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IR UPDATE

THE VOICE OF THE INVESTOR RELATIONS PROFESSION **SUMMER 2022**



SURVIVING A

BEAR ATTACK

Bear attacks are rare in North America, but that doesn't mean you shouldn't be prepared for one, especially when it's happening in the U.S. capital markets.





ALGORITHMS AND AI DOMINATE TRADING THESE DAYS. CEOS STILL NEED HUMANS WHO UNDERSTAND THEIR STOCK.

According to a recent study by the NIRI Think Tank, “Estimates suggest that quantitative trading now accounts for more than 70% of U.S. equity volume, and that will only continue to grow.”

Quant traders don't meet with management or care about your story. IR professionals must adapt with market intelligence predicated on today's market realities. **ModernIR developed Market Structure Analytics to help IR professionals understand all the behaviors driving stock-price.** Because it's better to inform the C-Suite of activist patterns in your trading *beforehand*. Because derivatives are measurable and sometimes catastrophic to equity values. Because the stock market is volatile. Get insights you'll find nowhere else with analytics based on the rules that govern stock-trading. Be invaluable to the C-Suite with Market Structure Analytics from ModernIR. **We're the market structure experts.**



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About NIRI

Founded in 1969, NIRI 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 members representing over 1,500 publicly held companies and \$12 trillion in stock market capitalization.

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Refocusing in an Uncertain Environment



Victoria Sivrais

NIRI Chair
Founding Partner
Clermont Partners, LLC

Reflecting on a busy earnings season and a year filled with challenges, public companies and their IR teams have been playing a game of “whack a mole” as they navigate inflationary pressures, persistent supply chain constraints, increasing material costs and a highly competitive labor market. At the same time, market valuations have fallen significantly in lockstep with heightened recessionary fears, and activist investors seem to be re-emerging from their COVID-19 caves.

Seasoned IROs know this is the time to apply the 80/20 rule. Spend 80% of your time realigning the investment narrative around the key pillars of your story that will drive long-term growth and, in turn, shareholder returns, regardless of market conditions. Spend the remaining 20% focused on the areas of ESG that will propel your business forward and advance your corporate purpose. Then, take advantage of the active, thematic investing that almost always emerges in recessionary environments.

Realign Your Investment Narrative: Regardless of how well-positioned a company is for a crisis, there are always lessons to be learned from the past and, subsequently, improvements to be made. Layer into your investment narrative specific steps management has taken to insulate your organization for a potential economic downturn, i.e., diversification efforts, fortification of the balance sheet, greater operational flexibility, etc. Reinforce your company’s inherent strengths and competitive differentiation, whether through innovation, technology advancements, or greater scale.

Connect the ESG Dots for Investors: Research consistently demonstrates that more than 70% of consumers would pay more for a sustainable product, which can significantly impact revenue. Further, corporate customers are as focused on product sustainability as their consumer counterparts. This means that B2B companies with sustainable business practices are more likely to win contracts and grow sales, as an increasingly large portion of companies evaluate suppliers for ESG performance. But does sustainability negatively impact operating profit? The answer is a resounding, “No.” According to an article from McKinsey & Co., strong operational ESG actions can drive down costs by 5-10%, as these companies typically enhance operational efficiency and reduce waste, translating to a lower cost of revenue. The last thing to think about is how good ESG ratings impact credit ratings, which impact everything else. Those companies that are deemed ESG savvy will be able to borrow at a lower rate, positively impacting the P&L.

Thematic Funds are Back: With the finance industry trending toward more specialized products, thematic funds empower investors to pour assets into themes and sub-industries they care about or find interesting. On top of their outsized growth, thematic funds give companies a leg up in their targeting efforts. Portfolio managers have a much smaller investable universe when investing for specific themes, and as a result, if your company fits the theme of a particular fund, you will be competing against far fewer companies for that fund’s capital.

Above all, don’t stay quiet despite a seesawing market and a difficult operating environment. This leaves an opening for shareholder activists to take control of the narrative and exert undue pressure on otherwise well-performing companies. [IR](#)



Mitch Haws, IRC
Vice President, Investor Relations
Skyworks Solutions, Inc.

“ Earning the Investor Relations Charter (IRC®) exemplifies how IR practitioners can continue evolving to better align their companies and the investment community. The time and effort required to pass the exam is well worth it.”

Register now at www.niri.org/certification



NIRI Legislative and Leadership Fly-In To be Held September 21-23, 2022

The NIRI Legislative and Leadership Fly-In (formerly known as Leadership Week) will bring IR professionals to Washington, DC, September 21-23, 2022.

This exclusive and intensive two-day event, sponsored by Applecort and Irwin, provides participants with professional development in honing their skills in the public policy process and advocacy.

NIRI National Board members, chapter leaders, advocacy ambassadors and others will have an opportunity to meet with Members of Congress or their senior legislative staff and advance NIRI policy priorities while learning beneficial leadership skills they can bring back to the workplace.

Participants will receive in-depth briefings about the top policy issues affecting investor relations and meet with members of Congress to advocate on those issues.

These important events ensure that the voice of the IR profession is amplified on Capitol Hill.

This “leadership reinvented” program will be packed full of thought-provoking discussions with high-profile leaders, providing IR professionals the opportunity to learn critical information, to network with other leaders from across the country, and to gain new skills to become a more effective and engaging leader. [IR](#)



Scenes from previous Legislative and Leadership Fly-Ins.

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NIRI Honors 2021-2022 NIRI Chapter Volunteers of the Year

NIRI honored its 2021-2022 NIRI Chapter Volunteers of the Year at the NIRI 2022 Annual Conference. Each NIRI chapter annually honors one of its volunteer leaders as the Chapter Volunteer of the Year.

“NIRI chapters have been integral to the success of NIRI since its founding,” says NIRI President and CEO Matthew Brusch, CAE. “All their activities are driven by extremely dedicated volunteer leaders, and we are pleased to recognize them for their support.”

The 2021-2022 Chapter Volunteers of the Year include:

- **NIRI Atlanta** – Timothy Walsh, Senior Director, Investor Relations, Genuine Parts Company
- **NIRI Boston** – Mark Kinarney, Director, Investor Relations, Lantheus Holdings, Inc.
- **NIRI Capital Area** – Pamela Silberman, Principal, PSS Advisory Services
- **NIRI Chicago** – Barbara Noverini, CFA, Director, Investor Relations, Portillo’s
- **NIRI Cincinnati Tri-State** – Naomi Sayles, Director, Investor Relations, Procter & Gamble Company
- **NIRI DFW** – Hala Elsherbini, Senior Director, Investor Relations, Tyler Technologies, Inc.
- **NIRI Florida** – Kristina Waugh, Senior Vice President of Investor Relations, Raymond James Financial
- **NIRI Kansas City** – Ashley Thorne, Vice President, Investor Relations, Kansas City Southern
- **NIRI Los Angeles** – Geri Weinfeld, Vice President, Investor Relations, Snyk
- **NIRI New York** – Cindi Buckwalter, Vice President, Corporate Communications, Hudson
- **NIRI Orange County** – Jeanie Herbert, President, NIRI Orange County
- **NIRI Philadelphia** – Christiane Pelz, Vice President, Investor Relations, Five Below, Inc.
- **NIRI San Francisco** – Chris Genualdi, Vice President, Investor Relations, Planet Labs PBC
- **NIRI Silicon Valley** – Alexander Porter, Managing Director of Corporate Platforms, Nasdaq
- **NIRI Twin Cities** – Patrick Tracey, VP, Programs Co-Chair, NIRI Twin Cities
- **NIRI Virtual Chapter** – Nicole Maselli, Head of Sales, Stockperks

NIRI also presented the 2021-2022 NIRI Chair’s Award of Excellence to eight chapters to recognize their achievements in areas most essential to chapter health and member service.

- **The 2021-2022 Excellence in Membership Growth Award** was presented to NIRI Chicago, NIRI Atlanta, and NIRI Charlotte.
- **The 2021-2022 Excellence in Membership Retention Award** was presented to NIRI Chicago, NIRI Philadelphia, and NIRI Charlotte.
- **The 2021-2022 Excellence in Advocacy Support Award** was presented to NIRI Capital Area.
- **The 2021-2022 Excellence in Partnership Award** was presented to NIRI Virtual. [IR](#)

NIRI Launches Remote IRC® Exams and Rolls Out Digital Certificates and Badges

BY IMAN HANNON, CM, IOM



NIRI launched its complete online program for Investor Relations Charter (IRC)® examinations in March 2022.

Driven by the pandemic, this new online system at www.niri.org/certification is now on-demand and offers applicants the flexibility to apply and take their examinations on their own schedules. IRC exams are delivered by appointment only with live remote proctoring (LRP) online.


The IRC is the main route for investor relations professionals to demonstrate their knowledge and skills. The IRC certification attests to an IR professional's fundamental knowledge and comprehension of the core tenets of investor relations and to verify the professional's ability to apply the underlying principles and synthesize the strategic concepts related to the practice of investor relations.

Live remote proctoring is a technological breakthrough that allows the IRC program to assess and examine applicants by proctoring online exams from any location and at any time in the world.

Assisted artificial intelligence (AI) remote proc-

toring technology has evolved to become a very effective and secure exam administration method. It consists of an exam administered by experienced human proctors supported by artificial intelligence algorithms and backed by rigorous criteria and guidelines to assure exam security, reliability and integrity. It prevents candidates from resorting to unfair or unethical means and provides an unbiased testing environment with maximum flexibility and security.

NIRI is also providing active IRC holders with a digital certificate and a digital badge. These redesigned IRC proofs have blockchain-secured features preventing them from being altered to help protect the reputation and integrity of the IRC program. Contact certification@niri.org for all your IRC needs.

To learn more about the Investor Relations Charter (IRC)®, visit www.niri.org/certification. 

