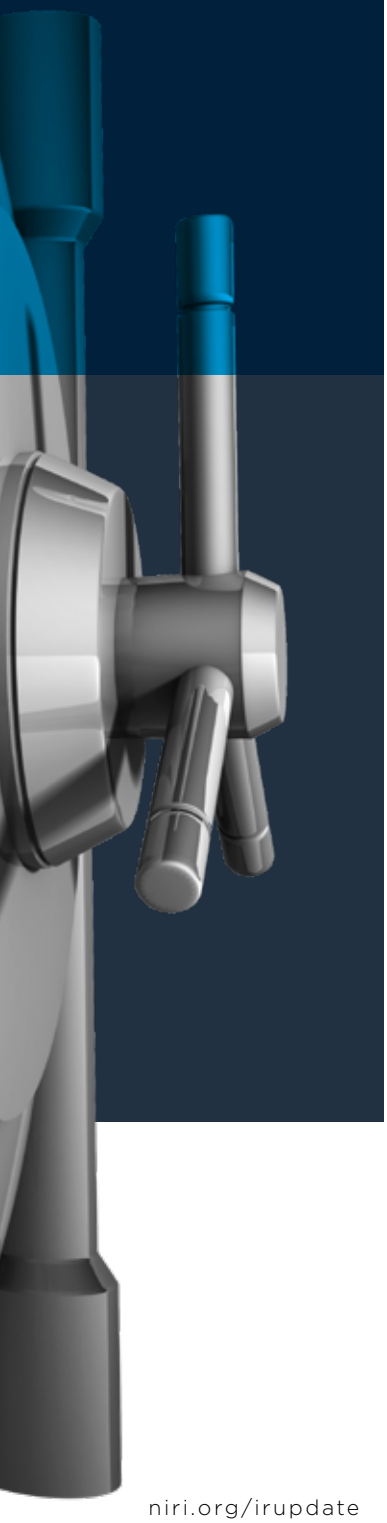
COMING OF AGE: NIRI ACHIEVES 50 YEARS OF SUCCESS



The NIRI founders created the association in 1969 and it had an immediate impact. Today, NIRI's programs and success are exponentially higher. See the timeline and learn how NIRI has advanced the profession during the past decade.

BY AL RICKARD, CAE

NIRI has spent the entire 2019 calendar year celebrating something important – its 50th anniversary!

The Spring 2019 issue of *IR Update* chronicled the origins of NIRI, drawing heavily on the writing of DeWitt (Dick) Morrill, one of the 22 founding members of NIRI. His reporting began with the 1950s, when the investor relations profession was born, and told the story of the trends and events that led to the launch of NIRI in 1969.

The article in that issue recounted the rapid growth of NIRI through its first two decades, leading the organization to a position of influence in the financial regulatory arena and a source of strong professional development and networking for NIRI members.

It also described the rise of institutional shareholder activism during that era and how NIRI successfully advocated for the importance of investor relations professionals in public companies.

The 2019 NIRI Annual Conference in June celebrated the 50th anniversary with a range of activities, including a lively party kicked off by Morrill as he declared, "Happy Birthday, NIRI!" from the conference stage.

The Summer 2019 issue of *IR Update* reported on the conference festivities. It also included an article written by past NIRI Chair Doug Wilburne that detailed the next two decades of NIRI history from 1990 to 2010, which saw even more growth and success, especially among NIRI chapters across the United States.

The entire NIRI timeline is displayed throughout this article, highlighting key milestones in the investor relations profession and major NIRI accomplishments along the way.

This article also details the trends and NIRI achievements during the latest decade of NIRI history from 2010-2019.

Coming of Age

NIRI embarked on its most recent decade in 2010 on the heels of the greatest recession to hit the United States since the Great Depression.

"The decade of the noughties (the 2000s) saw the worst performance for equities as compared with any other 10-year period in nearly 200 years of recorded stock-market history," 2010 NIRI Chairman Brad Wilks wrote in his *IR Update* column in January 2010.

He identified a key challenge as "convincing both institutional and retail investors that buying and holding stocks remains a viable investment strategy in a world filled with a growing panoply of investment alternatives with a proven track record of delivering superior returns compared to traditional equity investing."

Then the major stock indices skyrocketed to record levels during the 2010-2019 decade.

Other issues in 2010 included risk management, regulatory compliance, and corporate governance, as institutional investors and proxy advisory firms exercised stronger oversight around executive compensation, board structure, and corporate social responsibility.

Former NIRI President & CEO Lou Thompson also wrote in *IR Update* in 2010 to urge corporate proxy teams to "reach out to the company's ma-

jor investors before the proxy season begins and discuss issues that may come forth once the proxy is issued."

He noted that a few companies used this opportunity to "vet" their executive compensation plan to determine the hot button issues and provide that feedback to the board's compensation committee.

