



# Corporate Communications and IR – Friends, foes or frenemies?

John Gilardi  
DIRK Conference / June 2015

Thank you to bosses, mentors and colleagues who shaped my perspectives.



Paul Argenti  
Dartmouth



Nancy Hobor  
Northwestern



Matthias Hensel  
BASF



Friedmar Nusch  
Aventis



Arvind Sood  
Amgen



Carsten Tilger  
Henkel



Karl Mahler  
Roche



Ann Bailey  
Novartis



Bob Pearson  
W2O



Felix Gress  
Continental



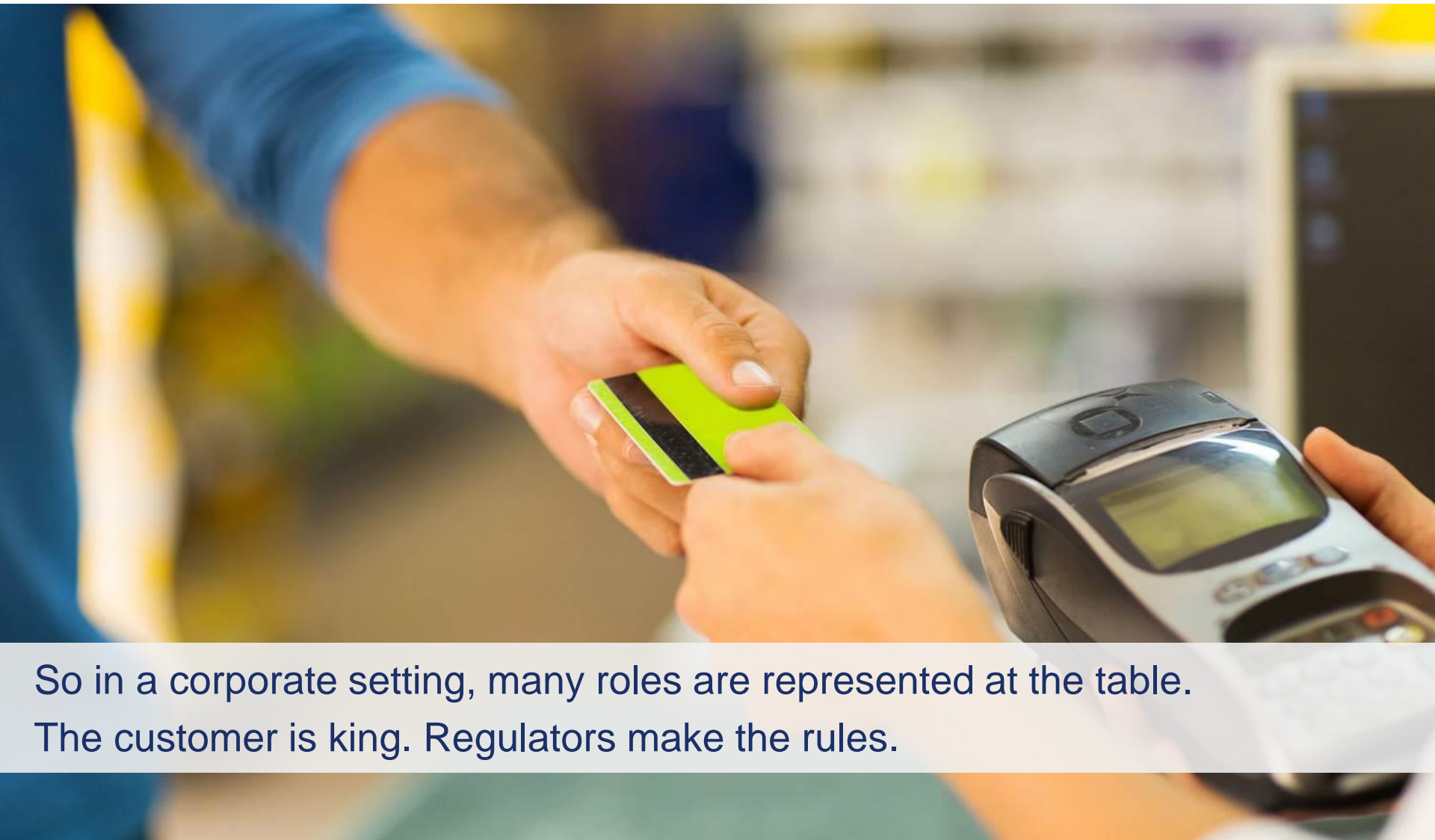
My dad gave me some very important career advice: Miles' Law.



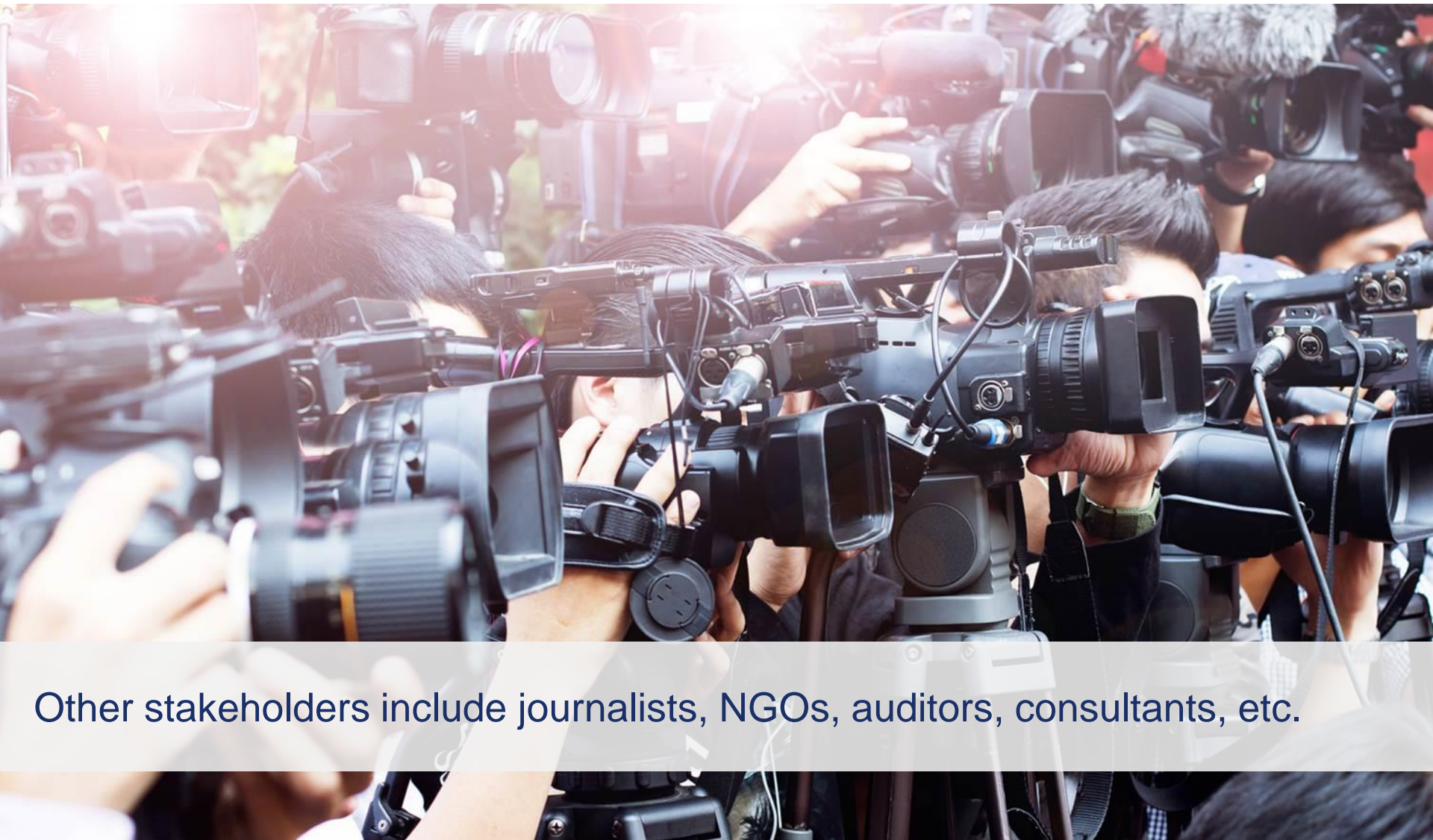


"Where you stand depends on where you sit."  
It explains why people take certain views based on their role in a situation.



