

AT THE
BELL 4

ANNUAL CONFERENCE
BREAKING THE MOLD 16

COOKING UP A
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IR UPDATE

THE VOICE OF THE INVESTOR RELATIONS PROFESSION | MAY 2017



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IR Update welcomes letters to the editor. Please send feedback to arickard@assocvision.com.

About NIRI

Founded in 1969, the National Investor Relations Institute (www.niri.org) is the professional association of corporate officers and investor relations consultants responsible for communication among corporate management, shareholders, securities analysts, and other financial community constituents. NIRI is the largest professional investor relations association in the world, with more than 3,300 members representing over 1,600 publicly held companies and \$9 trillion in stock market capitalization. NIRI is dedicated to advancing the practice of investor relations and the professional competency and stature of its members.

About IR Update

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The rise of passive investing has some IR officers wondering where they fit into an evolving investor landscape increasingly dominated by index funds rather than active fund managers. **READ MORE ON PAGE 10**

10 IRO STRATEGY

Staying Active in a Passive World

As more money flows into index funds and ETFs, what does that mean for the role of IROs?

BY DAVID TOBENKIN

16 ANNUAL CONFERENCE

Breaking the Mold

Defy Convention/Shatter Expectations/Shape the Future

BY AL RICKARD, CAE

22 SPOTLIGHT ON CHAPTERS

Cooking Up a Successful Story

The NIRI Rocky Mountain Chapter hears a recipe for effective communications.

BY JENNIFER ALMQUIST

4 At the Bell

- Join Us at the NIRI Annual Conference

BY VALERIE HAERTEL, IRC

6 NIRI Now

- Richard Levick to Speak at NIRI Conference
- New IRC Chapter Toolkit Launched
- NIRI Creates Advocacy "Call to Action" Page

EDITOR'S NOTE

Welcome to the redesigned IR Update. We hope you like the new design and typography. Our goal was to produce a more modern design that is more visually appealing and easier to read. If you have feedback on the magazine design and content, please contact Al Rickard at arickard@assocvision.com.



Join Us at the NIRI Annual Conference



Valerie Haertel, IRC

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This is an exciting time for NIRI with our Annual Conference on June 4-7 in Orlando. Our theme, “Breaking the Mold”, is appropriate on many levels. The IR profession is not what it used to be even just a few years ago, which is why it is so important for all of us, whether new to the profession or experienced professionals, to keep up to date on trends and best practices.

As a profession, IR is evolving and maturing as a key senior leadership function and we are also growing in importance to our boards as the voices of our investors. We are becoming more uniformly valued, integrated, and strategic across all market cap sizes and industries. Simply put, IR’s influence continues to grow. While IR responsibilities may vary from company to company, the importance of IR is undeniable. It is up to each of us to continue to raise the level of performance and stature of our profession.


Some key shifts under way:

- 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.
- The shift from active to passive investing is prompting changes to the way we all need to think and to interact with our shareholders. (For more on this trend, please see this month’s cover story on page 8.)
- We see the increasing importance of environmental, social, and governance issues with investors and within our companies. Our boards care about this. All IROs, if not active in this area today, need to be.
- Investors are more active in their efforts to influence strategy and financial performance in myriad ways.

Are you prepared for all these challenges and ready to counsel your company expertly on how to tackle them? It is time to break the mold of the past, get involved, and learn how to influence change.

Participating at the Annual Conference and getting involved with your chapter will help you learn from others, share your ideas and best practices, and benefit from networking within our community.

Join me, the NIRI Board, and our new CEO Gary LaBranche at the Annual Conference to learn something new to support your success and to help us collectively drive NIRI to new heights.

Let your voices be heard. We are listening. 



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Richard Levick to Speak at NIRI Conference on Managing Risk and Leveraging Social Media



At the NIRI 2017 Annual Conference, Richard Levick, chairman & CEO of LEVICK, a global communications firm that represents countries and companies in matters ranging from the Wall Street crisis and the Gulf oil spill to the Catholic Church and Guantanamo Bay, will address the unique enterprise risks that social media, and particularly Donald Trump's use of Twitter to attack or praise individual businesses, represent for public traded companies. Levick spoke about some of these issues in this interview with *IR Update*.

What changes in risk management since November 2016 directly affect companies and their shareholders?

Think about the presidential campaign for a moment. Clinton had better ground organization and endorsements. But Trump had an advantage with his use of social media. Translate that for a publicly traded company. Suddenly it isn't just about analysts and *The Wall Street Journal*; now it's also about non-customers and non-shareholders. Now companies must engage new publics and do so emotionally and credibly.

There's also a new challenge in terms of how companies should position themselves if the Trump administration publicly challenges them. Each situation demands separate analysis of whether to conciliate, go on a counter-offensive, or simply ignore it. In each situation, IR professionals must understand the buying habits and

the politics of customers as well as shareholders.

How well have public companies responded?

It's a mixed bag but clearly many companies are still over-reliant on traditional communications: ads, op-eds, PACs, etc. Their reliance on lobbying and political contributions is especially complacent. To snatch a phrase from the movies, that's like bringing a knife to a gunfight.

How should public companies engage on the Internet?

Companies and industries should be looking for signs of risk. Do they check to see if they're targeted on Facebook or added to a Change.org petition? Have they been added to the growing boycott list on #GrabYourWallet? Are campaigns by plaintiffs' lawyers driving search engine results? Are risk issues increasingly prominent on Google? Are they watching

the fundraising letters and online appeals from NGOs?