As this era of increased activism unfolded, NIRI formed an Advocacy Committee within its Board of Directors to address this and other regulatory issues.

Dodd-Frank Changes the Landscape

Multiple bills were pending in Congress in early 2010 that would mandate "Say-on-Pay" shareholder votes at U.S. issuers, and in July 2010 the landmark Dodd-Frank Wall Street Reform and Consumer Protection Act was signed into law by President Barack Obama.

This bill established specific "Say-on-Pay" requirements, called for new disclosure rules on executive compensation, and gave the SEC the authority to adopt proxy access requirements (although mandatory proxy access provisions were struck down by a U.S. appeals court the following year). Other Dodd-Frank mandates included required reporting on "conflict" minerals, new listing standards on compensation consultants

INVESTOR RELATIONS KEY MILESTONES

1951 National Association of Investment Clubs (NAIC) founded

1953 First formal IR function at General Electric

1958 American Management Association (AMA) holds first investor relations conference

1961 NAIC holds first investor conference

1967 Instinet launched – first "Dark Pool"

1950 1955 1960 1965

niri NIRI KEY MILESTONES

1966 Investor Relations Association (IRA) formed in New York

and a CEO pay ratio disclosure mandate. These new rules, particularly the "Say on Pay" provisions, prompted many institutional investors to increase their reliance on proxy advisory firms while adding to the growing workload of many IR teams.

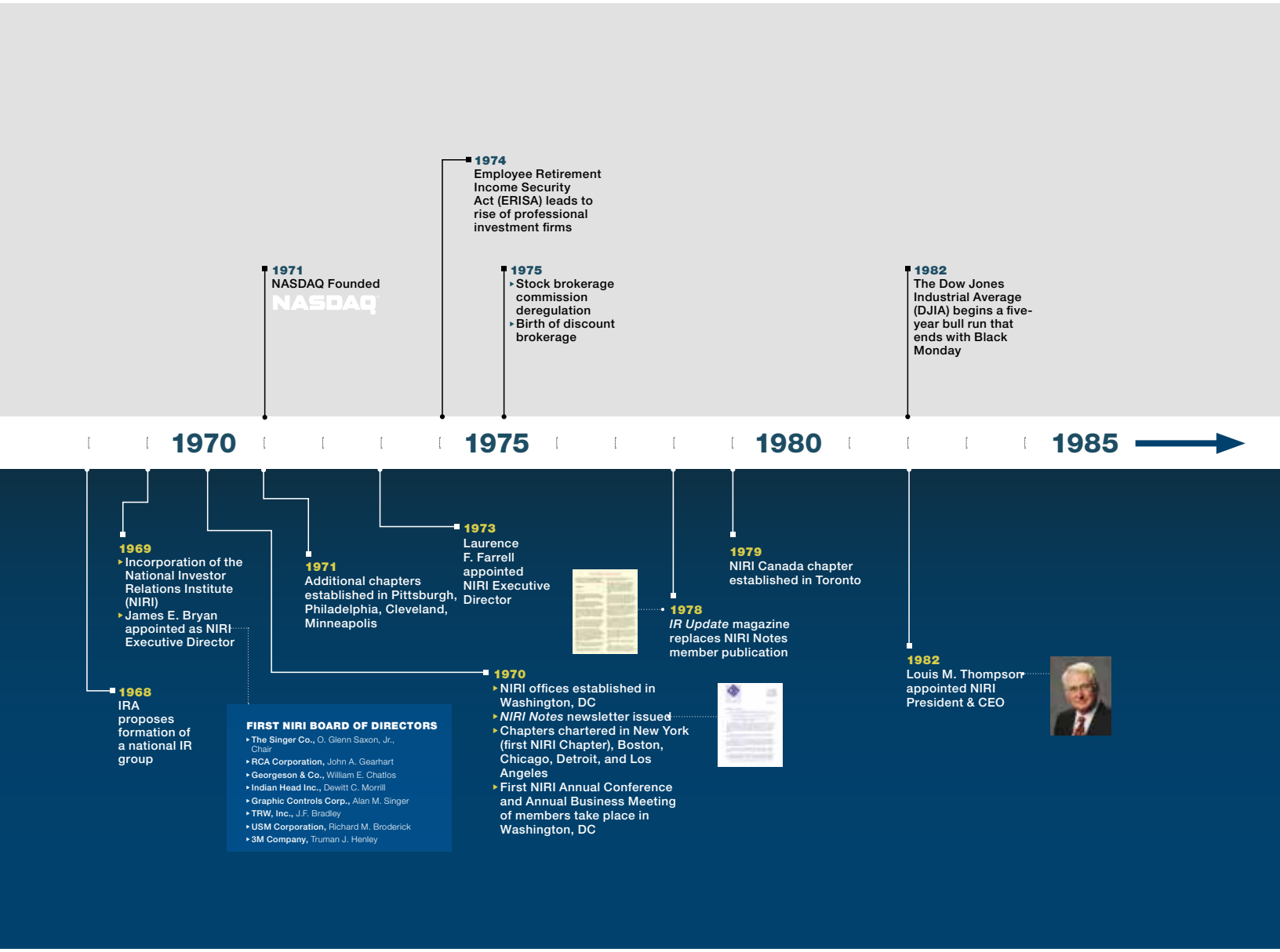
As the decade unfolded, these issues would remain at the forefront in NIRI efforts to influence legislation and regulations in these areas.