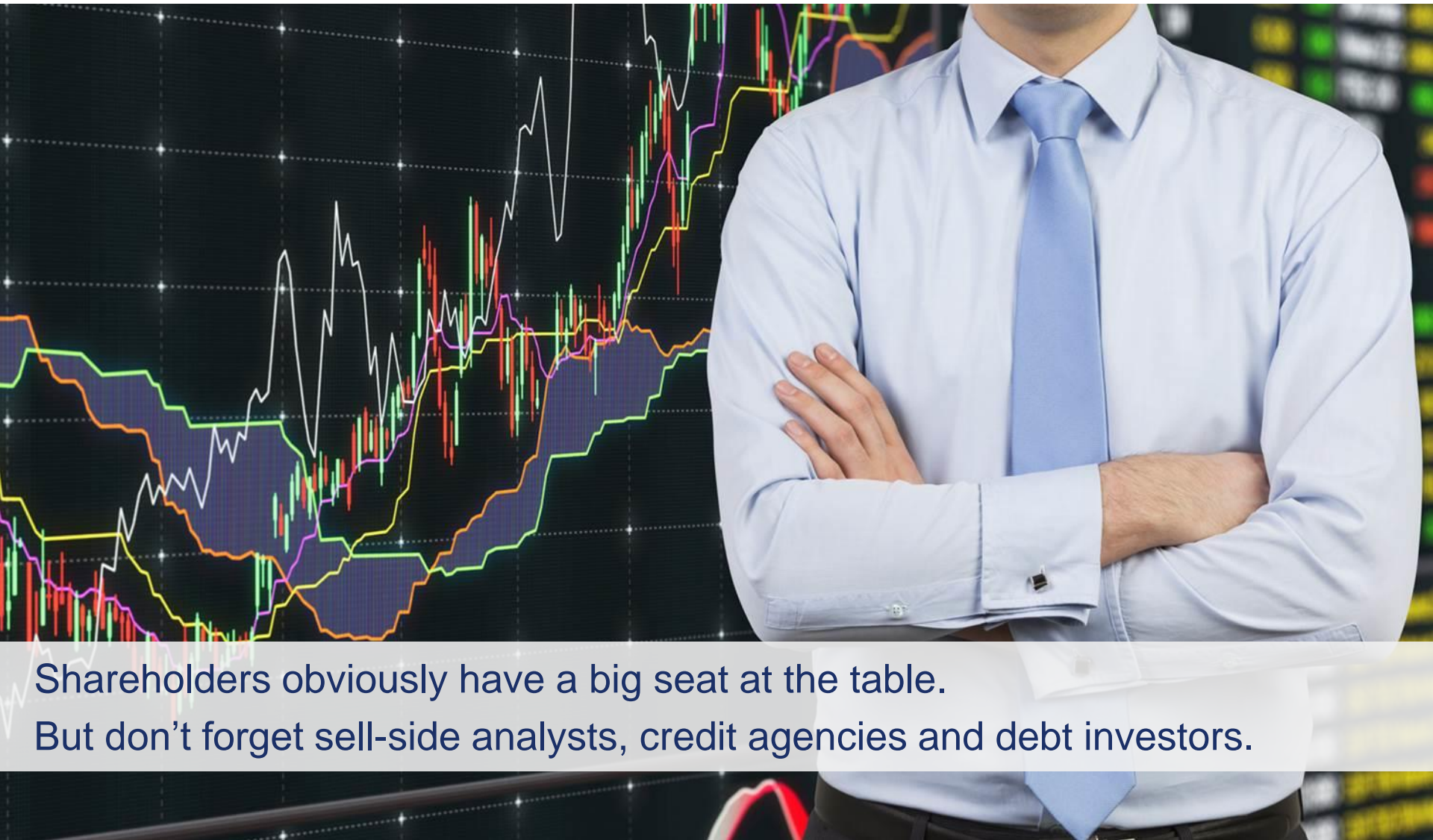


So in a corporate setting, many roles are represented at the table.  
The customer is king. Regulators make the rules.



Other stakeholders include journalists, NGOs, auditors, consultants, etc.





Shareholders obviously have a big seat at the table.  
But don't forget sell-side analysts, credit agencies and debt investors.



The CEO has the top internal seat, and other functions are also represented.





# INVESTOR

Investor Relations also wants a seat at the table. So strategic and vital!



So does Communications. But can both be “strategic” and have a big seat?  
My view: The stakeholder roles are too fragmented – but together they are.





Many companies still have separate teams, seek alignment and collaboration. Success comes comes down to the people – not structures and rules.





Far too often the “team collaboration” efforts feel like this.



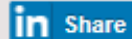


The new trend is integrated teams – regardless of size – to capture synergies. Bundle your strengths to engage stakeholders in harmony.

HOME / ARTICLES / PEOPLE & CAREERS

## Conjunction junction

0 Comments



December 1, 2003 | By Neil Stewart

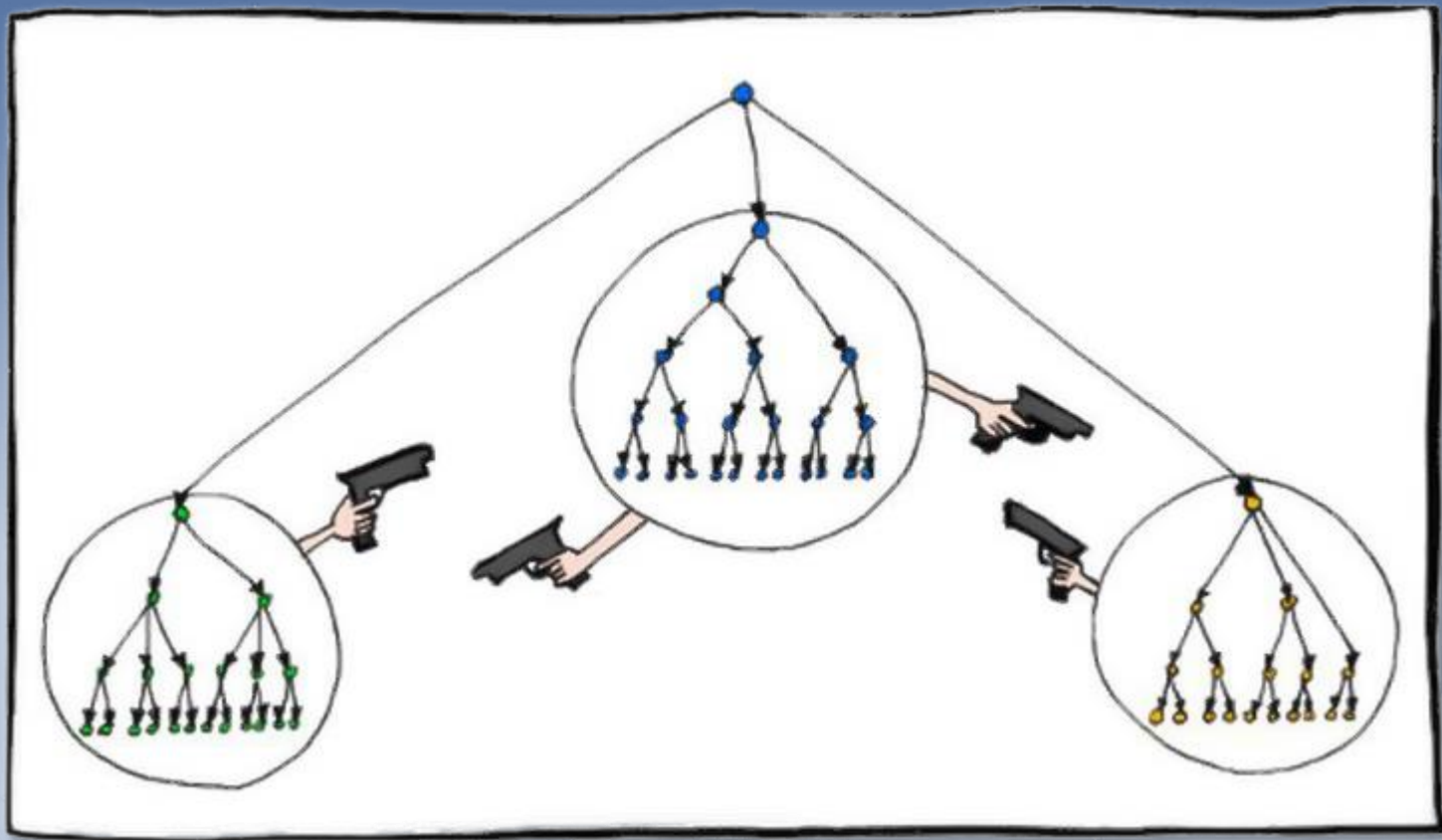
### What's your function? IR, corporate communications - or both?

Natural communicator or numbers person? Flair for building relationships or for building spreadsheets? Communications degree or MBA? If you're at the top of your game as an investor relations officer, chances are you can tick 'yes' for all the above. And many companies are now putting one person in ...

A new trend? No.

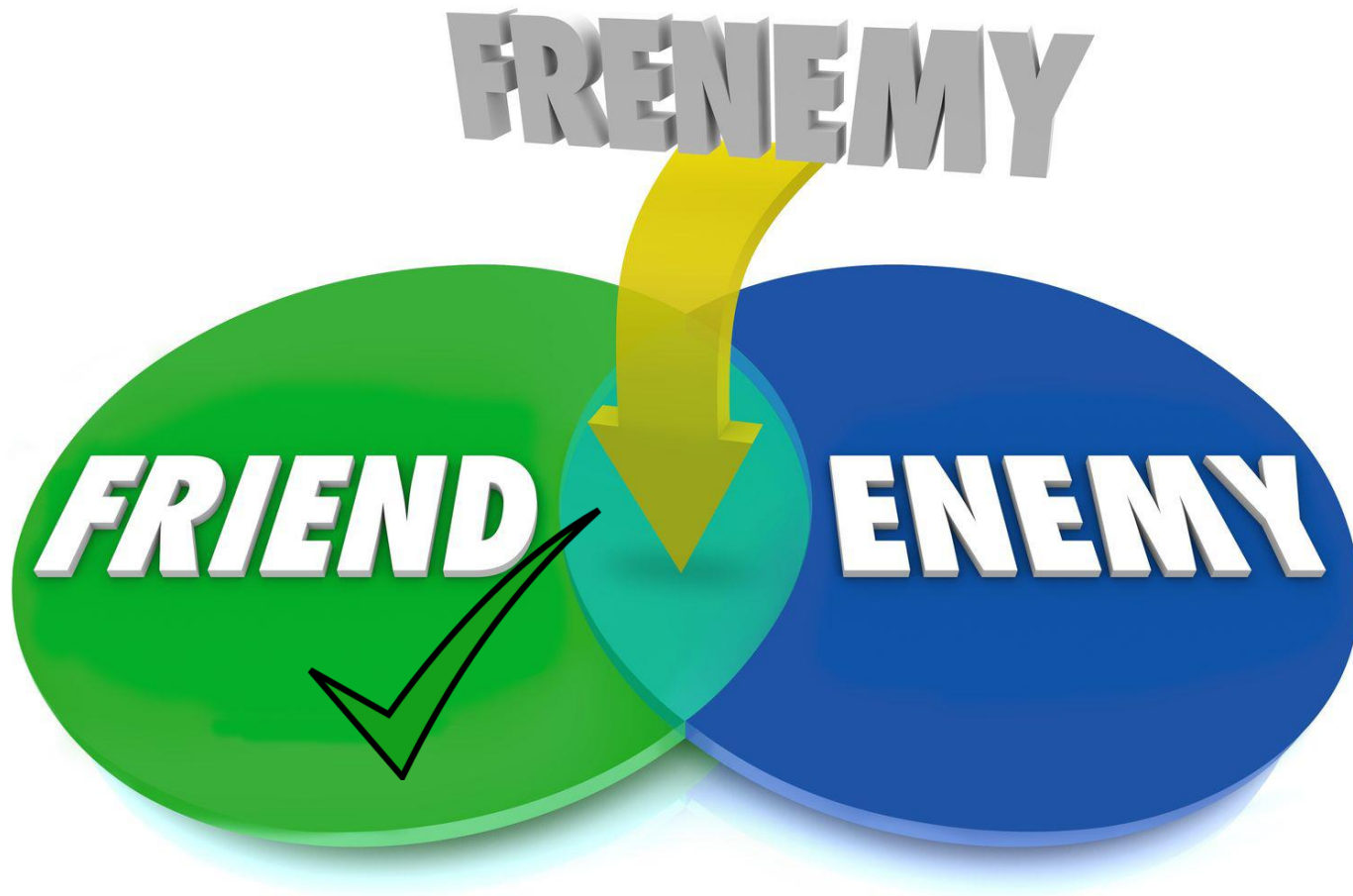
We are going full circle back to the old style of fully integrated teams.





