

The Future of IR: A Team of Tech-Empowered Specialists?

A member of the NIRI 40 Under 40 class shares his thoughts on where the profession is headed.

BY DENNIS WALSH



As the year 2020 looms just around the corner, I am entering my 15th year as an investor relations professional. Over that time, a growing list of required skillsets for the IR function and advancements in technology have forced the profession to evolve.

Back in 2005 when I began my career in IR, social media was “just for kids,” the Great Recession was a few years away, many believed that sustainability only mattered to companies that directly impacted the environment, activist shareholders were still somewhat viewed as corporate raiders, companies printed elaborate glossy annual reports, and we got our “fake news” from “Saturday Night Live.” Clearly times have changed!

Given the changes during the past 15 years, one can't help but wonder, “What does the future of IR look like?”

I was recently honored to be selected for NIRI's inaugural 40 Under 40 program, which recognizes young professionals who have made noticeable contributions to their companies, their NIRI chapters, and the overall IR profession. The experience of the honorees ranged from just a few years in IR to the high teens. Collectively, the group is a solid representation of professionals who will help to shape the future of the profession for the next few decades.

A Disruption Opportunity Ahead

Earlier this year, NIRI published a report, “The Disruption Opportunity,” which explored the topic of the future of IR. Ultimately, the NIRI Think Tank on the Future of Investor Relations responsible for the report concluded, “*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.*”

Yikes! But brutal honesty is necessary sometimes. I would like to take the liberty of flipping that conclusion and suggest: “*IR is at a true inflection point where the changing environment is evolving the function into more of a high-value, strategic function.*”

This mirrors the primary recommendation of the Think Tank, which is to achieve a future scenario where “the profession changes to successfully overcome these challenges and broadly realize its

full potential as trusted strategic advisors and its position at the nexus of stakeholder engagement to drive business and social value.”

My point is that the IR function is becoming *more* valuable and companies are dedicating more resources to it over time. Investor relations will never be a low-value, tactical function in my opinion. However, if IR professionals themselves don't keep up with these changes, they could get tossed into the office recycling bin with those dusty annual reports.

As each year passes, there seems to be a new area of responsibility that falls to the IR function. Today's IR professional is expected to be an expert in communications, finance/accounting, capital markets, corporate governance, regulatory affairs, sustainability, crisis management, artificial intelligence (AI)/data analytics, and competitive intelligence – just to name a few.

With that in mind, the NIRI Think Tank report also asks a burning question: “Will the existing IR talent pool be sufficient to meet these rising expectations?”

Looking at the members of NIRI's inaugural 40 Under 40 class, many of their backgrounds are strong in one or more of those knowledge areas. Is it realistic to believe, however, that the future IR professional will have deep experience in all those areas? Possibly. But one finding of the report that truly resonates with me is that IR is evolving as a team function.

IR Teams On the Rise

I was asked by NIRI to share my opinion on what the future of IR may look like. I'm no Nostradamus, but here's how I see it. Given the evolution of the profession I have seen over the past 15 years, I believe that we will see IR teams grow in size with more specialized roles.

IR functions have historically been small – typically one or two people at most companies. At my most recent company, we were a team of two. The head of IR was a former buy/sell-side analyst, while I come from more of a communications background, which included 10 years at an IR consulting firm. Our diversity of experience was a strength that allowed us to have constructive discussions when making strategic decisions.