Sell-Side Analyst Changes

Buried deep within the Dodd-Frank legislation was a mandate (Section 919A) for the Government Accountability Office (GAO; the investigative arm of Congress) to do two things:

1. Identify and examine potential conflicts of interest that exist between the staffs of the investment banking and equity and fixed income securities analyst functions within the same firm.
2. Make recommendations designed to protect investors in light of such potential conflicts.

Specifically, the mandate required the GAO to examine the effects of the Global Analyst Research Settlement of 2003, an enforcement agreement between the U.S. Securities and Exchange Commission (SEC), the National Association of Securities Dealers (now FINRA), New York Stock Exchange (NYSE), and



10 of the largest U.S. investment firms to address issues of conflict of interest within their businesses.

To assist GAO in its study, NIRI surveyed a group of tenured members on these issues in 2011.

NIRI members said that sell-side analysts were primarily focused on high-turnover traders and the trading revenue that generates, leading to a very short-term focus. Members also noted that the ranks of analysts had thinned, leading to less in-depth coverage and poorer research quality. At the same time, analysts that remained were more focused on promoting corporate access through non-deal roadshows.

Less than half (45 percent) of survey respondents believed the reforms of the Global Analyst Research Settlement effectively insulated research analysts from pressures by investment banking staff. Instead, the settlement seemingly accelerated a trend toward fewer analysts and a reduced quantity and quality of issuer coverage.

Interestingly, a law passed in Europe in 2016 – the "Markets in Financial Instruments Directive II" (MiFID II) – effectively separated trading transactions from analyst research by requiring the unbundling of research fees. MiFID II, which took effect in January 2018, also further accelerated

INVESTOR RELATIONS KEY MILESTONES

October 19, 1987
Black Monday – largest daily percentage loss in Dow Jones Industrial Average history

1993 - 1997
Rise of Internet – IR webcasting, web pages, shareholder chat rooms, etc.

1997
Order Handling Rules lead to primacy of pricing and speed

2000
Dot-com Bubble bursts
- Regulation Fair Disclosure
- Birth of expert networks
- Exchange demutualization begins as Chicago Mercantile Exchange goes public

1998
American Stock Exchange merges with NASDAQ

2001
- Decimalization moves stock quotes from fractions to decimals – rise of automated trading, dark pools
- September 11 – Terrorist attacks cause global markets to drop sharply

2002
Sarbanes-Oxley Act changes corporate governance, internal control assessment and financial disclosure

2003
- Global Analyst Research Settlement splits research from investment banking; sell-side focuses on trading commissions
- SEC Adopts Regulation G - Conditions for Use of Non-GAAP Financial Measures

2005
Rise of social media – early adopter IR programs begin using Twitter and other platforms

1990 | 1995 | 2000 | 2005

1994
- NIRI celebrates 25th Anniversary
- *Origins of NIRI* history published
- Senior Roundtable established

1995
Executive Alert bulletins begin

1996
Standards and Guidance for Disclosure issued

1997
NIRI Canada chapters become the Canadian Investor Relations Institute (CIRI)

1998
Standards of Practice for Investor Relations - first edition issued

2000
NIRI Board, members, and staff work to shape language of *Regulation FD*

2001
Standards of Practice for Investor Relations – second edition issued

2002
NIRI Board, members, and staff work to shape language of the *Sarbanes Oxley Act*

2003
- NIRI Ethics Council formed
- Membership Code of Ethics put into place

2004
Standards of Practice for Investor Relations – third edition issued

the trend toward less sell-side research and fewer analysts – to the detriment of smaller companies in both Europe and the United States.

