

SEIZING THE DISRUPTION OPPORTUNITY

The NIRI Think Tank on the Future of Investor Relations recently published its landmark report. NIRI chairs add their insights on the future.

BY MATTHEW D. BRUSCH, CAE

As part of NIRI's 50th anniversary celebration, the *Think Tank on the Future of Investor Relations* was conceived by the NIRI Board of Directors as a future-focused analysis of the investor relations profession.

The Board asked the Think Tank to identify the primary forces driving change and potential developmental pathways to ensure the continued relevance and professional success of investor relations.

Guided by this lofty goal, the Think Tank convened in mid-2018, assembling a diverse group of 12 thought leaders who embarked on an intellectual exploration. The group did not try to achieve

the impossible – predicting the future – but it did consider a range of possible futures and the implications for IR practitioners.

This project surfaced an urgent and deep concern held by some that IR has reached a “burning platform” moment. Driven by changes in the capital markets, technology, financial and political activists and other pressures, investor relations is facing a crossroads moment presenting two possible scenarios:

1. IR continues along the same path and becomes a tactical and less relevant function.
2. The profession changes to successfully overcome these challenges and broadly realize its full potential as trusted strategic advisor and its



position at the nexus of stakeholder engagement to drive business and social value.

The Think Tank published a report, “The Disruption Opportunity,” in early 2019 that summarizes its work and suggests next steps for the IR profession.

The Niri Board’s intent is that the report invite IR professionals and those in the broader capital markets engagement ecosystem to participate in a continuing dialogue about shaping the future of IR.

Meaningful discussion began at the 2019 Niri Annual Conference, where Lee Ahlstrom, the Niri Board liaison to the Think Tank project, moderated a general session, “The Future of IR – Trusted Strategic Advisor.”

NIRI Think Tank Members

Chair

Lynn Tyson
Executive Director, Investor Relations
Ford Motor Company

Vice Chair

Smooch Reynolds
Managing Director, Global Investor Relations & Chief Communications Officer
Practice Leader
ZRG Partners, LLC

NIRI Board Liaison

Lee Ahlstrom, IRC
SVP & CFO
RigNet, Inc.

NIRI Staff Liaison

Matthew Bruschi, CAE
Chief Programs Officer
National Investor Relations Institute

Dorothy Flynn
President
Broadridge Corporate Issuer Solutions

Kelly Hernandez, IRC
Vice President of Investor Relations
Leidos

Deborah Pawlowski, IRC
Chairman
Kei Advisors LLC

Kim Pinyopusarek, IRC
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Nicole Russell
Senior Vice President,
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Timothy Sedabres, IRC
Head of Investor Relations
TCF Bank

Tripp Sullivan
President
SCR Partners, LLC

Chuck Triano
Senior Vice President,
Investor Relations
Pfizer

Stephanie Wakefield, IRC
Senior Advisor
Brunswick Group



I joined NIRI in 1971, when investor relations was more a concept than a profession. In a career that included positions in public relations and finally investor relations, my philosophy as a corporate executive and a consultant was clear: corporate communications should be consistent for all stakeholders; the stronger the corporate message platform, the better the outcome.

As chairman of NIRI in 1987, I watched as the Dow Jones Industrial Average dropped almost 23 percent on October 19, “Black Monday.” The result of this financial shock was dramatic change that lasted for decades, up to and beyond the 2007-2008 recession.

I applaud the NIRI Board of Directors and management for recognizing the issues facing investor relations activities in today’s fast-moving cyber-driven environment. I am impressed that the “The Disruption Opportunity” study not only reflects the concerns of NIRI’s membership, but offers a platform for adapting to the future. I hope the momentum continues.

Robert Amen *NIRI Chair, 1987-1988*



We cannot predict what the profession of IR will be like in the future with real accuracy. What we can predict is that those who are practicing at the top of their profession – and who have achieved and maintained trusted advisor status – are those who have always looked forward, been concerned with the expertise and education that will give them sustainable relevance and built personal resilience.

Whether grasping the importance of governance, activism or ESG early and stepping up to those challenges in their own companies, or being a part of NIRI’s educational imperative, the practitioners who will excel in the future are those who practice with eyes open and a thirst for continuous improvement.