It's actually quite impressive when you consider



Matthew Abenante, IRC
Ben Ashwell
Ariel Babcock
Jamie Bernard, IRC
Evan Black, IRC
Chris Brandon, IRC
Joshua Brodsky
Shea Burden, IRC
Sarah Burnett
Lyndsey Burton
Katherine Chen, IRC
Jeremy Cohen
Katherine Croft
Kris Doyle
Matthew Eichmann, IRC
Elisabeth Eisleben, IRC
Joe Elgindy
Brittany Kelley Elsasser
Kimberly Esterkin
Carlynn Finn
Betsy Frank
Mark Furlong, IRC
Stephanie Gorman
Noah Gunn
Kathryn (Katie) Herr
Jeanne Hess
Justin Horstman
Steve Hufford, IRC
Meredith Kaya
Mark Kobal, IRC
Mary Lai
Jacqueline Marcus
James Matyszczyk
MaryKate McGilley
Allison Monat Sobel
Jim Ogilvie, IRC
Megan Patterson
Gabriel Ratcliff
Brooks Rennie
Sebastien Reyes
Andrea (Andi) Rose
Katie Royce
Steven Rubis
Timothy Sedabres, IRC
Sean Silva, IRC
Anna Vu
Dennis Walsh
Timothy Walsh
Joshua Wannarka, IRC
Darin Norman

all the responsibilities many of today's IR professionals take on. In the future, I believe there will be a head of IR that will be expected to have some experience across all these areas of responsibility.

They will serve as somewhat of a coach for the IR team and there will be supporting players that bring deep vertical expertise into a specific area of focus. As companies assess the areas of expertise they will need to build out a strong IR function, we may see more specialized roles emerge, such as a focus on sustainability reporting, competitive intelligence, financial communications, analytics, etc.

While these roles exist today – often in other corporate functions – I believe in the near future they will become a formal extension of the IR organizational structure to allow for a more integrated strategy.

I also believe innovative technology will continue to advance and empower the investor relations function. (I'm really going out on a limb there, I know!) There is no shortage of technology companies creating software and tools that are intended to help IR professionals be more efficient and effective with their responsibilities.

Today, some of these solutions are so new, and there are so many to choose from that IR professionals have been slow to adopt them into their programs. In the future, I see many of these technology advancements coming together to create an integrated platform that will serve almost like an extra team member.

The Website: Your Robo-Team Member

The investor relations website is an underused tool that could be leveraged to better support IR teams of all sizes. I can see it serving as the base of the integrated technology platform. It is often the first stop for investors looking to learn more about the company.

The "Frequently Asked Questions" that you see on many IR websites are often questions that no one actually asks. So, investors will look for a contact form to inquire about setting up an introductory meeting. It has been this way for a while, as we have not seen many exciting advancements in IR website technology for a few years. Scheduling those meetings takes

time and the information the investor is looking for is available, but sometimes hard to track down.

What if the IR website was more like a robo-team member? Many e-commerce websites feature a chatbot that can answer a visitor's questions faster and sometimes more efficiently than if they had to call in to speak with a human. I can envision IR websites of the future where investors ask your robo-team member a series of questions (think all of the actual questions you have to repeatedly answer all day) before they request a live call.

IR teams already have prepared responses to most anticipated questions. With a little AI/machine learning, a chatbot could cover the basic questions many investors have and even link to sections of the website that provide more details. At a certain point, the investor could ask the chatbot to schedule an introductory call with the IRO.

This innovative technology would be integrated into your calendar to allow the investor to directly schedule the meeting without having to go back and forth to find a mutually agreeable date and time. The investor would be screened through a customer relationship management program to confirm they meet certain requirements that you set (such as position, firm type, fund size, investment style, etc.) before a meeting is scheduled. This will save IR teams – particularly small ones – a great amount of time, allowing them to focus on more strategic tasks and have more constructive conversations with investors.

I'm sure some of you with more years of experience in IR may not believe that the IR function will ever grow in size, as teams have been small since – well – forever. And many IR service providers may scoff at the idea that IR teams would even be open to adopting such innovative technologies. I could be wrong. But don't you like to imagine what you could accomplish with a "dream team" of specialized tech-empowered IR professionals in the future? I know I do. [IR](#)

Dennis Walsh is senior director, investor relations at Postmates. He served on the NIRI Annual Conference Committee in 2015 and 2016 and was co-chair for the 2017 event; dennis.walsh@postmates.com.