

PERCEPTION STUDIES

A Good Foundation to Plan 2018

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As you look to 2018, how will you improve your IR program in the coming year? Would you like to benchmark your program and track your team's progress over time?

A well-crafted perception study can be a great IR tool to support your IR program – and be a good agent for change in your organization. By uncovering possible improvements and complementing your IR plan overall, it can set you on the right path for the year. Have you weathered multiple leadership changes, or do you have new management spokespeople who would benefit from independent feedback? Have you recently started a new job in an IR function and would like third-party feedback and perspective? Or do you want to obtain third-party feedback for your board on specific issues impacting your program?

There are several reasons why a company should consider conducting a perception study, and a few include:

- Creating a framework for benchmarking your program so you can evaluate your progress.
- Fostering ongoing communication between IROs and the board and C-suite.
- Bridging any communications gaps and possible misperceptions of your company.

After all, sometimes even the most carefully crafted messages may be misunderstood or lost in translation. Through a thorough outreach process and in-depth conversations with your most important stakeholders, perception studies will confirm whether your IR communications are effective or if a different strategy is needed. A perception study can answer questions like:

- What would your investors and sell-side analysts like to see done differently in the future?
- Are the metrics you are using in 2017 working and what may be the optimal metrics to use in 2018?
- What can the IR team and the company do better to improve the company's valuation?
- Are you getting the most out of management's time? If not, what can you do differently?
- Is there a member of your management team who needs to be more "IR friendly" going into 2018?



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If you're asking yourself any of these questions as you plan for the coming year, know that a perception study can help you answer them. A perception study connects with your audience and, in a very strategic manner, culls their thoughts about how your IR program, IR team and management have been performing, from delivering the company's story to getting feedback on how the IR function can improve in the future.

Perhaps the most important aspect of a perception study is that it is conducted by a third party, which ensures unbiased, unvarnished, and independent feedback on how to help your team and company improve. And at times, a perception study allows an IRO to deliver to the management team and board the hard messages that can ultimately drive meaningful results for the organization.

Think about your company goals and the type of actionable results you may want from the study. For example, if you want to change the financial metrics disclosed by the company, you can customize the study to glean specific metrics that provide clarity in your business. Or, if you want to benchmark your IR program year over year, similar questions can be asked each time a study is conducted. Many companies also interview members of both the board and management team to ensure all audiences are aligned on certain issues.

Make make sure you kick off 2018 with the right strategy. That should always include developing or refining your IR plan, but many organizations can also benefit from obtaining objective third-party feedback from your critical audiences. When done right, a perception study is a remarkable tool for understanding the strengths and weaknesses of your team's IR approach and determining if your company's messaging is clearly resonating. And you can be certain that the extra effort you put in will drive results that are meaningful to Wall Street. **IR**

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