ETFs on the Rise

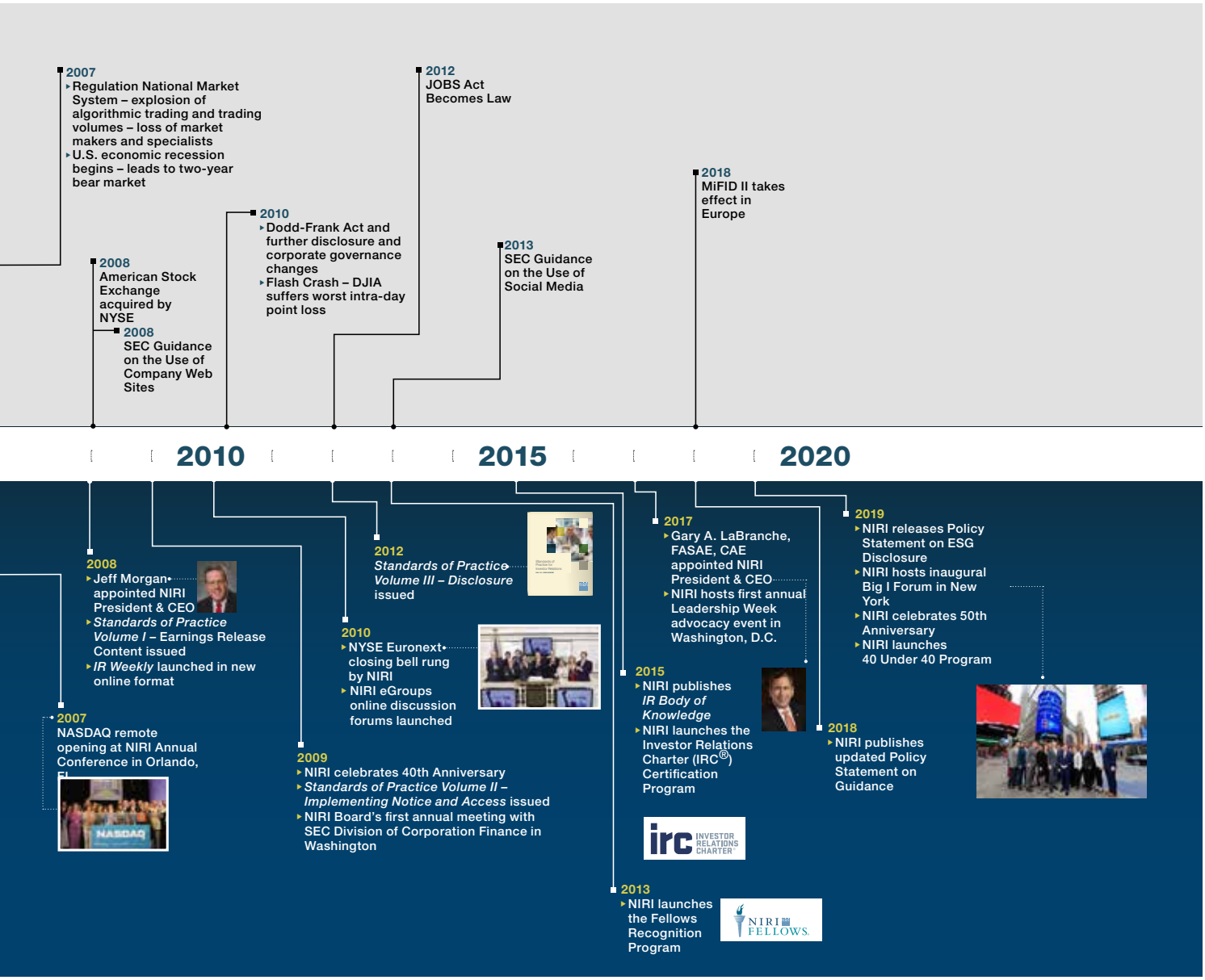
IROs were also paying more attention the surge in exchange-traded funds (ETFs), which in 2010 already represented 40 percent of daily trading on major exchanges. By 2013, more than 1,200 ETFs represented $1.9 trillion in investments. By July 2019, assets invested in U.S. ETFs had surpassed $4 trillion, according to ETF.com.

This trend toward "passive investing" raised some concerns about the role of IROs, but leaders such as 2017 NIRI Chair Valerie Haertel, IRC, assured the profession that IROs remained very much in demand.

"I'd say if anything the influence and reach of IR is greater than it has ever been before," Haertel said in 2017. "IR has become strategically integrated into the fabric of companies, helping business leaders shape the strategic messaging for the firm."

Social Media Questions

The impact of social media on investor relations was also a topic of much debate as the 2010 decade began. Sessions on the topic at NIRI conferences



Activists began demanding evidence of corporate efforts to promote sustainability, support social causes, and achieve diversity in their boards and management teams.

were typically packed, and no one knew how social media would affect disclosure issues or investor behavior. The SEC issued regulatory guidance in 2008 that helped companies define "public" information posted on websites, but it did not address social media.

At that time Q4 Web Systems (now Q4 Inc.) analyzed 350 companies that used Twitter accounts and found that 35 percent were already using this channel to broadcast information previously disclosed through traditional Regulation Reg FD channels such as press releases.