Iman Hannon, CM, IOM, is Chief Credentialing & Governance Officer at NIRI; ihannon@niri.org.



This new digital IRC badge is a seal of trust that IRC holders can use to display their certification.

ON THE MOVE



Clermont Partners, a women-owned consultancy specializing in environmental, social, and governance (ESG) communications and strategy, investor relations, and transaction communications was acquired by Riveron, a national business advisory firm specializing in accounting, finance, technology, and operations. Clermont Partners was founded in 2015 by industry veterans **Beth Saunders** (left) and **Victoria Sivrais** (right), who said, “Investor, customer, and regulator demands for policy, practices, and verifiable data that demonstrate a company has adequately assessed and planned for a wide spectrum of ESG risks are a significant new component of financial reporting that rests squarely on the office of the CFO. The combination of Riveron’s gold standard national advisory services platform with Clermont’s investor intelligence and transactions expertise and seasoned team of climate risk, human capital, and governance experts will provide clients with the strategies and solutions required to optimize profitability and valuation throughout the business lifecycle.”



Katie Royce, CFA, joined ZenBusiness as Chief Financial Officer. She joins following the company’s successful \$200 million Series C fundraiser. She will report to CEO and Co-founder Ross Buhrdorf. She expects to continue building out ZenBusiness’s in-house expertise as well as provide guid-

ance on how the company can expand its role as a public benefit corporation, including adopting robust ESG reporting and standards. Royce has considerable public company c-suite experience and brings a unique skill set and knowledge base to the company. She spent nearly a decade at Cognizant, a multinational IT services and consulting firm, where she rose through the ranks, ultimately serving as the company’s North America CFO. Prior to Cognizant she held senior analyst and investor relations roles at several companies. She also serves on the NIRI Board of Directors and is the incoming Chair of the Board.



Hala Elsherbini was appointed to Senior Director, Investor Relations at Tyler Technologies. She has represented the company on the consulting side since 2000 at Halliburton Investor Relations (HIR). HIR was acquired by Three Part Advisors in July 2020, where Elsherbini continued to manage Tyler’s efforts. She started with HIR in 1994 as account executive and was promoted to various roles as she took on more responsibilities, ending as Senior Vice President and Chief Operating Officer.



Jay Koval was appointed to the newly created role of Senior Vice President of IR at Hagerty. Koval has more than 20 years of experience in capital markets roles. Most recently, he was Chief IR Officer, Treasurer, and Interim Head of External Communications at Chobani. Koval has also worked in senior IR positions at

GoHealth, Amcor, Brown-Forman, and Starwood Hotels & Resorts Worldwide. Earlier in his career, Koval served as a sell-side analyst at Bank of America Securities, focused on the gaming and lodging sectors. He was also a buy-side analyst covering healthcare at Invesco Funds Group.



Najim Mostamand, CFA, joined PRA Group, Inc. as Vice President of Investor Relations. He joins the company with

nearly a decade of experience in managing and building the investor relations programs of more than 20 small cap companies. Mostamand most recently served as Director Of Investor Relations at Greenlane Holdings, where he developed and executed a successful investor relations roadmap that enhanced the company’s communications, shareholder base, and relationships with the investment community. He will work to expand the company’s overall investor relations roadmap, while also overseeing the company’s quarterly earnings calls, investor conferences, and investor meetings.



Megan Britt joined ADM as Vice President of Investor Relations. She brings more than 20 years of experience in finance, investor

relations and strategic positions, including significant expertise in the food and agriculture industries. Britt previously led IR functions at Tyson Foods and Corteva Agriscience. [IR](#)

Heather Kos and Raj Mehan Speak About Value of Senior Roundtable

The NIRI Senior Roundtable (SRT) was formed nearly 30 years ago to address the needs and interest of the senior-level members in NIRI. While constantly evolving over many years, the SRT still maintains an informal, small group atmosphere of leading IR professionals who have been in the profession for 10 years or more.

While the profession has evolved, the number of senior professionals has grown as well. We hope that those of you with 10 years of experience in the IR profession as an IRO and/or IR counselor, visit www.niri.org/srt to learn more about the benefits and application process to join SRT.

To provide more insight into SRT, *IR Update* interviewed two Senior Roundtable members to learn more about the value they derive from participation and some of their professional experiences.



Heather Kos, CPA, CMA, IRC
**Vice President, Investor Relations
& Communications, Univar Solutions**
Years in Investor Relations: 17 years
Joined NIRI: 2006
Joined Senior Roundtable: 2012

Why did you join Senior Roundtable and what have you found most valuable about being a member of the Senior Roundtable?

I found out about the incredible Senior Roundtable program from Doug Wilburne (a NIRI Fellow). His former CEO, Lewis Campbell, became my CEO while at Navistar and while we were chatting about Lewis, he mentioned the benefits of SRT. He was so enthusiastic, I applied that day and have been pleased with the knowledge gained and the amazing friends I have made along the way.

What is the toughest IR challenge you faced in your career?

It was navigating the multi-year restatement at Navistar which caused a chain reaction of being delisted and having all our bank debt accelerate and a sea of activist investors enter the stock.

Fortunately, we were able to face these hardships head-on with transparency and continuous dialogue with our investors and were relisted a year later.

If you could have had another career than IR, what would it have been?

I absolutely loved my job as Navistar's inline engine facility plant controller. I felt a tangible connection with the products we produced and being held accountable for the results of that facility. Every day was completely different. We might have a vital piece of equipment on fire, black widow spiders showing up in a delivery of turbochargers, an impending strike - all unexpected issues that required immediate attention, otherwise we could shut other facilities and/or our customers down. Ironically, it was a lot like IR. You go in thinking you are going to do what is preplanned on your calendar, but the universe has other plans (ha ha).

Is there anyone who had a major influence on your career? Why?

I think every CEO I worked for has had a major influence. Lewis Campbell at Navistar came in during a time of great turmoil and watching him navigate uncharted waters while showing great courage and inspiring us all was a master class of grace under fire. Ilene Gordon, my CEO at Ingredion, had one of the most incredible strategic minds I have ever come across. She also demonstrated you can be a great mother while being a successful CEO and balancing a dual-income household.

What is something surprising about yourself that no one knows?

I volunteer weekly at a raptor center and get to train and fly some amazing birds of prey. Although we really shouldn't have favorites, I absolutely love our redtail hawks, barred owl, and barn owl.

What is the funniest thing that happened to you as an IRO?

I have a TON of stories, but none are suitable for publication, at least not without a cocktail.

What is the best thing to happen in your IR career?

The best thing has been the skills I have accumulated throughout the years. I've always had a strong accounting and finance background, but you really get the chance to continuously learn how to analyze, communicate, and market better with each interaction.

When our accounting firm refused to sign our financial statements at Navistar, the CEO asked me to take on the IR role because it was going to get "hot," and he wanted someone who had been in operations and had displayed agility focusing on the end game while dealing with a high stress situation.

Where did you go to college and what did you study?

I wanted to be a CPA, so I graduated from the business school at Michigan State University with a degree in accounting and then went to DePaul University for my MBA.

How did you get into investor relations?

When our accounting firm refused to sign our financial statements at Navistar, the CEO asked me to take on the IR role because it was going to get "hot," and he wanted someone who had been in operations and had displayed agility focusing on the end game while dealing with a high stress situation.

What advice would you give a person starting out in IR?

Join NIRI and your local chapter and network like crazy. Your network can help tremendously while also giving you friends for life.

When the final chapter is written about your life, what is the most memorable thing you've done which you would like to have remembered?

I hope to leave my family and friends with a series of many happy/funny moments, and above all else, I want them to remember me telling them to observe the golden rule "do unto others as you would have them do unto you."



Raj Mehan, P.Eng, MBA, CMA, CTP, IRC
Vice President, Finance & Treasurer,
Capital Management Group, Steelcase Inc.
Years in Investor Relations: **20**
Joined NIRI: **2002**
Joined Senior Roundtable: **2014**

Why did you join Senior Roundtable and what have you found most valuable about being a member of the Senior Roundtable?

Joining the Senior Roundtable felt like a natural progression in the career of an IRO. As you gain more and more experience, you are challenged by your company or CFO to take on more complex topics. Having a network of peers to support you is helpful to be successful. Also, the complexity of the capital markets continues to increase, so having peers who have varied experiences and knowledge can help me make the market activity and the way markets function more transparent to my senior management.

What is the toughest IR challenge you faced in your career?

One of the toughest challenges has been and continues to be attracting consistent sell-side coverage for our company and industry.

If you could have had another career than IR, what would it have been?

I know it's quite a tangent, but my alternate career would have been to be a pilot—as a pilot you get to fly above the clouds where the sun always shines.

Is there anyone who had a major influence on your career? Why?

The most influential person in my career has been our company's CFO, Dave Sylvester. We have worked side-by-side for about 15 years and have helped shape the company from a small public company to a well understood mature public company. Through the powers of observation, I have learned deep analytical methods, developed good strategy, and the maximized the power of communication—all essential elements for any IRO.

What is something surprising about yourself that no one knows?

I was a competitive Olympic weightlifter when I was in high school. I don't do Olympic weightlifting any more but I do still love to work out!

What is the funniest thing that happened to you as an IRO?

Our CFO and I were on a non-deal roadshow and we had been dropped off by the sell side's car service at an appointment. We finished that appointment, went to the curbside to find him and couldn't locate him, so I called the driver to pick us up. He responded, but his voice and background seemed like there was an echo. We asked how long it would be and he said he would be there in a few minutes. When I probed why he was not at the curbside where we were to be picked up, he said he had an "intestinal emergency." I will never forget the characterization of going to the bathroom as an intestinal emergency.

What is the best thing to happen in your IR career?