Becoming thought leaders and trusted advisors today, while looking ahead and making the moves and changes that will address the changing investment community, this level of investor relations professional will continue to deliver the value that secures a “seat at the table.”

Deb Mitchell *NIRI Chair, 1992-1994*

The session panel included Think Tank Chair Lynn Tyson, executive director, investor relations at Ford Motor Company; Vice Chair Smooch Reynolds, managing partner, global investor relations and chief communications officer practice leader at ZRG Partners, LLC; and Dorothy Flynn, president, corporate issuer solutions at Broadridge Financial Solutions, which sponsored the report.

The NIRI Southwest Regional Conference in August 2019 in Austin, Texas, also included a session to discuss the report. An article about that conference appears on page 62 of this issue of *IR Update*.

NIRI also invited past NIRI chairs to comment on the future of investor relations and this report, and their comments are highlighted throughout this article.

Key findings from the report are highlighted in this article, and the full report is available at www.niri.org/NIRI/media/NIRI/Documents/NIRI_ThinkTank_Report_FINAL.pdf.

Becoming Trusted Strategic Advisors

The profession of investor relations is changing, disrupted by external forces and other challenges, and pushed to renew and revitalize or become less relevant.

The Think Tank affirmed a longstanding desire for IR professionals to be recognized as trusted strategic advisors in the corporate C-suite and to return the IR profession to its longstanding position as a leading advocate for the integral role of public companies for driving business and social value.

Some IROs have attained C-suite roles, but for many it remains aspirational due to gaps in people’s skills to play that strategic role. C-suites also often don’t know the potential value of IR as they don’t see it performed well in many cases.

The consensus of the Think Tank is that the profession must take action now to attain this long-held aspiration and regain its voice in the public domain or risk a decline in value and relevance. The goal of the Think Tank is to inspire urgent, vigorous debate within the IR ecosystem to define a clear path forward.



Investor relations is constantly evolving and changing. A successful IRO must always act with upmost integrity, exude executive presence, thoroughly know your company and industry, and strategically think like your board of directors. Investor relations is definitely a team sport and IROs should have a working and growing knowledge of finance, corporate governance, marketing, securities law, and communications.

Looking to the future, investor relations will actively become more of a trusted strategic advisor with senior management teams helping shape and determine optimal corporate strategy. Investor relations is an integral part in determining best corporate allocation strategies, particularly the levels and type of capital spending, dividends, acquisitions, and share buy-backs. IROs are proactive and growing participants in differential competitive analysis which help determine better corporate strategy and direction.

Corporate governance and investor relations actions will continue to merge with the growth of passive, index, quantitative, and black box model investors. Activists continue to be a reckoning dominant force. The sell-side function will also continue to diminish over time. Given these changes with investors and sell-side analysts, IROs will increasingly target and engage directly with qualified, longer term investors. IROs need to continue to always be proactive about disclosure and transparency to maximize the value of the corporation.

Mickey Foster *NIRI Chair, 1995-1996*



Congratulations to NIRI on turning 50!

Being recognized as a trusted strategic advisor is not a goal to be pursued but the outcome of clearly contributing to the organization's growth and C-suite leadership's success. The excellent work of the Think Tank lays out those opportunities succinctly: IROs are naturally positioned as "ambassadors" between the company and multiple stakeholders within and beyond the capital markets concerning governance, ESG issues, and the role of public companies in the economy and broader society.

The reports also highlights the influx of sell-side analysts into the IR ranks. That is not a threat to IR, it is a signal of what skills management values in the position – for good reason. The most effective IROs have always succeeded by being the best analysts on their company and industry.

Marrying these twin roles of analyst and ambassador will ensure the IR profession's future growth and stature.

Brad Allen *NIRI Chair, 1996-1997*

The Process

To help inform the work of the Think Tank, NIRI conducted a member survey in November 2018 on several issues, highlights of which are referenced in this article. Full results are available in the report.

The Think Tank began deliberations by considering external challenges in the environment and internal transitions within investor relations.

Investors are changing how they invest and interact with public companies. The structure of the markets that public companies trade on has and will continue to fundamentally change.

These conditions are ripe with both challenge and opportunity.

