

Investor Relations - another essential part of PR

 By [Miranda Lusiba](#)

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I received my first-hand experience in this PR speciality when I took up the role of head of communication at Business Connexion (BCX) because the company is listed on the Johannesburg Stock Exchange (JSE). Investor Relations is another speciality that young PR professionals should consider, especially those passionate about communicating private companies' business and financial performances to specific stakeholders, including company shareholders/investors, financial analysts, the JSE, employees, and business and financial media.



Source: www.pexels.com

I must say that I found this speciality a bit daunting because of the financial jargon that is involved, but what helped me was the bit of financial knowledge that I acquired when I was working both at Absa and the South African Institute of Chartered Accountants (SAICA).

The role of a PR professional in investor relations is an important one because it is mainly to compile various communication for the different stakeholders that I mentioned above. This usually happens at least twice a year when the company reports on its half-year and full-year company performance and financial results.

What is fascinating about communicating in this space is that every communication needs to be drafted to suit different audiences. The way you communicate with employees and clients is different from how you would speak to financial analysts, journalists and the JSE, and the timing is critical.

Before I elaborate on how to communicate with different stakeholders and the issue of timing, I'd like to talk about something else that I learned during this period. I realised for the first time that there was something called a "closed period"; this is when a listed company cannot discuss any developments in the organisation until the date when the half or full-year financial results are announced.

This is part of the JSE rules because, during this period, any communication from the organisation could affect the company's share price. It was a period when everything was highly confidential to the extent that if there were any major announcement such as mergers or acquisitions, change in management structure or changes in the different business units – anyone who worked on the project had to sign non-disclosure agreements (NDAs).

Because what we were communicating was so sensitive as it involved the financial performance of shareholders' money that they have put into the company, the management involved in the announcement had to be fully prepped by the PR team. This is where media training played a crucial role. Because most of the management had had a basic media training, this one needed to be a refresher and more practical; specifically focusing on questions that analysts and financial journalists would ask.



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You see, analysts and financial journalists play the role of being watchdogs for shareholders/investors. Their role is to make sure that the management executives who are mandated to run the company – are doing what they can to ensure that the business meets its financial obligations to the shareholders.

When a company or some of its business units were not performing well financially – then the hard questions that we expected to come from analysts and journalists to the CEO would typically be: "Why should you continue to be the CEO of a company that is not performing?"; "Shouldn't you have resigned by now?"; "If you are staying on as a CEO, then why should shareholders trust that you will do a better job?"; "If the shareholders do give you a second chance to continue as the CEO, what plans do you have in place to turn around the company?".

Put the best message forward

This is where the advisory role to the CEO as his executive committee (exco) was played by the PR team – to give counsel on the best messages to take to the market and ensure that all the exco members were prepared to ensure consistency in messaging.

To address the timing issue and the sensitivity on the day of the financial results announcement, we had to share the different communications outlining the business performance in this sequence:

1. A SENS (Stock Exchanges News Service) announcement was sent to the JSE before 7am, followed by an advert that we would be put in the business publications, which would come out that morning, targeting mainly the shareholders/investor, analysts and financial media.
2. This was followed by disseminating the letter to clients, and the communication to employees between 8-9am.
3. The results announcement event would start around 9am and be finished by no later than 11am, followed by a media roadshow: in-studio radio/TV interviews by the CEO accompanied by the head of communication until the evening. Not forgetting the provincial roadshows to clients and analysts the same week of the announcement.

When we were announcing the full-year financial results, the next step would be to work on the annual report, giving a detailed overview of the company's performance in every aspect and business division.

I learned that if exco was doing its job of making sure that the company was performing well financially, shareholders were not losing the money they invested. Instead, they were making returns. A great financial performance in a business also meant that employees' jobs in that company were safe. As a PR professional, it felt good to be part of that process and learn - I'd like to encourage young PR hopefuls to pursue this daunting, yet interesting part of our profession.

ABOUT MIRANDA LUSIBA

Miranda Lusiba is the Founding Director of Strangé Consulting - a boutique PR Agency specialising in Communications, Freelance Writing, Media Relations, Reputation Management and Media Training.

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