One of the best things that has happened to me is the financial acumen I have built in this role, because as an IRO you are always teaching the buy side about the company and its financial physics. That has provided a unique opportunity for me to teach our employees about finance and the investment community. I love teaching, so this enables me to fulfill a passion I have.

Where did you go to college and what did you study?

I was raised in Hamilton, Ontario, Canada. I went to school at McMaster University in Hamilton and studied engineering and management (civil engineering was my major). It was a unique five-year program that gave me the equivalent of a Bachelor of Engineering and Bachelor of Business degrees. When I graduated, the job market wasn't great and I was able to stay at McMaster another year and get my MBA.

How did you get into investor relations?

At the time of the dot-com bubble and recession that ensued, we were a relatively young public company and the IR function rolled into communications. At that time, when our business was negatively impacted by the crisis, we got a new CFO and he wanted investor relations to roll into finance. So, they made a change and asked me to lead it. It was really part of a company restructuring that led me to IR.

What advice would you give a person starting out in IR?

Take advantage of the opportunities the IR role offers. Because it is a type of "hub" activity for the flow of information, one gets a unique opportunity to learn a lot about the company without necessarily being in the business. Embrace the volume of information you can learn and apply it to every other role you might have the chance to take. The role teaches you strategic communication, accountability, develops the ability to think on your feet, develops long-term relationships, and teaches you how to market and sell something at the highest level—the company.

When the final chapter is written about your life, what is the most memorable thing you've done which you would like to have remembered?

I have had the opportunity to teach a lot of people about corporate finance and being able to pass along that knowledge in a simple, easy-to-understand way has been beyond rewarding because this is a world many see as enigmatic. [IR](#)

Joining the Senior Roundtable felt like a natural progression in the career of an IRO. As you gain more and more experience, you are challenged by your company or CFO to take on more complex topics.

One of the best things that has happened to me is the financial acumen I have built in this role, because as an IRO you are always teaching the buy side about the company and its financial physics. That has provided a unique opportunity for me to teach our employees about finance and the investment community.

Bear attacks are rare in North America, but that doesn't mean you shouldn't be prepared for one, especially when it's happening in the U.S. capital markets.

BY EVAN PONDEL, IRC



**SURVIVING A
BEAR ATTACK**



TACK

Welcome to bear market territory. The S&P 500 has been bearish all year, with many investors experiencing their worst first half since the early 1970s, according to Bankrate.

With rising interest rates, high inflation, and the war in Ukraine, it's hard to know just how long a bear market will last. One thing is for sure: investor relations professionals are navigating territory they haven't seen since the 2008 recession.

So, how do IROs survive a bear market attack?

"Cash is your bear spray," says Jon Buck, a money manager and securities analyst with Orion Capital in Los Angeles.

The more cash on your balance sheet, the more solace investors will have in a company's ability to survive a protracted bear market. That means the onus is on the IRO to communicate a company's cash position in a way that is strategic versus simply telling investors how much money is in the bank.

Buck said a CFO who touts a cash position without stating how they intend to leverage it is not helpful. Instead, he recommends providing use-case scenarios, such as explaining that if something bad happens, "then cash will be deployed this way." The same principle applies in good times.

Another way companies are dampening the effects of a bear market: increasing cash-paying dividends. *The Wall Street Journal* recently reported that dividend payments are expected to reach new highs in 2022. But again, communicating an increase in the value of a dividend versus investing that cash in a company's growth can be tricky.

Mark Aaron, Vice President of Investor Relations at Tiffany & Co., remembers how imperative it was to communicate frequently and consistently with investors when he started directing IR for Tiffany in 1987. The company went public in May of that year, and six months later the market crashed on what today is known as "Black Monday."

"I remember investors calling us up and asking if we were going to buy back stock," Aaron recalls.

But that wasn't necessarily the game plan. Instead, Aaron explained to investors that Tiffany had a long-term strategy in play and the company wasn't going to deviate from it "even if the stock was down 30 percent."

Unless management or the board decides to change direction, Aaron recommends communicating a long-term strategy with consistency, even in the face of market uncertainty. Maintaining an open dialogue with analysts and investors was essential for Tiffany spanning more than three decades when Aaron led the company's IR program.

The same goes for communicating with insiders, including directors. It's easy for those who are not on the front lines of IR teams to misunderstand gyrations in a particular stock or why an analyst issues a downgrade. Open and honest conversations with directors about why a stock is up or down is critical. "And it's OK if you don't have an answer for everything," Aaron says.

Consistent communication with sell-side analysts is another effective way for IROs to manage through market volatility.

Robert Fagin, Head of Research at Cowen, offers these tips:

- Don't go into your bunker. In difficult markets, the worst thing an IRO can do is clam up or hide. If anything, aim to overcommunicate with the Street. Don't withhold data just because the numbers aren't great. Don't be afraid to admit uncertainty. For investors and analysts navigating choppy waters, every ounce of information is useful. Keep the lines of communication open and provide as much visibility as possible.
- Pay attention to the bellwethers because that's what analysts will do. In times of stress, investors will be looking closely at your competitors and the impact of macro events. They'll be investigating your supply chain for insights into the business. Stay abreast of the competitive dynamics in your sector. Understand the impact of macro forces. That will improve your dialogue with investors and make your insights more valuable.
- Given the turbulence, you may find more analysts calling to get intelligence on other companies in your market space. Don't bristle at this. It's an opportunity. Sharing helpful data and insights builds relationships that will contribute to the long-term health of your investor base.
- Don't be afraid to communicate bad news up to your CFO and CEO. The message isn't always

going to be great when the market is tough. Stay in front of your management team and board so that they're aware of Street sentiment and changing dynamics.

Smaller cap companies are often more vulnerable to erratic market conditions. Chris Lahiji, who has been analyzing and investing in smaller cap stocks for nearly two decades, said companies that lack performance and robust cash positions must focus on keeping touch points alive with investors.

"You have to be proactive, write a semi-annual letter to shareholders, buy shares in the open market, and showcase firsthand how your company is alive and kicking," he says. "Show everyone that the lights are on and you are doing great things for the community and shareholders."

Lahiji also says demonstrating financial discipline is important, while showcasing a company has the tools to weather the storm and come back even stronger when markets normalize.

"And don't force anything. Remember that IR is an extension of a company's brand; anything you do to make the brand more valuable makes IR invaluable," he says.

Having the right mix of investors is important in turbulent markets. Kevin Ellich, a former healthcare services sell-side analyst with Craig-Hallum, Piper Jaffray, and RBC Capital Markets, says longer-term-oriented investors are in a better position to provide support for a stock because they usually have a better understanding about business fundamentals and how it will perform through various cycles.

Long-term or short, investors will inevitably seek more information about expenses in rough markets, including labor and wage pressure, potential supply chain issues, rising operating costs, leverage, and floating rate debt. "If there are any key performance indicators (KPIs) that your company discloses, continue doing what you've always done and be sure management and your internal counterparts are aware of how these KPIs and other metrics will be perceived," said Ellich, who is now Vice President and Head of IR for Modivcare.

Many IROs are also now tasked with telling a company's environmental, social, and governance

"You have to believe in the companies you're working for, and bull and bear markets should have nothing do with it."

- Mark Aaron, Vice President of Investor Relations, Tiffany & Co.

(ESG) story, which is even more challenging in choppy markets. As returns from funds offering ESG products turn anemic, the more difficult it becomes for companies to justify the expense of these initiatives to the investor community.

But investor Jon Buck said companies should stay the course.

"ESG is the future, even if people like Elon Musk can talk down to it because his company is already so far ahead of the game," he says.

Communicating ESG policies is integral to breathing confidence into a company's story about how a management team intends to navigate COVID-19, the war in Ukraine, reproductive rights, and gun violence.

During Aaron's tenure at Tiffany, the company began discussing conflict-free diamond mining initiatives, something that has become an industry standard.

"It was the right thing to do," says Aaron, who chaired the NIRI Board of Directors.