The Think Tank questioned why the fundamental, widespread and enduring vision of IR as strategic advisor continues to elude many in the profession and if now is the time to finally achieve this vision. The Think Tank also discussed what drivers of change compel it and considered how a failure to achieve it might risk the marginalization and decline of the profession.

This latter point of potential marginalization and decline struck a chord. Disruption in the IR profession emerged as a consistent theme in Think Tank discussions and in the NIRI survey.

Investors are changing how they invest and interact with public companies. The structure of the markets that public companies trade on has and will continue to fundamentally change.

The knowledge, skills and experiences that

Three Horizons Perspective on Changes, Challenges, Transitions, and Alternative Futures

A “Three Horizons” analysis used in the Think Tank work provides a succinct overview of what’s changing, increases awareness of what’s uncertain and requires response and invites others to join in defining their aspirations for a preferred future.

1 st Horizon	High Impact	Moderate Impact	Strategic Questions
Changes We Can See Now 1-3 years in the future	Changing nature of investors Structural changes in the capital markets Influx of buy-and-sell side analysts Growth of ESG investing and reporting Technological innovations (data analytics, AI, automation, etc.)	Workforce shifts Increasing diversity Geopolitical instability Decline in the number of public companies MiFID II and decline of the sell-side	Will the pendulum swing on passive investing back to more active management? Will the demands for transparency and disclosure continue to increase? Will data or the narrative become more important? How will ESG evolve? Will it be perceived as a priority by companies? By investors?
2 nd Horizon	External Challenges	Internal Transitions	Strategic Questions
Challenges and Transitions 3-7 years in the future	Challenges to capitalism Market cycles Social and political unrest Increasing regulatory requirements Technology advances and disruptions	Changes in roles and responsibilities: <ul style="list-style-type: none"> ■ Financial analysis ■ Shareholder engagement ■ Outsourced corporate access ■ Regulatory affairs/oversight Increasing knowledge and competency demands Management team priorities and pressures	Will the IR talent pool be sufficient to meet rising role expectations? Can we quantitatively demonstrate the value of IR? Will the focus shift from shareholder engagement to stakeholder engagement?
3 rd Horizon	Preferred Future	Feared Future	Strategic Questions
Alternative Futures 7-10 or more years in the future	Trusted strategic advisors Champions of strong capital markets Conveners and integrators of multidisciplinary teams in communications and analytics	Marginalized role Public and policymaker distrust Capitalism under attack	Will the IR role integrate communications and analytics or bifurcate into two distinct career pathways? Is there a timeless need for IR? If so, how might the ways in which IR meets those timeless needs change? What is your preferred future and what actions are you taking today to create it?



The executive summary of The Disruption Report states, “The profession of investor relations is changing, disrupted by external forces and other challenges...” Don’t think of this as a disruption. We’re reliving history.

In its infancy, IR had no technology to assist it – I kept a black book with analysts’ names, phone numbers and handwritten notes of conversations. Earnings conference calls didn’t exist. There were no Bloomberg or CNBC interviews. Identifying shareholders came by way of CEDE lists and 13F filings.

Then, boom! Technology hit hard and heavy. Blackberries in your pocket. Index funds, short sellers, activists. That was disruption big time. We adapted and brought the profession into the boardroom. It’s happening again. If you aspire to IR, beware of what hasn’t changed – your responsibility.

IR, first and foremost, is a people business. Your good judgment is ever more important. Watch the movie “Trouble with the Curve.” Develop an intuitive sense based on experience with investors and superior knowledge of your company. IR practitioners of the future must be aware of too much looking up – here’s where we are, what should I do, boss? Step up and be ready to take the lead. Carpe Futurum!

Len Greis *NIRI Chair, 1997-1998*



Looking back at how the IR role has evolved over the past three decades, there are a number of consistent themes and characteristics that lead me to be extremely optimistic about the opportunities for our profession and all the people associated with it into the future.

I was honored to be NIRI Chair during a rather tumultuous time in our world, including the promulgation of Reg. FD (would it chill dialogue between issuers and capital markets?), Enron (would the capital markets ever trust corporate America again?) and 9/11 (rocking our world in so many ways).

