

IR UPDATE

THE VOICE OF THE INVESTOR RELATIONS PROFESSION **SPRING 2020**

COVID-19

How IROs can maximize communications and take steps to effectively manage investor relations during this crisis.





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.**



info@modernir.com | 303-547-3350

President and CEO

Gary A. LaBranche, FASAE, CAE

Vice President, Communications and Member Engagement

Ted Allen, JD
tallen@niri.org

Editor

Al Rickard, CAE
arickard@assocvision.com

Art Direction

THOR Design Studio
www.thor.design

Letters to the Editor

IR Update welcomes letters to the editor. Please send feedback to arickard@assocvision.com.

About NIRI

Founded in 1969, the National Investor Relations Institute (www.niri.org) 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 more than 3,000 members representing over 1,600 publicly held companies and \$9 trillion in stock market capitalization. NIRI is dedicated to advancing the practice of investor relations and the professional competency and stature of its members.

About IR Update

IR Update is published by the National Investor Relations Institute as a service to its members.

ISSN 1098-5220

© 2020 by the National Investor Relations Institute. All rights reserved.

For change of address, contact:

NIRI-IR Update

225 Reinekers Lane, Suite 560
Alexandria, VA 22314-2875 USA

Phone: (703) 562-7700
memberservices@niri.org

www.niri.org



16 IRO SKILLS

How to Run an IR Program Through the COVID-19 Pandemic

A panel of experts on a NIRI webinar provided advice on how IROs can maximize communications and take steps to effectively manage investor relations during this crisis.

BY AL RICKARD, CAE

20 COMMUNICATIONS

Maintaining Virtual Investor Communications During an Unprecedented Crisis

The IRO for Ciena shares his experience during the COVID-19 pandemic.

BY GREGG M. LAMPF, IRC

24 CAREERS

Compensation Rises Alongside Stature of IRO Function

The 2019 NIRI-Korn Ferry survey indicates a 20 percent increase in IRO base salary since 2016.

BY ALEXANDRA WALSH

30 RESEARCH

MiFID II Turns Two: Second Thoughts and Unintended Consequences

MiFID rules about unbundled equity research are still playing out in European and U.S. markets, sometimes in unexpected ways. Sponsored research is on the rise and NIRI has issued guidelines about using it.

BY J.T. FARLEY

2 AT THE BELL

- ▶ The Age of Disruption
BY MELISSA PLAISANCE

6 NIRI NOW

- ▶ NIRI Serving Members Amid COVID-19
- ▶ NIRI Annual Conference and Senior Roundtable Rescheduled
- ▶ NIRI Announces 2020 Class of 10 New NIRI Fellows
- ▶ NIRI Certification Council Updates Investor Relations Charter (IRC®) Certification
- ▶ Tabitha Zane and Katie Royce to Lead 2020 NIRI SRT Committee
- ▶ NIRI Forms Strategic Partnership with IR club Schweiz
- ▶ On the Move

12 SPOTLIGHT ON ADVOCACY

- ▶ Chapters, Companies Support Proxy Advisory Reforms

14 SENIOR ROUNDTABLE PROFILES

Michael Monahan and Tabitha Zane

36 IR COMMENTARY

- ▶ Raise Your Career Game During the COVID-19 Crisis
BY SMOOCH REPOVICH REYNOLDS

The Age of Disruption



Melissa Plaisance
 NIRI Chair
 Group Vice President,
 Treasury & Investor
 Relations
 Albertsons Companies

When the NIRI Annual Conference Committee adopted the theme for this year's Annual Conference, who would have known "The Age of Disruption" was going to so accurately describe our world in 2020! The COVID-19 pandemic set off a global change in daily life, created turmoil in the financial markets, and rippled into every part of the worldwide economy. Without question, it has forced IR professionals and NIRI to adapt in ways that were unimaginable just few months ago.

As members of the IR community, the way we communicate has fundamentally changed, as many of us are working from home and are unable to travel. We are all developing new skills and new practices to cope with this changing environment, and we are using video conferencing through vehicles such as Zoom and Microsoft Teams like never before.

Virtual investor conferences and virtual roadshows are now the new normal and may become a bigger part of investment community communications for years to come. And of course, our crisis communication skills are being pressed into service on a regular basis, and we are perhaps valued more greatly than ever before by our senior management teams and the investment community.

While NIRI members cannot currently interact in person through chapter events, seminars, and other NIRI-sponsored gatherings, we have been inspired by the many NIRI National and Chapter webinars, increased sharing on NIRI's relatively new eGroups forum, and the new eMeetups platform.

Your NIRI Board of Directors and the NIRI staff have also adapted to the COVID-19 pandemic. In March, we held the first virtual Board meeting during my tenure on the Board. We also made the difficult decision to postpone the Annual Conference that was planned in June. In addition, we talked about financial planning in these difficult times, and discussed plans for future NIRI office space that will likely be smaller, more functional, and less expensive.

On a more positive (and hopeful) note, we decided for the first time to co-locate the Senior Roundtable Annual Meeting (December 5-7) and the NIRI Annual Conference (December 7-10) at the Fontainebleau Miami Beach. We hope to see you all there to share, learn and celebrate the opportunity to gather in this age of disruption! [IR](#)



A woman with long dark hair, wearing black-rimmed glasses, a white top, and a light-colored blazer, is looking down at a tablet computer she is holding. The background is dark grey. A white rectangular frame is partially visible around her.

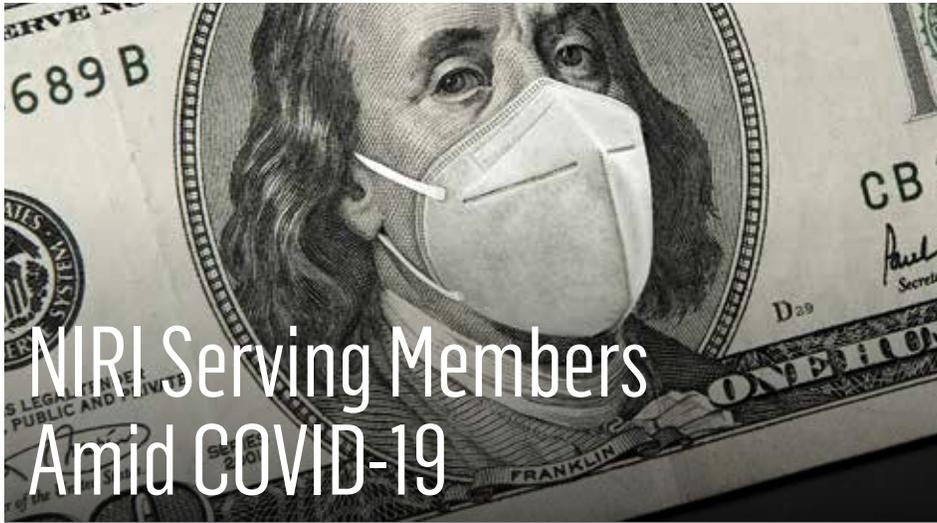
Your IR needs,
our platform.

COMMUNICATE. ENGAGE. ELEVATE.

The data, tools, and services that drive IR success.

go.q4inc.com/niri q4blog.com sales@q4inc.com

Q4



NIRI Serving Members Amid COVID-19

In response to the coronavirus pandemic, NIRI has launched several new offerings to meet member needs for professional development, networking, and timely information about IR practices.

NIRI is holding a series of webinars that address the many challenges of practicing IR during the global COVID-19 crisis. Recent programs include “Maintaining an Effective IR Program through the Covid-19 Pandemic,” “Adapting Your IR Program to the New Virtual Reality” and “Understanding Wild Markets in the Age of the Virus.” All are archived and available for viewing at www.niri.org/professional-development/webinars/archived-webinars.

In addition, NIRI is working with chapters to help move their programs online. NIRI chapters in Chicago, New York, Philadelphia, Connecticut/Westchester, and Silicon Valley, as well as NIRI Virtual, all have held recent webinars that were free to all members.

NIRI also encourages members to use their extra time at home to explore the IR Competency Suite series of online courses. Adapted from the *Investor Relations Body of Knowledge*, the IR Competency Suite examines the key IR tasks necessary for success and the variables that may impact how those tasks are performed.

To meet the need for socially distant networking, NIRI is now offering eMeetups — periodic opportunities for members to virtually



gather via video conference for conversations and collaboration with their IR peers and the broader community. Planned events include “Crisis Corner: a facilitator-led discussion of issues related to Covid-19,” and “Coffee and Conversation,” an opportunity for networking and building connections.

To help IR practitioners stay on top of coronavirus developments and their impact on public companies, NIRI created a COVID-19 Crisis Resource Library that includes links to Securities and Exchange Commission guidance, memos and blog posts from IR counselors and law firms, and pandemic-related news articles and commentary.

NIRI encourages members to regularly visit NIRI’s recently upgraded eGroups online community, which features numerous discussion threads with insights about how to respond to the crisis. Members also should follow NIRI’s Twitter feed and read *IR Update Daily* for the most timely and relevant news. [IR](#)

EDITORIAL ADVISORY COMMITTEE

Evan Pondel, Chair
PondelWilkinson

Geoffrey Buscher
Expeditors International

J.T. Farley
Cowen, Inc.

Patrick Gallagher
Dix & Eaton

Eileen Gannon
Workiva

Rebecca Gardy
Campbell Soup

Gregg Lampf, IRC
Ciena Corporation

Nicole Noutsios
NMN Advisors

Lori Owen, IRC

Jim Storey
Premier Inc.

Wendy Wilson
Zimmer Biomet

Theresa Womble
Compass Minerals

NIRI BOARD OF DIRECTORS

Melissa Plaisance, Chair
Albertsons Companies

Ruth Venning, IRC, Chair-Elect
Horizon Therapeutics

Darin Arita, CFA, IRC
Prudential Financial, Inc.

David Banks, IRC
CSG

Patrick Davidson
Oshkosh Corporation

Jennifer Driscoll, IRC
Caterpillar, Inc.

Deborah Hancock
Hasbro, Inc.

Gary A. LaBranche, FASAE, CAE
NIRI

Jason Landkamer
Fluor Corporation

Carol Murray-Negron
Equanimity, Inc.

Tim Quast
ModernIR

Katie Royce, CFA
Cognizant Technology Solutions

Greg Secord
Open Text Corporation

Victoria Sivrais
Clermont Partners, LLC

Jeffrey K. Smith, IRC, CFA
FedEx Corporation

Deb Wasser, IRC
Etsy, Inc.