Is there a separate message here for IR professionals?

There are many, but one thing I'd emphasize is that IR professionals should be thinking beyond shareholders to include the whole range of both stakeholders and non-stakeholders, for those multitudes directly affect investors as never before. IR professionals should be thinking about politics in the new Washington.


Are there any industries that should be especially attentive to these megatrends in risk management?

Every company needs to be thoughtful about the new reality. For business-to-consumer companies, the calculus is easier because they can see what's happening in their own demographics and determine the evolving trends. Business-to-business com-

municators face a sea change; they have to realize that there's no longer such a thing as B-to-B communications. Too many audiences are interested in what these companies are doing and with whom they are doing business.

Business-to-government companies have the greatest challenge as they have a single customer. Keeping that customer satisfied when the president has the most powerful thumbs on the planet is a new challenge. They need to watch the his approval rating and how Congress responds to those fluctuations.

What can we expect from your session?

Expect discussion of best practices – what they are and how they're evolving. We'll discuss the mindset that's needed in this radically changed environment and the available resources – human and otherwise, which businesses can use to survive. 

Missing Something Vital?



With massive outflows of investment from active to passive strategies, are you practicing IR the way you always have?

It's critical for IR to adapt to market changes. *Knowing when it's about you – and when it's not – is vital.* Market Structure Analytics help you track passive investment and other behaviors driving your stock price. You'll have the answers management wants when the stock moves unexpectedly. Help your Board better understand how your

stock trades in a market where fundamentals are often subordinated to robots and computer models. Measuring market behaviors is an essential IR action leading to better decisions about how to spend your time and resources. *You can continue to ignore the passive investment wave, but having no answer when the CEO asks is...awkward.*

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New NIRI President and CEO Gary LaBranche, FASAE, CAE; NIRI Chair Valerie Haertel and the NIRI Board of Directors closed out the trading day at the New York Stock Exchange on March 23, 2017.

New IRC Chapter Toolkit

NIRI produced an IRC Chapter Toolkit to support its growing *IRC™ professional credential program*. This resource is a comprehensive package of instructional slide decks tied to the *IR Competency Framework*, the 10 knowledge domains necessary for investor relations proficiency. Chapter leaders can use the toolkit in the way that best suits their chapter members, such as through regular monthly programming or small group IRC study sessions.

The toolkit is the result of many hours of


hard work by dedicated volunteers. NIRI thanks the following individuals who contributed their valuable time to developing the IRC Chapter Toolkit as either a steering committee member or content author:

Darin Arita, IRC; Remy Bernarda, IRC; Robert Burrows, IRC; Geoffrey Buscher; Mark Furlong, IRC; Larry Goldberg, IRC; James Grant, IRC; Cynthia Holt, IRC; John Morgan, IRC; Frank O'Neil, IRC; Theodore O'Neill, IRC; Lisa Rose, IRC; David Rosenbaum, IRC; and Stephanie Wakefield, IRC.

Get Involved in Advocacy

Do you or your chapter want to help NIRI's advocacy efforts, but don't know how to help? NIRI has created a new "Call to Action" web page (www.niri.org/advocacy/call-to-action) to mobilize grassroots support from IR practitioners, counselors, and public companies.

The page includes information and contact

details to help members support NIRI's various advocacy priorities, which include urging the U.S. Securities and Exchange Commission to adopt a short-selling disclosure rule and asking lawmakers to vote for legislation to regulate proxy advisory firms and a separate bill that would provide more transparency around hedge fund activism. 