Most companies took a "wait and see" approach to social media, while understanding that dealing with it was fast becoming an integral part of reputation management. In 2013 the SEC provided some clarification by noting that Regulation Fair Disclosure (Reg FD) applied to social media and other forms of communication the same way in applied to company websites.

NIRI Achievements

As NIRI grew in the early 2010s, it achieved milestones in several areas.

NIRI launched its popular "eGroups" online discussion forum in 2010, which allowed NIRI members to interact candidly and in real time with colleagues on a range of IR issues within the privacy and security of the NIRI website. It quickly became a robust and lively area to discuss critical issues facing the profession.

In 2011, NIRI undertook a strategic organizational review, which led to the "OneNIRI" initiative, with a mission to build an even more inclusive, networked, global organization with core competencies of information, practice, advocacy, and community. In subsequent years, this effort led to restructured membership and dues, chapter services, and other initiatives.

It also led to the 2013 launch of the NIRI Fellows Recognition Program, which honors NIRI members who epitomize the leadership, integrity, involvement, and contributions of investor relations professionals. These are individuals who made significant contributions to the betterment of the profession and NIRI throughout their careers.

Those selected as NIRI Fellows are recognized as highly engaged individuals for their contributions to the profession and are called to continued service as content leaders, selection committee participants, authors, and thought leaders in NIRI and the field of investor relations.

NIRI also created a Presentation and Report Library in 2012, and later created separate libraries with links to reports, webinars, and other materials on corporate governance, MiFID II, and sustainability.

2012 NIRI Chair Derek Cole recounted some of these accomplishments at the conclusion of his term and thanked NIRI members for participating in a needs assessment survey that year. He said the survey reinforced the many reasons IR professionals joined NIRI: outstanding community and networking, access to standards of practice, IR resources, educational programs, and IR research.

Activism Increases

The level of hedge fund activism continued to increase in the 2010s.

In 2015, a NIRI survey reported that 80 percent of IROs reported that activist investors owned their stock, up from 47 percent who reported this in 2007.

Research by Hedge Fund Research found that in 2016 assets managed by activist hedge funds totaled $129 billion, more than doubling during the previous three years.

Companies often settled disputes with activists by granting board seats, making management changes, divesting underperforming lines of businesses, or increasing share buybacks.

ESG Issues

While most hedge funds focused on operational or balance sheet activism, other investors, including public pension and labor funds, were pushing companies to pay closer attention to environmental, social and governance (ESG) issues. These activists began demanding evidence of corporate efforts to promote sustainability, support social causes, and achieve diversity in their boards and management teams.

Attention to ESG issues that largely began in Europe early in the decade quickly picked up in

The Voice of the IR Profession

Since its founding, NIRI has served as the voice of the IR profession in Washington, D.C. NIRI has invited SEC officials to speak at NIRI conferences, the Senior Roundtable Annual Meeting, and other events; participated in working groups to develop best practices; and submitted comment letters, rule-making petitions, and Congressional testimony on proxy reforms, equity ownership transparency, and other issues.

During the past decade, NIRI has ramped up its advocacy efforts and partnered with other professional organizations, the national exchanges, and corporate groups to promote reforms that benefit public companies.

In 2011, NIRI Board of Directors adopted an advocacy agenda to advance the IR profession and bolster capital formation. The five key tenets were:

1. NIRI supports equity ownership disclosure by all institutional investors (mutual funds, hedge funds, activist investors, etc.) including:

- Long equity positions
- Short equity positions
- Derivative positions

2. NIRI supports a comprehensive evaluation of the current shareholder voting and communications system in order to modernize the corporate governance processes used by public company shareholders.

3. NIRI supports increased transparency and regulatory oversight of proxy advisory services and the processes used by these firms in generating voting recommendations and making voting decisions.

4. NIRI supports a comprehensive evaluation of market stabilizing systems and processes used during times of extreme volatility, including some form of short-selling circuit breakers.

5. NIRI supports initiatives to strengthen the initial public offering (IPO) market in the United States.

NIRI updated its advocacy agenda in 2014 and 2019. The latest agenda includes new sections on disclosure reform and long-termism. Since 2014, NIRI has encouraged chapters to appoint advocacy ambassadors, who have played a key role in gathering member input on emerging issues and mobilizing grassroots support for NIRI's advocacy initiatives.

Under the direction of Ted Allen, JD, NIRI's vice president for communications and member engagement, NIRI holds an annual Leadership Week event each September that includes a regulatory briefing with a SEC commissioner, visits to Capitol Hill, and a meeting with senior SEC officials. More than 60 members from 23 states participated in the 2019 event, and NIRI encourages members, their companies, and NIRI chapters to engage with regulators and lawmakers throughout the year.

the United States. The U.S. Social Investment Forum reported that the number of institutional investors incorporating ESG components into their investment evaluations increased 60 percent from 2012-2014. By 2015, 75 percent of investment professionals said they considered ESG factors in their decision making.