Why? The turf wars are tiring. Rivalry reduces all of our credibility at the table.

My call to action: Get prepared for integrated teams – informal or formal.  
Take the first step. Learn other Communications roles. Do it for your career.





Let's review three reasons to take action.



Reason Nr. 1 is speed: News travels much faster than a “One Voice Policy.”

**BREATHLESSLY  
INSANELY  
FAST**

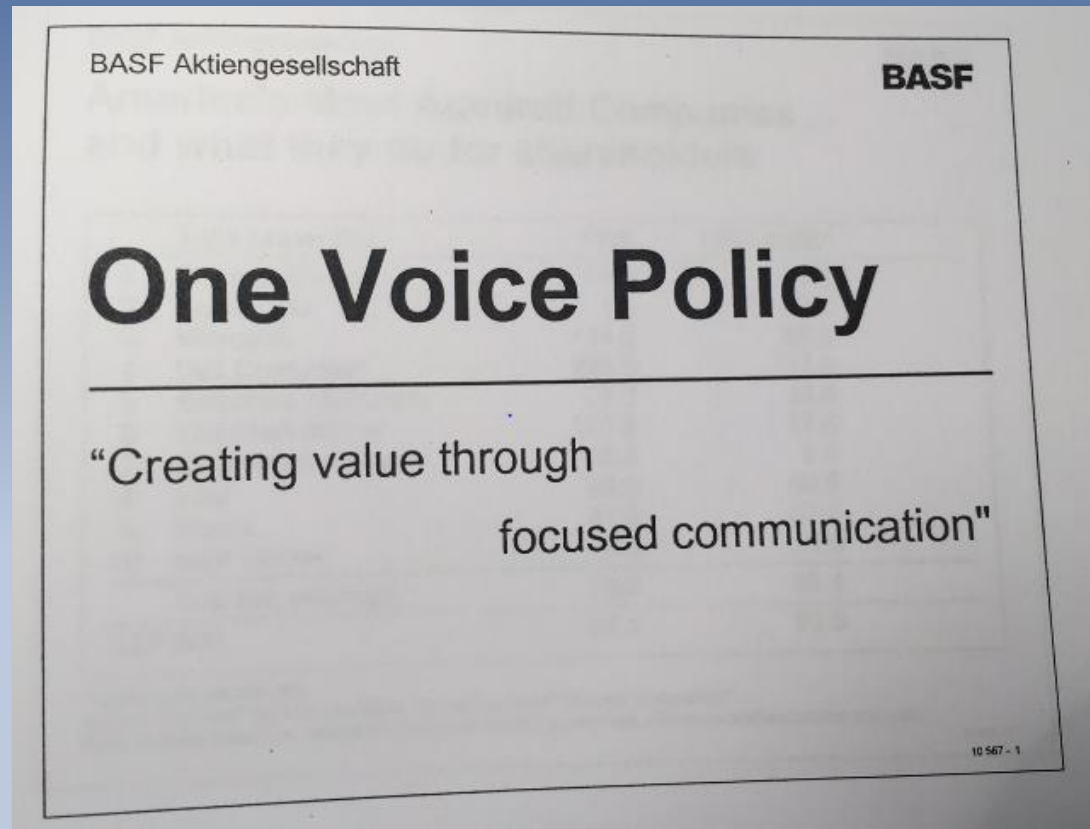
**speedy**

**quick**

**brisk**

**slow**



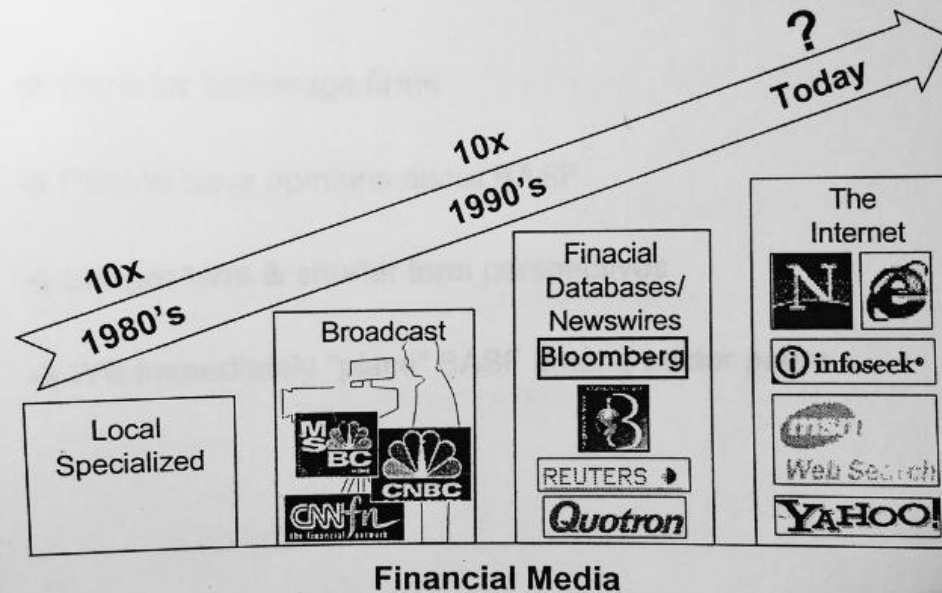


“Success” in aligning IR and Corporate Communications in pre-internet 1998.

BASF Aktiengesellschaft

**BASF**

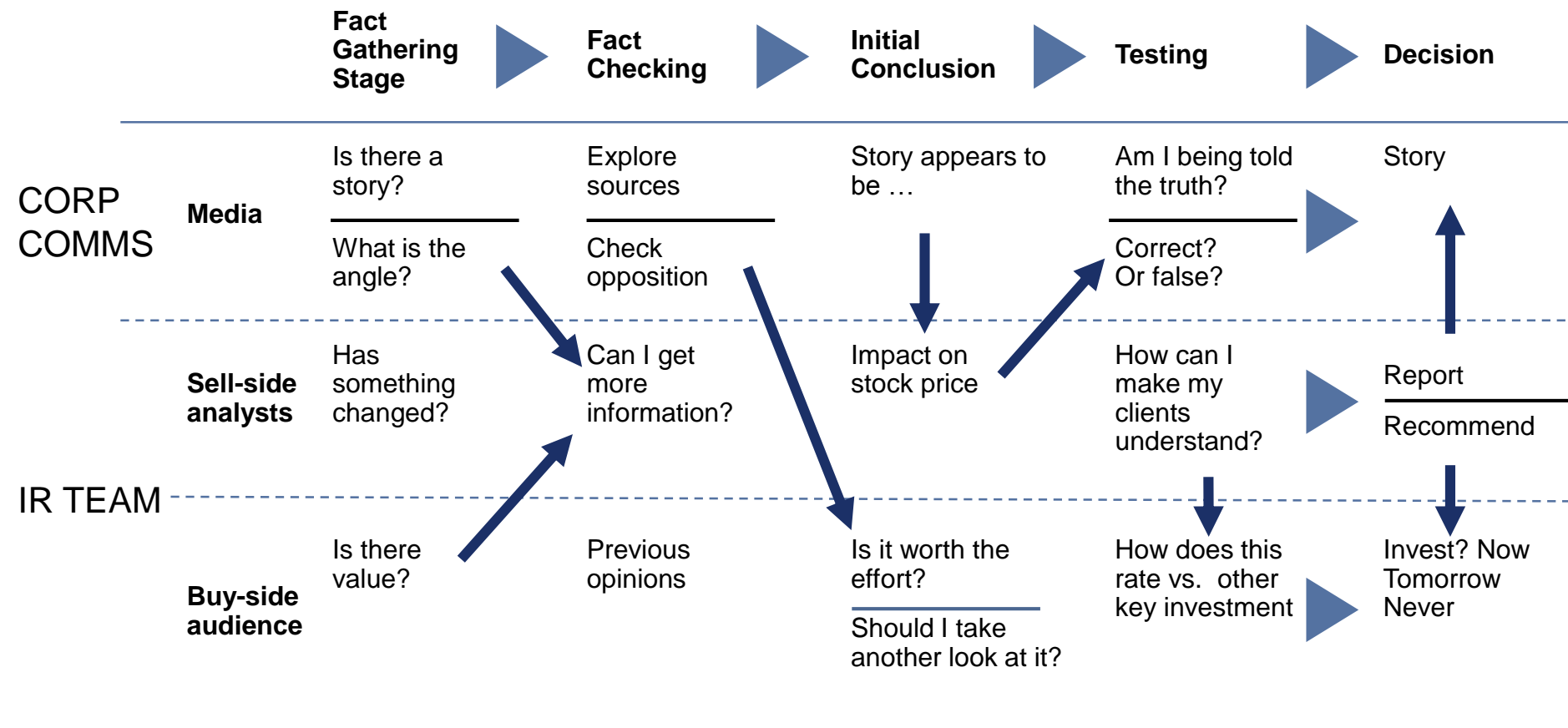
## Vast Expansion / Impact of Media Outlets