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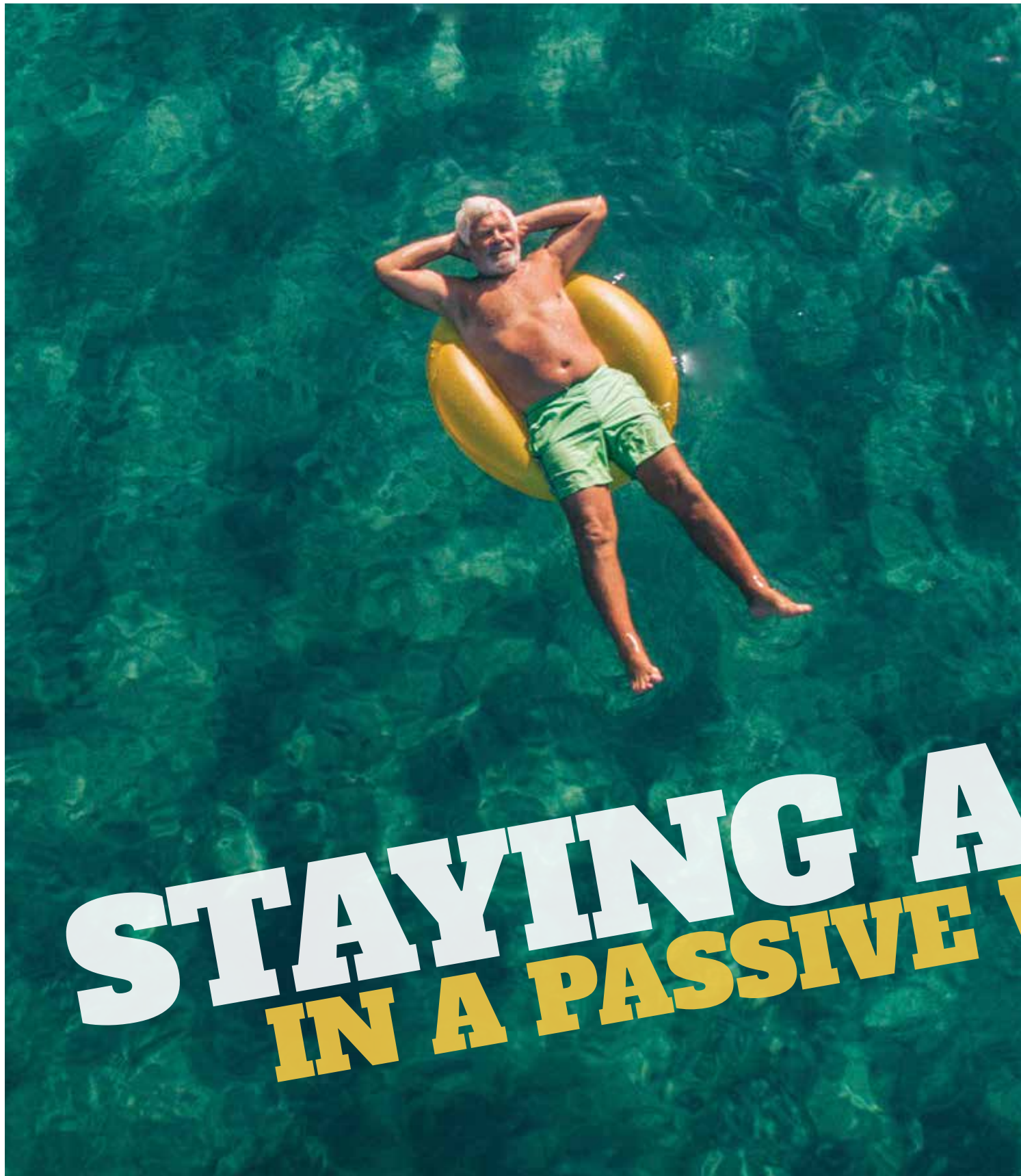
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**ACTIVE
WORLD**

As more money flows into index funds and ETFs, what does that mean for the role of IROs?

BY DAVID TOBENKIN

The rise of passive investing has some IR officers wondering where they fit into an evolving investor landscape increasingly dominated by index funds rather than active fund managers who care about frequent meetings with IROs to understand their companies' recent operational and financial details.

Playing devil's advocate, how exactly would an IRO respond, for example, if a C-suite executive pulled them aside and asked:

"Why do we need an IR team and why do you need to spend time meeting with the buy and sell side when much of our stock is held by passive funds?"

Senior NIRI members, after noting that they are not aware of any major companies who have actually made such a query, say the question reflects an inaccurate and incomplete view of how the IR function has expanded and evolved.

"Anybody asking the question has a narrow assessment, and probably an inaccurate one, of the role of investor relations," says Sally J. Curley, IRC, senior vice president, investor relations, at Cardinal Health, Inc. "IR is much more than organizing meetings for active investors. For example, in the 2005 *Flowserve* case, the SEC recognized the role of IR as the gatekeeper of a company's information."

"I'd say if anything the influence and reach of IR is greater than it has ever been before," says Valerie Haertel, IRC, global head of investor relations at BNY Mellon and the chair of the NIRI Board of Directors. "IR has become strategically integrated into the fabric of companies, helping

business leaders shape the strategic messaging for the firm.

“At BNY Mellon, IR is a part of the strategic planning process, working closely with our strategy team and business leaders to understand all the facets of our business, how we are performing and to think through how we are going to grow. For example, we provide competitive intelligence and analysis to our business leaders to understand our relative performance to industry peers, and to help drive awareness and improvement.

“As it relates to passive investors, we partner with our corporate secretary’s office to communicate our position on environmental, social, and governance issues, which are becoming increasingly important to all investors. Our partnerships both internally and externally help to ensure the relevancy, accuracy, and transparency of information we provide to the investment community. All of that will not go away with a change in the composition of our investor base.”

IROs say that the hypothetical question also overlooks that the rise of passive investing is enhancing, rather than diminishing, the role of IROs. The real question, they say, is how IR professionals can best adapt to the particular opportunities and challenges of passive investing to optimally perform the IR function and deliver value to their companies.

The Rise of Passive Investors

There is no denying that passive investing is on the rise. According to a January 2017 UBS report, *Active vs Passive: How Will the World of Investing Evolve? (part 1 of 2)*, the share of equity fund assets allocated to ETFs and index funds has increased significantly, rising from 11 percent in 2000 to 43 percent in 2015.

And the trend appears poised to continue. In February 2017, Moody’s Investors Service released a report, *Asset Managers - Global: Passive Market Share to Overtake Active in the US No Later than 2024*, stating that the popularity of passive investments, including ETFs and index funds, will continue to outpace active investments and

achieve a leading share of the U.S. market by 2024, or sooner.

“We believe that the passive phenomena is more appropriately viewed as the adoption of a new technology,” Stephen Tu, Moody’s vice president and senior analyst, said in a written statement, which noted that passive investments currently account for \$6 trillion of assets globally and 28.5 percent of assets under management (AUM) in the U.S. “Investor adoption of passive and low-cost investment products will continue irrespective of market environments, and we estimate that passive investments will overtake active market share by sometime between 2021 and 2024.”