Brook Wootton, MBA, IRC

Rich Yerganian
Cerence Inc.

NIRI Reschedules 2020 Annual Conference for December 7-10, 2020

Senior Roundtable Annual Meeting Will Be Held in Miami Beach December 5-7

The NIRI 2020 Annual Conference, which was postponed due to the coronavirus pandemic, will be held December 7-10, 2020 at the Fontainebleau Miami Beach.

NIRI also announced that the Senior Roundtable Annual Meeting, which was scheduled for Austin, Texas, will be held in Miami Beach December 5-7, so that Senior Roundtable members may attend both events. The Annual Conference will include several special programs for Senior Roundtable members.

“NIRI looks forward to hosting these two events for the first time ever, back to back, at the same location – the beautiful, iconic Fontainebleau Miami Beach – at a

time when the IR community will be ready to connect again in person,” said NIRI President and CEO Gary LaBranche, FASAE, CAE. “I thank the Annual Conference Committee, the Senior Roundtable Steering Committee, and the NIRI Programs staff for all their hard work to reschedule these two must-attend events.”

The Fontainebleau Miami Beach is offering reasonable room rates (\$269 per night) for attendees.

All Fontainebleau guest reservations booked in the NIRI 2020 Annual Conference room block have been transferred to the new dates for the conference. For reservation inquiries, please contact the Fontainebleau Miami Beach directly

at 800-548-8886.

NIRI has extended the advance registration period for the 2020 Annual Conference until September 30. Regular registration rates will be available from October 1 until the conference starts. If attendees are unable to attend the conference due to health concerns or travel restrictions, they will not be charged a cancellation fee.

Attendee questions may be directed to professionaldevelopment@niri.org. An updated Annual Conference agenda and registration details will be posted at www.niri.org/conference. Exhibitors and sponsors should contact Aaron Eggers, NIRI Vice President of Sponsor & Partner Relations, with any questions. [IR](#)

Monitor your shareholders affordably and accurately with Ownership Insight.

Alliance Advisors' Ownership Insight tool is your cost-effective, data-driven alternative to traditional surveillance reports. Ownership Insight keeps you informed of your top shareholders' changes and provides you with Alliance's proprietary governance insights.

Stop paying more for overbearing surveillance reports or outdated 13F data. Instead, let Ownership Insight bring you an unparalleled combination of shareholder data and governance information—all on a weekly basis.

With Ownership Insight, you'll also enjoy:

- Daily Share Flow Analysis
- Net Trading Activity
- Stock Performance
- Shareholder Position Changes
- Institutional Influence Analysis
- Online Data Portal



OI@allianceadvisors.com



(973) 873-7752



NIRI Announces 2020 Class of 10 New NIRI Fellows

The NIRI Fellows Program recognizes distinguished professionals who demonstrate leadership, integrity, involvement, and IR knowledge while advancing or supporting the investor relations profession. NIRI Fellows are called to continued service as leaders, mentors, content distributors, and ambassadors of NIRI and investor relations.

“On behalf of the 2020 Fellows Selection Committee, I am pleased to announce these 10 Fellows and honor them for their ongoing service to NIRI and the IR profession,” said NIRI President & CEO Gary A. LaBranche. “During these difficult times, it’s reassuring to know that these outstanding professionals are continuing to serve as leaders and role models in the capital markets.”

The 2020 Class of NIRI Fellows includes:

- 1 Lee Ahlstrom, IRC, Senior VP & CFO, RigNet, Inc.
- 2 Julie Dewey, IRC, Senior VP & Chief Communications Officer, Wright Medical Group N.V.
- 3 Mark Donohue, IRC, VP, Investor Relations, Clarivate Analytics
- 4 Hala Elsherbini, Senior VP & COO, Halliburton Investor Relations
- 5 Valerie Haertel, IRC, Senior VP of Investor Relations, CVS Health Corporation
- 6 Elizabeth Higashi, CFA, VP, Investor Relations, Herc Holdings Inc.
- 7 Nils Paellmann, Ph.D, award-winning IR professional and former Head of Investor Relations, T-Mobile US
- 8 Ian Richman, President, IR Magazine
- 9 Nicole Russell, Senior VP, Investor Relations, Primerica, Inc.
- 10 Tabitha Zane, VP, Investor Relations, TopBuild

In September 2019, the NIRI Board of Directors voted to strengthen the Fellows program to recognize exceptional mid-career Regular and Associate members for their ongoing contributions to NIRI and the IR community, and create a powerful resource for the IR community.

As many as 10 Fellows may be honored by NIRI each year. NIRI plans to recognize and celebrate the 2020 Class of Fellows during its re-scheduled Annual Conference in December 2020. Later this year, NIRI will announce a new Founders’ Circle awards program, which will be NIRI’s highest honor, to recognize one or two IR professionals each year for extraordinary achievements and service over their full careers. [IR](#)



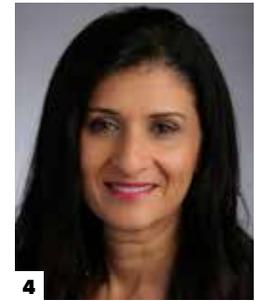
1



2



3



4



5



6



7



8



9



10

THE AGE OF DISRUPTION

See you in
December!



Transforming Disruption Into Opportunity

REGISTER BY SEPTEMBER 30 FOR ADVANCE REGISTRATION RATES

www.niri.org/conference

NIRI2020

ANNUAL CONFERENCE • DEC 7-10, 2020 • MIAMI, FL

NIRI Certification Council Updates Investor Relations Charter (IRC®) Certification

NIRI's Certification Council, the organization that governs certification program activities, recently made several modifications to the Investor Relations Charter, or IRC®, including changes to the requirements for certification eligibility and renewal. These updates are discussed in the following Q&A.

What prompted the NIRI Certification Council's decision to make new program changes?

Since launching the IRC program, the investor relations landscape and demographics have changed.

After careful evaluation of the importance of certification in the current employment environment along with stakeholders' feedback, the Council focused its revisions on two main aspects of the program: certification eligibility requirements and renewal program requirements.

Certification Eligibility Requirements Changes

Any applicant serving in a profession related to investor relations may now sit for the IRC examination before meeting the full requirements to earn the IRC designation. Eligibility to earn the actual IRC credential remains intact, and the content of the exam will stay focused on the 10 domains of investor relations as identified by the original job analysis study.

What will the requirements and process look like based on the new eligibility requirements?

To earn the Investor Relations Charter, applicants must meet each of the following four requirements:

- 1) Pass the IRC examination.
- 2) Meet one of the following educational and professional work experience options:

OPTION 1: U.S. bachelor's degree or equivalent with three or more years of qualifying full-time work experience as an IR corporate professional or IR counselor.

OPTION 2: Six years of qualifying full-time work experience as an IR corporate professional or IR counselor.

OPTION 3: Hold a current certification relevant to IR practice with three or more years of qualifying full-time work experience as an IR corporate professional or IR counselor.



3) Achieve experience in at least seven of the 10 IR domains of practice with a publicly traded company as an IR corporate professional or IR counselor. The domains are listed online at www.niri.org/certification.

4) Comply with the NIRI Code of Ethics and the IRC Code of Conduct.

How will applicants be able to prepare for examinations?

In addition to sample tests and the *IR Body of Knowledge*, NIRI recently launched the new IR Competency Suite™ of online learning modules to help applicants prepare for the IRC examination.

I plan on applying for IRC certification. What should I do?

The online application process allows applicants to select from two options: 1) IRC Candidate for those professionals who currently do not meet all the eligibility requirements, but wish to sit for the exam; or 2) IRC for applicants who meet the all the eligibility requirements (work experience and education).

Renewal Program Requirements Changes

The NIRI Certification Council eliminated the previously required minimum number of Professional Development Units (PDUs) per category, which will make it easier for IRC holders to claim the required 30 PDUs to maintain their credential. For example, attending the NIRI Annual Conference will provide 10 PDUs per year. For those on a restricted budget, attending 10 free NIRI webinars per year will provide 10 PDUs.

I held the IRC certification but did not renew. What can I do?

If your certification is not currently active, you have up to one

year from the expiration date to submit details on your renewal activities based on your renewal cycle.

How are charter holders recognized?

NIRI recognizes new charter holders by issuing press releases, publishing their names in *IR Update* magazine, sending letters from NIRI's President and CEO to their employers upon request, celebrating at the NIRI Annual Conference with an IRC reception and onstage recognition, providing credential holders with a digital badge that can be uploaded to social and professional media platforms, and including the name of charter holders in a publicly accessible Certification Directory.

Were there any other changes or enhancements to the program?

NIRI has signed collaboration agreements with IR societies in Taiwan, Mexico, and Switzerland to promote the profession and make the IRC and maintenance requirements more accessible. Other anticipated enhancements will focus on making IRC examinations available online and on-demand to better accommodate the busy schedules of IR professionals.

NIRI has signed collaboration agreements with IR societies in Taiwan, Mexico, and Switzerland to promote the profession and make the IRC and maintenance requirements more accessible.

The next IRC testing window is June 20-27, 2020. For more information, please visit www.niri.org/certification or contact NIRI Director of Certification Iman Hannon at ihannon@niri.org or (703) 562-7688. [IR](#)

GLOBAL COMPANY-SPONSORED RESEARCH

**THE BEST OF SELL-SIDE RESEARCH –
REASONABLY PRICED / NONE OF THE DEMANDS
GLOBAL READERSHIP: >50% OF WORLD'S AUM
REACHING ACTIVE AND PASSIVE INVESTORS
DELIVERABLES TO MEASURE PERFORMANCE**



CONTACT THEODORE R. O'NEILL, IRC, TO DISCUSS YOUR SPECIFIC NEEDS

860.435.9940 | www.hillsresearch.com | IRVINE and NYC



Tabitha Zane and Katie Royce to Lead 2020 NIRI SRT Committee



Tabitha Zane (left) will serve as the chair of the 2020 NIRI Senior Roundtable (SRT) Steering Committee, and Katie Royce (right) will serve as vice chair.

Zane is Vice President, Investor Relations for TopBuild Corporation. She has served on the SRT Steering Committee since 2018 and in many other NIRI volunteer leadership roles. She was a member of the NIRI Board of Directors, chair of the NIRI Ethics Council, co-chair of the NIRI Annual Conference Committee, co-chair of the IRC® Certification Council, and as an officer and director for several NIRI chapters.

