



Reputation: Trust me? Rebuilding Business Credibility



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National Investor Relations Institute
Friday, March 6, 2009

- **What builds credibility?**
- **What builds reputation?**
- **What builds trust?**

Part of the Answer:
Corporate Disclosure

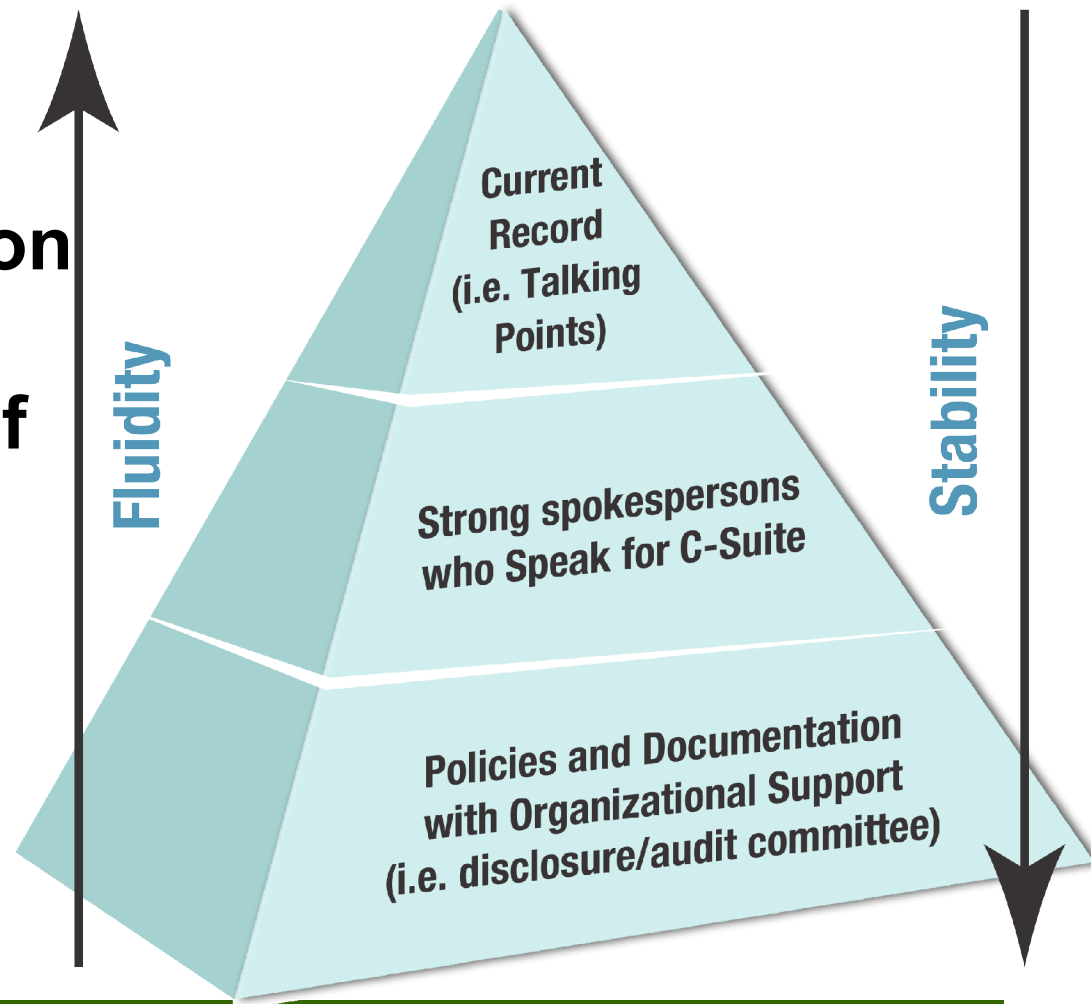


Core Disclosure Values

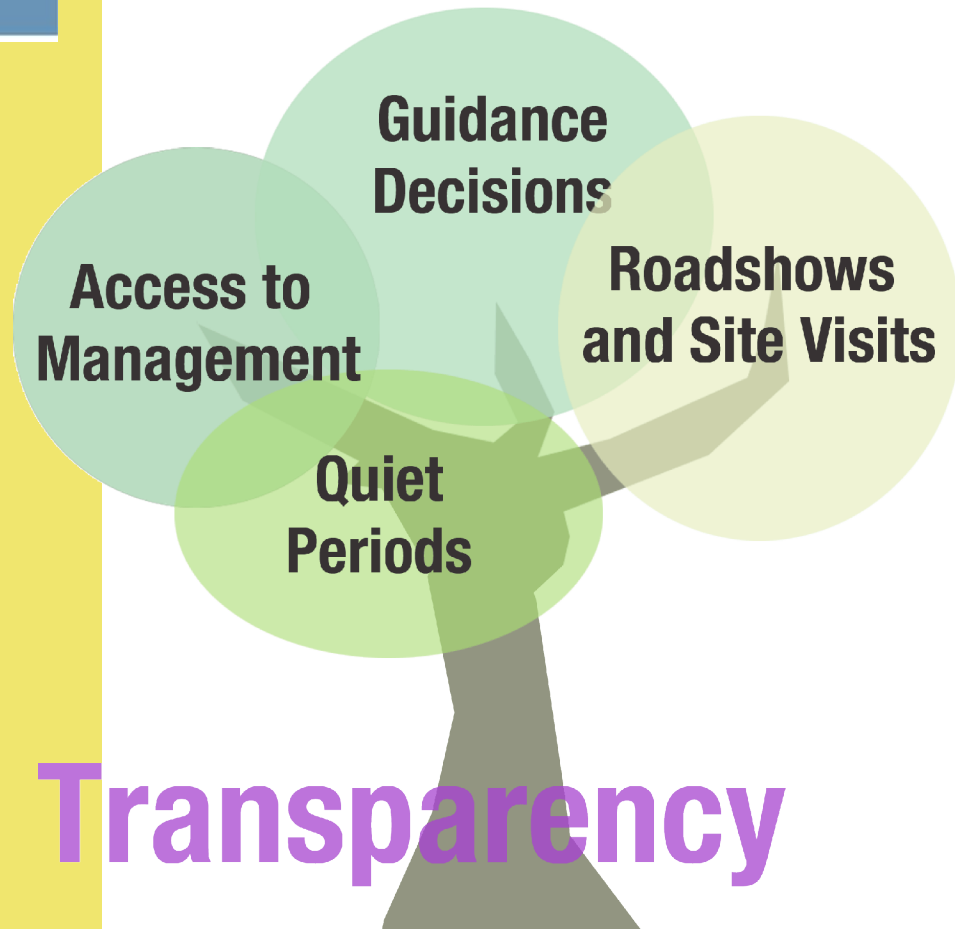
- ✓ **Transparency**
 - ✓ **Consistency**
 - ✓ **Responsiveness**
 - ✓ **Credibility**
-



Disclosure as a layered model where policies form a foundation and preparation and grooming of spokespersons provides continuity upon which current disclosures are based.



A Layered Model for Disclosure



Transparency is one of the key values and goals of investor relations. How each company chooses to get there and how far they go in making the company “investor-friendly” may differ, but basic tools are the same.