Passive investing vehicles include ETFs, index funds, quants, and smart beta funds, among others. Still, at many companies, there are plenty of active investors who remain and passive investors are often in the minority, says J.T. Farley, managing director of investor relations at Investment Technology Group, Inc. “Whatever the number of active investors is – even if it is less than half – these are crucial relationships to manage,” Farley says. “A healthy mix of long-term investors and shorter-term hedge funds is important for the liquidity of your stock.”

Passive Aggressive?

A passive investing strategy does not mean that an investor will be reluctant to raise concerns about a company’s management, NIRI members say.

“To adapt to the needs of passive investors, it is helpful to understand the fundamental operational differences between active and passive funds,” says Theresa Molloy, vice president of corporate governance at Prudential Financial, Inc. “Active managers have the option of [completely] selling a stock in their portfolio if the manager believes that the stock is underperforming. But passive investors must own the stock as long as it remains in the index. As [Vanguard Principal and Fund Treasurer] Glenn Booraem stated in a recent *Wall Street Journal* article, ‘We’re riding in a car we can’t get out of.’

“Absence of liquidity as an exit strategy should not be confused with lack of interest about a port-



READ MORE

For more on the governance concerns of passive investors, please visit the NIRI Corporate Governance Resource Library online at www.niri.org/resources/resource-libraries.

folio company performance," Molloy observes. "To the contrary, passive investors leverage their proxy votes as a means to express support or dissatisfaction with management and as a way to protect their investment. Voting against CEO compensation plans, board members, or a proposed merger supports the passive manager's value priorities when engagement with a company falls short of their expectations. That is why it is critically important for companies to build strong relationships with passive investors."

Passive funds are increasingly willing to use their growing power to block takeovers, decide the fates of CEOs, and make other crucial decisions, noted the *Wall Street Journal* in an October 2016 report on the rise of passive investor activism. The story, *Meet the New Corporate Power Brokers: Passive Investors*, by Sarah Krouse, David Benoit, and Tom McGinty, noted that recent influential voting actions taken by passive shareholders included Vanguard Group's vote in May 2016 to block an investor effort to remove the CEO of Green Dot Corp.; a June 2016 vote by passive investor BlackRock Inc. against the executive pay plan at Mylan NV; and a 2015 BlackRock vote in favor of the \$18 billion merger between professional-service providers Towers Watson & Co. and Willis Group Holdings PLC.

Governance Engagement

Still, it is not always easy to connect with, much less influence, passive investors, IROs say. Forming relationships with passive investors can take effort. "It took me awhile to get to the right portfolio manager at Vanguard," Curley says. "We talk and I send him information periodically, and he's thanked me for including him. A good market surveillance firm will have a list of portfolio managers, and failing that, the old-fashioned way still works – call the institution to obtain the manager's name."

Once the right person is found, it is key to establish a relationship before passive investors voice their concerns. "Before they have reason to weigh in, do an intro to the firm about important developments," Farley says. "Show them that you are thinking about corporate governance, the best

interests of shareholders in operating the business, and establishing corporate governance rules."

Still, there are often limits to relationships with passive investors. "It's a much less deep relationship," Farley adds. "Corporate governance teams at passive investors look at thousands and thousands of positions. Active managers look after a couple dozen. So there's not as much of a relationship." The *Wall Street Journal* story reported that Vanguard has 15 people overseeing work on about 13,000 companies based around the world.

Working with passive investors also means anticipating and trying to understand their concerns. "Many companies are currently adopting or enhancing engagement strategies to meet the needs of large passive institutions," says Molloy. "At Prudential, an important component of our shareholder engagement strategy is to understand the distinct metrics passive managers use to evaluate their portfolio companies' governance structures. These guidelines are not 'one fits all' and each asset manager has a unique policy. For this reason, it is important to know the manager's voting guidelines and how it complements or diverges from your company's governance structure before meeting with the investor."

Still, Molloy says that at Prudential the basic approach for outreach to passive investors is the same as for active. "Even if J.P. Morgan is an active manager and State Street is passive, from the governance side, our approach is the same," Molloy explains. "Both managers are interested in our company's long-term goals and objectives, the organization's structure from the top down, how the board oversees the company's strategy and interacts with senior management, and how our governance policies are created and implemented."

Many IROs are adapting to the needs of passive investors and re-engineering their presentations to combine the company's financial results, the company's long-term strategy, and its governance practices.

"It is important that IROs actively engage with their [company's] corporate secretary's office to be a part of the governance conversations with passive investors throughout the year," Haertel

Given corporate governance and longer-term concerns of passive investors, there has been a blurring of the investment and corporate governance roles at passive investors that is being reflected and emulated at some companies, including efforts by both corporate governance officers and IROs to meet with passive investors together.

- Valerie Haertel, IRC,
global head of investor
relations, BNY Mellon



adds. “It enables a more holistic performance and governance conversation while strengthening and unifying the company’s messaging overall.”

Monitoring Passive Behavior

Keeping tabs on which passive vehicles are holding a company’s stock, and why, will be an important part of the IRO function going forward, says Farley. This is because index or ETF inclusions and exclusions can create big trading swings and sizable impacts upon trading volumes in a particular stock. “These aren’t static factors – they can change a few times each year,” Farley says.

Looking under the hoods of different passive vehicles to understand their designs is important, Farley adds. “Smart beta index funds can use overlays on indexes, seeking to track the index but outperform it, such as having an S&P 500 fund but having stocks with consistent dividend growth weighted more heavily than the shares of the others in the index,” Farley says. “Understanding that could help you understand that growing or cutting dividends could make you overweighted or underweighted and affect stock price. You also have to understand how ETFs are built and that what they include can have an impact on the stock.”

