



5 Tips for Effective Analyst Communications

Analysts play a key role in a company's investor relations plan, so executives should approach these relationships carefully. Properly handled analyst relationships can become a significant asset to a company, while missteps may create unnecessary problems.

To maintain successful analyst relationships, follow these recommendations.

1. Communicate and Respond in a Timely Manner

Analysts are under time pressure to issue commentary and investment advice, so they require speedy answers to their questions. A failure to respond quickly could lead to frustration or, worse, raise concerns since bad news often follows silence. In general, aim to respond to analyst calls as soon as feasible.

2. Establish a Clear IR Communications Timeline

Be consistent in letting the Street know when you plan to announce earnings and attend investor conferences and other events. It's helpful to issue a calendar of events and press releases and announce your plans in a timely manner; neglecting to do so suggests that your communications are unpredictable, which detracts from your company's overall story.

3. Maintain a Professional Relationship

No matter how much you like analysts, don't become overly familiar or view them as friends. Maintain professionalism and remember that anything you tell an analyst may be broadcast directly to the public markets. While a good, conversational relationship will allow you to add nuance to the analysts' understanding of your story, the utmost care must be taken to not provide non-public information.

4. Don't Play Favorites With Analysts

Appearing to favor one analyst in scheduling road shows, conferences, and meetings can produce ill will with other analysts. Analysts who don't feel close to a company tend to be less enthusiastic about covering it. In most cases, you should aim to be consistent and offer all analysts the opportunity to take your company on a road show.

5. Respect Analyst Share Ratings

Analysts downgrade shares to neutral or sell for a number of reasons. While it can be tough to see a downgrade to your company, refrain from putting that person in the "penalty box." Holding a grudge against an analyst for a rating will just make them want to dig in more with that rating. Instead, talk to the analyst to address your challenges and his or her concerns.

It's important to nurture open, balanced, professional relationships with analysts. Westwicke can help you develop a successful plan to manage this vital piece of your company's IR strategy. To learn more, **get in touch.**