

ARTICLE REPRINT

Keys to an Effective Webcast

by Pamela Lagano

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Keys to an Effective Webcast

By Pamela Lagano

Electronic communication has become an essential and fundamental part of investor relations. Conference calls, webcasts, webinars, virtual roadshows and one-on-one teleconferences are all a part of this communication landscape.

Knowing how to use these tools as part of your IR program has become a necessity.

Webcasting provides a strategic contribution to a company's overall communication efforts and reinforces the corporate brand. The single biggest trend in communication, including that to shareholders, is a convergence of all forms of corporate communication so that a company is sure to speak with one voice. For a public company, conference calls or webcasts are an integral part of a well-executed corporate communication strategy.

One of the most stressful aspects of IR communication is conducting quarterly earnings conference calls. As the highest-profile exposure you have with your shareholders, investors and analysts each quarter, these calls can present an opportunity to deliver your message in a manner that will have the highest possible impact for your audience. To help you get the desired results from this function, below are some steps you can take to ensure you have an effective and efficient webcast.

Promotion

It is important to plan and promote your presentation in order to reach the largest audience. Post your webcast to your corporate Web site, for example, or invite attendees with a recorded voice mail message. Think about using e-mail and other opt-in communications to your best advantage. It only makes good business sense to get as much mileage as you can out of what is a significant investment.

Preparation

Preparing for the conference call is the critical first step in the organizational process. It is beneficial to phone top shareholders and analysts to gather Street intelligence, monitor industry conference calls for messages and themes communicated and questions asked, and review analyst reports on your company, the industry and peers.

Schedule planning meetings with a group of key people who have information that can contribute to the content of the call. A notebook, complete with all possible relevant information, should be developed for each quarterly call.

Then consider the content of the call. For example, if the company is announcing disappointing earnings results or lowering expectations, questions will clearly take a different tack than if the company were to announce a bullish outlook. In crafting responses to potential questions, frame answers in the context of key message points. Remember that a conference call is just another communication tool a company uses to reinforce its positioning and communicate and substantiate specific investment merits.

Length of Call

Professional investors are inclined to be critical about the length of some calls, preferring that companies devote more time on Q&A and less on management's scripted comments. Try to limit the total length of the call to no more than 30-45 minutes. Don't waste time reading the release or results — everyone listening should have done their homework.

Content

The IRO, working in concert with his or her corporate communication department and in-house legal counsel, should develop a comprehensive script for the quarterly conference call. He or she should also prepare complementary backup notes that support and expound upon the written script. In addition to highlighting the positives at the begin-

ning of the script, make sure you explain how this fits into the overall corporate strategy. Also consider the effect of the information, how it is presented and how the market will interpret it. Choose your words carefully.

Delivery

To keep your new (and hopefully larger) audience satisfied, speak in plain English, keeping accounting terms and industry jargon to a minimum. Talking plainly doesn't mean watering down your message. It just means that if you use industry jargon, clue your audience in to what certain terminology means. You might also consider creating a Web page where participants can find a detailed discussion of the material presented. And if you're webcasting the conference call, consider providing a glossary of terms along with any slides.

Q&A

Time spent scripting answers to any possible question that might be asked during the Q&A is time well spent. Remember that if you do it right initially, this list



of Q&A's will be the basis for future Q&A scripting. When it comes to the actual Q&A session, keep three things in mind:

1. Be alert to the intent of the question; if it is speculative, say you don't speculate and then speak to the real issue.

2. Have someone in the room make a note of all questions asked

during the call to avoid the embarrassment of a senior manager asking, "Can you repeat the question?"

3. Do not repeat a question if it contains negative language as it may end up in print being attributed to you — just rephrase, if necessary, and then answer it.

Postmortem

It's important to schedule a postmortem meeting to discuss any immediate inbound follow-up calls so that management is aware of the topics that were covered, and the company can continue to speak in one clear voice on all matters. Ask someone on the IR staff — or an outside consultant — to contact analysts and



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institutional investors after the event to find out if they were satisfied. You can gauge audience interest levels by requesting a summary of attendee usage. Did most listeners stay tuned for the entire call? Was there any point at which participation dropped off sharply? If so, why? When follow-up activity is completed, present your findings to management.

Over time, conference calls and webcasts will most certainly evolve. As they become an open house for all comers, we may need to find new

and creative ways to maintain our relationships with the professional investment community and the media. [IRU](#)

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