The Future of the Profession

As noted, the rise of passive investing appears poised to continue and leading IROs say it will likely affect aspects of the IR profession. “While the shift toward passive does not in any way render IR obsolete, it could change the roles of some small-cap IROs, giving rise to more “IR-plus” positions, such as IR and Corporate Communications or IR and Corporate Development (M&A), IR and


Treasury, or others,” Farley says.

Given corporate governance and longer-term concerns of passive investors, there has been a blurring of the investment and corporate governance roles at passive investors that is being reflected and emulated at some companies, including efforts by both corporate governance officers and IROs to meet with passive investors together, Haertel says.

On the other hand, some IRO duties are unlikely to change. Curley notes that there is another reason C-suite executives will want to keep investor relations personnel around in a passive investor-dominated world: to keep their companies and themselves out of legal and regulatory trouble.

In 2005, the Securities and Exchange Commission (SEC) settled an enforcement action against Flowserve Corp. based upon violations of Regulation Fair Disclosure and Section 13(a) of the Securities and Exchange Act of 1934, based upon improper selective disclosure of material, non-public information.

“The SEC release on the settlement made clear that the IRO had the authority and obligation to interrupt the C-suite executive to prevent a misstatement and/or sharing of non-public information,” Curley says. “It made clear that the IRO role is much more than just maintaining relationships with active investors. The fundamental disclosure component of the IR function sometimes goes unrecognized.”

She adds that the role of IR as the conduit of key information to the C-suite is also underappreciated, noting, “The typical IR department manages relationships with the sell-side, investors, the stock exchanges, and, increasingly, governance outreach. We often hear information from so many different channels that IR alone can piece together the mosaic, in a way that the other company departments cannot.” 

DAVID TOBENKIN is a freelance writer in the Washington, D.C., area. For more on the governance concerns of passive investors, please visit the NIRI Corporate Governance Resource Library online at www.niri.org/resources/resource-libraries.

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Business Forever

Breaking all the Rules:
Blurred Communication
Lines in Today's Business and
Political Environment

Power Broker: The Latest
View from Wall Street, Main
Street, and Pennsylvania
Avenue

Life is Not a Stress Rehearsal:
Using Humor and Wisdom
for Success

Influence Your World: The
Proven Path to Gain Gravitas
in a Demanding World

The Evolution of Regulatory
and Sustainability
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Latest Trends?

Managing for the Long Term
in a Short Term World

Global Economic Outlook:
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Good Corporate Governance:
Is it Just Common Sense?

Breaking the Mold:
Reinvention When Faced
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DEFY CONVENTION/SHATTER EXPECTATIONS/SHAPE THE FUTURE BREAKING THE MOLD

BY AL RICKARD, CAE

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2017

2017 is evolving as a year where “breaking the mold” seems to be the norm. This is true for many sectors of society from politics to journalism to industry and beyond.

It's certainly true in the financial and investment world where IROs face an uncertain path in the regulatory arena and a host of other developing issues and trends that span many years.

Discussions aimed at providing solutions to the real challenges that IROs face can be found at the 2017 NIRI Conference, the largest gathering of IR professionals in the world, on June 4-7, 2017 at the JW Marriott Grande Lakes in Orlando, Florida. The theme is “Breaking the Mold: Defy Convention/Shatter Expectations/Shape the Future.”

“As investor relations professionals, we must adapt to the rapidly changing landscape of the profession,” declares 2017 NIRI Conference Co-Chair Dennis Walsh, senior manager, investor relations at Zillow Group. “We’re faced with strict regulations, a 24-hour news cycle, increasingly engaged investors, and many more challenges that pop up almost daily. In addition, the IR community itself is evolving given the varied professional backgrounds of those serving in IR positions.”



Dennis Walsh

Conference Co-Chair Karen Fisher, senior vice president at FSW Communications, offers this solution: “Break the mold. We must hear compelling viewpoints from new stakeholders in an environment where we can discuss corporate and industry challenges with our peers and develop strategies to deal with change. That’s what the NIRI Conference is committed to do this year.



Karen Fisher

“You can expect to see more than 125 expert speakers in innovative session formats, including smaller group sessions that take a deeper dive into niche topics, such as changes to market structure or debt IR, as well as case studies on topics such as how to respond to the current environment of shareholder activism. And we listened to past conference attendees. Many of the ideas for this year’s conference are based on this feedback.”

NIRI President and CEO Gary LaBranche, FASAE, CAE, is ready to meet as many NIRI members as possible. He will kick off the conference at Monday’s first general session and will meet with attendees in small groups throughout the conference.

“I look forward to learning more about how NIRI can better serve our members,” he says. “I also appreciate the work of NIRI chapters and especially want to meet their leaders and members.”

If you haven’t already registered for the 2017 Annual Conference, please plan to do so by **May 15**, which is the deadline for standard registration rates. Discounted room rates are available until May 15. For more information and to register, visit www.niri.org/conference.

The Big Picture

Several high-level general sessions will tackle some of the big issues facing IROs and deliver some powerful advice for career advancement:

- **Disruption in the Market: Leaders That Are Changing Business Forever.** Led by moderator Brad Stone, Bloomberg journalist and

author of a recent book, *The Upstarts: How Uber, Airbnb, and the Killer Companies of the New Silicon Valley Are Changing the World*, this session will feature an engaging discussion with Brad Katsuyama, CEO of IEX, and Gillian Munson, CFO of XO Group, on the leadership and culture of companies that are “disruptors” in their industry. Monday morning, June 5.