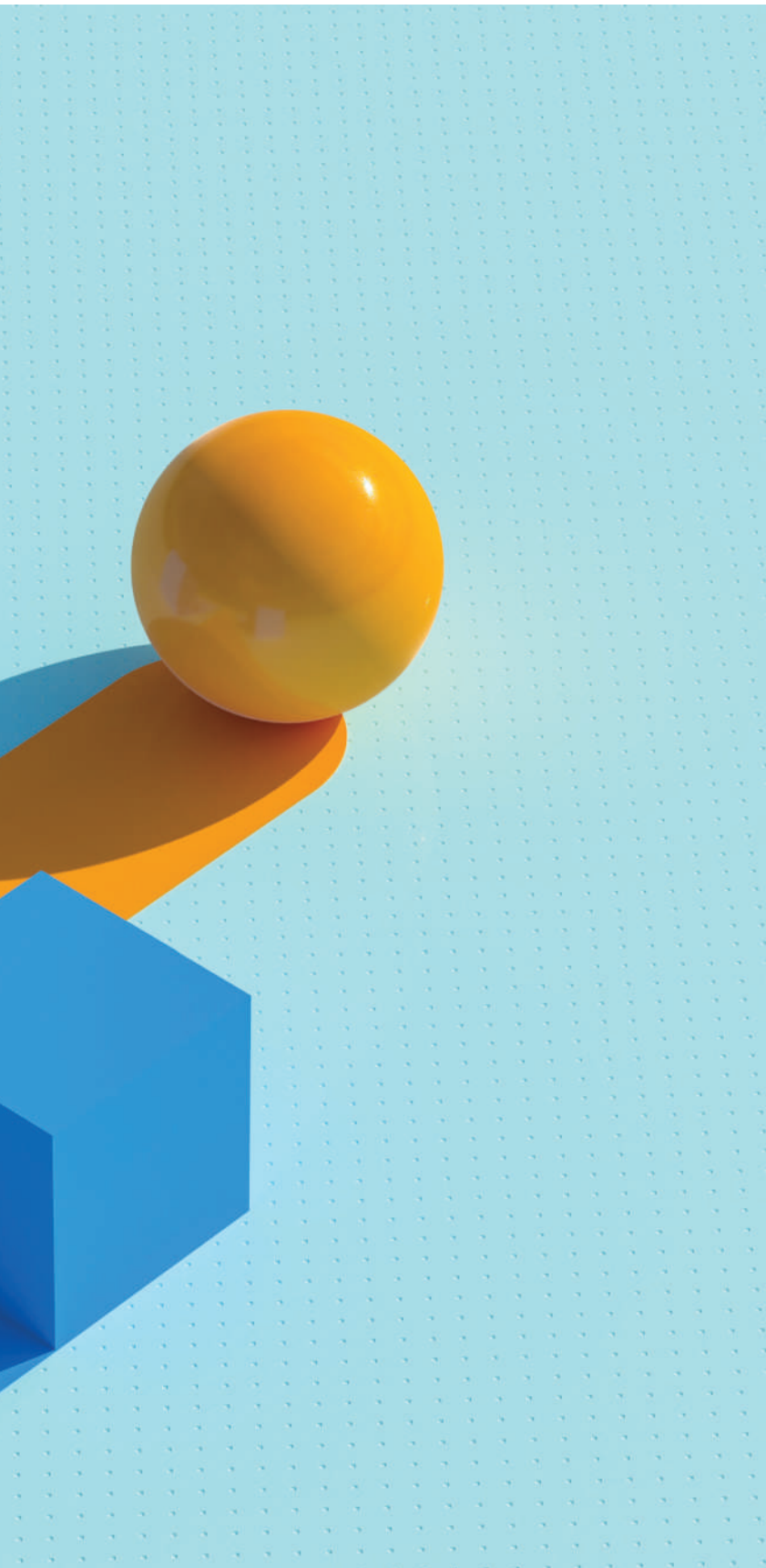
Another key survival tool for IROs enduring a bear market: maintain a passion for IR and the companies you represent.

"You have to believe in the companies you're working for, and bull and bear markets should have nothing do with it," Aaron says. [IR](#)

Evan Pondel, IRC is Founder of Triunfo Partners.
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HONING IN ON CORPORATE PURPOSE





The NIRI Think Tank on Corporate Purpose recently issued a report analyzing why establishing a focused corporate purpose is important and how IROs can leverage this opportunity to expand their influence.

BY KIMBERLY ESTERKIN

The NIRI Think Tank on Corporate Purpose recently published a report on the impact of corporate purpose on the investor relations profession. The audience for this report includes investor relations practitioners, those who serve the investor relations community, and those who are served by the investor relations community. The findings of this think tank are expected to further the IR profession, its body of knowledge, and NIRI programming to better serve the IR community.

The Beginning

In fall 2021, 16 individuals eagerly gathered on a Zoom call excited to embark upon NIRI’s third think tank. (Previous NIRI think tanks studied and reported on the future of the IR profession and artificial intelligence in investor relations.)

This NIRI Think Tank on Corporate Purpose was unique, as it was conducted entirely virtually and many think tank members never met one another in person. Nevertheless, they all convened with the goal of defining the term “corporate purpose” and its relevance to the investor relations profession.

Identifying a single definition for “corporate purpose” is a daunting task. For example, a Google search of these two words generates nearly two million results, ranging from articles and scholarly papers to videos and podcasts, each evaluating its own definition for corporate purpose.

So, how would these 16 individuals align on a singular definition that did justice to the myriad of nuances and considerations rightfully due such a weighty term? The think tank quickly realized that analyzing the importance and relevance of corporate purpose to investor relations extends far beyond the task of finding a specific definition.

Rather than summarize the content of the [Report of the NIRI Think Tank on Corporate Purpose](#), this article discusses how think tank members gathered information, developed new ideas, and ultimately landed on recommendations for the investor relations community.

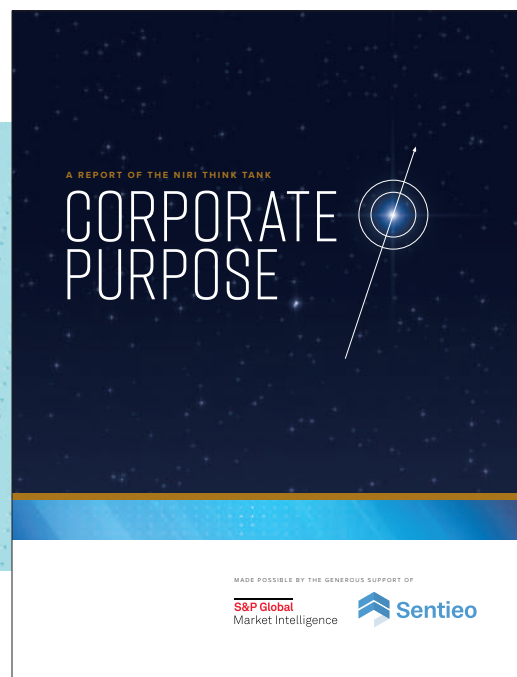
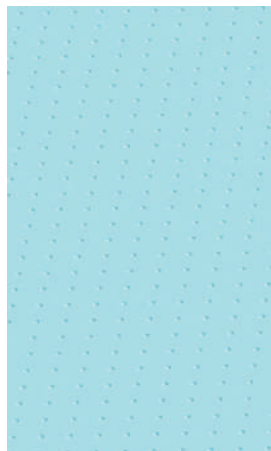
This process yielded a report that provides investor relations officers (IROs) “with something even more valuable than a one-size-fits-all definition of corporate purpose, and that is the ideas, insights and questions you can use to have the right conversations about corporate purpose inside your company, as well as the advice, guidance, and resources you will need to be critical contributors to those conversations.”

The Think Tank Process

Before delving into the process, let’s start at a high level by defining the term “think tank.” The phrase was first used in military speak as a safe place where secretive plans and strategies could be laid out and discussed.

Over time, think tanks evolved to become any group, institute or corporation organized to research a topic by gathering individuals of varying backgrounds and knowledge who could contribute distinct ideas and recommendations to the discussion at hand. As a unique collection of in-house and agency IR and environmental, social and governance (ESG) professionals, academics, and industry advisors, the NIRI Think Tank on Corporate Purpose squarely fit that description.

Under the guidance of facilitator Jeff De Cagna, a respected strategic thinker in the association profession, NIRI Think Tank on Corporate Purpose members leveraged a learning-oriented practice called “Foresight.” This practice is exactly what it sounds like - the deliberate process of inquiring into the future to try to better understand the forces that drive society and professions to transform.



By practicing this type of predictive-like thinking, stakeholders can work together to anticipate changes and proactively prepare for shifts within their companies, their industries, and even the economy. While debating the future can be helpful, it is important to keep in mind that the Foresight process is not meant to actually forecast what is to come at a later date. Rather, it is intended to inform and serve as a jumping-off point for deeper discussions on corporate purpose.

Similar to the Foresight process, think tanks generate discussion and encourage thoughtful, strategic analysis in an attempt to get closer to answering $A + B = C$, without necessarily solving for C . In this case, let’s say C was the definition/meaning of corporate purpose and the inputs $A + B$ were the analysis and back-and-forth discussions among the NIRI Think Tank on Corporate Purpose members.

So, how did members of our think tank come closer to defining corporate purpose? It began by gathering information. Every think tank member was asked to collect as many articles on the topic as possible. A selection of these pieces, along with other references, can be found in the resource list in the appendix of the Report of the Think Tank on

Corporate Purpose.

A natural next step was to take the articles available and summarize the findings to determine if any conclusions could be drawn. This task was easier said than done. As the think tank report notes, “Today’s increased awareness of corporate purpose does not necessarily translate into clarity about its implications.”

In fact, the heightened acknowledgement of the topic has further complicated its meaning and resulted in the generation of multiple orthodox beliefs, or deep-seated assumptions, about the meaning of corporate purpose which have only further convoluted its definition.

Three orthodoxies were most frequently acknowledged amongst the group. These included: 1) that corporate purpose is just marketing jargon and companies create mission statements solely for the sake of checking the box; 2) that corporate purpose is something corporations may share with their stakeholders but not necessarily adhere to or truly believe in, and 3) that “corporate purpose = ESG.” Early in the process, our think tank concluded that the “conflation of corporate purpose and ESG is detrimental to making progress in each of these areas, and this orthodox belief requires continued pushback.”

Challenging Orthodoxies

In reviewing these orthodoxies, members of the NIRI Think Tank on Corporate Purpose may have felt like they were back to square one without a way to define corporate purpose. In reality, however, these conversations and a recognition that the definition of an organization’s corporate purpose is not easily defined served to spark real progress. Think tank members recognized that major misconceptions existed about the meaning of corporate purpose and that the only way to formulate a more consistent definition is through further exploration.

In the spirit of Foresight, the next step for task force members was to brainstorm ways to challenge these orthodoxies. Questions discussed included:

- How have participants’ companies conflated corporate purpose with ESG?
- What have these companies said, if anything, that caused stakeholders to conclude that corporate

Members of the NIRI Think Tank on Corporate Purpose

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Vice President, Investor Relations Cerence

- purpose is only “marketing jargon?”
- How have companies translated their corporate purpose into clear metrics and milestones to show progress?

That last question is the real kicker and has also been a challenge on the ESG front. While defining your company’s corporate purpose is the first step, showing that you are living up to that purpose by tracking key performance indicators that demonstrate your success is the next and crucial step which often falls to the IR, marketing and corporate communications teams to address.

Developing Plausible Futures

Beyond discussing how to challenge these deep-seated assumptions, think tank members discussed the plausible futures for corporate purpose conversations throughout the rest of this decade.

