

## WHEN TO GO ON THE ROAD

Sometimes it's easy to decide when to go on the road and meet with investors. If there is a reorganization in the executive suite, then certainly a roadshow is in order so that investors can meet the new team. Sometimes it's not so easy - if the company is in the midst of a downturn, should management focus all its efforts on the turnaround, or go out on the road to explain the realignment?

Here are some general rules on when to go on the road:

**Company-Specific News** When there is a new management team, a new strategic focus and/or a significant product introduction, this is a great time to go out and meet with investors to explain the opportunity. Although you will undoubtedly have issued all manner of press releases and on-line updates, there is no substitute for face-to-face meetings to help the investment community understand the importance of your news.

**Turnaround Story** If the company is in the midst of a downturn, this can be an excellent time to send a member of the executive team on the road to explain how the realignment is designed to manage the company back to profitability. If the realignment is still in the works, best to hold off until management is comfortable with the new plan.

**General Industry News** If your industry is experiencing significant changes, this is a good time to make the case for your specific company. For example, if your industry is facing a new regulatory environment or undergoing significant merger and acquisition activity. Don't let your competitors frame your story on their behalf. Just as you are careful to own the way you describe your product to current and potential customers, so too do you want to be your company's first-hand resource for current and potential investors.

**Capital Structure Changes** Issuing stock? Adding debt? Changes in capital structure can be off-putting without proper insight into the whys and wherefores. Strategic insight is critical, and face-to-face meetings are an important component.

**Ownership** If the company's ownership base has become too heavily weighted toward institutional investors and a short-term horizon, this is a good time to reach out to the retail community. Stockbrokers, financial planners and other registered representatives can have a positive impact on long-term stock ownership.

Credibility and visibility are key to a successful investor relations program. What is the best way to validate and amplify your company message? The decision is clear - with a practical program that reaches the right investors at the right times.

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