Yet, we are still here, facing new challenges in market structure and new risks of business disruption – as thoughtfully put forth in “The Disruption Opportunity.” To continue to thrive, we must bring our unique perspective as IROs to all of our constituencies, leveraging our ability to communicate the value of our corporate strategies through a combined communications/financial/legal lens in an ethical, transparent manner. We are the face of credibility for corporations everywhere – and that will always be valued.

Jane McCahon *NIRI Chair, 2001-2002*

public company C-suites demand from IR candidates in 2019 is significantly different than it was 20, or even just 10 years ago. IR professionals cannot simply expect to continue functioning in the same way and succeed in the future.

The consensus of the Think Tank is that IR is at a true inflection point where it must begin to evolve in the context of the changing environment or it will become a low-value, tactical function.

The pace of the change impacting IR is quickening, so it’s urgent that the profession come together to chart a successful path forward.

Key Drivers of Change

The most significant change drivers and challenges include:

The Changing Nature of Investors

- The rise of index/passive investing and the decline of active management
- Increasing shareholder activism
- Growing interest in Environmental, Social and Governance (ESG) investing and demand for ESG disclosures

Capital Markets Structural and Technological Change

- Increasing reliance by private companies on private equity funding and M&A rather than accessing public markets, and the resulting decline in the number of public companies
- The transition to quantitative/algorithmic driven trading
- The growth of data analytics/artificial intelligence
- MiFID II and the decline of the sell side

Expanding Knowledge and Competencies Required in IR

- Growing and changing role of IR
- IR Evolving as a Team Function

An Aspirational Future

Based on its analysis of the near-term changes impacting the IR profession, and the medium-term challenges and transitions facing IR, the



The investor relations profession has evolved into an integral strategic management function. IROs should now have a seat at the table with the C-suite. To further enhance our relevance in the future, the IRO needs to be an influencer in that suite to ensure that the company has credible relationships with investors, communicating clearly about strategies and long-term objectives and maintaining the highest standards of ethics and integrity.

Mark Aaron *NIRI Chair, 2003-2004*



The past, present and future relevance of investor relations has and will always reside with those individuals that demonstrate their strategic value by lowering their company's cost of capital.

Investor relations is the intermediary between two audiences: management teams that require investors' capital to support value creation, and investors that search for risk adjusted returns. With analytical skill, they sort, synthesize and simplify company and industry data into relevant information that forms a dynamic investment narrative.

This narrative closes the gap between the company's intangibles and future cashflows, while balancing the company's inherent risks and rewards. Cognizant of the investment community's styles, expected returns and benchmarks, they proactively identify, develop and manage a pool of investors.

With judgment, emotional intelligence and authentic leadership, they translate and educate when misunderstandings and misperceptions occur between their two audiences. Today's environment of complexity and change has created more opportunities for those individuals with self-awareness and courage to earn a seat at the table as a trusted advisor.

Margaret E. "Marge" Wyrwas *NIRI Chair, 2004-2005*

Think Tank's preferred future for IR includes:

- IR professionals as trusted strategic advisors – attainment by IROs, and acceptance in C-suites
- Conveners and integrators of multidisciplinary teams in communications and analytics – acknowledging the evolving collaborative IR cross-functional role
- Champions of strong capital markets – advocating for clarity and transparency in building and maintaining trust with investors, regulators, and the public

Of these possibilities, the Think Tank coalesced around the concept of IR as trusted strategic advisor as the highest and best future vision for the profession.

The Think Tank concluded that amid the myriad of changes affecting the profession, IR professionals can and must take steps to prepare to finally achieve this vision.

The report recommends that IR professionals must have:

- Business acumen with a big picture view of all functional areas; a multidisciplinary skill set to break down corporate silos to advance corporate strategy
- Strategic foresight pursuing long-term results and identifying potential trends
- Expert level ability to communicate effectively with the investment community
- Integrity and emotional intelligence
- Global economics and geopolitical knowledge
- More operational experience and industry specific knowledge to provide deeper context
- Knowledge of how to measure and interpret progress toward corporate goals
- Regulatory affairs knowledge
- Increased understanding of the evolving investment community and market structure

Seizing Strategic Opportunities

The goal of elevating IR professionals to trusted strategic advisors was central to Think Tank discussions. Encapsulated in this is the reality that IR is a natural strategic advisory role with

Future Assessment of Knowledge and Competencies

With the assistance of NIRI member survey data, the Think Tank postulated how knowledge and competencies might increase or decrease and assessed what might be most important for IR professionals to know in the future. The group concluded that IR professionals must engage in self-assessment, commit to professional development and strive to gain experience in and master the breadth of disciplines that define IR to become accomplished executives.