Royce is Global Head of Investor Relations for Cognizant Technology Solutions. She has served on the SRT Steering Committee since 2019, as well as in other NIRI volunteer leadership roles including the NIRI Board of Directors, as an officer and director for the NIRI New York chapter, and as a member of the NIRI Annual Conference Committee.

Joining the SRT Steering Committee in 2020 are Neal Goldner, Vice President, Investor Relations, Marriott Vacations Worldwide Corp.; Deborah Pawlowski, IRC, CEO, Kei Advisors LLC; Nicole Russell, Senior Vice President, Investor Relations, Primerica, Inc.; and Brook Wootton, MBA, IRC.

Continuing members of the SRT Steering Committee include Carol Murray-Negron, President, Equanimity, Inc.; Pamela Styles, Principal & Founder, Next Level Investor Relations; Chris Stent, Executive Managing Director, Investor Relations and Corporate Finance, JLL; and Edward Vallejo, IRC, Vice President, Investor Relations, American Water.

Outgoing members include SRT Steering Committee Chair Idalia Rodriguez, Partner and Senior Advisor of Arbor Advisory Group; Jerry Sisitsky, Vice President of Investor Relations, ZoomInfo; and Matthew Stroud, Vice President, Investor Relations, SeaWorld Parks & Entertainment, Inc.

The NIRI Senior Roundtable Steering Committee defines and develops compelling and engaging experiences for SRT events, facilitates SRT networking, and works to broaden SRT awareness.

More information about the Senior Roundtable, including SRT membership eligibility and how to apply, is available at www.niri.org/srt.

NIRI Forms Strategic Partnership with IR club Schweiz

NIRI and IR club Schweiz announced a new strategic partnership that will bring the programming and education initiatives of both organizations closer together.

This partnership is not only designed to promote awareness of the IR profession and improve the standard of IR excellence in Switzerland, but also make it easier for IR club Schweiz members to access key educational and informational resources, including the IR Competency Suite and the *IR Body of Knowledge*, which are the primary reference tools for the NIRI Investor Relations Charter (IRC®) credential.

This collaboration will also allow Swiss IR practitioners to earn Professional Development Units (PDUs) at NIRI and IR club Schweiz educational events, including forums, conferences, and webinars. The PDUs are used to quantify approved learning and professional service activities required to maintain the IRC credential.

ON THE MOVE



Rebecca Gardy, IRC is the new Vice President, Investor Relations, at Campbell Soup Company. She joins Campbell from GreenSky, Inc., a financial technology company, where she served as Senior Vice President, Investor Relations, Public Relations and Corporate Communications. Previously, she served as Investor Relations Officer for SecureWorks, a Dell Technologies company, and Senior Director of Global Investor Relations at Nike, Inc.



Sasha Damouni Ellis was named Vice President, Investor Relations and Corporate Communications, at Marinus Pharmaceuticals, Inc. She was previously Director of External Communications and Media Relations for Bayer U.S.



Steven Zenker joined Sinclair Broadcast Group, Inc. as Vice President, Investor Relations. Before joining Sinclair, he was Vice President of Investor Relations, FP&A and Corporate Communications for Central Garden & Pet Company for nine years. Earlier he was Senior Vice President & Portfolio Manager for Bank of America Private Wealth Management.



Christian Pikul, IRC was promoted to Vice President of Investor Relations and Financial Planning and Analysis at Murphy USA. He joined the company in December 2015 as the Director of Investor Relations and Financial Planning and Analysis and was promoted to Senior Director in April 2018. He was previously Director of Financial Analysis and Planning at Concord Energy LLC.



Tiffany Willis was named Vice President, Investor Relations and Corporate Communications Officer, at Ingredion Incorporated. Willis joins the company from Fiserv, where she held the role of Vice President, Investor Relations.

In Memory of William Roger Powell



William Roger Powell, 61, a long-time NIRI member and professor at New York University, passed away on April 24, 2020 after a long battle with cancer.

Powell's career in investor relations included positions at Fannie Mae, America Online, Syncor International/Cardinal Health, and several start-up companies. As his family recalls, he found his "most important calling" later in life as a professor, and he mentored many students while serving on NYU's Strategic Communications, Marketing, and Media Management faculty.

He was a member of the Orange County, Los Angeles, and New York chapters. He also served on the Subject Matter Expert Committee that created the IR job task analysis that became the foundation of the Investor Relations Charter certification. He also was a member of the NIRI Certification Council between 2015 and 2018.

"Bill was a tireless advocate for investor relations and was a mentor and role model to many. He will be missed," said NIRI President and CEO Gary LaBranche. [IR](#)



Jonathan Vaas (left) was appointed Vice President, Investor Relations at Adobe. He currently serves as Associate General Counsel and

Assistant Secretary and will expand his responsibilities to encompass investor relations. Vaas will assume the role from **Mike Saviage** (right) is retiring and will remain with Adobe in an advisory role to ensure a smooth transition.

A 10-year Adobe veteran, Vaas leads Adobe's corporate legal team and has played an active role in earnings calls and analyst meetings and leads the company's stockholder outreach program. Saviage has been with Adobe for more than 25 years and has been recognized with numerous awards. [IR](#)

Chapters, Companies Support Proxy Advisory Reforms

BY TED ALLEN

NIRI, five chapters, and more than a dozen issuers all submitted comment letters in support of the Securities and Exchange Commission's proposed rules on proxy advisory firms.

The Connecticut/Westchester County, Capital Area, Orange County, Los Angeles, and Houston chapters all wrote comment letters in February. (These letters can be found on the NIRI Advocacy/Call to Action page at <https://www.niri.org/advocacy/call-to-action>.)

The Shareholder Communications Coalition, which includes NIRI, also wrote a letter in support of the SEC's draft rules. NIRI also signed onto a coalition letter organized by the U.S. Chamber of Commerce.

In addition, the Business Roundtable, Nasdaq, NYSE Group, the Society for Corporate Governance, the National Association of Manufacturers, the Biotechnology Innovation Organization, TechNet, Nareit, and American Business Conference all have expressed public support for the SEC's reforms. A number of well-known issuers, including Exxon Mobil and FedEx, all wrote letters in support.

Investor advocates, including the Council of Institutional Investors and the CFA Institute, as well as well-known hedge funds, have opposed the SEC's proposed reforms.

The proposed rules include a new draft review process for all issuers, a safeguard that NIRI has long sought. Issuers that file their definitive proxy materials at least 25 days before their annual meeting would receive a three-day period to review proxy advisor report drafts.

If an issuer files its proxy materials more than 45 days in advance of the meeting, it would receive a five-day review period. In addition, issuers would receive a final notice that the proxy advisor is about to publish its research; the issuer would have the opportunity to provide a response that would be hyperlinked to the proxy advisor's final report. Proxy advisors also would be required to disclose material conflicts of interest, another reform that NIRI has sought.

Given the presidential election in November 2020, the SEC likely

will take final action on these rules during the summer, although the SEC's work on finalizing these rules may be delayed by agency staffers having to work remotely during the COVID-19 pandemic.

These rules are among the major priorities for Chair Jay Clayton, who may depart the SEC after the election. It remains to be seen whether the SEC will decide to retreat from its proposed reforms amid intense opposition from investors.

Short-Position Transparency

In February, a group of prominent law professors filed a rulemaking petition that highlighted "short and distort" abuses by "negative activists" and called more disclosure around short positions.

The petition requests the SEC to: (a) impose a duty on investors to update voluntary short-position disclosure (to ensure accurate market information); and (b) apply the "anti-scalping" rule when a short position is rapidly closed after publishing or commissioning a report that criticizes a public company's prospects.

While the professors don't call for a mandatory disclosure of all short positions, as NIRI, Nasdaq, and NYSE have requested in earlier rulemaking petitions, it's encouraging to see more attention in the academic community to short seller abuses.

Meanwhile, the pandemic spurred a number of overseas markets (including France, Belgium, Italy, and Spain) to impose 30-day bans on short-selling, while South Korea adopted a six-month ban. In mid-March, the European Securities Markets Authority announced that it would require disclosure of net short positions that exceed 0.1 percent of a company's issued share capital.

NIRI encourages chapters to gather examples of false statements and other abuses by short sellers amid the coronavirus market volatility and share these anecdotes with the NIRI staff. NIRI also encourages chapters to submit comment letters in support of improved short-sale disclosure as well as modernizing the 13F long-position disclosure rules. [IR](#)

Ted Allen is the NIRI Vice President, Communications and Member Engagement.



IR Competency Suite

ON-DEMAND LEARNING SERIES



LEARN MORE AT: www.niri.org/competencysuite

IR Education. Anywhere. Anytime.

Explore the **IR Competency Suite™**, a new online learning series designed to be maximally flexible to fit your educational and professional development needs, as well as your busy schedule.

10

Standalone
Online Modules



Based on IR
Body of Knowledge



Approximately One
Hour per Module

National
Investor
Relations
Institute
www.niri.org



SENIOR ROUNDTABLE PROFILES

NIRI Members Speak About Value of Senior Roundtable



Many experienced investor relations professionals are members of the NIRI Senior Roundtable (SRT). The NIRI Senior Roundtable was formed in November 1994 to respond to the needs and interest of NIRI’s growing number of senior-level members who have at least 10 years of experience in the profession.

Benefits include:

- Annual SRT Meeting in late November or early December to discuss trends and issues in the profession mixed with engagement time with other senior-level IROs.
- Local networking opportunities held in cities across the United States.
- Senior Roundtable-only eGroups forum where SRT members can post questions to peers, share documents, and connect one-to-one or one-to-many.
- Special rates on NIRI education programs, including a discounted registration rate for the NIRI Annual Conference.
- Special programs at the NIRI Annual Conference that offer more networking time with peers.

If you have at least 10 years of experience in the IR profession as an IRO and/or IR counselor, visit www.niri.org/niri-community/collaborate/roundtables 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.



Michael Monahan
Senior Vice President –
External Relations, Ecolab Inc.
Years in Investor Relations: 30
Joined NIRI in 1985
Joined Senior Roundtable in 2018

Why did you join Senior Roundtable? I was looking for a group that would offer topics of greater specific interest and value to IROs who had more experience.

