Investor Targeting and Outreach
(IR Competency Framework Domain 4)

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Discussion Items

• Targeting
• Relationship building
• Enhancing the effectiveness of your communications
• Feedback
• Tools and resources
Effective Investor Outreach

• Identifies potential investors
• Requires diligent research and an honest assessment of your company
• Utilizes your skill as a communicator, both internally and externally
Why Target?

• Focuses your management’s time and your resources
• Builds a desired book of investors
• Aligns interests and expectations
• Results in a more satisfied “customer”
• Helps support a fair valuation; Economics 101
Getting Started

• Know your current investors
  • Why are they invested in you?
  • Investment style
  • Investment strategy; average holding period
  • Buy and sell triggers
  • Decision-making process; fund level visibility
  • Importance of ESG factors
Getting Started (cont.)

• Know yourself
  • Start with an honest assessment
  • Company fundamentals, business drivers
  • Identify value drivers, strategic priorities
  • Industry fundamentals, competitive position
  • Trading profile (e.g., market cap, trading volume, insider holdings)
The Next Step

• Develop investment story
  • Clear, concise and measurable
  • Provide mosaic of industry perspectives and the competitive landscape
  • Maintain balance
  • Education versus promotion
  • Protect credibility
Finding New Shareholders

- Identify potential investors
  - Match your investment profile with similarly-minded prospects
  - An investor for every investment
  - A living process
- Leverage existing relationships
- Understand path to the decision maker
Making Contact

• Emails and phone calls
• In-person meetings
  • Conferences and 1x1s
  • Roadshows
  • HQ meetings
• Prep documents incl. firm & analyst background, Q&A
• Are they ready for you?
Keeping Score

- Changes in ownership levels and shareholder mix
  - Existing shareholders adding
  - New shareholders entering
  - Reduced share concentration
  - Results won’t be immediate
- Quality of meetings (presence of key decision makers, their preparedness)
- Direct investor feedback (anecdotal and formal)
Objective:

*To become the trusted source for information about your company and the industry.*

- Accurate
- Timely
- Balanced
- Accessible
- Facilitator

Be indispensable!
Build Your Support Team

- Accounting/Finance
- Legal/Securities attorney
- Business unit leaders
- Communications/Public Affairs
- Marketing
- C-Suite
Determine Your Action Plan

• Homework (if needed)
• Initial discussion
• Bring in the C-Suite if/when appropriate
  • Aggressively manage their time; be flexible
• Appropriate channel (i.e., phone vs. in-person)
• Post event follow-up
• Frequency of future contact
Venues - Quality vs. Quantity

- Sell-side conferences incl. 1x1s
- NDRs
- Industry conferences/trade shows
- HQ visits/bus tours
- Analyst days

Maintain control of the meeting requests!
Care and Feeding of the Sell-Side

- Spoon feed them – make information easy to access and digest
- Review reports for accuracy
- Scrub earnings models for any errors
- Touch base intra-quarter
- Maintain relationships with all, even those with a negative opinion
- Understand influences resulting from MiFID II
And For the Buy-Side

- Not created equal – know who you’re talking to
- Be available
- Understand their knowledge level
- Preferred frequency of contact including C-Suite access
- Proactivity scores points!!
- MiFID II will result in more direct engagement
External Feedback

- Provides critical guidance with which to refine messaging and ensure alignment
- Important insight to management and Board on how company is perceived
# Formal vs. Informal

<table>
<thead>
<tr>
<th>Perception Studies</th>
<th>Ad Hoc Collection</th>
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<tbody>
<tr>
<td>• External vendor</td>
<td>• Typically self conducted</td>
</tr>
<tr>
<td>• Comprehensive</td>
<td>• Targeted and fast</td>
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<tr>
<td>• Unbiased and credible</td>
<td>• Might be filtered</td>
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<tr>
<td>• Can provide comparative metrics</td>
<td>• Can be routine</td>
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<td>• Infrequent</td>
<td>• Inexpensive</td>
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<td>• Costly</td>
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Collect From All Constituencies

- Shareholders (current, former & prospective)
- Analysts
- Financial and trade media
- Rating agencies
- Compare with perceptions of management and Board
Tools and Resources

- Follow-up email
- Contact management system
- Consensus modeling tool
- Ownership tracking
- Survey Monkey
- Management feedback
Thank you!

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