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Rethinking That Investor Relations Staple – The Analyst Presentation

Quick Bites

Are You New Media Savvy?

For some people, unfamiliar terms such as “new media” and “social networking” came into clearer focus in recent months as they saw uprisings in Tunisia, Egypt, and other countries being propelled by blogs, tweets, text messages and online digital video. Imagine – regime change courtesy of technology!

Just as today’s professionals must be computer literate, so also must they be familiar with such tools as YouTube, Twitter and Facebook. (Ammerman Experience [media training workshops](#) and [crisis management sessions and drills](#) now incorporate information on social media.)

However, research suggests that many companies and those who lead them are behind the curve when it comes to new media know-how. Case in point: although the world’s leading CEOs are frequently discussed in online venues, few of them are using social media to communicate their own messages. Ditto for leaders below the CEO level. And even those leaders and companies that

The time, effort and money some companies invest in their analyst presentation efforts can be staggering. For example, one of our clients had about 100 of its employees report to work on Presidents’ Day to serve as an audience and pose questions during a final practice session. No doubt, a smart investment, but also a substantial one.

If analyst presentations are part of your investor relations efforts, make sure those presentations are generating solid returns. Here’s a six-point audit to help you do that:

- **Know your audience.** So what’s to know? You’re talking to analysts – people whose jobs are to know your industry and company inside out, right? Sure, but your audience may also include institutional investors, and if you stream your presentation live or archive it on your website, you may also be talking to individual investors, employees, business reporters and others. Rather than thinking of your audience as a homogeneous group, view them as a collection of individuals with varying levels of knowledge about your company and different information wants and needs.

This more diverse audience can impact the content of your presentation as well as how you communicate that content. For instance, you may have to cut back on the jargon and other shorthand that have become part of your vocabulary.

Also, regardless of who your audience is, remember that they are human beings – people who get bored easily, have short attention spans, quickly decide whether or not they trust you, and tend to resist change (presentations are all about getting people to let go of old knowledge or beliefs and adopt new ones). So, having solid communication skills is a must.

have a social media presence are not always using it strategically.

New media is not a fad. It's changing the way companies do business, including how they manage crises. It's a low-cost tool for branding, it enables you to communicate quickly and simultaneously with a variety of internal and external audiences, and it gives others a way to communicate with you.

If your new media know-how leaves something to be desired, now's the time to become familiar with this new technology trend. Many companies are doing just that – “dipping their toes in.” Our advice to the newbies: **“Come on in; the water's fine!”**

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Need a Tutorial on Social Media?

We can help. The Ammerman Experience has developed a white paper, *“Social Media: How Organizations are Using It, the Challenges They Face and What This Means for Traditional Media.”* It includes a list of terms used in the social media world.

The paper is available free of charge to our clients and friends.

To obtain a copy, contact us at 800.866.2026, or [E-mail us](#).

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Citizen Journalism: Here to Stay

Remember that US Airways plane that landed in the Hudson River? Sure you do. But did you know how news of that amazing event broke and who broke it? It was an “average Joe” – more precisely, Janis Krums, who was aboard a ferry used to rescue stranded passengers. He uploaded a news-breaking photo of the emergency landing to [Twitter](#) from his iPhone during the rescue. His caption: “There's a

- **Have a strong opening.** Most analyst presentations begin in a predictable way – with a profile of the company, including its history, number of employees, mission statement, locations, etc. Not only is this approach boring, it's self-centered.

Instead, right at the start, tune in to the audience's frequency by answering this question that they are asking themselves: “What is it about this particular company that will benefit me or my client?”

The one part of any presentation guaranteed to get audience attention is the opening. But most audiences will give you only about one minute to show them you have something important or interesting to say. Don't squander this important moment on the ordinary or the mundane. Deliver a message they can use – one that's simple, concise and memorable.

- **Go beyond a recitation of facts.** People in business love data, which explains why business presentations are loaded with it. Analysts, being business people, also love data, but they want and need something else – meaning.

Let's say you're a U.S. international energy company that's been aggressively acquiring hydrocarbon assets in the energy-rich region of Queensland, Australia. (A number of U.S. companies are actually doing just that.) You now have permits in 5 million acres in a state with over 9 billion barrels of oil equivalent reserves and an amazing 42 percent exploration success rate. Great!

But that's only part of your message. Here's the rest: China has grown into the second largest economy, and has just surpassed America as the world's biggest energy user. But China is in deep trouble. It will exhaust its domestic oil reserves by 2018 and deplete its coal reserves by 2032. So the country is turning its attention to importing an energy source with a massively increasing price trend – Liquid Natural Gas (LNG).

LNG comes from unconventional sources like coal seams – found in abundance in Queensland. Gas from coal is liquefied and transported in ships. LNG trades at almost four times the price for natural gas in America, making it exceptionally lucrative for companies that produce and sell it – companies like our hypothetical energy company. And who's now buying more energy from Australia than any other country? China.

As a presenter, you must do more than share data; you must provide the insight and meaning associated with that data.