What is the best/worst thing to happen in your IR career? IR was viewed as essentially a reporting function when I first joined Ecolab. The CEO told me he could hire several salespeople for what the IR function cost. I told him that whatever the salespeople could add to earnings per share, we could potentially multiply that value through increasing our P/E ratio and market cap. From then on, he was a strong supporter of IR. (Our relative P/E grew from a 30 percent discount to a 60 percent premium.)

Is there anyone who had a major influence on your career? Our former CEO, Al Schuman. He taught me to have passion for whatever I do, how to relate to people, and how to sell.

Where did you grow up? St. Paul, Minnesota, a few miles from the Ecolab headquarters.

Where did you go to college and what did you study? Marquette University, earning a B.S. in electrical engineering, and the University of Minnesota where I earned my MBA. The world is a safer place since I did not practice engineering.

How did you get into investor relations? I was previously a sell-side analyst and wanted to switch to the corporate side. Guess what company I followed.

As you look back on your IR career, what was the most painful lesson you learned? Read the “To:” box before sending an email to check the names. Autofill can ruin you.

When all is said and done, and the final chapter is written about your life, what is the most memorable thing you’ve done that you would like to have carved on your tombstone?

That I was a good husband and father.

What is the one quality you feel best describes you?
 Loyal.



Tabitha Zane
Vice President, Investor Relations
TopBuild Corp.
Year in Investor Relations: 27
Joined NIRI in 1993
Joined Senior Roundtable in 2015

Why did you join Senior Roundtable? A number of reasons. I wanted to network with senior-level IROs, both in-person and through designated e-Groups, and attend the Annual Conference. I have found the topics presented at this event explore issues at a level more relevant to someone with many years of IR experience.

What have you found most valuable about being a member of the Senior Roundtable? Networking with my peers, developing friendships, and learning about issues relevant to the IR profession.

What is the toughest IR challenge you've faced in your career? I recently joined a publicly traded REIT and in my first

year there we cut the dividend, announced we were the subject of an SEC investigation into our accounting practices, and that a significant strategic transaction we were considering was being terminated. Fun times!

How did you get into investor relations? I was living in Texas and working for a politician who decided to run for national office. I declined to join the campaign and left, excited about taking the summer off and collecting unemployment. A week into my lazy summer I saw an ad in the newspaper looking for someone to do IR for a local public company. Having done a little bit of IR at an agency in New York, I applied on a lark. A week later I was offered the position and thus began my career as a corporate IRO.

What is something surprising about yourself that no one knows? I was a hair model in high school.

Where did you grow up? On the Upper West Side of New York City. When I was 13, my friends and I went ice skating at Rockefeller Center and posed for the tourists. There are not many of us "true New Yorkers." 



2020 NIRI SENIOR ROUNDTABLE ANNUAL MEETING
 December 5-7 in Miami, FL — Fontainebleau Miami Beach

.....

For more information visit www.niri.org/srt

HOW TO RUN AN IR PROGRAM THROUGH THE COVID-19 PANDEMIC

A panel of experts on a NIRI webinar provided advice on how IROs can maximize communications and take steps to effectively manage investor relations during this crisis.

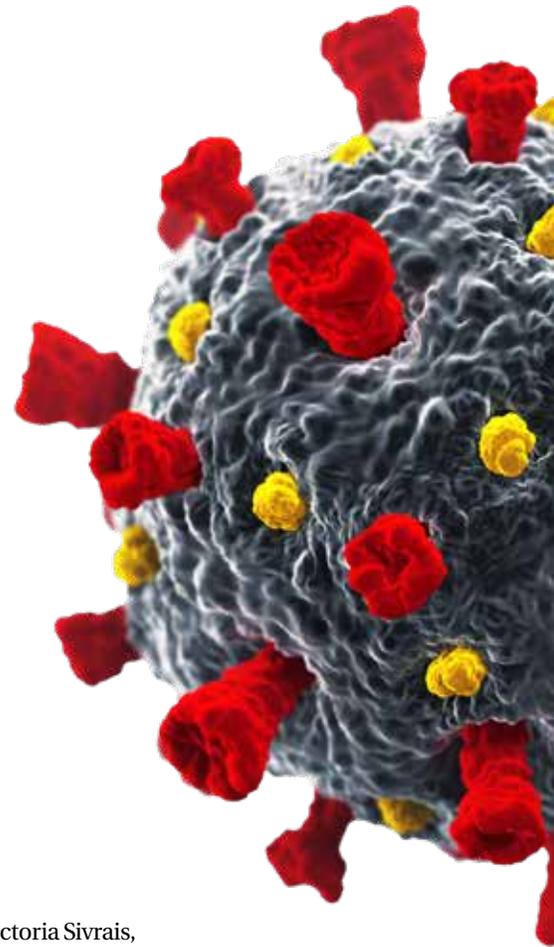
BY AL RICKARD, CAE

As NIRI members navigate their way through the COVID-19 crisis, NIRI is stepping forward with ways to help, including a new Crisis Resource Library, an eMeetups video conference platform for conversation and collaboration, and more, as described in the article, “NIRI Serving Members Amid COVID-19,” on page 4 of this issue of *IR Update*.

These programs include a timely series of webinars related to COVID-19. The first in this series, “Maintaining an Effective IR Program through the Covid-19 Pandemic,” held in late March, offered important advice on this rapidly evolving threat.

The webinar was moderated by Victoria Sivrais, Partner, Clermont Partners; and the panelists were Felise Kissell, Vice President, Investor Relations and Corporate Affairs, Aramark; and Lynn Tyson, Executive Director, Investor Relations, Ford Motor Company. It is archived and can be viewed at www.niri.org/webinar032620.

“It wasn’t too long ago IROs were focused on what growth would look like for the year, and now it’s very quickly shifted to liquidity, potential covenant breaches, tapping revolving credit lines, understanding product suspensions, store closures, and more,” Sivrais said.





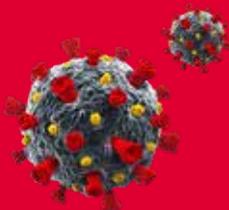
“The kneejerk reaction some companies have in a crisis-situation is to pull back from talking to investors, but that’s the furthest thing from what you should be doing. From our perspective, once the volatility dies down, investors are going to come back to fundamental stock-picking mentality and look for companies that were able to withstand the storm.”

NIRI Members Report on COVID-19 Impact

NIRI conducted a survey of members in April about the impact of COVID-19, which generated more than 175 responses.

Has the COVID-19 crisis increased the average daily workload at your job?

- Significant increase (30.3%)
- Moderate increase (40.0%)
- No difference (20.6%)
- Moderate decrease (5.7%)
- Significant decrease (3.4%)



Indicate the significance of the following challenges to your company’s IR team (or your clients) during the crisis so far. (Respondents indicated that the following concerns were “extremely significant” or “significant”.)

- Uncertainty about how the pandemic will impact your company/clients (69.5%)
- Intraday volatility and the impact of high frequency trading/algorithmic trading (63.2%)
- Lack of transparency around investors’ long and short positions (44.1%)

Has the COVID-19 crisis elevated your professional stature (or the importance of the investor relations team) within your company?

- Significant increase (2.5%)
- Moderate increase (35.8%)
- No difference (60.0%)
- Moderate decrease (1.7%)

Focus on Investor Outreach

“A time like this is when the culture of your company comes through all the communication touch points,” Kissell observed.

Kissell advised IROs to focus on answering five key questions that investors may ask:

1. What impact is this currently disheartening environment having on your business?
2. Where are your pressure points?
3. How can your company be part of the solution? (For her company, Aramark, this included helping healthcare facilities with uniforms.)
4. What is the flow-through on your business and how can you flex your business model?
5. Help me better understand your cash flow, your covenants, and liquidity and then ensure that your company can bridge them.

Learn From Experience

Ford was one of the earliest companies to reach out with communications during the COVID-19 crisis, and it benefitted from its experience during the great recession a decade ago.

“We created a framework in February around how we were going to behave as a company and how we were going to engage with employees,” Tyson explained. “We want to communicate complete stories and communicate actions and do it in an integrated and holistic approach that addresses all our stakeholders.”

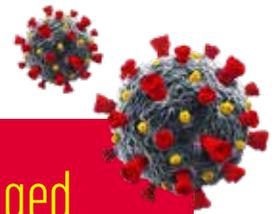
IROs Can Step Up

“This can be your moment,” Kissell declared. “It’s easy in one’s career to be a star when all is going wonderfully. But it is in moments of adversity when you are tested to become your best self and rise up to help your organization. You can lean into multiple areas within your domain and help one another.”

Tyson added, “IR has a unique seat. You straddle strategic communications, finance, and other areas. In times like this, IR needs to be involved. You need to permeate the organization, stay on top of the pulse of what is going on, and be the trusted advisor.”

Manage the C-Suite

“We are in uncharted waters,” Tyson noted. “There is a point where our senior executives will be kept at bay. We will be the human shield to protect them. We are not even manufacturing cars right now, so to have a conversation with stakeholders about long-term strategy is not an appropriate use of executive time. Executives are busy trying to keep the business going and make sure we will be ready when business comes back.”



Speak to the Street

“It is critically important that we stay in touch with the capital markets,” Tyson said. “In addition to staying in touch with existing shareholders, you need the capacity to respond to people who are trying to figure out the entry point to buy in.”

Kissell added, “You are there to be a quick reference and go-to solution for the Wall Street community. We condensed the hot topics in one disclosure and one key piece was the flow-through of our business and the flexibility of our business model. It opened us up to have a dialogue and we were very forthcoming.”

“At the same time, we don’t know all the answers, so we need to learn what is most important to shareholders. What would they like us to articulate? What would be helpful to them and their teams? We are going to solicit that input. It allows us to make sure their voice is infused in the disclosure process. We want to listen. It is not always about us speaking to them or at them.”

She also believes it is important to keep commitments to participate in conferences in whatever form they take.

“There is a Bank of America conference presentation on our website and a lot of new investors are using that as a great point of education as to how we were viewing the world at that time,” Kissell said. “That was a helpful asset for us. As we move forward it is important to be there as partners.”

Size Doesn’t Matter

“No matter how large or small your company is, you want to demonstrate that you are relevant and part of the conversation,” Kissell explained. “Use cascading messages. Not all messages have to be positive – they just have to be fair and appropriate. For us, there are pressure points in our business and we have been very transparent on that.”

Sivrais noted, “As a smaller or mid-cap company, it is even more important that you are out there talking. Your stock is more thinly held than larger caps and certain investors may have proportionately larger positions in your stock. Overcommunication in this environment is incredibly important.”