A range of ESG ratings agencies emerged to meet this growing demand for metrics and accountability. Former SEC Chair Elisse Walter highlighted the importance of ESG issues in an *IR Update* commentary in 2017, reporting that "89 percent of the world's top 100 asset managers are signatories to the 'Principles for Responsible Investment,' including BlackRock, Vanguard, SSGA, Fidelity Investments, JP Morgan, and PIMCO. Signatories commit to incorporating environmental, social, and governance issues into investment analysis and decision-making processes and seek appropriate ESG disclosure by the entities in which they invest."

She continued, "Investor demand for sustainability information has reached a critical mass. Simply put, sustainability issues are business issues. They can have material impacts on the financial condition or operating performance of a company, or an entire industry. The time has come for companies to respond. IR professionals should view disclosure not as an obligation, but

as a chance to better tell your company's story."

In January 2019, NIRI published its first ESG policy statement: "NIRI recognizes that ESG information is becoming increasingly integrated into the investment process by institutional and retail investors and encourages IR professionals to become more knowledgeable about the information and data that investors are seeking." In March 2019, NIRI convened its first Investor & Issuer Invitational Forum, which focused on ESG issues.

After almost a decade of advocacy by NIRI and public companies, the SEC issued guidance in August 2019 on how investment managers should oversee the work of the proxy advisors they hire.

Proxy System Changes

The Dodd-Frank legislation of 2010, which prompted most U.S. companies to hold annual "Say on Pay" votes on executive pay, increased the influence of proxy advisory firms and the proxy voting teams at major institutional investors.

2011 NIRI Board Chairman Doug Wilburne, CFA, decried what he characterized as "the sport of challenging companies and boards during proxy season."

He wrote in his *IR Update* column that year, "To sustain themselves, [proxy advisory firms] must create proxy tension. Never mind that a particular company that they target is ethical, has excellent products, wins in the marketplace and creates shareholder value. If the company has governance elements that don't meet certain criteria established by the so-called governance 'experts,' a recommendation or vote against is likely to be cast. And seldom is there any hard evidence that these positions are consistent with enhancing long-term shareholder value, our holy grail."

The 2011 proxy season marked the start of a trend toward greater scrutiny of compensation issues that required more attention from IR professionals. A report on companies in the Russell 3000 conducted by Semler Brossy, a compensation consulting firm, found that 37 of those companies failed to win majority approval during their first "Say on Pay" votes in 2011.

That number increased to 51 in 2012 and that year another 120 companies received only 50-70 percent support, placing them under higher scrutiny from proxy advisors and some institutional investors.

An article in *IR Update* in 2013 reported on the growing threat of compensation lawsuits, noting that "Say-on-Pay" requirements were driving the trend. While most of these lawsuits were dismissed, they highlighted the growing scrutiny that public companies began to face during this era.

In 2013, the SEC proposed a Dodd-Frank rule that requires companies to disclose the ratio between total CEO compensation and median employee pay. NIRI and other corporate groups objected to this rule, noting the high cost of compliance and the potential confusion for investors. The SEC took some steps to mitigate the costs of this rule, which took effect in 2018 and has added to the messaging challenges that public companies face each year over executive pay.

After almost a decade of advocacy by NIRI and public companies, the SEC issued guidance in August 2019 on how investment managers should oversee the work of the proxy advisors they hire. Proxy advisor reform has been a major priority for NIRI, which has urged regulators to require proxy advisors to improve the accuracy of their research, address conflicts of interest, and open their policymaking process to more issuer input. While pleased by this progress, NIRI is encouraging the SEC to take additional steps to ensure that all companies are treated fairly.

NIRI also has been active in encouraging the SEC to modernize the U.S. proxy system, urging regulators to repeal the OBO-NOBO rule and remove other barriers to corporate-shareholder communication.

Equity Ownership Transparency

Through the decade, NIRI has called for greater transparency around the shares controlled by institutional investors, which hold about 80 percent of the equity of U.S. companies.

Under Section 13(f) of the Securities Exchange Act passed by Congress in 1975, institutional investment managers are required to file Form 13F identifying their equity ownership positions within 45 days following the end of each quarter. This issue was part of a larger NIRI advocacy agenda developed by the NIRI Advocacy Committee in 2011. (See the sidebar, "The Voice of the IR Profession" on page 23.) By 2013, NIRI joined forces with

the New York Stock Exchange and the Society of Corporate Secretaries & Governance Professionals (now the Society for Corporate Governance) in a rulemaking petition that asked the SEC to reduce the 13F filing period from 45 days to two days after the end of each quarter. In 2015, NIRI, NYSE, and Nasdaq filed rulemaking petitions that asked the SEC to implement a Dodd-Frank provision (Section 929X) that would require 13F filers to report their short positions each month. NIRI has followed up by encouraging companies and NIRI chapters to submit their own comment letters.

