

## National Capital Area NIRI January 29<sup>th</sup> Meeting

Hosted at the McLean Hilton, Tysons Corner, the January NIRI Capital Area Chapter meeting focused on “Doing More with Less: Tips and Techniques for Optimizing Your IR Program and Budget.” Panel speakers included:

Charlene Wheelless, SVP Communications and Public Relations, AMS,  
Paul Paquin, VP of IR, Capital One Financial, and  
Juna Rowland, Director of Corporate & Investor Relations, JLG Industries

Each of the panelists was well qualified to address the subject. Charlene’s organizational budget, for example has shrunk 35-60% over the last 18 months.

### PANEL SUMMARY:

Faced with a decreasing budget and the need to optimize efficiency and resources, Charlene Wheelless of AMS, implemented a comprehensive strategy to ensure that her department could continue to deliver measurable results that benefited the organization. Rather than enact across-the-board cuts, she implemented a “Prioritization Matrix”. After identifying those tasks that her organization would no longer do, she created a three-tier system for evaluating each remaining task and its importance in achieving the corporate communications goals.

- Tier 1 Tasks – Breakthrough corporate goals with major impact (50% of budget).
- Tier 2 Tasks – Measurable corporate gains (30% of budget).
- Tier 3 Tasks – Incremental gains (20% of budget).

Under this system, Tier 3 tasks would be the first to be cut if additional budget reductions are implemented. Charlene emphasized that the success of the “Prioritization Matrix” relies on delivering results that positively impact corporate objectives. Charlene concluded that tasks achieving this goal are where you need to dedicate your resources.

Next, Paul Paquin, SVP of IR, Capital One Financial cautioned against IROs undertaking tasks that increase their ‘busy work’ while decreasing their impact on the organization. His short list of IRO activities that reduce effectiveness and decrease value are:

1. Shareholder Relations: Too much time spent responding to requests that should be handled by another department.
2. Annual Report: Try to minimize time spent on this report. The IRO should be involved only for quality control purposes.
3. Internal Requests for information: Many of these are just a curious whim. Have another department fulfill the request.

The key is to add value for management – increasing an appreciation (demand) for the future earnings stream. Correspondingly, this means that the IRO should dedicate as much time as possible working with the buy/sell side and institutional investors. A short list of what an IRO should be doing include:

- 1) Developing the sell-side analyst community: Ensure they have all the information they need. You need to view them as working for you.
- 2) Develop an outreach program: Have a plan, juggle resources, always try to have someone on the road and make sure your best talent is in front of the analysts.

Paul attributes his success to his concentration on the key tasks that he believes are the core of the IRO position.

The final speaker was Juna Rowland, Director of Corporate & Investor Relations for JLG Industries. She shared her list of top 10 practical hints on how to overcome some of the challenges IROs face today with little or no budget. Each of the following hints saved money and time while allowing improved efficiency and effectiveness.

1. Hire someone with communications skills rather than just an administrative assistant.
2. Maximize what your vendors provide (e.g. one-stop shop for internet site)
3. Use committees to get things done – especially if there is no budget.
4. Pick off the low hanging fruit.
5. Recycle photographs (this is particularly helpful when thinking about the Annual Report)
6. Develop templates and an image library.
7. Use Excel effectively (learn to run macros and other functions).
8. Provide as much historic information as you can (see JLG's quarterly press releases).
9. Standardize internal facts in a book.
10. Use your NIRI network (and your service providers) to see what others are doing.

Attendees of the meeting were delighted to hear from such experienced members of our field and everyone left with actionable items that will help maximize their impact on their organization. We thank all of our panelists for offering such insight.

### **Recent Activities of the NIRI National Board.**

Jim Ryan, VP of IR for Lockheed Martin, provided a brief update on the recent activities of the NIRI national board and the focus of NIRI National for 2004:

- Elevate the IRO position
- Create a Center for Integrated Communication
- Increase chapter involvement by NIRI National
- 2004 Membership drive

### **Elevate the IRO Position:**

This will be achieved by focusing on the following goals:

- Allow IROs to have a seat at the table. Their opinion sought up front rather than being informed at the end of the decision making cycle.
- Allow IROs present shareholder/analyst feedback directly to the board.
- Incorporate corporate governance as a more significant part of the IRO role.
- Ensure the IRO is on the team writing the MDNA – in plain, understandable English.

### **Center for Integrated Communication:**

The Board is creating this center so that there are clear, non-conflicting messages from NIRI and its members

### **Increased Local NIRI Chapter Involvement**

This is a very important goal of NIRI National in 2004. The Board is aware that local chapters are the life-blood of the organization. They want to ensure that national directors frequently visit and work with the local chapters.

### **Membership Drive**

There is a clear need to increase membership in 2004, and the Board will greatly increase its efforts to attract new members.

Additionally, the Board has completed an update of the Standards and Practices book, are working to establish an ethics council and creating meaningful alliances with other relevant organizations such as The Financial Executives Institute.

We had excellent attendance at this very informative session and we look forward to seeing more of you at the next event hosted by the NIRI Capital Area Chapter.