Remember the Fundamentals

Sivrais encouraged IROs to remember to deal with the fundamentals of IR during the crisis.

“Just because we’re all working from home doesn’t mean activists aren’t around, and it doesn’t mean that ESG shouldn’t be at the forefront of your program,” she advised. “It is critical to address some of these key areas such as identifying vulnerabilities, preparing for an activist, and bulking up your ESG

Five Steps to Stay Engaged with Wall Street

Kyle Grba, CFA, Director, and Victoria Sivrais, Partner at Clermont Partners wrote an article, “Evolving Your IR Program for the New ‘Normal.’”

In it they offer these five steps to stay engaged with Wall Street:

- Start to Reframe Your Investor Narrative
- Bulk up Your Investor Relations Website
- Keep Your Foot on the Gas when it Comes to Engagement and Targeting
- Adopt Alternative Methods of Communication
- Don’t Stop Spinning all the Plates

The full article provides details on these five steps and is available at www.clermontpartners.com/blog/evolving-your-ir-program-for-the-new-normal/.

program so you can align with integrated funds.

“Investors are looking for hand-holding at this point and reiterating historical trends and historical performance, explaining how you are set up from a liquidity standpoint, and how you can flex up and flex down quickly as the environment changes is incredibly important.”

Tyson noted, “As IROs, we must convey a sense of confidence in the capabilities of the company and our ability to go on making and selling things versus the financial challenges we are facing.”

“Project big and be that calming force,” Kissell added.

Look to the Future

“It is hard to look beyond this moment,” Sivrais concluded. “But as volatility starts to abate and we enter a new version of normal, investors who are not in your stock today are going to look for positions.”

“Or they may be investors who did not find the right price point previously and now they want to get back in. Engaging with those non-holders should be and must be a priority as you think about rebuilding what is likely to be a significant shift in your shareholder base over the next several quarters.” 

AI Rickard, CAE, is Editor of *IR Update* and President of Association Vision, the company that produces the magazine for NIRI.



MAINTAINING VIRTUAL INVESTOR COMMUNICATIONS DURING AN UNPRECEDENTED CRISIS

The IRO for Ciena shares his experience during the COVID-19 pandemic.

BY GREGG M. LAMPF, IRC



Once the COVID-19 pandemic took hold in March 2020, public companies everywhere scrambled to deal with the fallout, including the challenge of replacing live meetings with virtual events. This is a story about how we handled it at Ciena Corp.

After Ciena's fiscal first-quarter financial results disclosure in early March, we had planned outreach at a major trade show in San Diego and roadshows in New York, Boston, Chicago, Toronto, and Montreal. Oh, and an annual shareholder meeting. Not bad for a four-week investor outreach schedule – unless a global pandemic hits!

Time to panic? No. Time to innovate and show your willingness to remain engaged with the investment community. Similar to remaining engaged when your company is experiencing challenges, curve balls can be viewed as an opportunity to demonstrate your commitment, highlight the confidence and competency of the management team, and engender goodwill with a very important constituency.

The Optical Networking and Communication Conference & Exhibition (OFC) is one of the most

important trade shows in my industry where, in the case of Ciena, we engage with dozens of investors over multiple days. This year we also have a major product launch that we planned to highlight for our customers and with investors.

Guided by precautionary steps to safeguard our employees given the COVID-19 pandemic, including implementing travel bans and restrictions, our company was one of the first to cancel its participation. Ultimately several others made the same decision.

The Ciena Investor Relations program has been recognized as proactive and progressive, and we were not going to allow this to slow us down and certainly not stop us.

Within hours we began discussing alternatives. This included leveraging our Marketing Department to virtualize our trade show demos and reaching out to a few sell siders to schedule client conference calls with our primary technology executive. We also reinvigorated our investor chalk talk series.

Within days we scheduled two client calls with four more in reserve, which we held due to the fluidity of the situation. We also met with Marketing



to guide the content and format of their virtual event so it would be investor friendly. OK, good. That seems covered. That was in early March.

Over the following weeks we had several roadshows planned and in early March the COVID-19 situation was not yet fully understood or appreciated. As such, we and the sell siders with whom we were partnering were not yet seriously considering alternative modes of engagement. That took about another four days to change.

Holding Virtual Roadshows

One by one these roadshows were converted to virtual events using a mix of traditional conference call tools and video conferencing solutions depending on our partners' capabilities. Outreach continued in the midst of individuals shifting to remote working, so that was challenging.

At the same time, as the COVID-19 pandemic gained momentum, we remained engaged with our executives and counsel to ensure our original messaging still applied and anticipated new questions – another challenge given the fluid situation.

In particular, we engaged more closely than usual with sell siders for our client calls. We carefully managed the topics and flow of the discussions and set expectations, making it clear beforehand with the sell siders that we were not changing our COVID-19 messaging and would not engage in an expanded conversation on the topic. Especially as it related to substitutional events for OFC, we were going to focus the conversations on our technology as originally planned.

Regardless, we anticipated that investors would

ask for a COVID-19 update in some way. As a result, we indicated at the beginning of each conversation that we understood they would likely have many questions about COVID-19 and its impact on Ciena's business.

Given how fast-moving the situation was at that time, however, we knew they must understand that we could not provide any update to our financial outlook shared publicly on March 5 or provide further details that would be akin to any reaffirmation or update to that outlook.

At the same time, we indicated that we thought it important to honor our commitments and recognized that it was important to continue the dialogue provided we could adhere to those guidelines.

Launching a Virtual Shareholder Meeting

We then moved on to our annual shareholder meeting on April 2. Fortunately, Ciena was an early adopter of the virtual meeting and has held a shareholder virtual meeting since 2013. At that time, only about 125 U.S. companies had gone virtual or used a hybrid approach. In 2019, the number was roughly 300.

As a result of our experience, we did not change much other than making the meeting entirely virtual and having participants dial in remotely and using Microsoft Teams to coordinate the event. Many other companies were also beginning to explore this alternative.

On March 13 the U.S. Securities and Exchange Commission (SEC) published guidance, "Staff Guidance for Conducting Annual Meetings in Light of COVID-19 Concerns." This provided clarification and direction on how companies could properly adopt this approach in relatively short order.

One primary provider of virtual meeting services I spoke with in late March said they had about 1,400 inquiries at that time about how to take this approach.

Before making the change, our main objective was to ensure that our larger shareholders in particular understood our thinking. We reached out to them before making the change, explaining

our logic, assuring them that access would not change, and providing an opportunity for them to ask questions. There were no concerns expressed and we have not experienced any shareholder issues as a result of this change.

Long-term Impact

As one of my selliders wrote, “From a longer-term perspective, we envision the increase in remote working and remote education as catalyzing longstanding trends. Recall that 9/11 led many companies to evaluate and modify disaster recovery plans ... The drive to enable a remote workforce began decades ago, so we do not characterize the virus as establishing a new secular trend; rather, we believe it catalyzes an existing trend.”

For those who did not recoil from the challenge and were able to adjust, there could be several benefits. I expect investors will appreciate and remember the confidence and commitment displayed during this unprecedented time. Investors loathe uncertainty and to the extent companies can offer some level of clarity it can enhance a company's reputation.

We may also find that we do not need to travel quite as much. Some organizations will assess productivity, make adjustments, and could decide that remote working is more acceptable. Consequently, this trend could accelerate. This could offer opportunities for companies to evaluate their facility locations and reassess their travel and entertainment budgets, improving the bottom line.

At the same time, some increases in information technology budgets could partially offset this as more communication tools and associated infrastructure may be required. Of course, some organizations may determine that productivity challenges cannot be adequately addressed remotely. However, given the existing trends and impact of younger people entering the workforce – prospective employees who value remote options – I expect this to be less likely.

From an investor relations perspective, there are a few potential opportunities. Similar to positive company reputational benefits, IROs who were willing and able to take on this challenge should

NIRI Holds Webinar on Virtual Communications

As part of its series of webinars designed to help IROs during the COVID-19 crisis, NIRI held a webinar, “Adapting Your IR Program to the New ‘Virtual Reality,’” on April 9, 2020.

The webinar was moderated by Lisa Rose, IRC, President, Dix & Eaton. Speakers included Luke Bishop, VP, Client Partner, Investis Digital; Gregg Lampf, IRC, VP of Investor Relations, Ciena; and Tom McCallum, IRC, Head of IR, Zoom.

It covered tools and techniques to stay connected, including virtual investor meetings, earnings calls, IR websites, and social media.

[View the archived webinar at www.niri.org/webinar040920.](http://www.niri.org/webinar040920)

realize a strengthened reputation in the eyes of our peers and investors.

As IROs we will certainly learn a lot and should look to optimize supporting resources such as presentations and websites, add tailored communication techniques, and embrace tools for more of these types of engagements. From a career perspective, some management teams may reflect and find that having a decentralized team is also more acceptable. This could offer more opportunities for IROs who are unwilling or unable to move or be in a headquarters location full-time, another trend that has arguably been in its infancy.

Also, virtual and hybrid shareholder meetings will almost certainly grow in popularity, which in my opinion is overdue for many companies.

As an IRO who has been in the field 25 years, mainly with technology companies, I have seen my share of volatility and uncertainty, and each time I recommended to my management team that we lean in as much as possible. Each time this was well-received. COVID-19 is no different. So, to my fellow IROs, go forward with thoughtfulness and confidence! [IR](#)

Gregg M. Lampf, IRC, is Vice President, Investor Relations at Ciena Corp.; glampf@ciena.com.

Compensation Rises Alongside Stature of IRO Function

The 2019 NIRI-Korn Ferry survey indicates a 20 percent increase in IRO base salary since 2016.

BY ALEXANDRA WALSH





A new NIRI Investor Relations Compensation Study conducted by Korn Ferry in late 2019 provides current pay benchmarking trend data for corporate IR professionals, as well as scope of responsibilities, organizational and reporting structures, and professional profiles/ backgrounds of IR professionals.

The survey provides fresh data to compare with results of a similar survey conducted in 2016.

One of the top takeaways from the 2019 survey indicates the investor relations function is increasing in stature. Compensation is also on the rise, especially for senior investor relations officers (IROs).