Consistency: Reg. FD's legacy

Documented Policies and Procedures



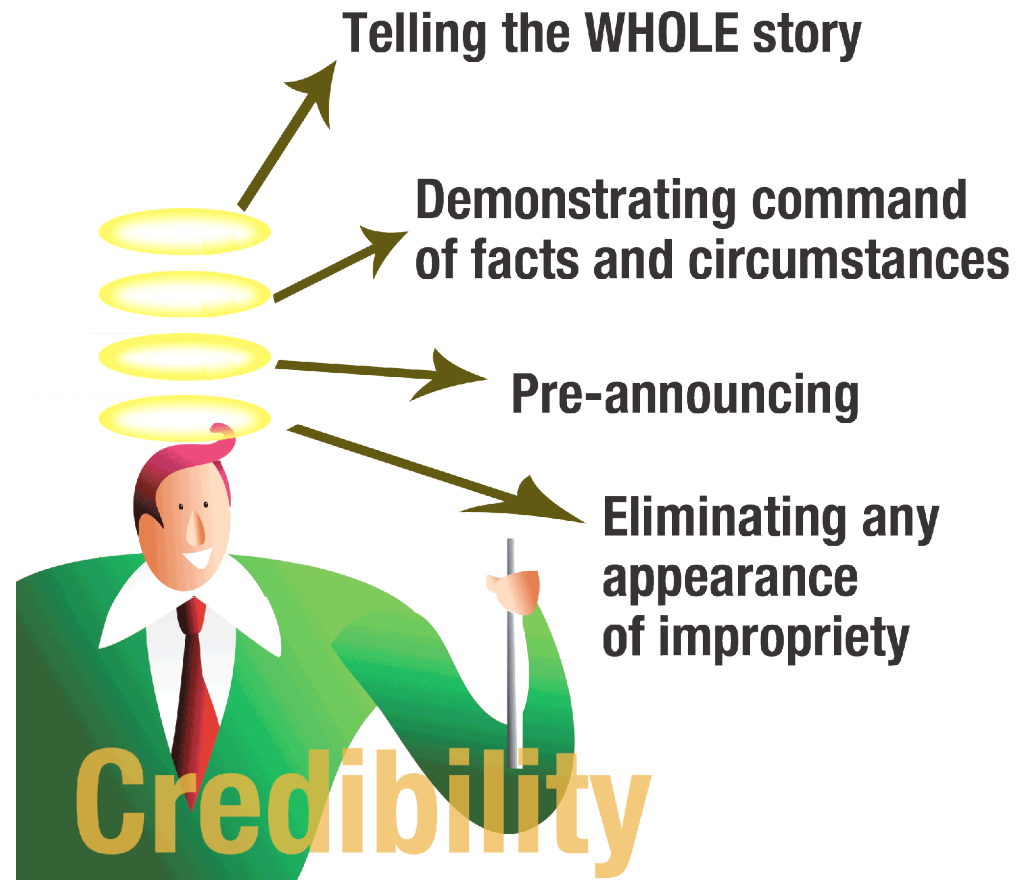
**Systematic
review of
disclosures**

Listening



**Responsiveness
requires the
organization both
to sense the needs
of their core
constituencies and
also to respond to
those needs
thoughtfully and
with determination.**

**The IRO,
executives
and the
company as a
whole build
credibility
slowly, but
can lose it far
more quickly.**



Considerations for Today

- ❖ Executive Presence (do not hide!)
 - ❖ Understanding of the entire business
 - ❖ Knowing your Story
 - ❖ Communicating early & often
 - ❖ Communicating internally & externally
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Considerations for Today

- ❖ Ensuring corporate values & character are maintained
 - ❖ Consider using Web 2.0 tools
 - ❖ social media
 - ❖ Guidance practices
 1. NIRI suggests breadth of time horizons
 2. NIRI Suggests breadth of types
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Guidance Types

- **Earnings guidance:**

Earnings Per Share (EPS) guidance

- **Financial guidance:**

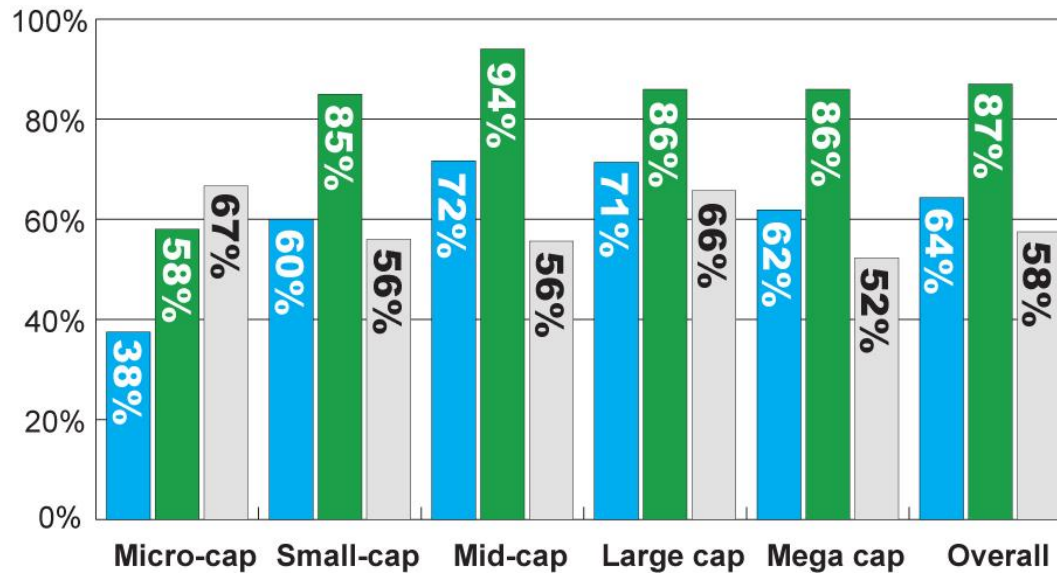
All other quantitative economic measures of a company's performance including revenue, cash flow, EBITDA, operating income, gross margin, expenses, tax rate, etc. excluding earnings guidance

- **Non-financial guidance:**

Any information about current market or business conditions that have the potential to impact company performance and are not typically reflected in a company's financial statements.

2008 Guidance Survey

Guidance by Market Cap



Micro-cap: Less than \$250M
 Small-cap: \$250M to less than \$2B
 Mid-cap: \$2B to less than \$10B

Large cap: \$10B to less than \$25B
 Mega cap: \$25B and above
 Overall