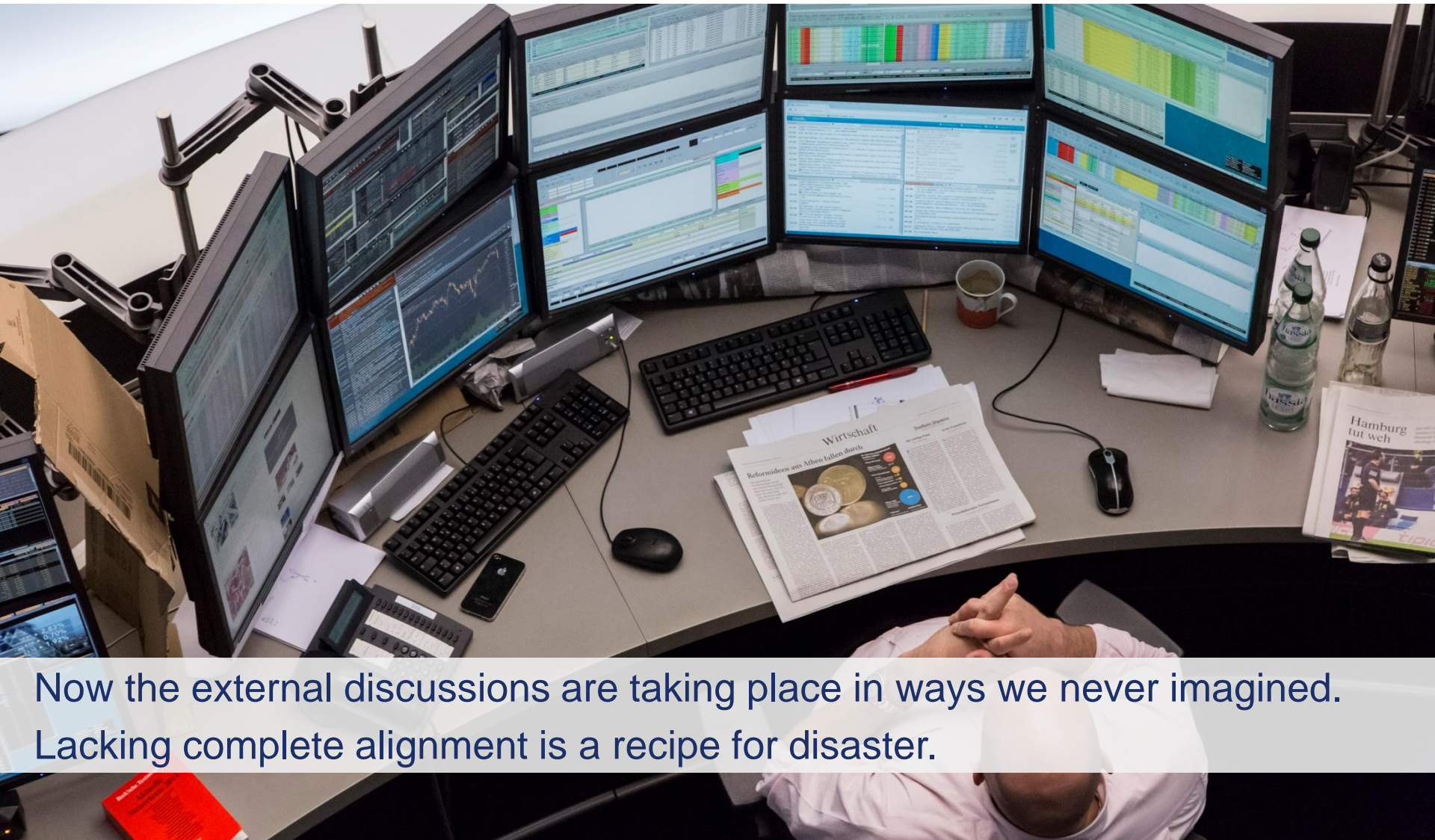
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The rationale: Reduce reputational risks in a fast-changing media landscape.





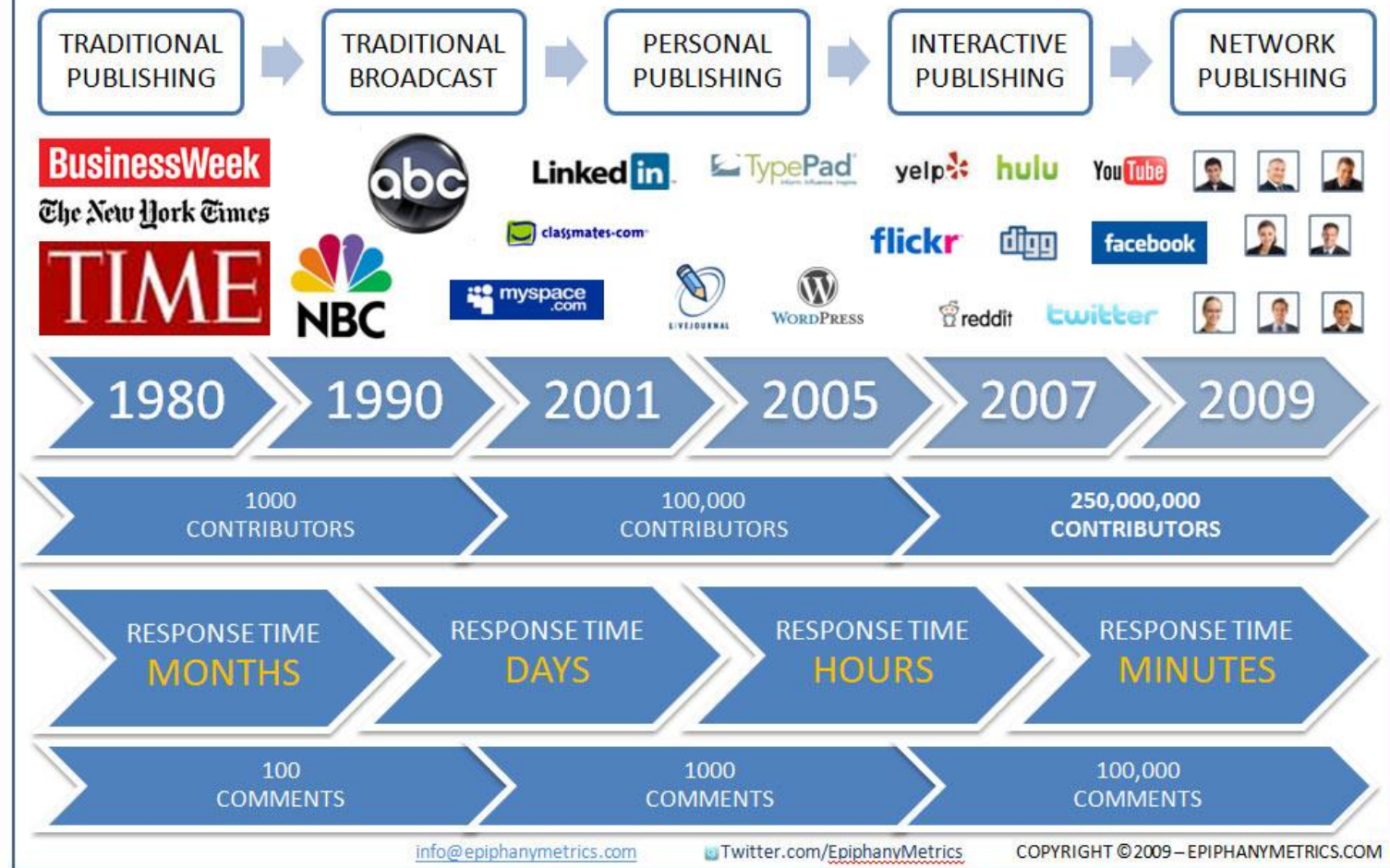
External target groups were talking to each other – so we needed one story.



Now the external discussions are taking place in ways we never imagined.  
Lacking complete alignment is a recipe for disaster.



The fiber of business communication has radically evolved. Where it once took millions of dollars to reach the few, it is now the few who can reach millions.



Anyone can share their views with everyone in ways we never imagined.  
How are you prepared to work with Communications?



**Drew Armstrong** @ArmstrongDrew · May 22

Want to know what to make of Quest's bizarre 20% spike? [\\$DGX](#)

7 2

Case study: Quest Diagnostics and a tweet.





**Joe Kunkle** @OptionsHawk · May 22

**\$DGX** - 1) BB cleared up mistake 2) Stock Up \$7 still & OTM calls staying bid, so clearly not due to anything I said

By Joseph C. ...

(Bloomberg) -- A Twitter post that ignited a fleeting 20 percent surge in **Quest Diagnostics Inc.** earlier was intended to convey a "market rumor" that the company was weighing a sale, according to the person who published it.

Shares of the Madison, New Jersey-based medical testing company jumped from about \$74 to \$89 after the tweet by **Joe Kunkle**, the founder of the website OptionsHawk.com. In a post labeled "rumor," Kunkle reported talk that Quest "has hired Goldman to explore a sale after receiving a \$95-shr approach" and that multiple suitors were said to be interested.

"I never actually said any of that," Kunkle said in a phone interview. "All I did was pass along what was said across the Internet on the market."

The tweet was subsequently deleted because it was taken out of context, according to Kunkle, who said he had no positions in the stock or related options. He said the tweet never purported to be anything but an account of speculation.

