them accordingly*

**BEWARE THE 'BROKER BIAS'** (understand who pays them)

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## The paid-for alternative: IR consultants and agencies

- Advantages:
    - Transparent remuneration model
    - They work only for you (the corporate)
    - May be more diligent than brokers: briefings, logistics and feedback
  - Disadvantages:
    - Cost
    - Not 'in the flow' of securities trading
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# Roadshow planning and execution

- An annual roadshow plan based on:
    - Tiered targets
    - Availability of senior management
    - Review the plan regularly, and be willing to adapt it
  - Determine who is to assist you
    - Consider DIY
  - Make full use of non-roadshow events: salesforce briefings, conferences, Investor Days, reverse roadshows, site visits, etc.
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## Roadshows planning - practical tips

- Pencil in senior management time - up to one year ahead
- Consider using divisional heads and specialists, to supplement CEO/CFO time
- Cross-check your investor target list with that of key sell-side analysts
- Be flexible enough to accommodate unsolicited interest
- Make brokers accountable - and reward good performance





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## Measuring performance of investor relations

- What NOT to measure:
  - Share price performance (too many variables away from IR)
  - Shareholder distribution (*may* be valid over a long period)
  - Share trading volatility (are **you** ever surprised by co news?)
- What you **can** measure:
  - Activity level (IR meetings, calls, events, etc.)
  - Feedback from Investor Days and perception studies
  - Performance on third party surveys (such as Thomson Extel)



## Relating IR performance to pay

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- Suggestions:
  - Do incorporate tangible, measurable targets in your agreed incentives (aspirational, yet reasonable)
  - Incorporate multi-year goals, where relevant

Remember who your customers are: their recognition *does* matter and may be the best measure of all



Questions?