

IR PRACTICES

10 Steps for a Successful IR Conference Call

By David Collins

Conference calls have become a staple of quarterly information flow between public companies and their investors. Unfortunately, some calls have become nothing more than a rehash—or worse, a verbatim reading—of the news announcement.

To ensure calls are productive, value-added uses of time and resources for all parties, follow these guidelines for success:

1. Before setting the date, make sure your call doesn't conflict with the timing of your industry peers. Check other companies' Web sites or call their IROs. It's common courtesy, will improve your live turnout, and keep your investors happy.

David C. Collins Joins the IRN Advisory Board

IRN is pleased to announce that David C. Collins, partner, Jaffoni & Collins Inc., has joined our Board of Advisors. Collins supervises the strategy formulation and implementation of IR programs for Jaffoni & Collins clients, relying on more than 20 years of direct IR and financial marketing experience with nearly 100 public companies.

For the two years prior to forming Jaffoni & Collins in 1994, he directed the IR programs for small-cap companies as a consultant with Dewe Rogerson, a respected midsize New York-based investor relations firm.

Collins started his IR career as a senior associate and then as a director of Kehoe, White Savage & Company, a pioneering consultancy in the field of investor relations.

His prior experience was as a member of the marketing and public relations team at Ladenburg Thalmann & Co. Inc., a New York Stock Exchange member investment banking and brokerage firm where he developed marketing programs for initial public offerings and other corporate clients.

Collins has been a featured speaker on investor relations issues and strategy for the Nasdaq Stock Market, Columbia University, and Emerald Asset Management.

Collins earned a Bachelor of Arts degree from Georgetown University and previously held Series 7 and 63 securities registrations.

Announce your call as far in advance as possible—at least one week.

2. Create a script or outline and practice. Practice your remarks aloud a few times prior to the live call. Keep prepared remarks under 15 to 20 minutes. Beyond the words you use, investors react to the energy, enthusiasm, and passion with which you deliver them. What works on paper doesn't always work when you are speaking.

3. Amplify—don't repeat. Investors are very busy—and they read—so keep prepared remarks focused on topics, detail, and examples not covered in the news announcement, then move right to Q&A.

4. Address challenging issues up front. Address the tough issues in your prepared remarks (and what you are doing about them), so you are providing credible, balanced communications and have less chance of being put on the defensive or being seen as "hiding" a negative data point.

5. Practice for the tough questions. Around our JCI office, we say "the practice should be harder than the game." Get management ready for the toughest questions. Get in their face with antagonistic, pointed questions—softball practice for a hardball game provides little value. Analyst reports, questions from past meetings or conversations, issues being faced by peers (on their calls!), are all good sources for this practice.

6. If it's material information, get it into the release. Though Reg. FD allows you to address material information in a call that's broadly available and for which advance notice has been given (we think a week in advance is best), it's just not good disclosure practice to leave major items to a conference call which has much less visibility than a news release.

7. Share the microphone. Give other members of senior management the chance

to speak on relevant issues. This helps investors to get to know the team. Consider rotating division heads or specialists into quarterly calls, perhaps one per quarter, or as needed to amplify on corporate plans or developments.

8. Prepare a post-call written transcript. Many investors prefer to read a call transcript to listening to a live call or a replay. Make sure to “proof” your transcript against the audio, as most transcription services make errors. Consider filing the transcript as an 8-K and/or posting it to your Web site. With transcripts, investors can quickly review a call’s content, and conduct word searches.

9. Let critical investors have their say. Let your critics ask tough questions and be prepared with strong responses. Don’t assume that if no one asked it, no one is thinking about it. Countering an issue on a conference call with poise is a very powerful way to defuse IR challenges, and you’ll gain respect for being open.

10. Get the facts right. Investors are writing down your comments, so don’t guess or estimate on numbers, margins, or trends. Have the data spread out in front of you to speed your answers and keep things moving, but don’t be afraid to say you don’t know the answer if that’s the case. You can always get back to the caller with the answer.

Conference calls are a very efficient means of investor exposure and contact. They demonstrate commitment to shareholders. Use these calls to highlight your coming IR activities and to encourage investors to be in contact.

Good luck! 

David Collins is a partner at Jaffoni & Collins Inc. (www.jcir.com) where he supervises the strategy formulation and implementation of IR programs for Jaffoni & Collins clients. For more information, e-mail him at collins@jcir.com.

Opposition to Climate Change Proposals Shifting at Mutual Funds

Historically, companies could count on support from mutual funds in voting down activist shareholder proposals relating to climate change. Those days may be ending, according to a recent report by Ceres, an activist coalition of investors and environmentalists.

Forced to publicly disclose their voting records, some mutual funds are choosing to abstain on environmental issues.

Mutual Funds Opposition Softening

The Ceres report, *Mutual Funds and Climate Change: Opposition to Climate Change Resolutions Begins to Thaw*, contends that mutual fund opposition to climate change resolutions is softening because votes against such resolutions have dropped significantly since 2004.

The report does, however, concede that votes for environment-related shareholder proposals have dropped as well. “Mainstream mutual fund support for climate change resolutions has fallen from 12.8 percent in 2006 to 10.5 percent in the 2007 proxy season—essentially sinking back to the

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Coming in future issues of IRN

- **CFOs Got Heftier Pay Hikes in 2007 Than Their Bosses** A big increase in base salaries and stock compensation drives chief financial officer average total pay to close to \$3 million.
- **Study Quantifies Resistance to New Media** Businesses often resist social media technologies such as blogs, podcasts, social networks, online video, RSS, wikis and micromedia. Learn about the latest research into this resistance. Is the resistance fading as companies better realize the potential marketing and productivity benefits?