Priority Expectations	Baseline Requirements	Strategic Questions
<ul style="list-style-type: none"> Business insight with a big picture view of all functional areas Corporate strategy/strategic planning ESG experience Experience as strategic advisor to key management decision makers Relationship building and management Situational judgment 	<p>Most Important:</p> <ul style="list-style-type: none"> Accounting Capital markets structure and operation Competitive analysis Corporate governance Financial statement analysis Financial modeling and forecasting Regulatory compliance Regulatory affairs knowledge 	<p>Important:</p> <ul style="list-style-type: none"> Company brand and reputation management Global economics and geopolitical knowledge Industry specific experience Integrity and emotional intelligence Investor targeting Operational experience <p>Less Important:</p> <ul style="list-style-type: none"> Cybersecurity Media relations Software development
		<p>What should the gradient of expectations from entry level to senior executive look like?</p> <p>Are changes needed in the "IR Body of Knowledge" and competencies to reflect perceived changes in knowledge and competency expectations?</p> <p>Should individuals have a discipline of self-assessment and continuous learning?</p> <p>As data proliferates and decisions are increasingly more automated, where will human interpretation and intervention still be essential?</p> <p>Will IR evolve from a position with a defined skill set to a team of individuals with complementary roles and skill sets?</p>



With the decline in the sell side and in the number of publicly traded companies, as well as increasing concerns about income inequality and how our country is coming apart, IR professionals need to understand their company in a much broader context and be able to communicate its value for a range of stakeholders, including communities, employees, customers, suppliers, the media and government officials.

This could happen as part of a communications team or by taking on a broader role. Frankly, the future of our country will depend on building a broad understanding of the value of private and public companies in our economic system, which has produced a cornucopia that we now simply take for granted. It wasn't always like this and may not be in the future.

IR professionals should play a role in articulating and shaping corporate values, too. Truth be told, greed is not good. A disparity in opportunity and incomes may be bringing our nation to a political and economic crisis. We all need to be dedicated to the greater good.

Mary Dunbar *NIRI Chair, 2005-2006*

an extraordinary vantage point to create value for all stakeholders. Executive level IROs are psychological business partners to the C-suite. They are truth-tellers who offer straight talk to all parties.

The trusted strategic advisor role is, however, elusive for many. It isn't necessarily part of the job, and likely won't appear in the job description. C-suites don't always see IR performed strategically, and therefore don't necessarily know the value of IR excellence.

The role of strategic advisor is a mantle earned through successful experience, and by possessing myriad qualitative, quantitative and non-quantifiable factors often described as "executive presence."

Attaining this status represents an opportunity for many IR professionals that begins with honest self-assessment. It involves professional executive development, the "executive first, IRO

The Profession's Evolving Identity: Typical IR Today and in the Future

The Think Tank's aspirational description of the profession's evolving identity was a key aspect of its forward-thinking work. This can be a powerful tool for generating dialogue as IR professionals and the broader IR community considers the profession's future.

Today's Typical IR Focus	Future IR Focus
Tactical and transactional	Strategic
Information reporters	Scanners, interpolators, and synthesizers
Relationship manager	Trusted advisor
Communicator of company reputation and brand	Driver of business and social value
Go-between	Equivalent to speaking with C-suite
Shareholder liaison	Stakeholder educator
Source for business performance data	Master interpreter of critical business metrics
Early warning system	Ethical advisor invoking accountability

second” mindset, situational judgement, mastery of priority knowledge and competency expectations, and a deep understanding of the many ways IR professionals can fail.

Becoming a trusted strategic advisor is, however, achievable as evidenced by those who have reached this status in IR, and those who have moved into other C-suite roles, board roles, those who counsel C-suites on behalf of IR counseling firms, etc. Those that aspire to this status must be prepared to face constraints and obstacles including, for example, their own personal inhibitions,



It is a very exciting time to be an investor relations professional. The expectations for public companies are evolving rapidly.

