



EMBRACING THE
COLLABORATIVE WEB
AS A TOOL FOR MAXIMUM
CAPITAL MARKETS
COMMUNICATION IMPACT

WE CAN EXPECT 2011 TO BE THE YEAR WHEN THE CORPORATE WEBSITE FINALLY COMES INTO ITS OWN AS AN INVESTOR RELATIONS TOOL

We can expect 2011 to be the year when the corporate website finally comes into its own as an investor relations (IR) tool. After more than a decade spent largely treating corporate sites as merely repositories for investors to pull information from, management teams are finally embracing them as robust, primary resources for building stronger relationships with investors. And this increased use of corporate websites is enabling the investor relations function to fulfill its destiny as a business-critical information hub that is essential to capital markets success.


Many financial analysts already rely heavily on websites – both to access in-depth, historical performance data and to monitor up-to-date information on corporate happenings that may not merit a press release or lend themselves to the traditional news cycle. And with 70% of investors telling us they want to see video on websites and 94% telling us they access corporate websites more than once a week, it's clear that many more companies should consider following the lead of international standouts like BASF, GE and HSBC, who have made IR websites a centerpiece for their investor communications efforts.

However, robust corporate information is not the only way in which corporate websites will see upgrades in functionality and impact. In keeping with the collaborative nature of today's Web, the next-generation website upgrades we'll see in 2011 will focus more robustly and comprehensively on meeting the needs of the investor. They will take advantage of advanced Web-based delivery tools to bring corporate and other strategic content across multiple digital destinations - such as websites, microsites and intranets - to the investor audience.

The emerging "collaborative web" approach will permit this content to achieve maximum reach and engagement with a wide array of corporate stakeholders. Tomorrow's corporate websites will be created based on broad-based corporate messaging that reflects the company's marketplace stance, strategic vision and stakeholder commitments, as well as its investment merits.

Perhaps the greatest benefit to the IR function, however, will come from the collaborative web's ability to repackage content from a wide assortment of communications channels for the benefit of the investor.

This pluralistic approach to content generation and delivery is gaining ground for several reasons. First, investors are proactively asking companies to provide a holistic, dynamic and timely picture of the company and how it is conducting its business. The most practical way to provide investors with such a broad-based "corporate story" in real time is to use the IR website to repackage or link to other types of corporate content. Communications with customers, investors, government, communities and other non-financial audiences can all be repurposed to benefit the financial audience. Secondly, websites provide opportunities to share new developments with investors directly, without having to flag them as "news." Finally, with IR budgets remaining tight or even getting smaller, the IR website can be a cost effective method for addressing investors' questions, relieving the otherwise constant pressure on investor relations functions to conduct personal follow-up.



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HOW TO GET FULLER VALUE FROM YOUR CORPORATE WEBSITE

The unique advantages offered by the collaborative web approach to corporate websites — in immediacy, breadth and cost-effectiveness — suggest a number of new directions companies should be considering for 2011:

1

Use the IR website to reestablish the CEO's narrative.

There are many circumstances that make it desirable to establish a new investment narrative, ranging from the advent of a new CEO to the emergence of a new operating environment to a repositioning of the company. Such a new investment narrative should also be reinforced with other stakeholders, both external and internal; and the corporate website, with the content reflected in the IR website, is the ideal venue for this purpose. The CEO's vision for investors can be adapted for use throughout the corporate website for employees, customers or communities.

2

Use the website to leverage single-stakeholder events across multiple corporate stakeholders.

The benefits of cross-stakeholder partnering in a corporate website run both ways and are thus powerful. However, because of the need to speak in a consistent voice, message consistency is absolutely of the essence. The investor relations function can facilitate such consistency by using the site to link to and partner effectively with other stakeholder-facing functions, such as communications, public affairs and marketing. Video, as distinct from text, is an especially useful medium for this purpose as it allows the audience to develop a more direct, personal and even emotional understanding of global management. For this reason, video from investor activities, such as analyst days, can be leveraged effectively with multiple audiences, including employees, communities and influencers. CEO keynote speeches, as well as video from critical investor or partner events, can reinforce the corporate vision through the power of senior executives' personalities.

On the other hand, developments arising from other stakeholders can also be leveraged with investors. Snippets of employee events, for example, are well received by investors, helping them better understand how effectively the CEO is engaging the employees. All these uses will help assure that the website yields maximum ROI.

3

Create materials that can be showcased on the website, used across audiences and updated easily.

A good IR website should be versatile enough to combine the immediacy and power of video with access to the in-depth data that is prized by analysts. This includes:

- The annual report rendered in digital format, buttressed by effective use of video; the CEO's narrative can be updated as necessary to talk about performance versus projected goals.
- Databooks, which can be updated quarterly to include segment performance information.
- Webcasts on hot topics; highlights can be downloaded in an email, which can be sent to an investor hotlist with a link to the full piece.
- FAQs that can be updated quarterly based on incoming investor questions.

4

Look beyond financial documents to provide broader pictures of the company's business and the way it operates.

With trends in corporate governance providing shareholders with more influence on management and affairs of the corporation, the IR website is an excellent vehicle through which to highlight the board of directors' independence, to outline the vision and mission of corporate governance programs, and to represent the company as a leader in transparency, integrity and ethics. A corporate sustainability report reflects many themes that are important to investors, including the company's strategy and vision for the future, its values and code of conduct, and its global standards, including sustainable business practices.

Providing these materials proactively, via the links from the IR website, is an effective way to highlight the company's commitments, and provides an easy way to proactively answer stakeholder questions on many increasingly important topics.

While best practices in the use of corporate websites continue to evolve, upgrades that make it possible to share a wider array of data in near-real time, including video, are a sound investment. Ultimately, next-generation Web environments will enable the porting of modules with independent applications, functionality and content favored by specific audiences, and even specific individuals to iPads and other devices. Robust corporate websites, serving as the central source of such advanced content, can thus, over time, continue to better leverage the know-how of the investor relations team, reinforcing the corporate story in multiple ways, and assuring that the company is able to speak with one voice to the investment community.

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