Four plausible futures were discussed. While these scenarios reflect what reasonably could happen, they were not the only plausible futures that could occur. Similar to earlier discussions on what the Foresight process is and is not, these scenarios were not actual predictions of what will take place in the future.

The four plausible futures reviewed ranged from full acceptance to none at all and included:

1. A stagnant state, in which only a limited number of companies pursue their corporate purpose to great effect.
2. Rendered meaningless, in which there is an inability or unwillingness amongst stakeholders to find a common ground on the topic.
3. A total collapse, or the worst-case scenario, in which some sort of catastrophic event refocuses humanity’s attention away from corporate purpose discussion onto more urgent concerns, such as environmental, political or economic unrest.
4. Full embrace, or the best-case scenario, in which companies fully integrate corporate purpose commitments into every aspect of their strategy, decision making and operations.

NIRI Think Tank on Corporate members responded to each of these prompts in group discussions and online surveys, reflecting upon how each scenario

made them feel and what IROs could contribute to the discussion to bring about a more favorable future.

Implications for IR

With so many definitions being passed around and the inability to predict the future, how can we trust a company’s corporate purpose statement to fully reflect its operations, its people, its mission, or its goals?

According to the Report of the *Think Tank on Corporate Purpose*, the number of companies in the S&P Global 1,200 with purpose statements has tripled during the past five years, while the number of companies that identify themselves as purpose-driven has grown tenfold over the same timeframe.

That said, there remains much cynicism about the language used in these statements. Action speaks louder than words, and as the report notes, “to the extent that companies undertake developing corporate purpose statements, they must be created, executed and reported upon in good faith to have value.”

That is exactly where IROs comes into play. “Beyond the CEO, there is no other corporate role,” the report concludes, “with the same opportunity as IR to influence and shape a company’s corporate purpose activities.”

So then, what can IROs do to influence the discussion given that “companies that are mission-driven with clearly articulated strategies that align with their corporate purpose are viewed favorably by investors?”

Based on the think tank discussions, IR professionals can help drive the discussion on corporate purpose through the following:

- Begin by forming (or seeking representation on) an internal team of key players, including the C-suite, human resources, legal, and communications, to develop your company’s corporate purpose statement. Deploying the lens of Wall Street, add to that discussion by challenging “groupthink” and ensuring that investor interests are top of mind. Also confirm that your board of directors approves the statement.
- Once the statement is finalized and published, use as many of your company’s communications platforms to reinforce the statement and how your company is executing to support it.

- Beyond socializing the statement, take these qualitative measures and translate them into quantifiable metrics. What benchmarks can your company use to show that your corporate purpose is driving improved top-line and bottom-line performance? This task is by no means easy and, like defining corporate purpose, is in itself worthy of lengthy exploration and debate.
- Revisit this process. IROs are exceptional at follow up. When we are contacted by an investor or analyst, we follow up internally to ensure we can close the loop on the question at hand in a timely manner. Do the same with your corporate purpose process. Treat it as an email that needs follow up and careful consideration. While the building blocks of your company's corporate purpose statement may remain static, portions will evolve over time as the world and market conditions inevitably change.

Taking it One Step Further

Let's return to where we started—the purpose of a think tank and the Foresight process. Neither the Foresight process nor a think tank discussion are meant to provide definitive answers. Instead, they inspire conversations and topics that should be addressed in a collective, strategic manner.

The NIRI Think Tank on Corporate Purpose did just that; it recognized the importance of corporate purpose, synthesized and considered the vast amount of data out there on the topic and ultimately concluded that it will be up to individuals, particularly investor relations professionals, to keep the conversation going by addressing the topic among their management

teams, boards of directors, and the investment community.

Think tank members definitely valued this opportunity to participate in the discussion and debate various schools of thought. That said, we also recognized the frustration that comes without being able to solve for C.

But all of you can move forward by deploying excellence in communication and supporting your company's development of its own corporate purpose statement. As you go through the process, remember that this responsibility should not fall solely on your shoulders. Leverage the voices across your organization to ensure consistency in message. This is your unique opportunity to positively influence corporate transparency so that A+B can ultimately = C.

Continue the Conversation

Have you participated in a corporate purpose statement development effort? How did your company go about the process, and what role did IR play? What do you think about the definitions discussed in the Report of the NIRI Think Tank on Corporate Purpose?

Join the [ongoing discussion about corporate purpose on the NIRI eGroups](#) to address these and other related topics. [IR](#)

Kimberly Esterkin is a Managing Director at Addo Investor Relations, a full-service investor and financial communications firm in Los Angeles, CA and President of NIRI Los Angeles. kesterkin@addo.com

The NIRI Think Tank on Corporate Purpose and report it produced was made possible by the generous support of S&P Global Market Intelligence and Sentieo

ANNUAL CONFERENCE



Ford Motor Company brought a full contingent to the conference, including (left to right) Brian Rockwell, Brian Babiarz, Lynn Tyson, Christina Twelftree, Robbie Lewis, and Chris Rewekant.



BACK TO IT IN BOSTON

The NIRI 2022 Annual Conference marked the first in-person conference in three years. IR professionals used the opportunity to reconnect and analyze how to move forward in a new reality.

BY AL RICKARD, CAE

When more than 900 investor relations professionals descended on Boston, MA in early June for the NIRI 2022 Annual Conference, it marked three years since the last in-person annual conference.

And what an event it was!

Held in a city filled with financial professionals, the conference attracted many of the brightest minds in the financial sector as keynote speakers and presenters. They analyzed the roller coaster of economic developments that are still upon us, provided insight into a bevy of new and proposed regulations from the U.S. Securities and Exchange Commission (SEC), and discussed the evolving role of corporations during a time of historic social change.

NIRI 2022 Annual Conference Committee Chair Moriah Shilton, Senior Vice President, Financial Profiles, Inc., extended a warm welcome to attendees at the Opening General Session.

A lively interaction with the audience also revealed that attendees spanned a broad range of experience levels in the IR profession, including more than half who were first-time attendees.

“We were so pleased to see an entire new generation of IR professionals joining us for the conference,” Shilton says in reflecting on the event. “Best of all, they brought new ideas and perspectives and contributed so much both in sessions and



throughout the informal networking that makes this event so special.”

NIRI Chair Victoria Sivrais, Founding Partner, Clermont Partners, LLC, adds, “The role and expectations of investor relations professionals have fundamentally changed during the past few years, and the trends we see in the capital markets and the regulatory arena have only accelerated this process. The conference offered a wide range of learning opportunities to help IR professionals navigate this new environment.”

Matthew D. Bruschi, CAE, the longtime NIRI executive who joined the organization in 2007, was named the new NIRI President and CEO just days before the conference.

Conference attendees enjoying the event included Madison West of Intel (far left), Kimberly Esterkin of ADDO Investor Relations (second from left), and Irina Axenova of SQM (far right).



Daryl Brewster, CEO, Chief Executives for Corporate Purpose (right) talks with NIRI President and CEO Matthew Bruschi, CAE, and Deborah K. Pawlowski, IRC, Chairman & CEO, Kei Advisors LLC, during the general session presentation about the findings of the NIRI Think Tank on Corporate Purpose.

“It’s an incredible honor, and very humbling, to have the opportunity to lead this organization that has meant so much to so many,” Bruschi says. “I appreciate the Board’s vote of confidence, and look forward to working with them, our outstanding staff, and members throughout NIRI to build on our strengths, expand our impact, and advance and elevate the IR profession.”

Conference attendees learned the latest on a wide range of IR issues in a full slate of more than 50 presentations, including general sessions, thought leader sessions, breakout sessions, workshops, and express talks.

Leading Through Historic Societal Changes

Former corporate CEO Helena Foulkes, who is currently running for Governor of Rhode Island, joined Jeffrey A. Sonnenfeld, PhD, Senior Associate Dean for Leadership Studies & Lester Crown Professor in the Practice of Management, Yale School of Management; and Jeffrey M. Solomon, Chair and Chief Executive Officer, Cowen, Inc. to discuss how corporations are addressing social change.

Foulkes is former CEO, Hudson’s Bay Company, a Board Director at Skillsoft, and brings powerful perspective from her 25 years at CVS, where she rose to become President and led the company’s move to discontinue selling cigarettes.

A merger at that time led to the launch of CVS Caremark. “We started with this very important question,” she says, “which is, ‘What’s our why? Why do we exist?’ It started as an internal discussion around why we existed and it evolved into external messaging, which was helping people on their path to healthier lives. This ultimately became a real filter for strategic decision making.”

NIRI Think Tank on Corporate Purpose

Continuing the discussion on societal change was an update from members of the NIRI Think Tank on Corporate Purpose, which recently produced a report on the evolution of corporate purpose, which provides specific recommendations for IR professionals.

NIRI President and CEO Matthew Bruschi, CAE, moderated a discussion that included Think Tank members Deborah K. Pawlowski, IRC, Chairman & CEO, Kei Advisors LLC; and Daryl Brewster, CEO, Chief Executives for Corporate Purpose (CECP).

Bruschi polled the audience on several key questions, including how many understood the meaning of corporate purpose, whether it matters, whether their companies have a publicly stated corporate purpose, and whether that purpose resonates in their investment stories. The answer to each question was a resounding “Yes,” showing strong engagement in this area.



The discussion explored many aspects of the report, which are also analyzed further in the feature article on page 18 of this issue of IR Update, “Honing in on Corporate Purpose.”

Shining an Even Brighter Light on ESG

Environmental, social and governance (ESG) issues have been a hot topic for years, and the focus has ratcheted up significantly this year with the SEC’s ESG disclosure rule proposal. Many public companies still face a steep learning curve in understanding its significance from a buy-side perspective now that these issues affect whether boards get re-elected, what executives get paid, where a company’s capital comes from, how much they can access, and much more.