"These things happen five or six times a day," Kunkle said. "There are various chatrooms where this stuff gets passed around all day. It comes through instant messaging from unnamed sources. That's why it's labeled it as a rumor and unconfirmed."



3



14



[View photo](#)

## Case study: Quest Diagnostics and a tweet.



**Quest Diagnostics**  
@QuestDX

Quest Diagnostics empowers people to take action to improve health outcomes.

Madison, New Jersey  
questdiagnostics.com  
Joined September 2009

[Tweet to Quest Diagnostics](#)

63 Photos and videos

**Tweets**   **Tweets & replies**   **Photos & videos**

**Quest Diagnostics** @QuestDX · May 21  
quiggles makes blood draws more comfortable & less stressful for kids big & small. [ow.ly/NggL6](https://ow.ly/NggL6)



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Followed by Corp.Tecn. And...  
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## Case study: Quest Diagnostics and a tweet.

Reason Nr. 2 is engagement: “Your” investors talk to “their” stakeholders.

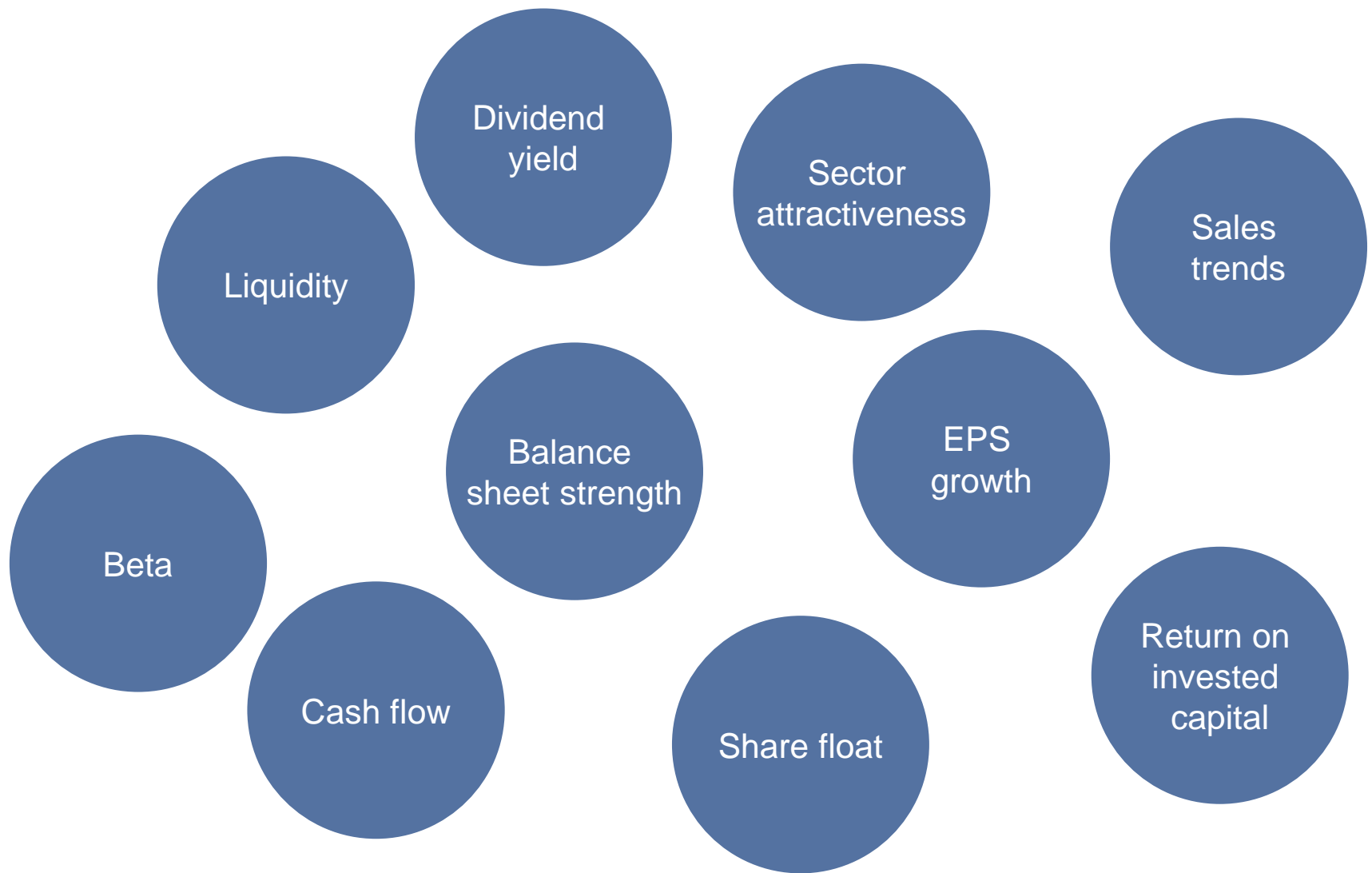






Stock price = Performance + Perception

Let's go back to the IR basics.

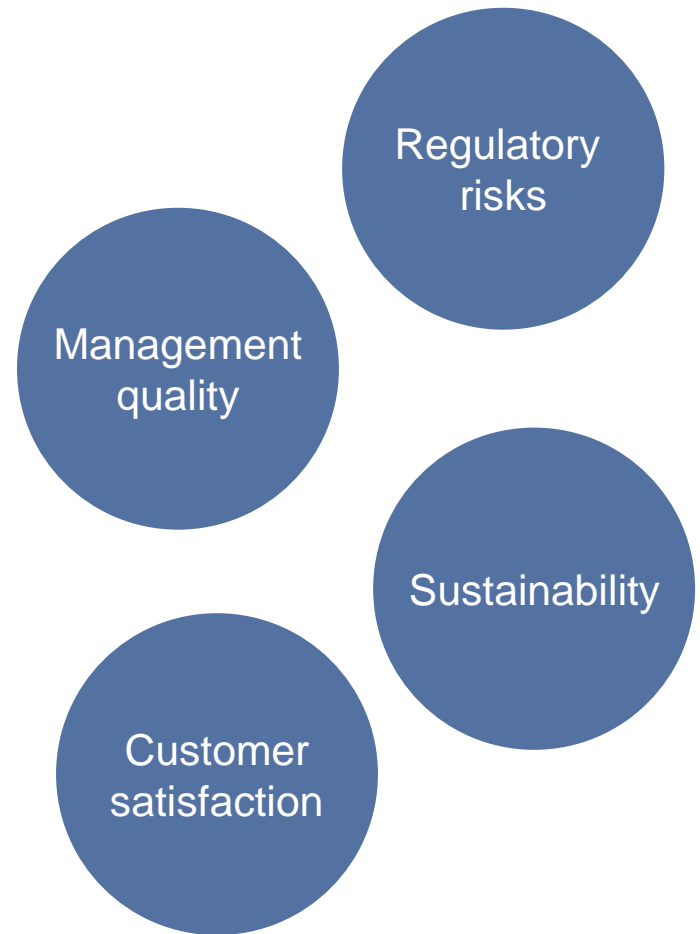


Performance-related variables are the “bread and butter” of IR discussions.



