

TALKING TO BROKERS: EFFECTIVE PRESENTATIONS

A successful investor presentation is the sum of so many individual parts it can be hard to quantify. Bad weather and crummy traffic are difficult to overcome, just as a soaring market and a splendid breakfast may set the stage for a good-mood mindset. Yet there are three inputs to remember for every successful investor presentation – audience, content and logistics. Without an audience, it doesn't matter how great your content is. Excellent content that starts late and ends in a rush, has missed its chance to impress. And even perfect logistics cannot bring a lackluster presentation to life.

A presentation to a retail broker audience is no different in its overall inputs, although the specifics of audience, content and logistics should be noted as follows:

Audience Retail investors, including stockbrokers, financial planners and other registered representatives, are not measured on quarterly performance and therefore are more interested in long-term investment performance. Retail investors are not constrained to a specific industry by mutual fund by-laws and therefore have the luxury of investing where their interests lead. And finally they are not concerned about being first into a stock and instead like a group setting where they can ask questions specific to their own interests, while listening to those of others within the retail community. As such, they are an ideal audience for an investor presentation.

Content As with any potential investor, brokers want to know the prospects for the company. A strategic overview is critical – what does the company do – clearly and simply expressed. And what is the business model? How does your company differentiate itself from competitors; and what and why is the expected growth trajectory. Important too, if the company is a turnaround story, how will you manage through the downturn.

Simplicity is all-important. Brokers want one or two big ideas that they can bring back to their clients. Management teams are sometimes too eager to present both depth and breadth. TMI! Too many complicated details make the presentation fuzzy and unclear – obfuscating the intended message. Highly technical explanations are best left to the analysts; the same with overly detailed financial explanations. What brokers absolutely want is insight into the financials as proof points for the company's strategic plan.

Conclude the presentation with a summary of the one or two main points in your message: a new product, better financing, re-organization – whatever - something the broker can leave with and tell his clients. Remember, no audience can remember everything. As a speaker, do not tell the audience what you want them to know or what they should know. Tell them what they must not forget.

Logistics Most brokers like luncheon meetings rather than breakfast or dinner.

Many brokers come to work by train from surrounding towns or suburbs and are hesitant to change their morning schedule. This holds true for after hours meetings - when the market closes, that train beckons again.

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Of course, as with any rule of thumb, there are exceptions: there are a few cities in Florida and California where after market meetings work. For luncheon meetings, noon works best on the east coast and in the Midwest. On the west coast, the luncheon meetings are really after market meetings and are usually scheduled at 1:00PM.

Presentations should be uncluttered. One or two points on a page is sufficient to focus attention. Financial figures taken from the annual report are too small on the screen for the audience to see. Either enlarge the information so that it is readable or put it in a handout. But do not, please, read the numbers verbatim out loud. Best to summarize the meaningful points.

As to handouts, a one-page summary of the company is ideal. A one-pager can reinforce the one or two big ideas, with supporting financial and management information as appropriate. Today with all financial filings and releases available by on-demand keystroke, there is little reason to distribute pages of information. Focus instead on a compelling presentation that will encourage the audience to want to learn more.

Use a microphone. You may have a loud voice but invariably it will start to soften as the presentation proceeds. It is simply unfair to the audience for the onus to be on them not to touch a fork to a plate or have to worry about clinking ice cubes. Speak into the microphone. If you are a walker, arrange to have a lavalier.

Adhere to a one-hour timeframe: 15 minutes for the meet and greet and lunch, 20 minutes to 30 minutes for the presentation (do not go over half an hour), and fifteen minutes for Q&A. Remain after the meeting for those who want to ask questions one-on-one.

Although it is impossible to predict the weather or tame the traffic, companies that focus on the inputs they can control – audience, content and logistics – stand a far better chance of success.

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