

SENIOR PERSPECTIVE:

# Strategic Focus on Time

BY PAMELA STYLES

Senior investor relations and corporate communications practitioners have spent many years refining their use of time. Its value is indisputable, yet the demands on IROs and IR consultants have gotten more pronounced with the advent of cell phones, the Blackberry and proliferation of electronic communications. Expectations of 24/7 availability are typical, unless one is careful. Without consciously addressing time, the IR/CC practitioner is less effective and never really gets a break.

In preparation for this column, I asked several of my Senior Roundtable colleagues and one senior vendor to discuss the issue of time in the context of serving constituents, external and internal, cost and personal/professional boundaries.

## Serving Constituents

Effective use of time starts with IR's objectives and role in each company and these vary. In most companies, the primary focus of IR is to market the company to investors. Its secondary focus is to support the CEO, executive team and board, both in service to investors and in communication of market intelligence to these executives. IR also needs to preserve quality time for message development. Time traps that can get IR professionals off-focus include: vast amounts of news and information available via the internet, information gathering and internal database development, and participation in internal meetings that do not advance IR's effectiveness.

◆ “Part of IR's job is to manage not only its own time, but other important constituent's time too. It is a real element of the company's and management's reputation. It is disrespectful to waste other people's time. Start and end every phone call, meeting and presentation on time. If the most important subject gets squeezed for time at the end of meetings, then the organizer of the meeting has not done his or her job.” — Tom Richlovsky – CFO, National City Bank — a wholly owned subsidiary of PNC. (*Years in IR: 25*)

Time commitment with respect to external constituents has grown significantly with the diminishing role and quantity of sell-

side analyst coverage. IR previously focused its time and attention speaking to 20-30 analysts. The external focus has shifted to speaking to the company's many investors directly. Meanwhile, IR still needs to carve out enough time for any interested sell-side analysts, to make sure they really know your business, and to develop coverage.

◆ “A great bulk of time is spent meeting with investors — priority #1 is the buy-side. Work it very aggressively. No matter how many years you have been in IR, you must always target and seek new investor interest. Take time for the smaller investment firms too.” — Mark Steinkrauss – VP Corporate Relations, Telephone and Data Systems, Inc. (*Years in IR: 32*)

◆ “IR should ideally be on the road 50 percent of the time, visiting analysts and investors and marketing the company. Use IR consultants to support you and to streamline and facilitate information, to free up your time so you can focus on the external constituents.” — Kay Breakstone – President, Breakstone Group, Inc. (*Years in IR: 37*)

◆ “IR is increasingly interdisciplinary, but it cannot be in all places at all times. So, IROs should prioritize: stay informed



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through internal and external access and attend to the levers of influence among investors. I suggest that clients focus directly on institutional money managers with an affinity for their

space, because at the end of the day, they create and influence value at the margin. Consider targeted media, as well, and become adept at using appropriate digital technology/media as an enabler of efficiency.” — Robert Ferris – Executive Managing Director, RF Binder Partners. (*Years in IR: 40*)

Senior IR practitioners respect the CEO's time and try to conserve it for essential investor meetings only. One practitioner I spoke with only uses the CEO three hours per quarter — one hour each for the earnings call, a buy side meeting and one other

## WORDS OF WISDOM FROM SENIOR PRACTITIONERS

- **PREPARE** all parties in advance of meetings. Spend time to develop clear and crisp messaging. Always have 3 to 4 sound bites that you want to get across, whether in a presentation, meeting, phone call or media interview. The points should provide compelling reasons to invest in your company.
- **PRIORITIZE** time. If something never rises to the top of the to-do list, then it might not be essential for you to handle — either delete or delegate.
- **RESPECT** your own time and that of others.

meeting or phone call, plus one non-deal road show trip to investors per year. Travel is an unproductive use of the CEO's time that several colleagues I spoke with address in the following ways:

- ◆ Bring investors in to meet with the CEO, CFO and management.

- ◆ Call the top 10 investors with the CEO after every earnings call.
- ◆ Limit the number of analyst conferences and use business unit heads or the CFO to speak instead of the CEO.
- ◆ Consider using the conference venue to schedule 1x1 meetings that only IR attends, if schedules do not permit your company giving a formal presentation.

## Cost

There are some things you may wish to consider when thinking about time with respect to financial cost.

- ◆ “If you have a professional IR staff, carve up the globe geographically and assign each professional specific regions to facilitate routine meetings with more investors and to optimize travel time and cost. Use sell-side analysts much more to schedule and plan investor meetings in different cities. While you still need to do a lot of targeting beforehand, let the analysts spend their time and incidental costs to organize the trip.” — Mickey Foster – VP Investor Relations, FedEx Corporation. (*Years in IR: 24*)

- ◆ “Speak to your annual report vendor well in advance of starting the next annual report and discuss ways to potentially save costs. If you have a budget in mind, disclose it up front to respect and save time for everyone. It may require print modification, but there is almost always a solution to match a budget. Also, get approvals from management early on to avoid any last minute changes or overtime charges.” — Barbara Koontz – Regional VP, Curran & Connors. (*Years in IR: 20*)

## Personal/Professional Boundaries

Senior Roundtable practitioners have been around long enough to remember when nights, weekends and vacations were sacred, unless there was a true emergency for which the executive team would

know how to reach you. Life really has not changed so much that you have to be routinely reached 24/7.

- ◆ “I turn off the Blackberry for a few hours each day and do not respond to e-mails over the weekend. I do not take e-mail connectivity with me on vacation — I tell my CEO and a few others how I can be reached, but no one else. I also don't give my cell phone number to everyone. I don't think the entire universe of people with whom I deal needs to have instant access to me whenever they want it. You can handle the e-mails on Monday morning. You need to take a break to think best and to be of greatest value to your company.” — Paula Norton – Director, Investor Relations, United Parcel Service Inc. (*Years in IR: 23*)

- ◆ “You have to intentionally take breaks and vacation. Obviously try to schedule your personal activities around the corporate calendar, but use delegation and team-work to ensure follow-through so you can get away. If you do get interrupted on vacation, try to look at it as a 15 minute interruption and do not let it spoil your ability to unwind and enjoy your vacation.” — James Roop – President, Roop & Co. (*Years in IR: 36*)

I cannot quote every Sr. Roundtable member, nor include specific comments from every conversation I have in the process of writing this column. My colleagues have much more to add, which will be shared in subsequent columns of “*Senior Perspective*.” I leave you with some composite *Words of Wisdom* (see sidebar). IRU

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