- **Powerful Tweets: How Corporations Are Preparing to Beat a Social Media Crisis.**

Delivering messages effectively in today’s economic and political environment is challenging. Richard S. Levick, chairman and CEO of Levick, will uncover how IR professionals are evaluating risk and



Richard Levick

preparing for crisis in this era of the 24-hour news cycle and direct communications via social media. Monday morning, June 5.

- **Power Broker: The Latest View from Wall Street, Main Street, and Pennsylvania Avenue.**

Anthony Scaramucci, founder of SkyBridge Capital, will share insights on what to expect in the capital markets, political arena and global environment. Monday afternoon, June 5.

- **Life is Not a Stress Rehearsal: Using Humor**



The IR Showcase is a popular gathering place for networking and talking with industry service providers.

SUNDAY: "GO TO MEETING" DAY!

Sunday, June 4, will be a big day at the 2017 NIRI Conference. So be sure to arrive early!

For starters, at noon, the "New to NIRI Conference Orientation Session," designed for first-time attendees, will provide a complete look at the four-day event and help them get the most out of the conference.

Sunday afternoon kicks off with a dynamic new two-hour "IRO Teach-In" focused on IR strategy, planning, implementation and measurement from 1:00-3:00 p.m. Led by Deb Wasser, executive vice president and U.S. lead of Edelman's investor relations practice, and her team, this session will focus on formulating and executing IR plans through insights from "fireside chats" with four senior IROs who will review their situations, how they planned their strategies for success, what worked and lessons learned.

"Feedback from recent NIRI member surveys indicate that IROs want to gain insights into the key domains in the practice of IR," Wasser explains. "In looking at our Body of Knowledge, the most sought-after topics are IR strategy and planning, brand and reputation management, and effective reporting and measurement. This session is all about harnessing the knowledge and experience of other IROs to create a dynamic and engaging session. We will cover a broad range of IR-related topics including launching a new brand, surviving and thriving after activism, measuring your IR program, building an IR program for a company moving into a new phase of life, M&A IR, and much more."

Later in the afternoon, there will be two additional compelling sessions with industry leading expert panels. These include the popular Global IR Summit, which will feature a discussion on the "Materiality of Nonfinancial Information: Aligning Disclosure Practices with Investor Expectations", and a session focused on broadening influence within your organization in the panel on "Best Practices for Competitive Intelligence."

On Sunday evening, the IR Showcase Grand Opening and Welcome Reception is held from 5:00-7:00 p.m.



Every year the NIRI Conference offers excellent opportunities to make friends.

& Wisdom for Success. Loretta LaRoche, acclaimed speaker, author and international stress expert and humor consultant, will demonstrate how to use humor to reframe stressful situations and capture a new perspective on the difficult parts of life. Monday evening, June 5.

■ **Influence Your World: The Proven Path to Gain Gravitas in a Demanding World.**

Connie Dieken, trusted executive coach and advisor to many influential executives who run the world's most trusted brands, will pinpoint how and why you gain and lose influence. In this interactive



Connie Dieken

session, she will guide you to build an influential message that you can deliver to the most challenging person in your world. Tuesday morning, June 6.

■ **The Evolution of Regulatory and Sustainability Disclosures: What are the Latest Trends?**

Elisse Walter, former Securities and Exchange Commission chairman and commissioner, and current board member of the Sustainability Accounting Standards Board, will discuss how investors are using ESG information and how companies can provide disclosures that better suit investor needs and meet regulatory guidelines. Tuesday afternoon, June 6.

■ **Managing for the Long Term in a Short-Term World.** This session features Sarah Williamson, CEO of FCLT Global, an organization dedicated



to encouraging long-termism in business and investment decision-making; Karessa Cain, a partner with Wachtell Lipton; and Chris Stent, founder of Mission Street Capital Advisors, discussing the competing mandates faced by IROs and their companies — the need to plan for the long term versus the demands by investors for short-term results. Tuesday afternoon, June 6.

- **Global Economic Outlook: Assessing the Impact of Recent Geopolitical Changes.** Jay Bryson, managing director and global economist for Wells Fargo, and Don Rissmiller, founding partner of Strategas Research Partners, highlight recent geopolitical developments and provide perspectives on what future events may cause market fluctuations in the business environment, both in the U.S. and abroad. Wednesday morning, June 7.
- **Good Corporate Governance: Is it Just Common Sense?** A discussion about the Common-sense Corporate Governance Principles, which were endorsed by a group of 13 CEOs and heads of major institutional investment firms in 2016. Panelists include Glenn Booraem, principal and fund controller at Vanguard Group, and Molly Carpenter, corporate secretary at JP Morgan Chase. Wednesday morning, June 7.
- **Reinvention When Faced with Adversity.** Dan Nevins, a retired U.S. Army staff sergeant who was severely injured during combat in Iraq, shares his powerful story of perseverance and reinvention, which has inspired his peers to create positive change for themselves and those around them. Wednesday morning, June 7.

BREAKING THE MOLD SESSIONS

How is NIRI “Breaking the Mold” at the 2017 NIRI Conference? In several ways, including the following new innovative features you won’t want to miss:

NIRI Insight Studio

NIRI is teaming up with IR Magazine and Nasdaq to feature brief interviews with notable conference speakers and other VIPs in a news studio setting in the IR Showcase. This will be a great opportunity to meet keynote speakers and hear more insight from them.