To address the buy-side perspective, Sarah Keohane Williamson, Chief Executive Officer, FCLTGlobal, joined Ronald O’Hanley, Chairman and Chief Executive Officer, State Street.

O’Hanley explained that his company and its investors are looking for healthy integration of sustainability ESG considerations into long-term corporate strategies.

After the two spent time discussing the plethora of ESG standards, Williamson voiced the question that many issuers are asking: “How are investors actually going to use the disclosure data?” The early answer, O’Hanley acknowledged, is “the jury is still out.”

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NIRI thanks the many sponsors of the NIRI 2022 Annual Conference for their support including exhibiting in the IR Services Showcase and their thought leadership through the Express Talks and other sessions.

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NIRI Members Reflect on the 2022 NIRI Conference

NIRI members were excited about reconnecting in person at the 2022 NIRI Conference. We asked them about their conference experience and some of the issues and challenges they now face. Here's what they had to say.



"I was excited about seeing everybody I've known for years and meeting new people. It's amazing how many new folks were there. The bigger topics such as corporate purpose and ESG were very interesting and I also honed in on some of the technical skills."

Deborah K. Pawlowski, IRC, Chairman, Kei Advisors LLC



"The human contact and being able to learn in person is a lot different than learning virtually. So I was excited about that. I focused on how IROs compose their sustainability reports and how they navigate new shareholder proposals and proxy voting issues. The challenge ahead is getting

back to setting the tone and telling the story of companies in person, because then there's only so much that you can learn when you're talking to a CEO or CFO on the phone, or even via Zoom."

Evan Pondel, IRC, CEO, Triunfo Partners



"I was most excited about engaging with my colleagues and seeing my old friends, and then seeing the new generation who are up and coming in their careers. I was looking for other people's perspective coming out of COVID-19 and the agility and transformation that's happening in the discipline. It's a good benchmark because we always try to be best in class. We're about challenging the status quo."

Felise Glantz Kissell, Investor Relations & Corporate Affairs Officer, Aramark



"I enjoyed connecting with IROs to get a better understanding of the challenges they face in this post Covid-19 world. I learned where they need help and shared how we can facilitate investor meetings so they can focus on their core responsibilities."

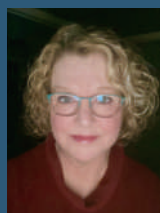
Meaghan Montegari, Head of Investor Access, ICR Inc.



"It's great to see people face-to-face and get the energy from having people together. One of the big things was to see how the world has changed over the last couple years and how we can get the best of both worlds between virtual tools combined with being back in person. What's the right balance?

And what is the way we can make things integrate better to create a better product than what we had pre-pandemic? We're a private company, so I think the biggest challenge is the macroeconomic uncertainty and navigating through that situation."

Jim Gustafson, Vice President Investor Relations, Included Health



"I enjoyed networking, camaraderie, fun, and reconnecting with people I haven't seen in three years. I learned about all the new technology that IROs and the buy side are using. So that's fun. ESG is the challenge ahead—it's just evolving so much with new proposed rules and we really don't know what resources we're going to need to comply and move the needle on ratings."

Kay Gregory, Senior Vice President, UMB Financial Corporation



"The interaction is what we missed during the pandemic. I gained perspective from IROs about the pressure and challenges they face and that was the most interesting aspect of the conference. The biggest challenge for the ESG industry now is finding experienced people who can perform the

services necessary to support IROs. Universities are graduating a lot of really good young people who are focused on data and ESG, so we are sourcing people from there. But there is clearly an imbalance in terms of demand and the supply of experienced ESG professionals."

Tom Goodrum, CFA, Co-Founder and Global Head of Business Development, Credo ESG



The NIRI Class of 2022 Rising Leaders Under 40 were honored at the conference. Those recognized on stage included (left to right) Sneha Cherukat of Corbin Advisors, Christine Besselman of Corbin Advisors, Kevin Moran of Cardinal Health, Gabrielle Fleck of Huntington National Bank, (NIRI leaders Katie Royce, Matthew Bruschi, and Ruth Venning presenting the recognition), Tiffany Kanaga of Walgreens Boots Alliance, David Helderman of WW International, Karin Daly of The Equity Group, Ryan Fenwick of Palo Alto Networks, Nadia Goncalves of (BD) Becton, Dickinson and Company, and Madison West of Intel Corporation.



The Buyside View of IR

NIRI Immediate Past Chair Ruth Venning, IRC, Executive Director, Investor Relations & ESG, Horizon Therapeutics, moderated a panel of portfolio managers who offered perspectives on how the practice of IR has evolved in recent years, what has gone well, and where improvement is needed.

Speakers included Katherine Collins, Head of Sustainable Investing, Putnam Investments; William Page, Senior Portfolio Manager, Essex Investment Management; Mary Pryshlak, Head of Investment Research, Wellington Management Company; and Matt Simon, Head of Ashler Capital, Citadel.

A few key points they offered include:

- For any given company, there’s a subset of very specific sustainability issues that are really important for long-term success. We’re looking for companies that are willing to work hard solving issues, handling challenges and implementing best practices.

- Focus on the output. Instead of sustainability input analysis, we pay attention to corporate behavior. What is a company doing with the supply chain? What do their contracts look like? We gravitated to the Sustainable Development Goals about four years ago because it provides a really good common methodology vocabulary for us.
- Our ESG experts along with our global industry analysts work together to build frameworks to think through the important ESG factors. The result is a rating for each company from an energy perspective that bubbles up to the overall rating. We are trying to understand what’s priced into the stock from a risk and opportunity perspective. It’s very nuanced. This is both an art and a science.
- Corporate access is absolutely critical and foundational. We want to meet in person we’re on the road at every possible opportunity. But Zoom certainly is an incredible innovation for

Dan Best of Chorus Call/InComm Conferencing led an Express Talk on “On-site and Hybrid Investor Day Services” in the IR Showcase.

NIRI 2022 Annual Conference Committee

NIRI thanks the members of the NIRI 2022 Annual Conference Committee for their work to develop the conference programming:

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Aaron Uhde, IRC, COO, Asbury Investor Relations

Shelly Hubbard, IRC, VP - Investor Relations, Vista Outdoor Inc.

Jean Wood, Former VP IR, Macerich, recently retired

Dawn Wotapka, SVP, Hill & Knowlton

Douglas Kris, IRC, Senior Director, Head of Investor Relations, Compass Minerals International, Inc.

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Board Liaisons

Katie Royce, CFA, Chief Financial Officer, ZenBusiness

Victoria Sivrais, Partner, Clermont Partners, LLC

real-time meetings too.

- Information is key and investment conferences are really important. The in-person element is fantastic, especially for our younger colleagues.
- The sell side is an important partner for us regarding capital market trading or research which highlights the holistic nature of the relationship that you have with the sell side.

Awards and Recognition

Many NIRI members were recognized for their achievements and received awards at the conference. The 2022 Class of NIRI Fellows was inducted, including:

- Dan Aldridge, III, Managing Partner, Asbury Investor Relations
- Rebecca Corbin, President, Corbin Advisors
- Patrick Davidson, SVP, Investor Relations, Oshkosh Corporation
- Jennifer Driscoll, IRC, VP, Investor Relations, ExxonMobil
- Neal Goldner, VP, Investor Relations, Marriott Vacations Worldwide
- Jason Landkamer, Senior Director, Investor Relations, Fluor Corporation
- Melissa Plaisance, Senior Vice President – Investor Relations, Treasury & Risk Management, Albertsons Companies
- Timothy Quast, President, ModernIR
- Jeffrey Smith, CFA, IRC, Director, Investor Relations, FedEx Corporation

The 2022 Class of Rising Leaders Under 40 was honored. This program honors talented young individuals in the investor relations community who have made notable contributions to their companies, their NIRI chapters, and the overall IR profession.”

The 2020-2021 Class of All Investor Relations Charter (IRC)* credential holders were recognized.

The NIRI Leadership Celebration Dinner honored the 2021-2022 NIRI Chapter Volunteers of the Year—each NIRI chapter annually honors one of its volunteer leaders as the Chapter Volunteer of the Year. NIRI also presented the 2021-2022 NIRI Chair’s Award of Excellence to eight chapters to recognize their achievements in areas most essential to chapter

health and member service. See the article on page 7 for a complete list of recipients.

The inaugural recipients of the DeWitt C. Morrill *IR Update* Editorial Excellence Awards were honored, including:

- Gold Winner—“A Practical Approach to ESG From a Corporate Vantage Point,” by Pamela Styles, Principal, Next Level Investor Relations LLC (Winter 2021 Issue)
- Silver Winner—“Lessons Learned on the Road to Veeva’s Conversion to a Public Benefit Corporation,” by Ato Garrett, Senior Director, Investor Relations, Veeva Systems (Spring 2021)
- Bronze Winner—“Responding to New Retail Investing Trends,” by John F. Nunziati, IRC, Investor Relations Partner, Q4 (Spring 2021)

Networking and More

From the Opening Reception in the IR Services Showcase on Sunday to the Boston-themed Closing Reception on Tuesday, the NIRI Conference was filled with networking and connection opportunities for attendees, many of whom had not seen each other for a few years.

Members of the NIRI Senior Roundtable connected at breakfast and lunch events reserved for them. Developing Leaders held a special roundtable networking breakfast.

The IR Services Showcase was open for 21 Hours for attendees to explore the products and solutions specifically designed to support the IR community.

In addition to hosting most of the Express Talks, the IR Services Showcase also featured the Career Development Hub & IRC Lounge, which was a unique opportunity for IR professionals of all career levels to interact with IR experts. This dedicated space encouraged and facilitated networking and reflection around various career trajectories and alternative pathways to professional success. It also hosted short talks and informal workshops to provide additional career development opportunities outside of the traditional sessions.

