10 Investor Relations Best Practices

The key to a successful investor relations strategy is good communication. Here are 10 ways you can improve when it comes to your investor relations strategy.

1.

Cover both the good and the bad. The best companies do a great job providing balanced information about both the positive and negative news and trends impacting them.

2.

Stay visible. After reporting a mixed quarter, it is important to maintain a dialog with your shareholders and reassure investors that you are on top of managing the company.

3.

Adapt. The metrics you provide to the Street need to best demonstrate the health of your business and allow the investment community to gauge your progress.

4.

Don't wing it. Prepare thoroughly for your earnings calls. Practice your delivery and make sure your team is prepared to answer any and all follow-up questions.

5.

Target the correct accounts. Be thoughtful by balancing existing and potential shareholders, and don't exclude hedge funds, which have significant assets and can be valuable, long-term shareholders.

6.

Treat analysts and portfolio managers as equals. Senior management should strive to meet with both in the investment process.

7.

Ignore the stock rating. Ratings are temporary and change over time. Management shouldn't cut off communication just because there's a "hold" rating on your company.

8.

Mix up management. Let investors get a different perspective by bringing members of senior management other than the CEO and CFO on marketing trips.

9.

Be quick to respond. The best companies quickly assess the impact of any potential bad news and proactively communicate it to their shareholders.

10.

Provide guidance. The best companies recognize that increased transparency is key to attaining a premium valuation.

Effective communication and continuous execution of your investor relations strategy can build a quality, long-term shareholder base.

Learn how to create an effective IR strategy by downloading ICR's Insider's Guide to Investor Relations.

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