Ask the Experts

During breakfast on Tuesday, June 6, participants will have the opportunity to meet with NIRI Fellows and Senior Roundtable members in small, informal groups, with time for Q&A on a wide range of issues. Discuss your most pressing challenges and career development questions. Tuesday morning breakfast

New Interactive Technology

Many conference sessions will encourage audience participation and feedback through an innovative technology platform that enables crowd-sourced questions and participant live polling.

Tracking Success

The concurrent breakout sessions will cover the latest trends facing IR, finance, communications and corporate governance professionals today. Check out the NIRI 2017 Annual Conference website for the most up to date session listings, descriptions and featured speakers.

Education tracks include “Marketing & Communications,” “Corporate Governance & Regulatory,” “Economics & Markets,” “Career Development” and “Innovations in IR.”

Some of the sessions will cover these highly relevant topics:

- The Proxy: Why IROs Need to Take a Greater Role
- Big Data: How Investors Are Using It to Up the Investing Game



The NIRI Conference offers learning opportunities in a variety of session formats.

WEDNESDAY: FOUR REASONS TO STAY!

What do corporate governance principles, geopolitical trends, reinvention, and the new NIRI CEO have in common?

Answer: They are all featured on Wednesday, June 7, at the 2017 NIRI Conference! The jam-packed schedule includes an opportunity to meet new NIRI President and CEO Gary LaBranche, FASAE, CAE and time to learn more about NIRI's certification program.

The morning general sessions will dive into the Commonsense Corporate Governance Principles, review the impact of recent geopolitical changes, and hear an Iraq war veteran's powerful story of perseverance and reinvention when faced with adversity.



Gary LaBranche

- Are We Managing the Street or is The Street Managing Us?
- Establishing Your IRO Leadership Brand
- The Activist Front: What's New?
- The Evolution of Investing: Has the World Gone Passive?
- Be the Board's Valued Partner
- Digital IR Communications: Innovation and Best Practices


Customize Your Learning

The 2017 NIRI Conference is big enough and diverse enough so you can customize your experience according to your needs and interests. Concurrent sessions in five separate tracks offer something for everyone.

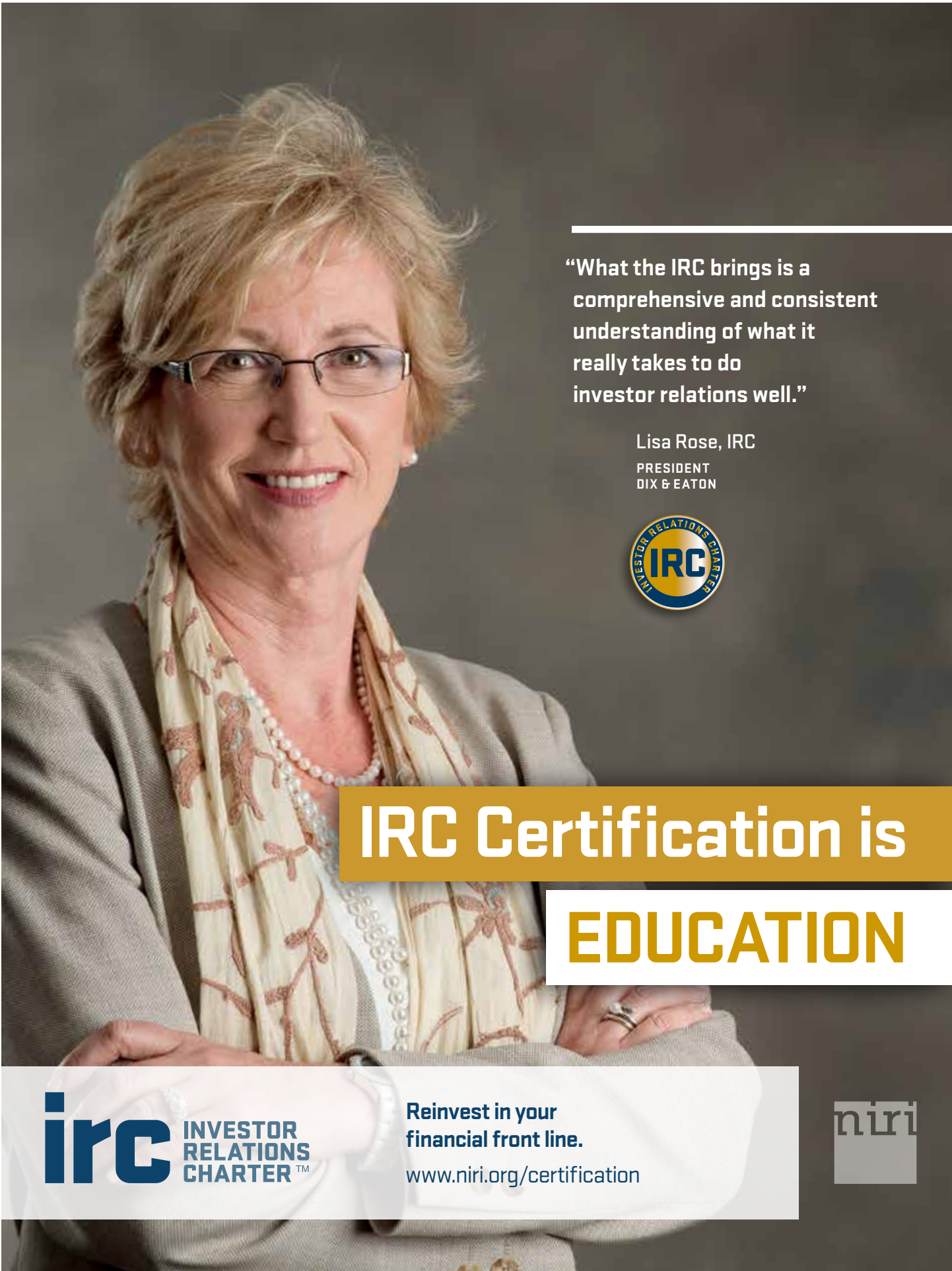
On Monday, attendees will have a chance to network with sector peers at an Industry Meet-up Breakfast. There will be a "Small Cap IR Summit" on Tuesday morning to discuss the unique challenges of IROs from micro-cap and small-cap companies. Attendees will have opportunities to hone their skills and improve their career prospects by attending sessions such as "IRMatch.com: Advancing Your Career" and "The Tech Savvy IRO."