Join Us Next Year

NIRI is already preparing for the NIRI 2023 Annual Conference, which will be held June 6-8, 2023, at the Sheraton Grand in Chicago, IL. Visit www.niri.org throughout the year for further updates. [IR](https://www.niri.org)



NIRI Chair-Elect Katie Royce, CFA, of ZenBusiness (second from left) leads an informal talk in the Career Development Hub & IRC Lounge.



Pamela Styles of Next Level Investor Relations (left) and John F. Nunziati, IRC, of Q4 are congratulated by *IR Update* Editor-in-Chief Al Rickard, CAE, for their DeWitt C. Morrill *IR Update* Editorial Excellence Awards.

Al Rickard, CAE, is Director of Communications at NIRI and Editor-in-Chief of *IR Update*; arickard@niri.org.

Activists Speak

What They
Want from
IROs





Understanding how activists think and what is important to their shareholder clients is critical for IROs facing activist campaigns.

BY ALEXANDRA WALSH

What are activists thinking as they launch their campaigns and what do they expect from investor relations professionals at their target companies?

IROs got a firsthand account from a panel at the NIRI 2022 Annual Conference in June.

Dan Zacchei, Managing Partner at advisory firm Longacre Square Partners, moderated the panel, which also included an IRO.

They explored common company missteps that increase vulnerability and lose shareholder votes.

Universal proxies—coming this fall—were also discussed. Panelists advised IROs to prepare because universal proxies will likely drive increased activism and make winning proxy fights even more challenging for companies in 2022 and beyond.

Overreaction as a First Response

When activist stories surface, companies often overreact, according to activist investor Jonathan Duskin, Chief Executive Officer, Macellum Capital Management.

“Sometimes an activist will reach out to the company because they want to meet to talk about

what they're seeing with respect to the investment," he says. "Where companies start to get things wrong is when they go on the defensive."

He notes that even if the activist makes no attempt to take control, or even make an offer, a company may immediately adopt that approach.

Alternatively, a company may react slowly. "This is when the company, for whatever reason, may put their IR person out front and slow the process to a crawl when the activists are looking for management or board members to speak with," Duskin says. "I think that's a huge mistake because things can escalate when an investor feels like they're just not getting attention."

Duskin believes every company, regardless of performance, should hold a meeting with any activist shareholder, especially if that investor has a sizable position or history of activism.

"The company should put somebody in front of the activist who is credible, has authority to speak on behalf of the board, and if there's a request to a meet with board members, they should make them available."

"There are a lot of flavors of activism for us," he adds. "We are narrowly focused on our industry and know it so well we gained a reputation for bringing excellent directors to the board."

He points out they are just there to help and have been long-term investors in many companies, yet they are always confronted with immediate reactionary behavior. "Our approach is to be constructive and just try to get the best people in the boardroom to make it a better company," he explains.

Zacchei says IROs have a critical role to play in communicating to the full board and management what they are seeing and hearing. "Sometimes the board is left in the dark and does not actually hear the full message that an activist or any shareholder may communicate," Zacchei says.

"It's really important to make sure that everyone in the board room is informed and it is equally critical that facilitation is flowing properly on both sides, because when there's a breakdown in communication, things tend to escalate and then you're faced with a proxy fight."

Defensiveness on the part of the company, Zac-

chei suggests, can come from the company having a slightly unrealistic perspective of its own performance and trajectory.

On the other hand, Elizabeth Gonzalez-Sussman, Partner and Head of ESG Activist Investing, Olshan Frome Wolosky LLP, says she has seen IR professionals at struggling companies almost breathe a sigh of relief when an activist tries to shake things up.

Understanding the Shareholder Base

Panelist Bruce Goldfarb, President and Chief Executive Officer of proxy solicitation and investor response firm Okapi Partners, says the biggest mistake companies make in thinking they are immune to activist shareholders is misunderstanding their shareholder base.

"It's not because there aren't good investor relations professionals at the company," Goldfarb says. "The misunderstanding comes from the way the investor combination is mixed at this point—you may speak to active investors or you may speak to portfolio managers who want to communicate with you or the research analysts who are building out their models and looking for active investments.

"But when 25% of your company is owned by index investors like BlackRock, Vanguard and State Street, the communication process with those investors is especially hard for a small-cap to mid-cap company, and you can discover you don't actually have that appreciation for how those investors think and behave."

Goldfarb adds that how those investors think and behave is not necessarily always reflected in the policies they put out, and their policies do not always harmonize with the way they vote.

"People that run the investment stewardship groups change frequently over time, and if you don't have that same handle on personnel, how they think, how they behave, and how they vote, you may find significant misunderstandings," Goldfarb says.

Some companies think if their performance has been good they do not have an activist in their stock which, Goldfarb points out, may be a misperception from a lack of (or limited) stock surveillance program.

"You may not know that you have an activist until they show up, and not every activist knocks on the door right away, or is very direct about what they do, or transparent the first time they call the investor



relations office,” Goldfarb says.

“There is also an assumption that just by looking at SEC 13F filing data, you get an indication of who your shareholders are and how they vote. But be aware that events formulate an activist campaign. It’s a constant challenge and at any point in time, when you may have something going the right way, it could change in a heartbeat.”

Kirsten Nielsen, Head of Investor Relations at Paysafe, notes, “I think there is a lot of emphasis on track record and past performance and that matters, but a lot of new activist campaigns are more forward-looking about the company’s strategy and the path ahead for value creation (I.e., don’t spend all your time on backward-looking analysis).

Nielsen says companies that have gone public in the recent SPAC wave may think they are shielded from activism. “That’s because the founders and sponsors of private equity still own such a good chunk of it and it’s not all in the float,” Nielsen points out. “But once ownership dynamics evolve, companies will want to take credit for making improvements and should not be content to wait for somebody to try to force those improvements on them.”

Intersection of ESG and Activism

Environmental, social and governance (ESG) factors

are increasingly part of the dynamic when it comes to dealing with an activist and navigating a proxy fight, Zacchei notes.

“The governance has always been there and a huge part of activism but really, it’s the ‘E’ and the ‘S’ that are newer to the proxy landscape and newer to investors and professionals like the rest of us who have to figure this out,” Zacchei says. “Sometimes it feels like companies are trying to get that ESG halo but not necessarily doing it in a way that’s going to benefit their shareholders.”

Duskin thinks ESG is an incredibly important area. “I think about the work we’ve done around minorities and diversity programs, and I think it’s critical,” he explains. “And I do think it’s best done when it is aligned with the shareholder outcome.”

Duskin points out that there are boards representing companies where a lot of the purchasing is done by females yet do not have any women on the board. “I’m on the board of a company called Citi Trends that serves predominantly African American consumers, and when I ran our first activist campaign in 2017, they didn’t have one African American person in the boardroom,” Duskin says.

“To not have that kind of representation in the boardroom doesn’t make a lot of sense. Environmental and social factors started becoming a lot

When experts on activism talk, people listen! Every chair was filled in this popular session.



Panelists in the session on activism included (left right): Jonathan Duskin, Elizabeth Gonzalez-Sussman, Dan Zacchei, Bruce Goldfarb, and Kirsten Nielsen.

more prevalent in all my campaigns because they're starting to have a financial impact on a company. That's what it comes down to."

The key to all these ESG issues is the perception of risk to value, Goldfarb points out. "If you don't take action on certain environmental issues, and it's going to be a material risk to your company, it's a problem," he says. "If you don't thoughtfully consider and address workforce diversity or safety in the workforce, especially post-COVID-19, those are the issues your shareholders care about. And activists are very much in tune to what issues concern other shareholders."

Is the Risk Matrix Working?

"Part of evaluating your company's risk profile and whether you could be the target of an activist is about your relative performance and your business plan, but also where your company is within your peer group and within your industry," says Zacchei.

"What does your board look like? What does your management team look like? Are you acting in the right way? Are you making statements about issues that are important to your stakeholders?"

Duskin notes that during activist campaigns, a company will often take a reactionary approach, make some changes it thinks the ESG people want it to make, which results in even more disruption.

"It's basically as if you should have been doing something, you didn't do it, and you're only doing it now because we showed up and you're fearful to lose your seat as you go out to do those things," Duskin says. "If I were one of the index funds or some of the passive investors that really care about these things,

I'd be even more worried about a board that does that. They probably are dysfunctional and probably do need some fresh perspective."

Goldfarb points out there are also situations where issues cannot be resolved in one session of a board meeting. "It may take time and a board and management team that can express to their investors that this decision is the evolution of our considered thinking and planning that will be successful against an activist, and then taking that action," Goldfarb says. "It's when investors feel that the actions are reactive, but also disingenuous, that you won't get support."

Gonzalez-Sussman adds, "It goes back to the fact that an activist investor obviously is investing in a company they think has been undervalued, but has value potential if certain things are fixed," adds Gonzalez-Sussman. "And when these elements are such a big component of unlocking shareholder value, that's when they are going to become more of a focal point."

How Much Should IR Invest?

Nielsen recommends, if time or resources permit, to bring an unbiased adviser on board at least once a year to help conduct a vulnerability assessment across all measures.

"It should include the environmental and social element if possible, but particularly the strategic side of the financial performance, then take that right to an internal working group, set yourself a timeline, and go through what your responses would be," she says.

"If there are areas of vulnerability, maybe there are things you can change that aren't right and it's

also okay to not pretend that you've nailed every element; every company has its weaknesses."

What limited resources IRs have should be directed to fine-tuning the investment thesis and then the strategic priorities that are going to help the company achieve the financial goals or targets that it has committed to, says Nielsen.

"Pressure test if your margins aren't where your competitors are, know why, and really focus on the path toward value creation and the proof points around the investment thesis and each pillar," she explains.