In 2017, NIRI supported the introduction of the Brokaw Act, a bipartisan bill that would modernize the 13D disclosure rules for activist investors who accumulate more than a 5 percent stake in a public company. This legislation, which would reduce the 13D reporting period from 10 days to four days and address derivatives, would give companies more timely notice that activists are building significant positions and allow IR teams more time to engage with long-term investors.

While the SEC has not acted on these issues, NIRI members have encountered a more favorable reception on Capitol Hill during meetings with lawmakers during NIRI's Leadership Week events in 2017, 2018, and 2019.

The NIRI Strategic Vision

For 50 years, NIRI has worked to advance the professional practice of investor relations and enhance the credibility and prestige of practitioners.

In September 2018, the NIRI Board of Directors approved a new Strategic Plan, which recognizes that NIRI must play a greater leadership role in championing and facilitating constructive capital markets engagement.

The NIRI Board also adopted an updated Mission Statement: Through its collaborative community, NIRI advances engagement in the capital markets and drives best practices in corporate disclosures, governance and informed investing.

The Strategic Plan also includes three Core Values: Integrity, Collaborative Community, and Forward Thinking.

As part of the new strategy, NIRI membership is now open to all investor relations professionals and those involved in accomplishing the goals of investor relations (such as the chief financial officer, treasurer, corporate communicator, corporate secretary, or a corporate governance professional) in a public company.

NIRI membership also is open to employees at private companies and private equity firms who interact with investors or debt holders.

Standards of Practice

Continuing its program of setting standards for the investor relations profession that began in 1996, NIRI issued revised Standards of Practice for earnings release content and corporate disclosure in 2013 and 2014.

These voluntary guidelines updated earlier versions and reflected innovations in disclosure practice incorporating developments such as the influence of SEC guidance on website disclosure, social media compliance concepts, and recent case law.

IR Continues to Evolve

As regulatory changes reduced the compensation for Wall Street sell-side analysts and thinned their ranks over a period of years, many began applying for IR positions after 2010.

As they brought financial analysis skills and deep knowledge of certain sectors, analysts' skillsets were attractive to many public companies.

The trend refocused attention on the financial skills needed by IROs, while also highlighting the broad range of other skills essential to investor relations.

"The diversity of IROs is increasing as former research analysts from the buy and sell side and others look to IR as a profession where they can leverage their skills and contribute," 2017 NIRI Chair Valerie Haertel, IRC, reported.

IROs also continued to advocate for greater influence on the C-suite at their companies, emphasizing the importance of understanding and considering the impact of Wall Street and shareholder perceptions in corporate decision-making.

2013 NIRI Chair Hulus Alpay addressed this, saying, "I want to make sure that the contribu-

tions IR professionals make at their organizations are looked upon through the same lens other key executives are viewed and rewarded accordingly."

The first IRC exam was offered in 2016. As of October 2019, 178 IR professionals from 123 companies had earned the IRC credential.

IR Certification

With an increased focus on the skills and experience of IROs, NIRI began to consider creating a certification program for IR professionals in 2011 following research indicating that nearly 75 percent of members expressed interest in gaining certification.

Members ranked the top two benefits of obtaining an IR certification as the "ability to grow my IR knowledge through a professionally developed program," and the "ability to demonstrate a higher level of acquired knowledge in IR to my management team or C-suite."

A committee of senior NIRI members developed an Investor Relations Competency Framework containing 10 core IR competency domains within the profession. Following NIRI Board approval of the Investor Relations Charter (IRC®) certification program in 2013, a Body of Knowledge Committee of more than 40 senior NIRI members convened in 2014 to write a "Body of Knowledge" reference book with chapters based on the IR competency domains. This became an essential study guide for IR professionals.

The first IRC exam was offered in 2016. As of October 2019, 178 IR professionals from 123 companies had earned the IRC credential.

Changing Leadership

The mid-2010s marked a change in NIRI staff leadership, as Jeffrey Morgan, FASAE, CAE, moved on from his position as president and CEO.

John Chevalier, who served as the 2014 NIRI chair at the time, thanked Morgan for his "seven years of exemplary service and leadership."

NIRI hired James Cudahy, CAE, as president and CEO in 2015.

In 2017, Gary LaBranche, FASAE, CAE, became NIRI president and CEO and continues to serve in that role today.

Value of Networking

One of the key benefits of NIRI membership is networking – the opportunity to interact with peers for greater learning and insight into the IR profession.

Two NIRI chairs spoke eloquently about the value of networking in their *IR Update* columns.

2015 NIRI Chair Mark Donohue, IRC wrote, "As I reflect on my IR career, NIRI has been there from Day One. From the very beginning, attending local chapter events and annual conferences increased my knowledge and resource base. My contact list expanded as NIRI members willingly served as mentors. Lifelong friendships have been established because I took the initiative to get involved in many functions across the NIRI landscape.