Shareholders, employees, customers and partners are holding companies accountable not just for their financial performance but also for how they conduct business, and what impact they have on the communities they serve.

As a result, in addition to the financials, IR communications must tell a compelling and strategic story. And, more than ever, a company's overall communications must be integrated across all disciplines. This shift opens up tremendous opportunity for the IR professional who has a distinct set of skills, deep company knowledge, and powerful relationships with the Board, the C-suite and business leaders.

This unique vantage point positions the IRO to go far beyond the tactical “blocking and tackling” and play a lead role as a strategic and trusted advisor across a broad spectrum of corporate communications – including traditional IR, government and regulatory issues, shareholder engagement, and crisis, employee, ESG and Board of Directors communications.

Maureen Wolff *NIRI Chair, 2006-2007*



I agree with many of the findings of the NIRI Think Tank report on The Future of Investor Relations. Our profession is changing, gradually in some areas and rapidly in others. Looking forward, I see more emphasis on a practitioner's ability to understand and perform financial analysis.

This trend will lead to more IR practitioners with Wall Street experience and less opportunity for those who don't have a strong financial background. Compounding this issue is the decline of the sell-side due to MiFID II and previous regulation that has limited the compensation opportunities for analysts.

The corporate IR role will grow increasingly more attractive in the coming years as long hours and reduced compensation will likely push many on the sell side to look for other opportunities. Today's IR practitioners will need to evolve to meet tomorrow's expectations with a greater focus on financial analysis, capital markets understanding and becoming a strategic advisor to management.

Matthew Stroud *NIRI Chair, 2007-2008*



No one can be sure how soon or how things are going to manifest, but clearly artificial intelligence (AI) and robotics are going to change all of our lives in ways so profound that the invention of the wheel is going to be regarded as trivial.

These two significantly disruptive technologies will impact the IR function in at least three predictable areas. First, AI and robotics will impact how the investor relations job is done. For example, optimizing executive scheduling, analyzing optimal shareholder mix (targeting), writing press releases, or gathering competitive intelligence.

Second, these technologies will bring significant changes to the way investors and analysts do their jobs. So in response, IROs will have to make commensurate changes in what we do. Third, IROs will need to anticipate and react to transformative changes in financial markets and trading.

As important as these three effects may be, they are merely parochial compared to the impact that AI and robotics are going to have on your company's business and how that business is conducted. So, more than ever before, it is imperative for IROs to participate actively in their company's strategic process. Help your company survive. Think risk factors!

Doug Wilburne *NIRI Chair, 2011*



I think the Think Tank did an excellent job identifying issues and opportunities facing the IR profession. In particular, mega-cap companies will likely feel the brunt of increased focus on ESG, including increasing requests to complete third-party surveys which are then marketed to investors.

As this area evolves, IR's role will become increasingly to help long-term investors understand and separate what data is truly important from data that is merely interesting. ESG reporting harmonization is a necessary outcome, but it will be difficult to achieve considering how many third parties are attempting to monetize their "proprietary" ESG surveys.

Separately, the Think Tank report lists nine critical skills and capabilities required to be an effective IR professional. This list serves as a good reminder for those like me with a few IR years behind us, and a great guide for those new to the profession.

John Chevalier *NIRI Chair, 2014*



Over the past 50 years, the investor relations role has evolved from a communications role into a financial, strategic, and high-profile leadership position. NIRI has been a significant contributor to the growth and importance of the IR position.

Looking forward, I believe the role will continue to evolve as we face new challenges such as the ongoing increase in passive investing, the impact of MiFID II, a greater focus on ESG, and changes to regulatory requirements.

All IROs will need to elevate their game so they remain an influential member of their company's leadership team. This will require thinking outside the box both individually and as an organization to ensure the investor relations position continues to be relevant 50 years from now.

Mark Donohue, IRC *NIRI Chair, 2015*

and challenging corporate culture norms. Proper due diligence is also necessary preceding and during the interview process to avoid entering a situation where IR is under-valued.

