



How to Conduct a Perception Audit

A perception audit allows analysts and investors to anonymously give their views of your company's products, pipeline, strategy, leadership, financial performance, and investor communications efforts. It is key to understanding how the market views your company and identifying areas for improvement. **Here are the basics of conducting a perception study:**



TIMING

Ideally, a company should perform a perception study on a biannual basis, so you can track the progress.



RESPONDENTS

We recommend reaching out to a diverse group of the investment community with a goal of reaching 15 to 20% of those contacted. Your list of respondents should include:

- Sell-side analysts covering your company
- Other analysts who cover your industry but not your business
- Buy-side analysts who own your stock
- Other buy-side analysts invested in your peer group but not your company
- Managers of large and small investment funds, including current and prospective shareholders



STRUCTURE

We recommend asking analysts and investors the following types of questions in three key areas:

1. Awareness

- What do they know about your corporate portfolio?
- What products do they understand the most and least?
- Which pipeline products do they consider particularly promising?
- Who do they consider to be your company's peers and competitors?

2. Financial Performance and Valuation

- What is their opinion of your recent financial performance?
- Do they consider your financial guidance achievable? Why or why not?
- What is their take on your company's long-term growth profile?
- What capital allocation do they prefer that you make (e.g., M&A, debt pay-down, organic growth efforts)?
- Do they consider the company under-valued, fairly valued or over-valued? Why?

3. Perception

- What do they consider your company's strengths, weaknesses, and vulnerabilities?
- What do they think of the leadership team?
- What do they think of management transparency?
- What do they think of your investor relations efforts? Are there any areas that need more attention?

A well thought-out perception study can provide valuable insights that can help your company improve its image and investor relations efforts. If you have questions about conducting a perception audit or need help with your investor relations strategy, please [get in touch](#).