"I encourage members to take advantage of the value that comes with your membership. Become actively involved, participate in local chapter and national activities, and share your knowledge and experience with your peers. Your participation ensures that NIRI continues to thrive and remains the leading source on the practice of investor relations around the world."

2016 NIRI Chair Felise Kissell said, "I have always found NIRI to be a place where those who have been there help others get there. Every NIRI chapter has so much expertise just waiting to be tapped, so many incredible individuals with ideas for improving your IR practices, and so many resources to help take you to the next level."

New NIRI Programs

LaBranche introduced several new initiatives after joining NIRI in 2017. The new programs were designed to enhance member value and increase participation and were aligned with a new strategic plan.

Leadership Week, which was launched in 2017, provides an opportunity each September for NIRI leaders to visit Washington, D.C., to discuss key issues and visit with members of Congress and SEC officials to advance the NIRI advocacy agenda. During the week, chapter leaders also gather to discuss issues of the day and help advance their ability to serve members.

The inaugural Investor & Issuer Invitational Forum was launched in New York City in March 2019, focusing on ESG. The forum attracted more than 100 attendees, including 30 speakers and

panelists who shared a wide diversity of viewpoints. Among the organizations represented were the Council of Institutional Investors, the National Association of Corporate Directors, BlackRock, Neuberger Berman, Wellington Management, FTSE Russell, MSCI, S&P Dow Jones Indices, and the Sustainability Accounting Standards Board.

NIRI also launched a series of regional seminars, known as NIRI East, West, and Midwest, that include new programming on ESG and other emerging topics. In addition, NIRI developed a new IR Competency Suite of online courses for practitioners who don't have the time to travel to seminars.

NIRI also inaugurated the "40 Under 40" recognition program at the 2019 Annual Conference. The program honors young professionals who have made noticeable contributions to their companies, communities, the IR profession, and NIRI.

Over the years, NIRI has issued a variety of policies and statements on key issues. That legacy continued in 2018 with an update to the NIRI Policy Statement – Guidance Practices, which was changed to emphasize a longer-term focus. In 2019, NIRI published its first-ever ESG Policy Statement to help members navigate this rapidly emerging area.

Think Tank on the Future of IR

The NIRI Board of Directors initiated a new, strategic-level offering in 2018: a Think Tank on the Future of Investor Relations. Composed of a diverse group of IR practitioners as well as academic experts and experienced service providers, the Think Tank spent months thinking about how IR might evolve in the coming years.

Led by NIRI Fellow and past NIRI Board member Lynn Tyson, executive director, investor relations at Ford Motor Company, and supported by NIRI Chief Programs Officer Matt Brusch, CAE, the Think Tank used sophisticated methods to methodically consider a range of questions and influences, all under the guidance of a futurist.

Made possible by a grant from Broadridge Financial Solutions, the Think Tank process resulted in a white paper titled "The Disruption Opportunity," published in May 2019 and shared widely throughout the world.

IR must be seen as a team activity, a multi-disciplinary function involving executives and managers from throughout a company, but led by a strategically focused IR executive.

- NIRI Think Tank Report

The Think Tank report is helping shape the future direction of NIRI programming. Among the first new initiatives is the Developing Leaders Roundtable (DLRT). Launched in September 2019, and based on the model of the NIRI Senior Roundtable, which is celebrating its 25th anniversary this year, the DLRT welcomes all practitioners with three to 10 years of IR experience who are interested in developing "soft skills" such as leadership, team building, and executive presence, which are essential for the IR professional of the future.

The Think Tank report also created a new "lens" for the IR profession: IR must be seen as a team activity, a multi-disciplinary function involving executives and managers from throughout a company, but led by a strategically focused IR executive. This view inspired the development of a new NIRI effort to engage financial professionals with new programming such as "IR for Financial Executives" and a new eGroups community for those executives.

The Future of NIRI

NIRI has taken many steps to prepare for a changing future.

2018 NIRI Chair Lee Ahlstrom, IRC, explained in his opening column in *IR Update*, "We are asking important long-term questions of strategy and value: Why does NIRI exist – what is our 'noble purpose?' Where is the investor relations profession heading? Who should be a member of NIRI, and how does the organization best address our diverse membership's needs? How does NIRI help professionals become not only better at investor relations, but also better executives?"

Some of the answers to these questions are chronicled in the article, "Seizing the Disruption Opportunity," on page 28 of this issue of *IR Update*. The article summarizes the findings of the report prepared by the NIRI Think Tank on the Future of Investor Relations, and past chairs of NIRI also offer their views of the future. IR

Al Rickard, CAE, is president of Association Vision, the company that produces *IR Update* for NIRI.