The survey segregates results by three levels of IR professionals:

- Senior-Level IRO (Head of IR, Senior Vice President, Vice President, Chief Financial Officer)
- Deputy IRO (Senior Director, Director, Senior Manager)
- Staff (Manager, Analyst, Associate)

“It makes sense to segment survey responses into three categories rather than split the data by the more numerous and often inconsistent titles used in the industry,” explains Richard Marshall, Global Managing Director, Corporate Affairs, Korn Ferry.

Growing in Value

The data, compiled from 381 NIRI corporate practitioner members surveyed in late 2019, reveals the average base salary rose nearly 20 percent to \$250,532 since 2016, when the average salary was \$202,000.

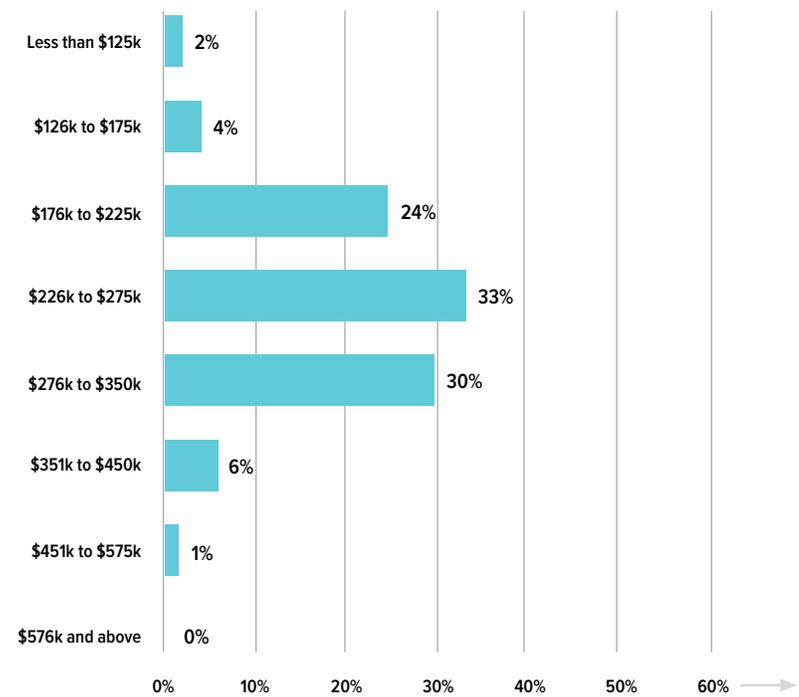
The average base salary was \$293,696 for senior IROs, \$201,531 for deputy IROs, and \$140,218 for IR staff.

Responsibilities Growing

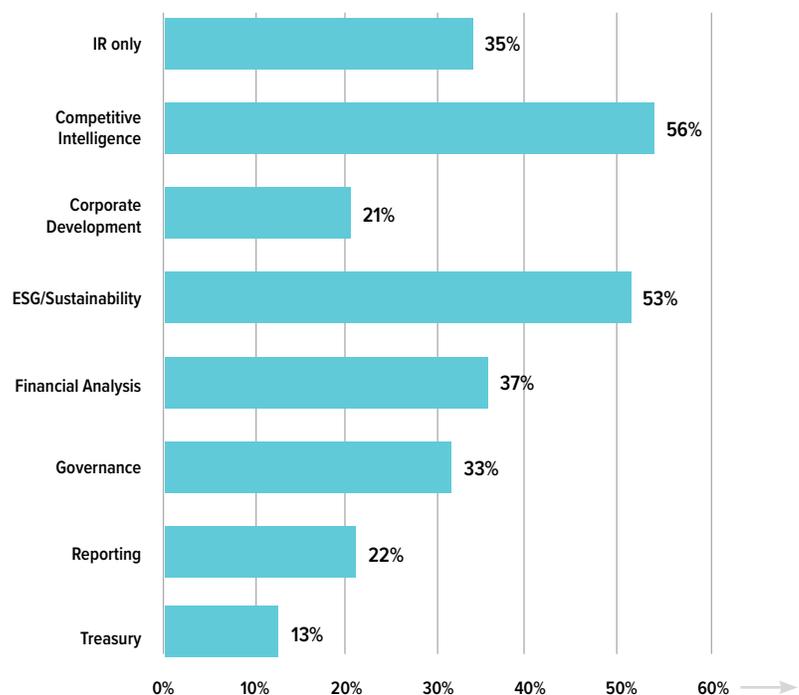
Only 35 percent of senior-level IROs indicated that investor relations is their only responsibility.

Survey data indicates ESG/sustainability is increasingly part of the IR team’s responsibilities. Competitive intelligence is still the predominant add-on function for 56 percent of senior IROs,

Base Salary of Senior-Level IROs



Senior-Level IRO Responsibilities



but ESG is now a close second as reported by 53 percent.

For deputy IROs, 59 percent report their everyday tasks now include ESG, followed by 43 percent who report competitive intelligence is a daily task.

“Compensation for IROs at all levels has increased due to a number of factors, but greater responsibilities related to ESG/sustainability, MiFID II, and shareholder activism have increased value and appreciation of the IR function on the part of the CFO and broader executive team,” says Marshall.

Added Bonus

A vast majority (97 percent) of respondents report having an annual bonus target percentage, with the median percentage in the range of 26-35 percent of their annual salary.

Additionally, 86 percent of respondents receive equity as part of their compensation packages, with the median annual equity range (as a percentage of base salary) 26-50 percent.

Respondents report restricted stock units (45 percent) as the top component of equity followed by stock options (19 percent), performance/phantom stock (16 percent) and employee stock purchase plans (14 percent).

In 2019, 88 percent of senior IROs and 75 percent of mid-level IR professionals received restricted stock as a form of compensation, but equity compensation for staff-level IR professionals was still very modest, Marshall points out. Just 33 percent received restricted stock.

This aligns with a growing trend toward giving restricted stock with a three or four-year vesting period in bonus packages to motivate senior and mid-level IR professionals and to help companies retain their senior IR professionals.

Split by Region and Sector

The survey breaks down compensation by industry sector and geographic region.

“This data creates benchmarks for NIRI members interested in making a career move to, or within, a certain industry and provides helpful data for performance reviews,” Marshall explains.



What the C-suite Needs to Know About IR

- They work for shareholders so decisions should be made with that in mind. Don't make short-term decisions at the risk of a negative long-term impact.
- IR will help the management team distill investor sentiment into understandable messaging that the C-suite can then utilize to better direct a company's strategy.
- Goal is to educate (vs. promote or defend). Their credibility with stakeholders is paramount. They are educators, not salespeople.
- Their investor base is more diverse than they think – including many conflicting opinions on what the company should do to maximize value.
- IR is at the crossroads of an organization, understanding strategy, markets, financial models, expectations, valuation drivers and the regulatory environment. The earlier IR is brought into an initiative, the better the outcome.
- We represent the C-suite to investors, and represent investors to management, but increasingly that relationship is with a smaller and smaller body of actual people as passive trading increases.
- Effective IR doesn't necessarily increase the stock price – results against expectations move the stock price. Effective IR increases the understanding of the company's strategy so investors can appropriately value the company.
- Good IR requires a substantial commitment/investment in time and resources by the C-suite, as well as clear and consistent messaging to the Street.

Sector Findings

- Highest paying sector: Consumer (average base salary \$284,375)
- Lowest paying sector: Life Sciences (average base salary \$226,974)
- Pay gap between highest and low paying sectors is 20 percent

Region Findings

- Highest paying region: Northeast (average base salary \$267,824)
- Lowest paying region: South (average base salary \$242,130)
- Pay gap between highest and lowest paying regions is 9.5 percent

Marshall notes the regional disparity in compensation is not surprising.

It follows a long trendline of the Northeast as the highest-paying region, followed by the Midwest and the West (\$248,026 and \$244,408 respectively). IROs based in Southern states continue to have the lowest salaries.

“It is interesting that the variables are greater among industry sectors than among geography sectors,” Marshall observed. “We anticipated that it might be the other way around.”

Gender Pay Gap Tightens

The gender gap in investor relations has decreased by 80 percent over the past two decades and that trend continued in 2019. Senior-level IRO base salary averaged \$283,571 for females, which was \$14,689 (4.925%) less than the average base salary of \$298,260 for males.

“It’s encouraging to see the gender pay gap drop to less than 5 percent for top-level IROs,” Marshall notes. “Generally, that’s positive news that the gap appears to be narrowing.”

The gender pay gap for IROs will be explored further in a follow-up article in the Summer 2020 issue of *IR Update*.

Career Optimism

Additional findings in the survey beyond compensation are related to key trends in the profession, including optimism about the future of the IR

function and IR career trajectories.

When asked if the investor relations function is being viewed more strategically and elevated in their company, 59 percent of IROs agreed. This aligns with the continued increase in the average salaries of senior-level IR professionals in each study year since 2010.

Additionally, the majority (86 percent) of senior-level IROs said in late 2019 they were “very or somewhat optimistic” about the profession. That also holds true for mid-level IR professionals and staff.

Longevity in the industry is widespread. More than 50 percent of senior-level IROs and 27 percent of mid-level deputies have been in the industry for more than 11 years, while 26 percent of staff have been in investor relations for more than seven years.

Lack of Succession Planning

One surprise finding, according to Marshall, is a lack of succession planning. Despite the elevation of the IR role paired with greater optimism, 75 percent of IROs report having no clear succession candidate for their role. Nearly 90 percent of staff report not having an individual who could take over their responsibilities.

One reason for this may be that 76 percent of respondents do not have a clear next career move for themselves. When asked about their desired next role, 42 percent say they would stay in IR in the same sector. And 17 percent aspire to a CFO position as their next role.

“IROs increasingly view their roles not just as a career destination, but as a pathway up the corporate ladder to other positions with greater responsibility,” Marshall says. “IR functions are lean to begin with, and with broader business and leadership skills required to elevate to the C-suite, incumbent IROs and their teams will need to step up to meet the challenges.”

Marshall believes there are both challenges and opportunities for IROs when it comes to succession and career planning, and now is the time to determine strategies to address any disconnect.

Professional Credentials

The latest survey takes a deeper look than in the past at education and credentials and differentiates this data by the three IR practitioner levels. This provides additional information that can be helpful to IROs in career planning, suggests Marshall.

Respondents report that 78 percent hold an MBA degree while 25 percent hold an MS or MA degree.

More than a quarter (26 percent) hold CFA credentials, 34 percent hold CPA credentials, and 28 percent hold the Investor Relations Charter (IRC®) certification.