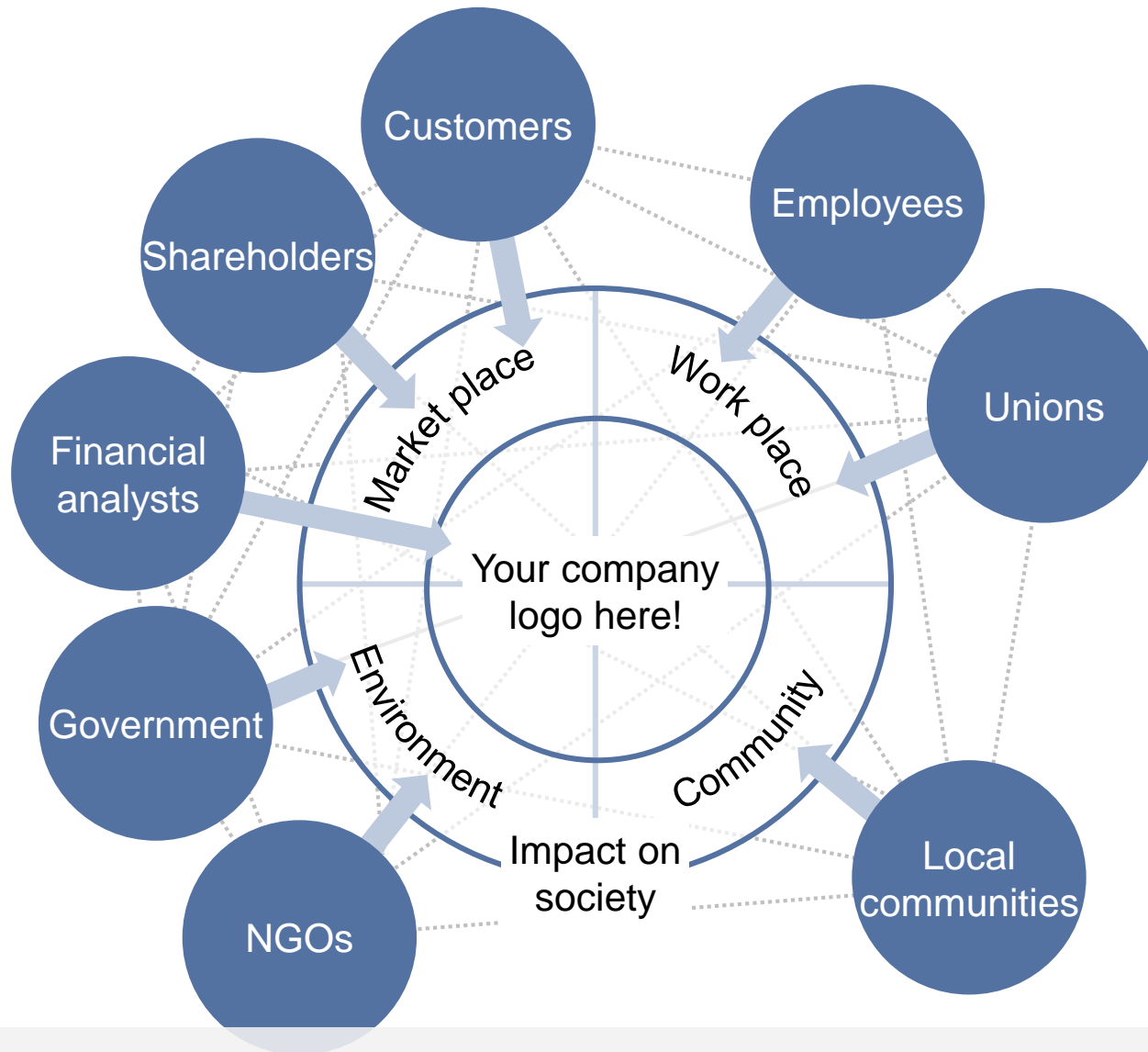
Baruch Lev

# 35% of valuation comes from non-financial factors

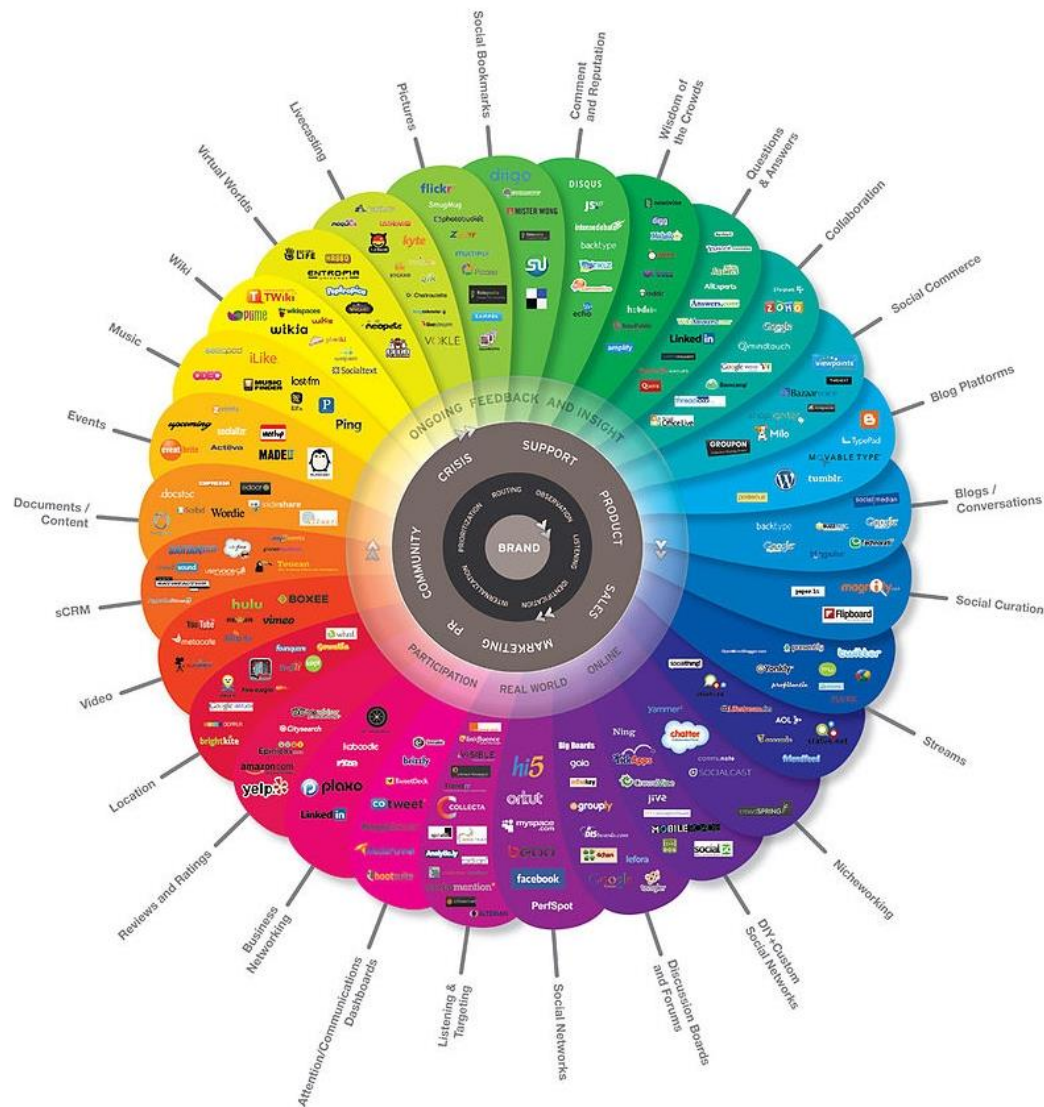


But non-financial factors are a growing part of valuations.  
The challenge: These topics are often handled directly by Communications.





It is so easy today for shareholders to engage with others – and without you.



Stakeholder discussions occur in a dizzying range of digital channels.



Disclosure rules are changing in ways we never imagined.  
It is one permanent and truly global news cycle – info is either public or not.





One approach: Align core messaging around the corporate brand.  
The challenge: This is “bread and butter” work for Communications teams.

## How it all began

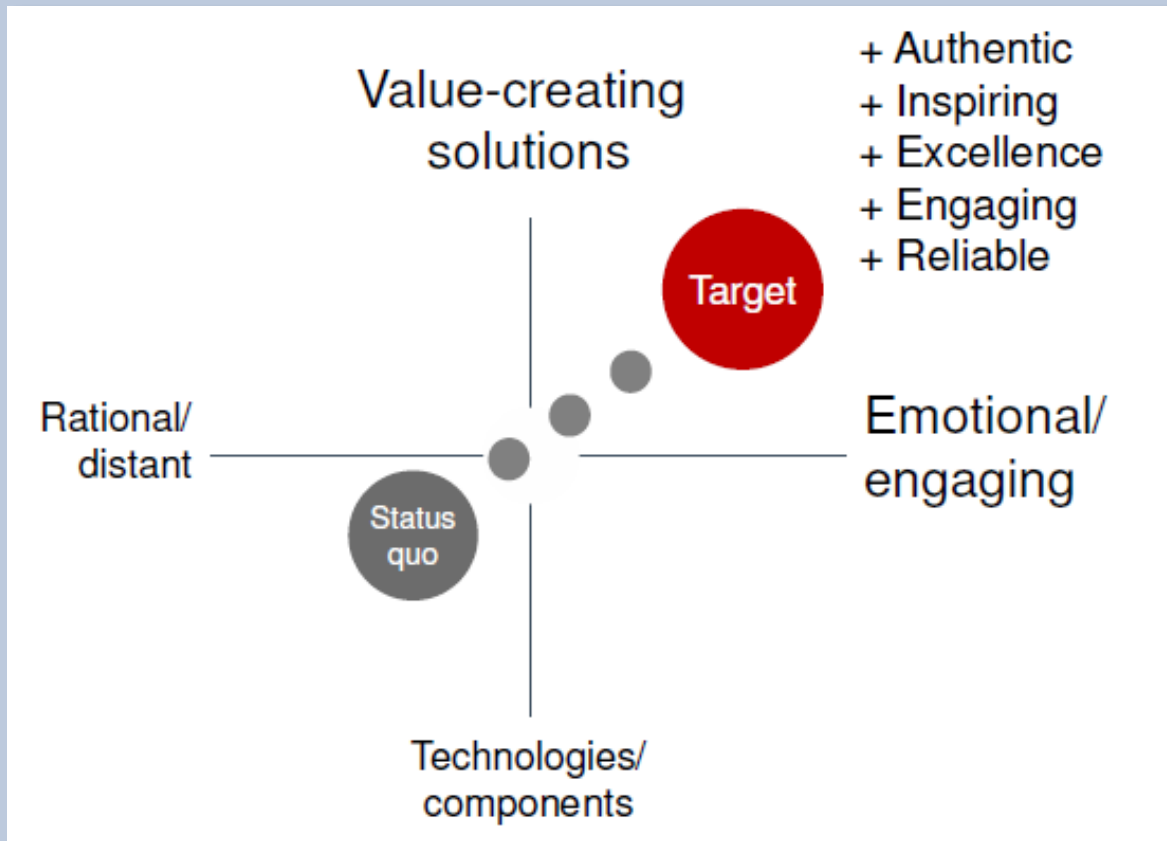
### The QIAGEN® revolution

Before 1986, gaining access to genetic information was an extremely time-consuming and often laborious procedure. The genetic content of a biological sample was separated in many steps from a number of other components, often with no guarantee of success. Stabilization, purification, and further handling of a sample could take up to three days, with only limited reproducibility.