- **Use PowerPoint sparingly.** PowerPoint is a great tool, but it's frequently misused – i.e., overused. Most presentations today incorporate mind-numbing visuals – large numbers of slides, multiple points per slide, excessive copy or words (including complete sentences). A better approach is to use PowerPoint for such things as pie charts, bar graphs, diagrams and photos, but minimize or even eliminate “word slides.” Projected images are competing with you for the audience's attention. Just as you can be only in one place at a time, your audience can process

plane in the Hudson. I'm on the ferry going to pick up the people. Crazy." A mere ten minutes after the plane took off from LaGuardia airport, Twitter was first to break the story.

Today, anyone with a digital camera and an Internet connection can be a reporter.

And research shows that most Americans consider such "reporting" a legitimate form of journalism (as long as the information is accurate). That's a significant shift from the once-held belief that only trained journalists can report the news.

According to *Digital Journal*, some 55 percent of Americans believe bloggers are essential to delivering news, and 79 percent say citizen journalism will play a vital role in the future.

Move over Brian Williams.

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2011 Ammerman Public Training Dates

Effective Media Communications Training

June 22
August 2
September 13
October 11
November 1

Effective Presentations:

June 23
September 14

Advanced Media Skills for Communications Professionals

November 2 - 3

The Ammerman Experience Public workshops are scheduled on a first-come, first-served basis, and are available to a limited number of attendees to ensure maximum personalized attention. To register for a course, contact our office at 1.800.866.2026.

The above schedule lists Ammerman **public** workshops. For available dates for private

only one incoming message at a time. They are either listening to you or viewing your visuals. Powerful presenters rely on themselves rather than on PowerPoint to reach an audience.

- **Take ownership of the script.** Analyst presentations are often crafted by someone other than the presenter, and then reviewed and changed by others in the organization. Scripts written by committee can turn into presentations that are awkward to deliver or don't sound like you. If the writer hasn't captured your speaking style, don't resign yourself to being hamstrung; keep the ideas but change the wording.
- **Don't read to your audience.** Remember what you did when you wanted your kids to fall asleep? You read to them in a darkened room. Some presentations are like that. A speaker reads to the audience – either word for word from a prepared text or from information projected on the screen. Read to your audience, and you'll be less engaging and be viewed as less authoritative and knowledgeable. Instead, rework your script into notes, and then practice your delivery – three times, aloud, on your feet, into a recording device. Your delivery should be so fluid that the audience is never aware that you are following a script.

If you want your company's message to stand out, you must stand out among the many other presenters analysts will encounter. And that may mean eliminating comfortable, but outdated and self-defeating communication patterns.

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Exit Strategy

Anyone who's had to announce the abrupt departure of a top executive knows this can be a tricky assignment.

What if the executive was fired for poor performance? What if there was a power struggle . . . and he lost? What if there was some unethical or illegal activity behind the departure? What if the executive simply found greener pastures?

What do you say?

Even retirements can be hard to explain – especially early retirements. When Michigan Representative Bart Stupak said he would leave Congress, he offered this reason: to spend more time with his family. More recently, David Sokol, considered to be the likely successor to Warren Buffett at Berkshire Hathaway, abruptly quit, citing his desire to spend more time on his family's investments.

Those explanations and their close relatives – "for personal reasons" and "to pursue personal interests" have become clichés. Their meaning is suspect – even if they're true. In Stupak's case,

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speculation surfaced that the real reason for his retirement was that the Congressman was targeted for defeat by Tea Party activists.

Here's our take on handling the changing of the guard:

First off, communicate. Remaining silent will only feed the rumor mill. And besides, if yours is a publicly traded company, depending on the position involved, the change may be considered material information – something the Security and Exchange Commission requires you to disclose.

Speaking of rumors, be prepared to address them quickly. With today's 24/7 news reporting and the rise of the citizen journalist, rumors spread rapidly and can be accepted as fact.

Provide a short, honest, straightforward statement about the departure. This is especially appropriate when departures involve taking a new position, genuine retirements, or where there is a specific and non-controversial reason for leaving.

Where a relationship has broken down (e.g., a disagreement about the strategic direction of the company), simply acknowledge it. But also acknowledge the individual's contributions and service to the company. Remember, the executive may have enjoyed popularity with customers, investors, employees and others.

Avoid explanations such as, "to pursue other interests."

Situations involving wrongdoing can be a real challenge. On the one hand, some of the public may already have some idea about the real reason for the departure. So, being less than honest can damage the company's credibility. On the other hand, the terms of an executive's departure may have been negotiated (including what will be said publicly). In that case, the best strategy may be to say as little as possible – for example, simply that the executive has decided to leave the company. Unfortunately, this strategy often means that you may be bombarded with questions about the individual's health or other personal circumstances.

If possible, try to announce the departing executive's replacement concurrently or as quickly as possible. This tends to put the focus back on the organization rather than on the individual who left.

Have you explained a difficult departure? Care to share your strategy? E-mail us at: Ammerman@ammermanexperience.com

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Our firm is a pioneer in understanding the link between effective communication and professional success. What we've learned and what we teach can improve your performance . . . and that of others in your organization.

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