Broken down by IR practice levels, the credential senior-level IROs are most likely to have is a CPA (42 percent), for mid-level deputies it is a CFA (38 percent), and the majority (70 percent) of IR staff have a CPA.

The IRC® credential, which was first awarded in 2016, is now held by 33 percent of senior IROs, 35 percent of deputy/mid-level IROs, and 10 percent of those in analyst/manager positions.

Member Pulse

The survey also captures the pulse of the NIRI membership on key issues by asking questions and including verbatim commentary in the survey results. “It’s always helpful and instructive to hear the voice of your contemporaries and know what they see and hear,” Marshall points out.

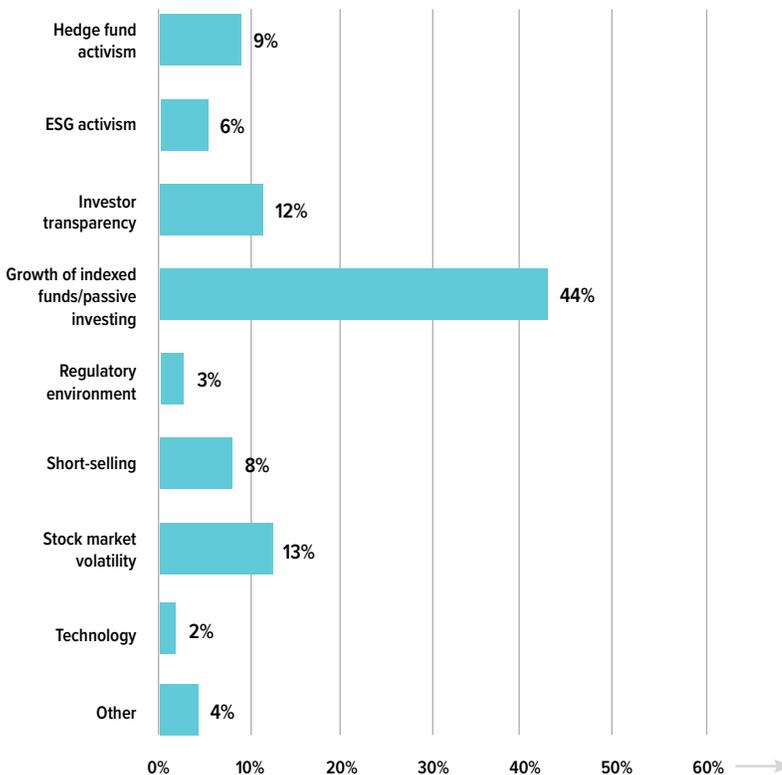
The survey asked six pulse questions and the responses were segmented by IRO, deputy and staff. The responses from IROs generated by two specific questions were especially interesting, Marshall says.

The first pulse question was, “What’s the most important thing the C-suite needs to know about IR?” While the full study contains pages of responses, Marshall believes the eight comments in the sidebar on page 27 are particularly insightful.

Another question that generated interesting responses was, “What’s the single important skill required today to be a successful IRO?”

“I thought it was very interesting to see psychology and grit listed among the many skills,” Marshall says. “But, it’s also a consistent reflection

Biggest Challenges Facing IR According to Senior-level IROs



OTHER ANSWERS: AI (artificial intelligence) and lack of fundamental analysis | Economic backdrop; low growth; low interest rates | Growth of ESG investing | Short term focus | Current market rules driving trading behaviors that do not offer visibility of ownership | AI applied to all forms of company communications | Delivering to expectations | Need for direct engagement with buy-side investors | Changing sell side, deteriorating quality | ESG but not ESG “activism” | MiFID II impact on sell side and investors

of the wide range of talent and ability required for this role, what we’re seeing and hearing as the IR function continues to elevate, what is being sought of IROs and the wide range of demands placed on this function.”

When senior-level IROs were asked what they see as the biggest challenge facing IR (answered in late 2019 before the COVID-19 crisis), the most-often mentioned answer was “growth of indexed funds/passive investing.” [IR](#)

Alexandra Walsh is Senior Publishing Consultant for Association Vision, the company that produces *IR Update* magazine for NIRI.

The background of the entire page is a close-up, slightly blurred image of the European Union flag, showing the blue field with twelve yellow stars arranged in a circle. The flag is waving, and the lighting is bright, suggesting an outdoor setting.

MiFID II Turns Two

**Second Thoughts and
Unintended Consequences**



MiFID rules about unbundled equity research are still playing out in European and U.S. markets, sometimes in unexpected ways. Sponsored research is on the rise and NIRI has issued guidelines about using it.

BY J.T. FARLEY

It has been just over two years since the advent of the sweeping European Union financial regulations known as Markets in Financial Instruments Directive II (or MiFID II, for short), which took effect in January 2018.

The goal of MiFID II was to standardize practices across European financial markets and increase transparency and improve protections for investors.

The aspects of MiFID II most germane to investor relations professionals are the requirement to unbundle research payments from trade execution (which shrinks commission wallets, and thus likely reduces the number of sell-side relationships a particular investor has), and the prohibition on asset managers receiving valuable “inducements” (including most traditional research and corporate access) to encourage them to trade with a particular broker or investment bank.

These changes directly impacted European capital markets, but they have also had indirect impact in the United States.

As is often the case with sweeping pieces of legislation or financial regulation, the implementation of MiFID II has wrought some unintended consequences, even though it has only been in force for two years.

These consequences – namely, exacerbating the decline in brokerage commissions and increased pressure on many equity research providers – prompted the AMF (the French securities regulator) to propose a raft of changes to encourage research production and to bolster the health of smaller research providers and asset managers.

A Regulatory Rethink

“There has been a massive change to the equity research landscape, and not all the European regulators were on board,” notes Anish Puaar, Market Structure Analyst, Europe, at Rosenblatt Securities in London.

The United Kingdom’s Financial Conduct Authority (FCA) has been effusive in its praise of MiFID II, noting in a review of the rules that asset management firms “have improved their accountability and scrutiny of both research and execution costs, including where firms have chosen to charge research costs to clients.”

The FCA notes that there has been little change in the amount of research coverage of U.K. companies while estimating that investors in U.K. equity funds alone could save a collective \$1.2 billion in research costs over the span of five years.

One key part in these estimated savings is aggressive pricing of equity research by some larger investment banks, with some bulge-bracket firms offering full access annually to published research for as little as \$10,000. This pricing has made it a more challenging market for smaller research

providers with less diversified revenue streams as they compete for a piece of commission wallets which are shrinking at most asset managers.

While the FCA has expressed satisfaction with the impacts of MiFID II, Puaar notes that both the French and German regulators have been less keen than their U.K counterparts on how the regulations impacted the marketplace, as the rules have put pressure on both research providers and smaller asset managers.

These regulators are calling for a review of MiFID II unbundling rules, and potential changes could include exemptions for independent research providers, extended trial periods for research products on a per-asset-class basis, encouragement of sponsored (corporate issuer-paid) research, and allowing smaller research providers to be paid on a bundled basis.

These recommendations have fed into a broader European Commission consultation with the industry on potential amendments to MiFID II, which will likely be followed by proposed regulatory amendments sometime in late 2020 or (more likely) 2021.



 **E · GROUPS**

Collaborate with your peers.
www.niri.org/egroups

© 2020 National Investor Relations Institute. All Rights Reserved.

NIRI Guidelines Regarding Company-Sponsored Research

The following guidelines were approved by the NIRI Board of Directors in March 2020. The document is available at www.niri.org/NIRI/media/NIRI-Resources/NIRI-Company-Sponsored-Research-Guidelines-final.pdf. These guidelines supplement the “Best Practice Guidelines Governing Analyst/Corporate Issuer Relations” (2004), which were prepared by the CFA Institute and NIRI, and are available at www.niri.org/NIRI/media/NIRI/Advocacy/CFAINIRIGuidelines.pdf.

With the advent of MiFID II, sell-side analyst coverage for many EU issuers has dropped significantly. Sell-side coverage has also declined in the United States.

As MiFID II, commission compression, and other technical and structural changes press asset managers and brokers to unbundle research costs, there is a growing likelihood that more listed companies, most notably micro-, small-, and mid-cap issuers, may lose sell-side coverage. The loss of such coverage, especially for smaller issuers, creates a disadvantage in the capital marketplace and reduces the visibility of such companies to investors.

As a result, public companies (issuers) may decide to pay for research from third-party firms.

NIRI provides the following guidelines to assist companies considering commissioning such research:

1. Issuers should engage only research firms that have adopted written ethical standards that address analyst independence and how the research firm mitigates conflicts of interest.
2. Issuers should engage only research firms that agree to produce objective and thorough research reports that fully disclose any matters that could reasonably be expected to impair their objectivity.
3. Research firms should act as “arms-length” outsiders, working with material information that is publicly available.
4. Issuers should compensate the research firm in cash – not in stock or stock warrants.
5. Issuers shall not provide any compensation to the research firm that is contingent on the content or conclusions of the research (or the resulting impact on the issuer’s share price).
6. Issuers should not attempt to explicitly or implicitly influence the research, recommendations, or behavior of the research firm analysts who are preparing the sponsored research.

The cover page of the commissioned research report (and any updates) should:

1. Clearly indicate the name of the issuer that commissioned the report.
2. Confirm that all compensation received by the research firm from the issuer for said research was in cash, not stock (or stock warrants).
3. Prominently display the name and contact information of the research firm.

In addition, the research firm should provide the following information in the “Disclosures” section or at the end of the commissioned report (or any updates):

1. The nature and extent of any personal, professional, or financial relationship the research firm or its parent, subsidiaries, agents, or trading entities has with the issuer, its personnel, parent, subsidiaries, or agents.
2. Any other matters that could reasonably be expected to impair the research firm’s objectivity in drafting the report.
3. Disclosure of any agreement, condition, or limit on the ability of the research firm to trade in the stock of the issuer covered by the report.
4. A summary of the research firm’s standards and policies to ensure editorial independence (e.g., analyst independence is enforced by research fees set (or paid) in advance; analysts have full discretion on price targets.)
5. The research analysts’ credentials, including professional designations and experience, that qualifies them to produce the report.
6. Whether the report is a one-time publication or if the research firm will provide continuing coverage. If the research firm plans to provide ongoing coverage, it should disclose how to obtain updates.
7. The research firm’s distribution methods and channels for sponsored research.
8. The research firm’s rating system and distribution of ratings among issuers paying for research coverage.