Nielsen believes IR professionals should have competence and leverage since they are on the front lines, monitoring the pulse of the investor base. "Two-way communication is your responsibility to facilitate and make sure that you're giving your management and the board a really accurate reflection," Nielsen says. "You should have a regular temperature check of all your top shareholders and understand how likely they may or may not be to support management.

"If you're not having those conversations yet, I think off-proxy season is a great time to at least get started. That's a unique perspective IROs can bring to the table to help partner with their team."

Nielsen notes it is not so much about activism but having a dialogue with retail investors on platforms where they feel they can engage. "They don't go to your website, but there are other ways you have to reach them," Nielsen says. "Retail investors may feel like they haven't had a forum to engage with the company. I think that's a problem and that's one of the things I would focus on."

Universal Proxies Are Coming

"The implementation of universal proxy cards is going to spur activism and have a major impact on how it is conducted," Zacchei notes.

Duskin adds, "I think it's going to inherently level the playing field a little bit."

Gonzalez-Sussman has concerns that in all this uncharted territory, some people may take advantage of the various new deadlines and presentation requirements. "I hope it doesn't lead to litigation fights," she says.

Nielsen explains that one thing IR practitioners can

“What does your board look like? What does your management team look like? Are you acting in the right way? Are you making statements about issues that are important to your stakeholders?”

- Dan Zacchei, Managing Partner at advisory firm Longacre Square Partners

do today is review their board members' biographies. "If it's just a list of what they've done, then that's not going to resonate, particularly not with retail investors, and maybe not even with some institutional investors," Nielsen says. "A self-assessment program needs to be in place for the board, but you can help now with those bios."

Goldfarb points out that with universal proxy cards coming in September, for those who have shareholder meetings in fall 2022, it is a real-life event. "From my perspective as a proxy solicitor, this is just a delivery mechanism," he says. "It's just plumbing and that's what we do. We're proxy plumbers and so we will figure out for clients how to work through it on the activist side and on the corporate side."

Goldfarb contends the universal card is not going to create more proxy fights. "In the short term, it's going to create less certainty about where the results will end up. And in the long term, we're not even going to be talking about the mechanism. We'll just have it figured out." [IR](#)

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The Art



Stakeholder Communication



A NIRI 2022 Annual Conference panel discussed the important role investor relations professionals play as a communication hub.

BY GINA VEAZEY

Investor relations professionals are routinely called upon to interpret and deliver complex, sometimes difficult, information to disparate stakeholders. They are both internal and external communication channels.

Internally, they provide a candid read on investor sentiment to the C-suite and help improve financial literacy more broadly among employees. Externally, they share information with analysts, investors, and other audiences.

“Highly effective IR practitioners serve as a hub for external and internal audiences — one person wearing many hats,” observed Rachel Zahn, Vice President, Marketing: IR & Corporate Communications at Investis Digital. “It’s a very unique role using both sides of the brain. It really takes an exceptional master of the art.

“So, how do you own this role? How do you navigate your responsibilities and cultivate relationships with these audiences? Because, as we know, it’s all about relationships and communication.”

To explore these and other questions, Zahn hosted a panel discussion, “Mastering Stakeholder Communications: Lessons from the Front Line,” at the June NIRI 2022 Annual Conference in Boston. She was joined by four panelists, each offering a unique perspective to

the session. They included:

- Katherine Kroll, Director of Equity ESG Research and Strateg, Brown Advisory
- Barry A. Hytinen, Chief Financial Officer & Executive Vice President, Iron Mountain
- Tiffany Willis, CPA, IRC, Vice President and Head of Investor Relations, Starbucks
- Lance Allega, Senior Vice President, IR & Corporate Development, Under Armour

Building Trust

Zahn kicked the session off by asking panelists to describe how IR professionals can build trust with stakeholder audiences.

Representing the buy side, Kroll commented that establishing trust is incumbent upon both companies and investors. “It’s really a two-way street,” she said. “As long-term investors, we’re seeking to build relationships that are hopefully not moving the goalposts around on companies very often, and we’re looking for that same kind of attention.”

Kroll’s team aims to secure and receive three types of trust: vulnerability, generosity, and reliability. Vulnerability refers to a company’s willingness to be authentic about what it is truly good at, as well as where

it is struggling. “The same, we believe, is expected from us as investors,” she explained.

Generosity, she said, could be as simple as generosity of time. “When there’s a tough quarter, how can you communicate a long-term outlook in a way that balances your time?” she asked.

Finally, reliability refers to “continuing to provide a consistent, honest approach regardless of the short term,” she said.

Echoing Kroll’s comments about vulnerability and authenticity, Hytinen brought a CFO perspective to the discussion. He put it bluntly: “Don’t hide when things are bad. There are so many investors that expect the IRO to go into a crouch when things aren’t going well. Things are never always perfect; growth is never linear. I’ve gotten a lot of credit from investors over the years just by showing up when things are good or bad.”

Hytinen said cultivating trust is about being balanced, data-driven, and quantitative. “The IR position is a hugely important role because it is a hub for information from one of the most important stakeholders in a public company – the owners – and being a conduit to management about what is really on the mind of the buy side. Being able to distill that in a very cogent and balanced way is critically important.

“Management can sometimes hear a different story from investors because investors want access, whereas the IRO can be more of a conduit. Maybe the investor will tell you something they wouldn’t necessarily say quite as abruptly, aggressively, or clearly with the CEO or CFO.”

Cultivating Stakeholder Relationships

Pivoting from trust to cultivating relationships, Zahn asked panelists to reflect on how they would cultivate relationships with stakeholder audiences.

“When I think of cultivating relationships, it goes beyond just the investors,” Willis said. “We hear a lot of information, so I make sure that people in corporate treasury and other functions are hearing what’s being said on the Street, and they appreciate getting that inside information.”

Her strategy embraces the role described by Hytinen. “I also make sure I communicate up to the CFO and the board, sharing the sentiments we’re hearing from the Street and after the earnings call.” When

the company has a big news day, she summarizes what she hears from the Street, how her team reads between the lines, and what the Street is assuming.

This information-sharing strategy is paying off, says Willis, as information has begun to flow back to her. Analysts are reaching out to let her know what clients say after earnings calls. “We get on [the call], and there’s no ulterior motive,” she recalls. “All they want to do is just make sure they can keep me abreast of what’s being said.” Similarly, her business unit colleagues are reaching out to let her know what they’re thinking.

“In cultivating relationships, it’s really been taking a proactive approach and sharing information that I’m able to share in a way that allows people to feel like they’re being carried along the ride, versus having to reach out and ask,” said Willis.

Allega said he takes a customer service approach, following “the classic three T’s of timeliness, transparency, and trust.”

“Timeliness to me is the intersection of proactivity and activity,” he said. “Emails and phone calls are generally answered within 12 hours, but 24 hours is the breaking line. And that’s something I think is important to cultivate a productive IRO-investor relationship.”

Transparency is expected in Under Armour’s relatively flat corporate structure, “Given our team-based culture, you have to be consistent and authentic in your communications,” Allega said, which means “having constant rapport. You’re always aware of transparency and the fact that what’s external is internal, and what’s internal could become external.”

The final T, trust, is all about style for Allega. It’s about humanizing and personalizing things. “I find, at times, people don’t take that extra step to get to know somebody outside a transactional relationship,” he observed.

For Kroll, cultivating relationships between investors and companies is rooted in partnership.

“There’s a mutually shared interest between investors and companies,” Kroll said. “Hearing what that interest means to IR or management is something we take away from conversations. It’s different from spitting out facts from your 10-K, what happened in the last quarter, or why you’re up or down. And we tend to favor companies that take interest in our perspective, too.”



Sharing News

Good, bad, and ugly, IR pros have to share it all. Zahn asked panelists to focus on their best advice for how news should be shared.

“Don’t sugarcoat things is my advice,” said Hytinen. “When there’s bad news, it needs to be delivered quickly, appropriately, and with balance. When it’s good news, it also needs to be delivered the same way.”

Hytinen added that it’s important to answer your questions as directly as possible. “So often, an investor will ask you a question that could be answered ‘yes’ or ‘no,’ and then they can get to what they want,” he said. “The same is true with an executive presentation or with a board. I had a CEO once tell me, ‘if the answer can be ‘yes,’ say ‘yes.’ And stop there. And if it needs to be more, we can ask for more. Because time is of the essence.”

Allega agreed. “There’s a tendency, especially for the C-suite, to over-answer things. At times, it’s hard to bring people back to simply answer ‘yes’ or ‘no,’ when in fact that’s all a question may warrant,” he said. “You’re the expert. Don’t make it more complicated than that.”

When the audience is external, Allega offered an important reminder to stay disciplined: “Stay in the amazing set of messages that you and the team spent a lot of time honing and correcting. Don’t feel you have to go outside that and answer it in new and creative ways. Make your point efficiently and quickly.”

The Intersection of Employee & Shareholder Communications

Employee or internal communications is a specialty closely tied to the shareholder communications function. Zahn asked Hytinen and Allega how they intersect.

Both reported surprisingly low levels of financial literacy and a vision to encourage their IR industry colleagues to join them in improving it.

“Many people who work in public companies don’t understand things like price-to-earnings ratios or why they matter. They don’t understand why investors care about ESG,” observed Hytinen.

The two-way communication with investors, said Hytinen, is important for employees to be aware of. They should know, for example, what investors care about and what drives their interests in those issues.

Allega, who said Under Armour works hard to support financial literacy across the company, encourages session participants to action on how they can impact change within functions. “Employees don’t need to be a financial expert, but they need to understand the responsibilities of working at a public company,” he observed. [IR](#)

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Speakers in the stakeholder communications session included (left to right) Rachel Zahn, Barry A. Hytinen, Tiffany Willis, Katherine Kroll, and Lance Allega.