Sample & Assay Technologies	
<b>Radical value: Quality and Reliability</b> <ul style="list-style-type: none"><li>■ Outstanding quality and service excellence</li><li>■ Absolute reliability and consistency in performance</li><li>■ Valuable solutions providing exceptional convenience of use</li><li>■ Competence in process management</li></ul>	<b>Empirical value: Active Openness</b> <ul style="list-style-type: none"><li>■ Open-minded with positive attitude and charisma</li><li>■ Communicative, committed, responsive, accessible</li><li>■ Solution oriented, honest, rational, supportive friendliness</li><li>■ Transparent, analytical, creative, smart, goal oriented, initiative</li></ul>
<b>Emotional value: Innovation</b> <ul style="list-style-type: none"><li>■ Innovative cutting edge technologies to establish new standards</li><li>■ Market leading competences for science and technology</li><li>■ Future oriented innovation and idea management</li><li>■ Proactive, dynamic, young, modern, passionate, fascinating</li></ul>	<b>Social value: Responsibility</b> <ul style="list-style-type: none"><li>■ Corporate social and sustainable engagement</li><li>■ Contribution to health and safety to make improvements in life possible</li><li>■ Defined management principles with considerable social competences</li><li>■ Corporate governance based on comprehensive code of ethics</li></ul>

## Case study: QIAGEN.



## Case study: QIAGEN.



Current

Double blue bars

Red line + blue bars

Red line + bottom line

Open space



1



2



3



4



5

## Case study: QIAGEN.



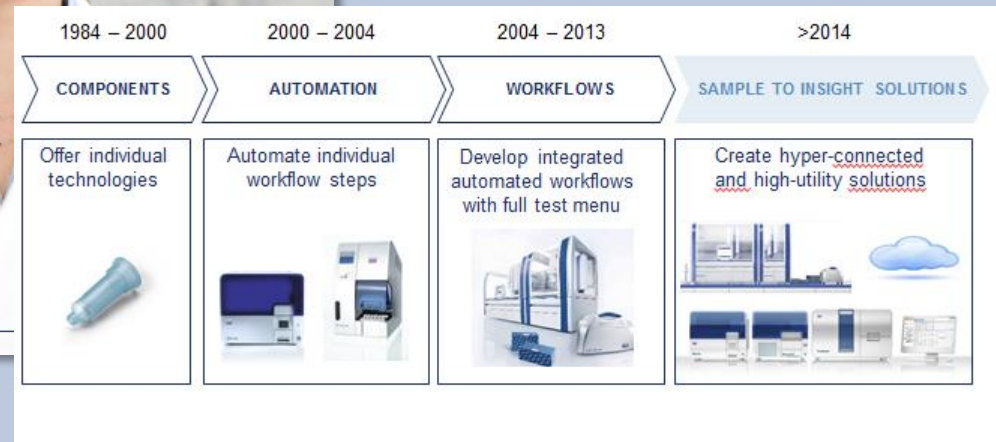
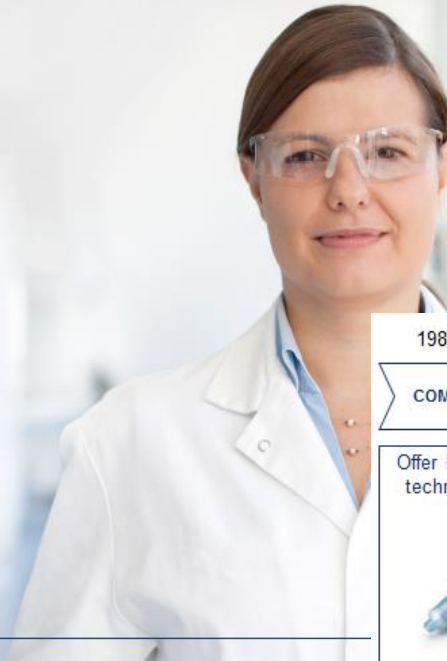
## Our Mission

As the innovative market and technology leader, QIAGEN creates Sample to Insight technologies that enable access to valuable molecular insights from any biological sample.

Our mission is to make improvements in life possible by enabling our customers to achieve outstanding success and breakthroughs in life sciences, applied testing, pharma and molecular diagnostics.

Our commitment to the markets, customers and patients we serve drives our innovation and leadership in all areas where our Sample to Insight technologies are required. The exceptional talent, skill and passion of our employees are key to QIAGEN's excellence, success and value.

Sample to Insight



## Case study: QIAGEN.



## Selected materials for launch of QIAGEN framework



New mission statement



"Our DNA" book and video



Identity - Culture

Inspire - Leadership

Impact - Management

New 3i framework



Employee presentation



QIAGEN Brand Portal



New templates

Sample to Insight

## Case study: QIAGEN.





Making improvements in life possible

Peer M. Schatz

Chief Executive Officer

33<sup>rd</sup> Annual J.P. Morgan Healthcare Conference, January 2015

Sample to Insight

## Case study: QIAGEN.





Reason Nr. 3 is your future. The “Head of IR” seat at the table may disappear.

**adapt**





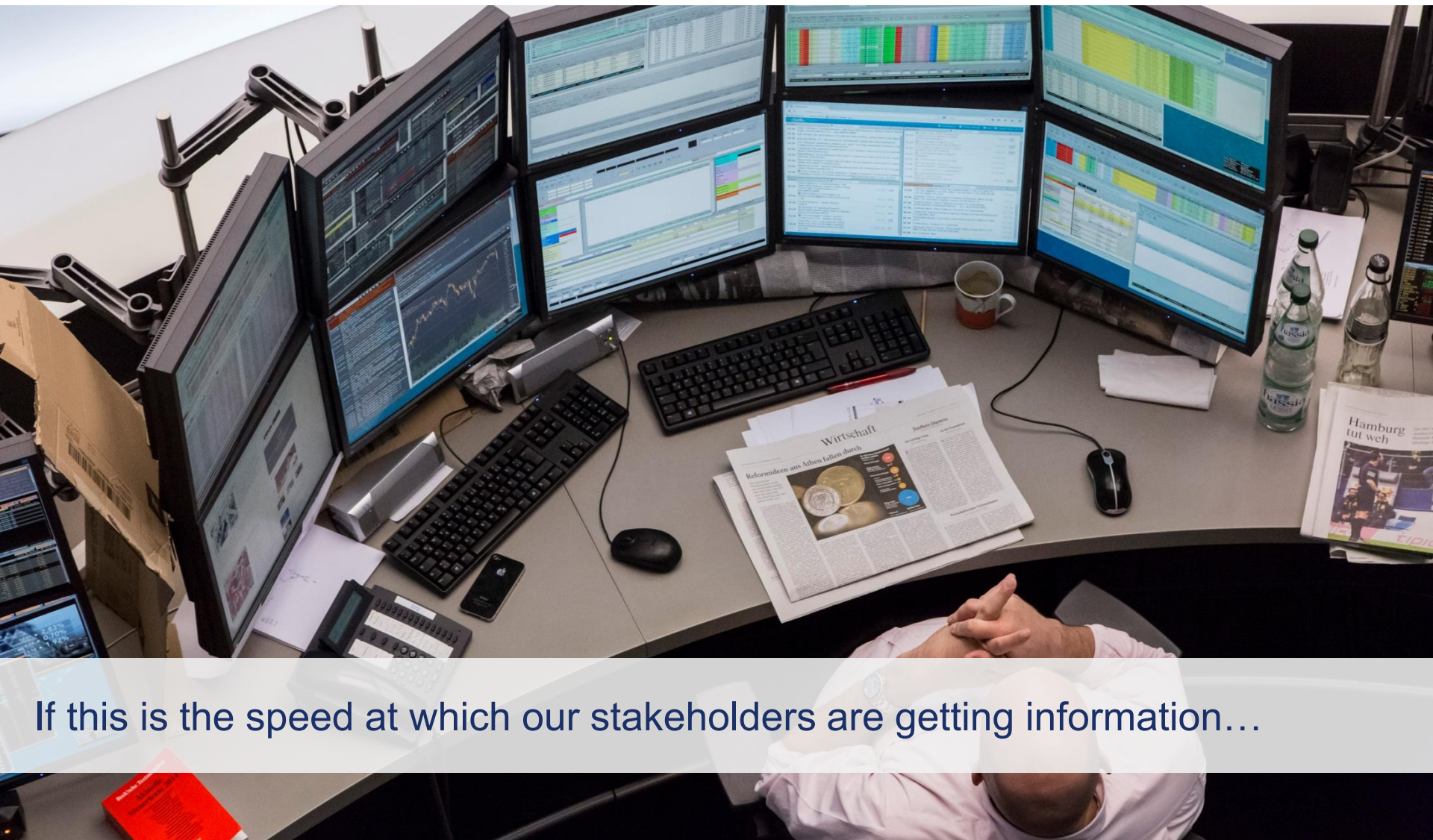
Louis M. Thompson, Jr.  
NIRI President (1982-2006)

## Quiz:

In 1984, how many Fortune 500 companies had their own IR department?

And today?

Lou Thompson has seen it all. He is an advocate of integrated teams....  
Make that returning to integrated teams!



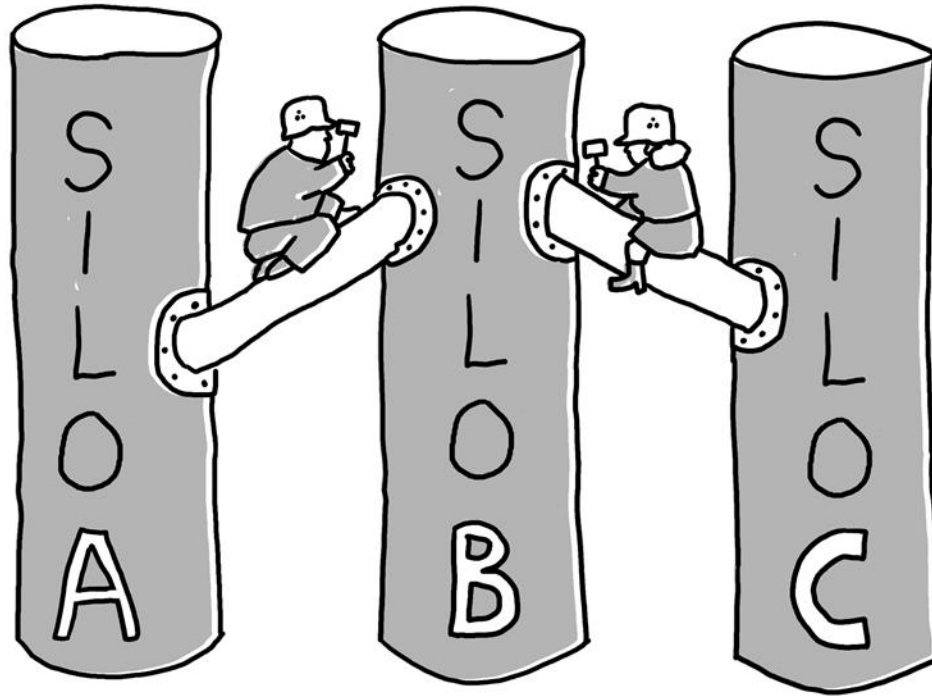
If this is the speed at which our stakeholders are getting information...