There also will be various recreational activities, including a NIRI Golf Classic on Sunday, a yoga session on Monday, and a Fun Run on Tuesday. The JW Marriott Grande Lakes provide shuttle service to Orlando's theme parks, and attendees can book discounted rooms (subject to availability) for three days before and after the conference.

Networking events held in the IR Showcase on Sunday, Monday, and Tuesday will provide the perfect opportunities to visit more than 45 exhibiting companies that provide products and services to support IR professionals in their role. Meeting and interacting with your peers is just one of the great bonuses when participating in the IR Showcase.

So bring your best questions, challenges, and ideas and let's solve them together. 

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

A portrait of Lisa Rose, a woman with short blonde hair and glasses, smiling. She is wearing a grey blazer over a patterned scarf and a pearl necklace. Her arms are crossed.

“What the IRC brings is a comprehensive and consistent understanding of what it really takes to do investor relations well.”

Lisa Rose, IRC
PRESIDENT
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Cooking Up a Successful Story

The NIRI Rocky Mountain Chapter hears a recipe for effective communications

BY JENNIFER ALMQUIST

When IROs showed up for the NIRI Rocky Mountain Chapter January 2017 luncheon, they were greeted by recipe cards at each place setting.

The “recipe” – which would be further explained by Kellie Mullen from Ogilvy Public Relations Worldwide – was for “Effective Executive Communications” and called for the following ingredients:

- 1 cup – Making the Complex Simple
- 2 ounces – Passion and Presence
- 3 splashes – Continual Improvement

What’s Your Story?

Mullen began by acknowledging that, as one of

a company’s most visible cross-functional team players, IR professionals face the daunting task of taking a voluminous and sometimes complex set of facts and crafting a message that is useful for information-hungry investors yet simple enough to be memorable. She noted that telling the complex story is often easier, but simplification is key to reaching your audience. Mullen outlined three ways to make a complex story simple.

The first is to use an analogy. Analogies will never fit your complex situation completely, so she suggests going with the 80/20 rule: if it works for 80 percent of what you’re trying to get across, use it. Analogies must be tailored to be relevant and relatable to your specific audience.

The second way is by telling stories. In a typical presentation audience, 63 percent will remember stories and 5 percent will remember facts. Stories can be sourced by listening to your executives and the personal stories they tell day-to-day. Every person, every company has a story – it’s our jobs to find it and tell it.

Lastly, Mullen recommended using sound bites. As the noted astrophysicist, cosmologist, author, and science communicator Neil deGrasse Tyson says, “a good sound bite is informative, tasty, and makes the listener want to tell someone else about it.”



Talking it Out

You've created a memorable and simple story, but, as Mullen points out, without the right delivery, no one will remember your message.

In a survey, TED Talk attendees were asked if they preferred the content or the delivery of the talk they attended. A whopping 90 percent preferred the delivery, saying that content can be found later from other sources. But where do IR professionals spend their time? Mostly on content. In order to facilitate good delivery from your executives, hold them accountable for their delivery and involve them in story creation so they love the content.

Making it Better

Offering critical feedback to an executive is tricky. Mullen said the key is to coach executives to be high performers without shaking their confidence. She offered the following tips:

- Always provide feedback within 24 hours.
- Let your executive know their strengths, and replace the word “but” with the word “and.” (Great delivery, and. . .)
- Help your executive see what you see by using video (or audio). Avoid asking permis-




sion: tell them you're recording and move forward gracefully.

- Bring out the competitive side of your executive by showing them a fierce competitor who is doing it well.

Cooking up a great IR story? When in doubt, use this recipe.

Kellie Mullen of Ogilvy Public Relations Worldwide spoke to the NIRI Rocky Mountain Chapter about effective executive communications.

JENNIFER ALMQUIST is president of Ivy Street Advisory and serves as communications chair for the NIRI Rocky Mountain chapter; jen@ivystreetadvisory.com. 

SHARE A PHOTO

If you have photos from a NIRI chapter event that you would like to share, please send those photos to: pix@niri.org. We may feature them on the NIRI Facebook page or in *IR Update*.

A black and white photograph of rowers in a boat, with their oars dipping into the water. The focus is on the oars and the rowers' hands, creating a sense of motion and teamwork.

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Head of Strategy and IR, Mid-cap Healthcare

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