

IR UPDATE WEEKLY

June 26, 2018

Tools You Can Use

My home is filled with kitchen gadgets. My wife collects them, seeing or imagining importance in the most unique devices. Sometimes, when we have friends over, we like to play, "Guess that Gadget." (It gets pretty rowdy in the suburbs).

Bamboo-wood toast tongs are pretty easy to figure out, and rather handy. Then there is the olive spoon, purchased at E. Delliherin, Julia Child's favorite kitchen supply store in Paris. I am not sure how we managed to eat olives before this arrived. Same with the pickle-grabber. And the cherry-pitter. We had a fiddle-bow bread knife for a while, but gave it away because it was too deadly and we had a little one in the house. And of course, there are egg rings, so we can make eggs just like they do for the Egg McMuffin. A rather expensive nutmeg miller competes for space with a dozen different kinds of whisks, and goodness knows, how many spatula variations.

Some gadgets are cute, like the little wine glass jewels that allow you to identify your glass should you put it down to grab some Cheetos out of the specially designed Cheeto bowl. (Just kidding about that one). But all are tools, intentionally designed for specific purposes. They often have a surprising usefulness that defies my cynicism and penchant for uncluttered spaces.

The same is true for NIRI's collection of Standards of Practice on various IR topics. They have been developed and refined over decades and have guided, shaped and nurtured much of what is now commonly accepted best practice. This is one of the most valuable roles that NIRI plays for the profession -- and for the capital markets. Members collaborate, gather data, debate issues, engage in dialogue, listen, reflect, and develop policies that serve as practical, practice-based tools.

With this in mind, several months ago, the NIRI Board of Directors embarked upon a review of the NIRI policy statement on earnings guidance, which had not been updated since 2008. Since then, research has revealed a decline in the number of companies issuing quarterly earnings-per-share guidance. Various think tanks and thought leaders, like FCLT Global, have encouraged a greater emphasis on long-

term investing and performance metrics. After considering the issue at length, the Board established a task force in March to propose an update.

A revised [Policy Statement -- Guidance Practices](#) was unanimously approved by the NIRI Board on June 9 and [announced](#) the following Monday, during the 2018 Annual Conference. In a timely coincidence, Jamie Dimon and Warren Buffett authored an [op-ed](#) on this topic in *The Wall Street Journal* several days before the NIRI Board's action.

I hope you'll take a look at the guidance policy and give it some thought. Think of it as a tool, a tool that you can use, save for another day, or stash away in the basement. Now where is that vegetable spiralizer? I need to make zucchini noodles!

All the best,
Gary



Gary A. LaBranche, FASAE, CAE
President and Chief Executive Officer
National Investor Relations Institute

P.S. P.S. NIRI members can find all of NIRI's [Standards of Practice](#) by logging into the NIRI website. Additional resources on guidance practices can be found [here](#).