



# MAINTAINING VIRTUAL INVESTOR COMMUNICATIONS DURING AN UNPRECEDENTED CRISIS

**The IRO for Ciena shares his experience during the COVID-19 pandemic.**

BY GREGG M. LAMPF, IRC



Once the COVID-19 pandemic took hold in March 2020, public companies everywhere scrambled to deal with the fallout, including the challenge of replacing live meetings with virtual events. This is a story about how we handled it at Ciena Corp.

After Ciena's fiscal first-quarter financial results disclosure in early March, we had planned outreach at a major trade show in San Diego and roadshows in New York, Boston, Chicago, Toronto, and Montreal. Oh, and an annual shareholder meeting. Not bad for a four-week investor outreach schedule – unless a global pandemic hits!

Time to panic? No. Time to innovate and show your willingness to remain engaged with the investment community. Similar to remaining engaged when your company is experiencing challenges, curve balls can be viewed as an opportunity to demonstrate your commitment, highlight the confidence and competency of the management team, and engender goodwill with a very important constituency.

The Optical Networking and Communication Conference & Exhibition (OFC) is one of the most

important trade shows in my industry where, in the case of Ciena, we engage with dozens of investors over multiple days. This year we also have a major product launch that we planned to highlight for our customers and with investors.

Guided by precautionary steps to safeguard our employees given the COVID-19 pandemic, including implementing travel bans and restrictions, our company was one of the first to cancel its participation. Ultimately several others made the same decision.

The Ciena Investor Relations program has been recognized as proactive and progressive, and we were not going to allow this to slow us down and certainly not stop us.

Within hours we began discussing alternatives. This included leveraging our Marketing Department to virtualize our trade show demos and reaching out to a few sell siders to schedule client conference calls with our primary technology executive. We also reinvigorated our investor chalk talk series.

Within days we scheduled two client calls with four more in reserve, which we held due to the fluidity of the situation. We also met with Marketing



to guide the content and format of their virtual event so it would be investor friendly. OK, good. That seems covered. That was in early March.

Over the following weeks we had several roadshows planned and in early March the COVID-19 situation was not yet fully understood or appreciated. As such, we and the sell siders with whom we were partnering were not yet seriously considering alternative modes of engagement. That took about another four days to change.

### **Holding Virtual Roadshows**

One by one these roadshows were converted to virtual events using a mix of traditional conference call tools and video conferencing solutions depending on our partners' capabilities. Outreach continued in the midst of individuals shifting to remote working, so that was challenging.

At the same time, as the COVID-19 pandemic gained momentum, we remained engaged with our executives and counsel to ensure our original messaging still applied and anticipated new questions – another challenge given the fluid situation.

In particular, we engaged more closely than usual with sell siders for our client calls. We carefully managed the topics and flow of the discussions and set expectations, making it clear beforehand with the sell siders that we were not changing our COVID-19 messaging and would not engage in an expanded conversation on the topic. Especially as it related to substitutional events for OFC, we were going to focus the conversations on our technology as originally planned.

Regardless, we anticipated that investors would

ask for a COVID-19 update in some way. As a result, we indicated at the beginning of each conversation that we understood they would likely have many questions about COVID-19 and its impact on Ciena's business.

Given how fast-moving the situation was at that time, however, we knew they must understand that we could not provide any update to our financial outlook shared publicly on March 5 or provide further details that would be akin to any reaffirmation or update to that outlook.

At the same time, we indicated that we thought it important to honor our commitments and recognized that it was important to continue the dialogue provided we could adhere to those guidelines.

### **Launching a Virtual Shareholder Meeting**

We then moved on to our annual shareholder meeting on April 2. Fortunately, Ciena was an early adopter of the virtual meeting and has held a shareholder virtual meeting since 2013. At that time, only about 125 U.S. companies had gone virtual or used a hybrid approach. In 2019, the number was roughly 300.

As a result of our experience, we did not change much other than making the meeting entirely virtual and having participants dial in remotely and using Microsoft Teams to coordinate the event. Many other companies were also beginning to explore this alternative.

On March 13 the U.S. Securities and Exchange Commission (SEC) published guidance, "Staff Guidance for Conducting Annual Meetings in Light of COVID-19 Concerns." This provided clarification and direction on how companies could properly adopt this approach in relatively short order.

One primary provider of virtual meeting services I spoke with in late March said they had about 1,400 inquiries at that time about how to take this approach.

Before making the change, our main objective was to ensure that our larger shareholders in particular understood our thinking. We reached out to them before making the change, explaining

our logic, assuring them that access would not change, and providing an opportunity for them to ask questions. There were no concerns expressed and we have not experienced any shareholder issues as a result of this change.

### Long-term Impact

As one of my selliders wrote, “From a longer-term perspective, we envision the increase in remote working and remote education as catalyzing longstanding trends. Recall that 9/11 led many companies to evaluate and modify disaster recovery plans ... The drive to enable a remote workforce began decades ago, so we do not characterize the virus as establishing a new secular trend; rather, we believe it catalyzes an existing trend.”

For those who did not recoil from the challenge and were able to adjust, there could be several benefits. I expect investors will appreciate and remember the confidence and commitment displayed during this unprecedented time. Investors loathe uncertainty and to the extent companies can offer some level of clarity it can enhance a company’s reputation.

We may also find that we do not need to travel quite as much. Some organizations will assess productivity, make adjustments, and could decide that remote working is more acceptable. Consequently, this trend could accelerate. This could offer opportunities for companies to evaluate their facility locations and reassess their travel and entertainment budgets, improving the bottom line.

At the same time, some increases in information technology budgets could partially offset this as more communication tools and associated infrastructure may be required. Of course, some organizations may determine that productivity challenges cannot be adequately addressed remotely. However, given the existing trends and impact of younger people entering the workforce – prospective employees who value remote options – I expect this to be less likely.

From an investor relations perspective, there are a few potential opportunities. Similar to positive company reputational benefits, IROs who were willing and able to take on this challenge should

## NIRI Holds Webinar on Virtual Communications

As part of its series of webinars designed to help IROs during the COVID-19 crisis, NIRI held a webinar, “Adapting Your IR Program to the New ‘Virtual Reality,’” on April 9, 2020.

The webinar was moderated by Lisa Rose, IRC, President, Dix & Eaton. Speakers included Luke Bishop, VP, Client Partner, Investis Digital; Gregg Lampf, IRC, VP of Investor Relations, Ciena; and Tom McCallum, IRC, Head of IR, Zoom.

It covered tools and techniques to stay connected, including virtual investor meetings, earnings calls, IR websites, and social media.

[View the archived webinar at www.niri.org/webinar040920.](http://www.niri.org/webinar040920)

realize a strengthened reputation in the eyes of our peers and investors.

As IROs we will certainly learn a lot and should look to optimize supporting resources such as presentations and websites, add tailored communication techniques, and embrace tools for more of these types of engagements. From a career perspective, some management teams may reflect and find that having a decentralized team is also more acceptable. This could offer more opportunities for IROs who are unwilling or unable to move or be in a headquarters location full-time, another trend that has arguably been in its infancy.

Also, virtual and hybrid shareholder meetings will almost certainly grow in popularity, which in my opinion is overdue for many companies.

As an IRO who has been in the field 25 years, mainly with technology companies, I have seen my share of volatility and uncertainty, and each time I recommended to my management team that we lean in as much as possible. Each time this was well-received. COVID-19 is no different. So, to my fellow IROs, go forward with thoughtfulness and confidence! [IR](#)

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