



## Taking Control Through Integrated Financial Communications

### The Current Environment Demands an Integrated Approach to Financial Communications

Today's unpredictable financial markets and fast-paced global news environment can be extremely challenging for public company executives, corporate counsels, and board members who are being forced to react swiftly to ever-changing and frequently negative scenarios. Shareholders can be quick to act, often responding to market rumors about a company and making investment decisions based on little factual information. Further, the never-ending news cycle and a fragmented and evolving media landscape can amplify misinformation and this can derail well thought out investor relations strategies. Quick knee-jerk reactions to tamp down these everyday challenges may give the sense of short-term relief, but rarely does this provide long-term benefit to a company's reputation and valuation.

For this reason, perhaps more than at any other time in history, the management teams of public companies must seize control of their company's corporate identity and reputation – or risk having it shaped by others. Given this heightened vulnerability, a strategy to positively and proactively control business reputation and protect management credibility is essential. A best-practice integrated communications program needs to not only include proven investor relations strategies but also utilize a robust financial media component that will enable a company to proactively shape and control its message and the corporate story that others are telling.

Why is this the case? And what are core truths regarding financial communications in today's environment? There are a number of things that public company executives must remember:

- A company's audiences and key stakeholders are interconnected and interdependent. Investors are reading the business media and searching for information on industry blogs, reporters are interviewing sell-side analysts and customers, and business partners are influenced by what a company is saying publicly across various outlets.
- A company's corporate reputation is a key component of its valuation and corporate reputation can quite often live and die by what is reported or discussed in public forums, particularly in the press. Given the unprecedented velocity and breadth of news dissemination that exists today because of online channels, a company's reputation can pivot from good to bad almost instantly.
- Positive messages in the media have an influence on every constituency – employees, partners, customers, and the investment community – and this influence has a real impact on reputation and valuation.
- The media landscape has become highly complex and the Internet has leveled the playing field. Vocal opinion makers and armchair bloggers can now easily manipulate perceptions and seed the market with negative or potentially

erroneous opinion-driven information. Plus, a single story's impact can be compounded by delivery across multiple online and offline channels.

- A disparity in the quality and tone of company coverage in the business media can result in confusion and a perception gap, which over time can lead to volatility in a stock price or have a negative impact on perception and overall valuation.
- Ignoring open forum discussion about your company will most certainly not prevent that conversation from occurring.

With this as the backdrop, monitoring what is being said by others and taking control of the narrative is critical for any public company. An integrated approach to financial communications is both a necessary defense and a valuable offense – both during good times or when facing a reputational crisis. In short, a company that uses media relations as a key component of its overall investor relations program benefits from being able to more effectively do all of the following:

- Educate and positively shape the investment community's understanding of its business strategy and investment proposition.
- Enhance credibility for its management team and position executives as confident and knowledgeable leaders of their company and in their industry.
- Utilize periodic corporate news to effectively explain and support the evolution of its business strategy.
- Position its business at the forefront of its industry.
- Proactively manage reputational threats and mitigate or address misinformation in the marketplace.
- Put "credit in the bank" by generating positive stories that can shift the balance of sentiment in the public domain when a reputational threat emerges.

### **How to Introduce Media Relations into an Existing Investor Relations Program**

Adding a media relations component to an existing investor relations program can be seamless. Further, depending on a company's particular needs, this can ramp up quickly or gradually over time through the recommended steps outlined below. The continuum of suggested activity begins with simple initiatives to begin engaging more proactively with the media and over time progresses to increasingly involved and complex strategies.

Launching a Media Relations Program	Building Momentum	Driving Consistent Corporate Visibility
<p><b>Craft and issue corporate news announcements to expand awareness.</b> Create and disseminate messages that highlight partnerships, executive appointments, and new product launches.</p> <p><b>Pursue news coverage on financial wires, online financial media, and web sites.</b> Develop rapport with key wire contacts and online financial media to ramp relationship building, expand interest, and facilitate engagement.</p>	<p><b>Bolster discussion of the investment proposition through the effective dissemination of quarterly results.</b> Conduct background work with reporters to contextualize results, seek media attendance on investor call webcasts, and encourage ensuing coverage that includes quotation of management remarks. Given that investor perceptions of performance are shaped by media coverage, effective outreach around earnings is essential.</p> <p><b>Leverage management engagement to build corporate profile.</b> Arrange financial media interviews for management around quarterly results or other announcements when appropriate. Ensure background discussions include an overview of future company strategies in order to engage reporters and incentivize them to follow and track company progress over time.</p>	<p><b>Expand media outreach to pursue feature stories in the national business press.</b> Pursue appropriate profile stories that describe the company's business, its strategies, and its place in its industry. This is a particularly important tool for driving visibility for the corporate brand and enhancing reputation.</p> <p><b>Pursue investment themed media outreach at strategic intervals.</b> Highlight key business initiatives and management acumen to position the management team as thought leaders on relevant topics and issues.</p> <p><b>Continue to engage key media influencers.</b> Hold periodic meetings with specific reporters to ensure an open dialogue is in place.</p>

In all cases, the goal of these initiatives is to help a company describe its business, shape perception of its news and strategies, increase visibility of key initiatives, and receive credit for accomplishments.

### How FD Can Help

A hallmark of FD is our financial media relations offering, which is driven by experienced media relations strategists, prominent former journalists, and digital media experts who understand the complexities of the evolving media landscape.

Our media relations and investor relations experts form a cohesive team that is able to create powerful, integrated financial communications strategies that help a company effectively describe its investment proposition to shareholders, explain its business imperatives to key partners, and enhance its corporate brand profile with all appropriate audiences. Most importantly, this all works in tandem to drive a communications program to new levels of success – and absolutely enhances and protects a company's reputation and valuation.



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