A related opportunity is the idea that the IR profession is at the nexus of stakeholder engagement driving business and social value. This incorporates a broader view of IR audiences and connections beyond the traditional narrow view of "shareholders," given the trend of the expanding portfolio of IR responsibilities, with greater access and engagement with other key stakeholders. Investor relations is a team activity, with the IR practitioner providing strategic leadership to a multi-disciplinary effort within a company.

The associated knowledge, skills and competencies for success here include integrity and authenticity, relationship management and emotional intelligence, and a deeper understanding of transparency and disclosure. It requires more collaboration with other corporate engagement functions, both internally and externally.

New priorities for the profession include seeking greater harmonization of ESG reporting practices, and a better understanding of how the ESG agenda of stakeholders may continue to develop and/or broaden.

Discussion and Driving Change

Ideally, the Think Tank project is a first step toward achieving the goals identified in the report. The conversation now needs to be taken up by the broader IR community.

NIRI will use the report to kickstart this dialogue through publications, professional development programming, online discussions, and more. In fact, NIRI President and CEO Gary LaBranche has been talking about the report at NIRI chapter and IR industry events in the United States and abroad and will continue to do so for the foreseeable future.

NIRI chapters and others in the capital markets engagement ecosystem are invited to participate in this type of continuing dialogue on the future of IR. These programs and discussions will ideally:



The most important quality all of us must have is courage. It must be part of our DNA and strategically applied for tomorrow.

Investor relations – now and in the future – is the epicenter for strategic communications. In many leading best-in-class companies, this framework is already taking shape. The IRO will become the SRO – Stakeholder Relations Officer – focused on the company’s crusade to unlock value for all stakeholders. It is with this mindset that no one constituency is served in isolation.

So be courageous, take on the tough challenges, and own the responsibility of serving the entire spectrum of stakeholders.

Felise Kissell *NIRI Chair, 2016*

- Explore how the profession’s identity and roles may evolve in a changing environment
- Identify new knowledge and skills IR professionals will need
- Generate dialogue and discovery around the highest contributions that IR professionals can make to their companies, investors, and society in the future

The report includes a Chapter Programming Toolkit that enables local chapters to develop new programming that roughly follows the process of the Think Tank. It creates opportunities for stimulating discussion around the profession’s evolving identity, and drivers of change that may be somewhat unique considering the specific demographics associated with regions, industries, etc. This toolkit also provides opportunities for local assessments of potential professional development gaps and/or priorities for future chapter programming. [IR](#)

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IR has always been and will remain a team-oriented profession. Our highly strategic and multi-disciplinary advisory role will continue to be increasingly important to the C-suite and the Board as the world becomes more complex and demanding.

Industry dynamics are rapidly changing. I see the future value of IR growing due to the shift from active to passive investing, increased interest in ESG, activist activities, and the diminishing role of the sell-side prompted by MiFID II – all of which are prompting investors to seek more time with companies directly.

I view IR as a “corporate clearinghouse” of information. IR is uniquely positioned to integrate various functions that include communications, finance, legal (including ESG), and marketing.

Ultimately, IR is charged with ensuring the corporate vision, strategy, and the execution of key priorities is understood by the marketplace to achieve a fair valuation. The critical nature of what we do will continue to drive the profession to new heights.

Valerie Haertel, IRC *NIRI Chair, 2017*



The 2019 NIRI Think Tank on the Future of IR concluded that the ultimate goal of IROs should be to achieve recognition as trusted strategic advisors within their organizations.

What does it mean to be a strategic advisor and how do you become one? Let me offer some thoughts:

I love investor relations because the job is unique. No other role gives you access to the C-suite and the shop floor. Leverage that access to learn about your company and your industry. Leverage your access with your investors, too.

Be “strategic.” Move beyond the “what” to why and how. Always think about the bigger picture and help your investors and your management see it.

Be an “advisor.” Have a perspective. Synthesize the raw data into a hypothesis quickly, then test it through internal and external conversations, more data, etc. Change when new information tells you the current hypothesis is wrong. Share your perspective with your management and be able to back it up.

NIRI can’t provide all of the skills you’ll need to grow into this role, but my vision is that we are an organization that leads the way in helping to grow strong, well-rounded “utility” executives who will succeed whether they stay in IR or choose to move beyond.

Lee Ahlstrom, IRC *NIRI Chair, 2018*