Questions about the ethics of engaging in sponsored research can be addressed to the Chair of the NIRI Ethics Council. **For more information, visit www.niri.org/about-niri/ethics-council.aspx.**

“MiFID II has moved some asset managers to be more proactive in hiring dedicated corporate access staff, and it has fostered more direct interaction between the buy side and corporations.”

**- Sandy Bragg,
Principal,
Integrity Research
Associates**

U.S. Impact

Due to the global nature of financial markets, MiFID II has also had an impact on institutional investors, brokers, and corporate issuers far beyond the shores of Europe, albeit a more limited one.

“As unbundling played out in Europe it was, to a large extent, traditional long-only managers choosing to pay for research out of pocket,” says Sandy Bragg, Principal at Integrity Research Associates, a consultancy that tracks the investment management industry. “One year ago it seemed like there was a similar movement by U.S. asset managers to decide to pay for research out of their own P&Ls, but after a handful of managers made that move, very few really followed suit.”

Bragg notes, however, that one aspect of MiFID II is having a lasting impact in the U.S.: unbundling. “The separation of execution payments from research payments can be done while still passing along research costs to asset owners, and that form of unbundling has definitely expanded in the U.S.,” he explains.

While initially driven by MiFID II, Bragg believes this itemization of research and execution fees has also been motivated by asset managers seeking to get a handle on costs and to compete more effectively with passive investment managers.

Bragg also believes that there is little appetite for a transatlantic harmonization of unbundling rules. “The SEC has been hostile to the idea of MiFID II. They extended a ‘no action’ letter at the request of investment banks who wanted to be able to accept cash payments for research without having to become registered investment advisors, but otherwise the Commission hasn’t been accommodating to the European regulations.”

Further muddying the regulatory landscape is the U.K.’s exit from the European Union, currently in process. “Once the U.K. leaves it could maintain the MiFID II rules or draft its own, whereas the European Union looks likely to relax the current rules,” Puaar notes. “The prospect of managing three different research regimes for the U.K., the EU and the U.S. would be a very difficult thing for institutional investors.”

As regulators consider how to reshape MiFID

II, two aspects of the capital markets have been changed significantly by the rules: corporate access and sponsored research.

Corporate Access

While in the U.K. the FCA’s interpretation of MiFID II is that asset managers cannot be provided with free corporate access, the AMF in France has a more relaxed stance, considering it to be a “minor non-monetary benefit” and hence acceptable under the regulatory regime.

In the United States there are no MiFID-like restrictions on corporate access, but declining research commission wallets, exacerbated in part by unbundling, have prompted some changes.

“MiFID II has moved some asset managers to be more proactive in hiring dedicated corporate access staff, and it has fostered more direct interaction between the buy side and corporations,” Bragg observes. “Many brokers are focused on more value-added corporate access such as reverse roadshows or other high-touch forms of access for which they can still expect to be paid.”

He also notes that the COVID-19 pandemic has further changed the corporate access landscape, given the sudden shift to virtual meetings and roadshows. For his part, Puaar thinks we could see a reversion to traditional corporate access, post-pandemic: “video conferencing and investor calls are definitely a good idea, but a lot of investors thrive on face-to-face contact, especially with small and medium-sized issuers.”

Sponsored Research

MiFID II has also presented an opportunity for providers of sponsored research, as they are able to give their reports to everyone on the buy side for free, unlike their traditional sell-side counterparts.

While sponsored research has long been the norm in credit markets (where issuers typically pay for bond ratings), it has been slower to catch on among equity investors. It is more popular in Europe, where several Nordic banks and France’s Kepler Cheuvreux have joined sponsored-only research providers such as Edison and Hardman in providing the service.

In the U.S., sponsored research was once largely

confined to microcap stocks. However, given the decline in overall coverage of small- and even mid-cap companies, there has been an increase in the offerings available, with well-regarded research firms such as small-cap specialist Sidoti & Company and consumer boutique Telsey Advisory Group offering sponsored research in addition to traditional sell-side coverage.

NIRI has taken a position on sponsored research and published the “NIRI Guidelines Regarding Company-Sponsored Research,” shown in the sidebar on page 33.

More Impacts Ahead?

While MiFID II has spurred significant changes in the relationships between asset managers, brokers and corporate issuers, the landscape continues to evolve. Commission wallets have declined steadily – in the United States, Greenwich Associates estimated that equity commissions paid by U.S. institutional investors fell by nearly half from 2016 through early 2019, and by 2019 nearly 60 percent of commissions were unbundled, no longer tied to the research provision.

Integrity’s Bragg does not see the picture becom-

ing brighter anytime soon. “As we move into a bear market, the pressures on fees and commissions continue, but it is no longer regulatorily driven, it is market- and technology-driven,” he says. “These pressures on research providers aren’t going away.”

This pressure has moved several firms to exit or dramatically scale back U.S equity research, including Deutsche Bank, Macquarie Group in 2019, and Buckingham Research Group, which shut its doors in March of this year.

Increasingly, to be viable in the long run, equity research providers need to have scale in execution and research, or strong domain expertise in particular sectors and the ability to provide truly differentiated content, or both.

Given this backdrop, investor relations practitioners need to be ever more aware of the economics driving both the buy side and the sell side as they interact with them. [IR](#)

J.T. Farley is a member of the NIRI Editorial Advisory Committee and managing director for investor relations at Cowen Inc.



NIRI PROFESSIONAL DEVELOPMENT

NIRI programs enhance your understanding of trends, issues, and tactics for the successful execution of investor relations.

For upcoming events and offerings visit www.niri.org/learn

National
Investor
Relations
Institute
www.niri.org





BY SMOOCH
REPOVICH
REYNOLDS

Raise Your Career Game During the COVID-19 Crisis

The COVID-19 crisis is challenging for all of us. But think of it as a growth opportunity – for your company and for you.

As you deal with the catastrophic consequences facing our health, economy, and livelihoods, it's hard to find time to focus on your career. But that doesn't make it less important.

The IRO occupies a precious role in the management ranks. If you demonstrate excellence and can pivot to new strategies needed to deal with this crisis, management will think twice about replacing you, even when companies may need to drastically downsize.

But the spotlight is bright. The technical competency to do investor relations is just table stakes. You need more. Top executives will ask, "Who do I want in the foxhole with me?" We are in a foxhole right now with mortar flying in every direction.

When the market starts to recover, smart management teams will also want the right executives in critical roles to leverage the pivot. They also look for who has the intellectual and intuitive ability to see around corners.

Sharp professionals who stand out will get their brand in shape and articulate the value they bring. Here are seven tips:

1. Align Your Profiles: I am amazed at how many senior-level executives who are very good at their jobs have resumes, LinkedIn profiles, Facebook pages, and company biographies that differ on key facts and information. Clean this up! This also includes your online NIRI member profile, which should also include the biographic information you can easily enter there.

2. Talk to the C-Suite: Use C-Suite language and positioning statements in your resume so executives understand your inherent value immediately. Include a one-line description of your company and industry (including market-cap size or pre-

IPO designation) that help readers identify with your career journey and see how you could add value to their organization.

3. Get a Soundbite: You must define your brand in a soundbite so you sound confident about what you offer. In today's market companies want to know that you can add C-suite value to solve challenges and pivot when the markets turn. Three key attributes and "game changing" experience is all you need.

4. Hone Your Writing Skills: Many top executives say, "Bring me an excellent writer!" Writing is thinking, so demonstrate your powerful thinking ability. Don't assume everyone knows what your company does – explain it succinctly. Many people don't proof their own writing, and careless mistakes can sink job opportunities. Don't be one of them.

5. Learn the Truth About Yourself: Seek input from five professionals who have known you for at least 10 years. They will provide valuable insights about you.

6. Manage Your Contacts: Create an Excel document that lists all your key contacts. We all have a lot, but are they the right contacts? Then use a surgical strike approach to determine how you want to message them in a thoughtful way about the path you are pursuing.

7. Know Your Strategy: Think critically about the next two chapters of where your career is headed and plan for it. "Just getting a job" might be fine to meet financial obligations, but you will find yourself lost and soon conduct another job search. Think clearly about where you are headed and your goals. This may also mean that you take a side-step from IR into something tangentially related.

Good luck and stay safe! 

Smooch Repovich Reynolds is Managing Director, IRO & CCO Practice Group at ZRG Partners; sreynolds@zrgpartners.com.



Deb Wasser, IRC
2018 National Volunteer of the Year
VP, Investor Relations, Etsy, Inc

“Achieving the IRC certification is a great way to culminate many years of practice, both as an in-house IRO and a consultant, and to demonstrate my commitment to the profession.”

Register now at www.niri.org/certification

Testing Windows: June 20 - 27, 2020; November 14 - 21, 2020

National
Investor
Relations
Institute
www.niri.org



25%

OUR PERCEPTION STUDIES: RESEARCH-BASED INSIGHTS RESULTING IN ACTIONABLE STRATEGIES THAT UNLOCK VALUE

12+ YEARS RESEARCH

12,000+ Interviews
600+ Companies; 36% S&P 500 Representation
60+ Benchmark Measures

RESULTS-ORIENTED

87% Success Rate with Priority Targets
51% Attribution Rate
41% Interviews with Portfolio Managers

Our proven methodology, proprietary analytics database, trusted reputation and in-depth experience generate a foundation of unique insights. This marriage of research and rigor delivers comprehensive, actionable recommendations resulting in internal and external value creation.

What our clients say:

“Corbin provided a comprehensive report that was highly knowledgeable about the current state of our business, accurately reflected and validated shareowner sentiment and contained concrete suggested actions.”

VP, IR and Corp. Comm. | Large-cap Technology

What investors say:

“I have participated in several Corbin perception studies over the years. More recently, I’ve seen Corbin’s influence as a consultant and advisor to some of the companies in which we have invested. Corbin knows these businesses well and I have been impressed by their clear and effective communication with the investment community.”

Portfolio Manager | Core Value Investment Advisor, \$8B AUM

If it's **CORBIN**, it's **ACTIONABLE**.

CORBIN
ADVISORS
INSIGHTS • STRATEGY • RESULTS

Perception Studies | Investor Presentations | Investor Targeting & Marketing
Investor Days | Specialized Research | Retainer & Event-driven Consulting

Join the growing list of progressive companies who are partnering with Corbin Advisors to realize value creation.

CorbinAdvisors.com | (860) 321-7309