

# 5 TIPS

## FOR CRAFTING A TRULY WINNING IR STRATEGY

### Experts advise on best practices for IR departments

One of the hallmarks of a great IRO is the ability to spin a company's strategy into a compelling story. While investor relations professionals devote plenty of time to explaining their companies' strategies, less time is typically spent on defining strategy for the function itself. Here we present five top tips for crafting a strategy for the IR department.

#### START BY CLARIFYING YOUR GOALS



Senior vice president and chief communications officer Julie Tracy, who heads IR at Dutch medical device maker Wright Medical Group, says the starting point for an effective IR plan should be understanding current analyst and investor perceptions. 'After all, you have to know what horse you are riding in order to craft the right plan to get to the finish line!' she says.

That's why Tracy recommends commissioning a third-party perception study to gain objective insights about the company, its management and even the broader industry. If an external perception survey isn't on the cards right now, she suggests sending out an informal survey to gain analyst and investor feedback.

When it comes to specifying objectives, Tracy is a terrific fan of the 'SMART' formula, which states that goals should be specific, measurable, achievable, results-focused and time-bound.

#### TRY TO SET STRATEGY ANNUALLY



Christina Lalli, a Montreal-based IR consultant, points out that formally devising an IR strategy should be an annual exercise. 'At the beginning of the year, you usually have a pretty good idea of what your budget will be so you can plot things out,' she says. 'Once you know what your budget is for investor relations, you can determine how far you can go and what tools or service providers you'll be able to use.'

#### LOOK TO YOUR PEERS



Lalli, who was formerly IR adviser at Gaz Métro, a public utilities company, says she listened in on conference calls and webcasts by her company's peers when setting Gaz Métro's own IR strategy.

Tracy is also convinced that reaching out to fellow IROs makes good sense. What's more, she advises looking beyond one's own sector as 'some of the best ideas can be found outside your peer group or industry.' Finally, she suggests turning to NIRI for ideas because it offers a sample document library that includes an IR plan template available to members.

#### AVOID OVER-REACHING



'Focus is important,' says Tracy, who recommends having no more than three goals in a given IR plan. 'Any more than three goals and your efforts get diluted.'

#### BE FLEXIBLE



Tracy once planned an investor event at headquarters only to learn that the company had obtained approval for a key product several months earlier than anticipated. She then rescheduled the investor event so the new product could appear at a key industry conference. 'Even the best-laid IR plans can go askew when an unexpected event occurs,' she says. 'So you must be ready to respond quickly and change course as necessary.'