A Conversation .....

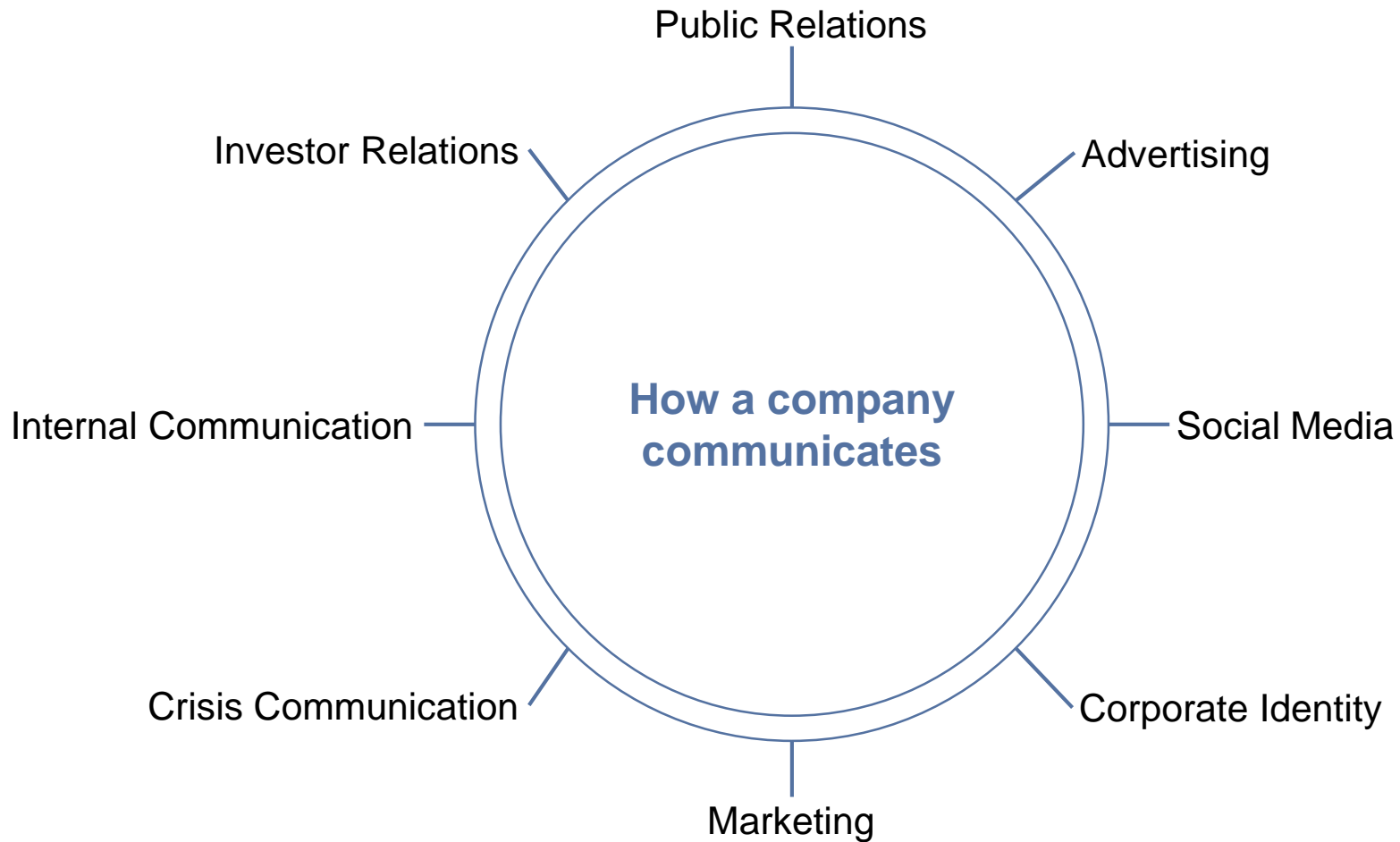


... and are communicating with each other in ways never imagined...

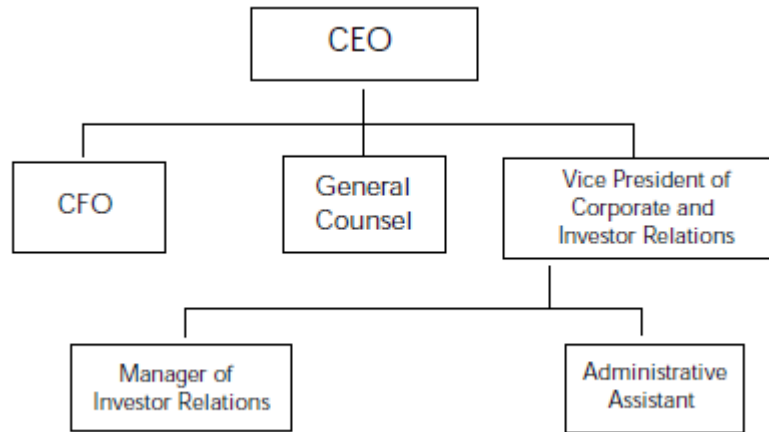




... why are many companies still working with outdated corporate structures?

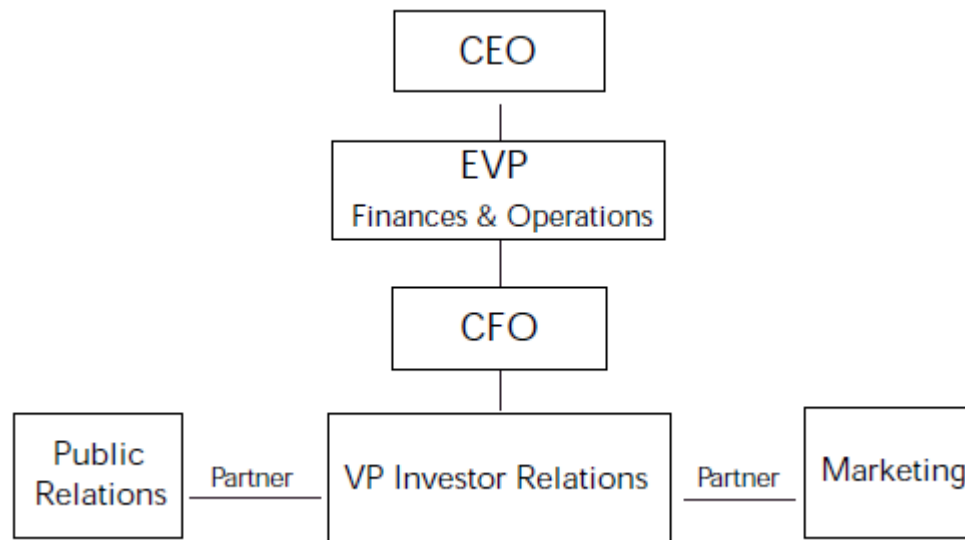


Let's face the facts: IR is just one type of communication among many.  
The environment demands more than collaboration – it means integration.

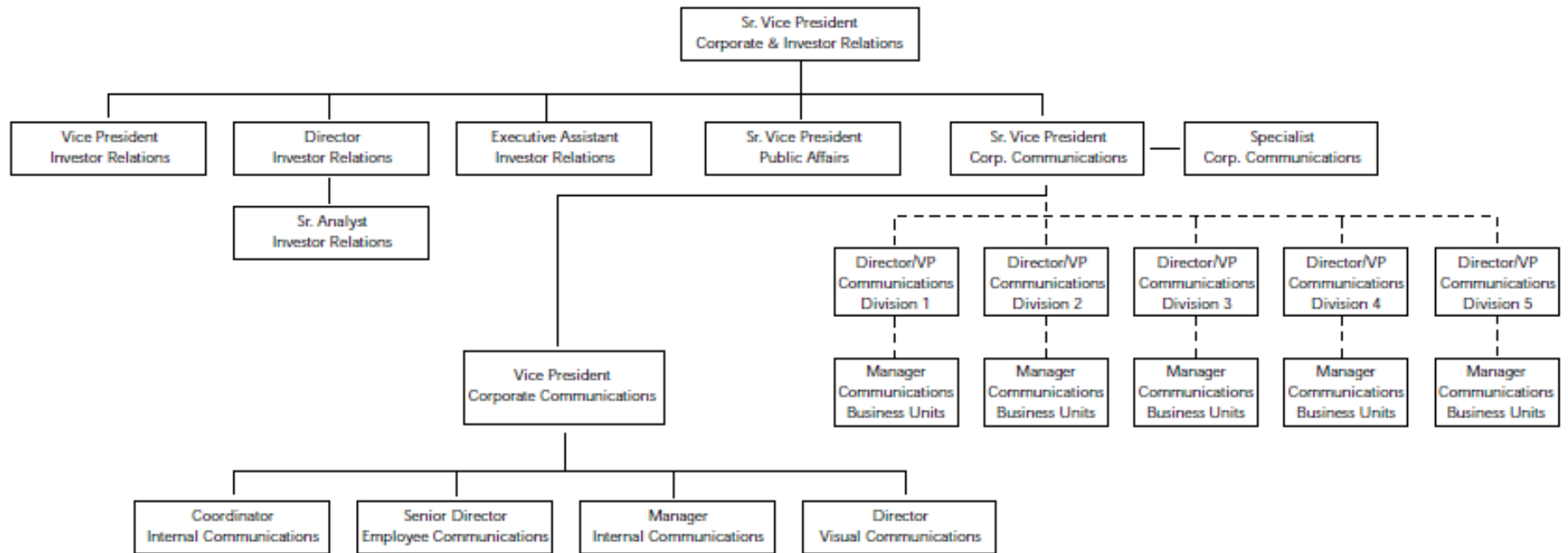


Different approaches to organizational design: “Only IR really matters.”

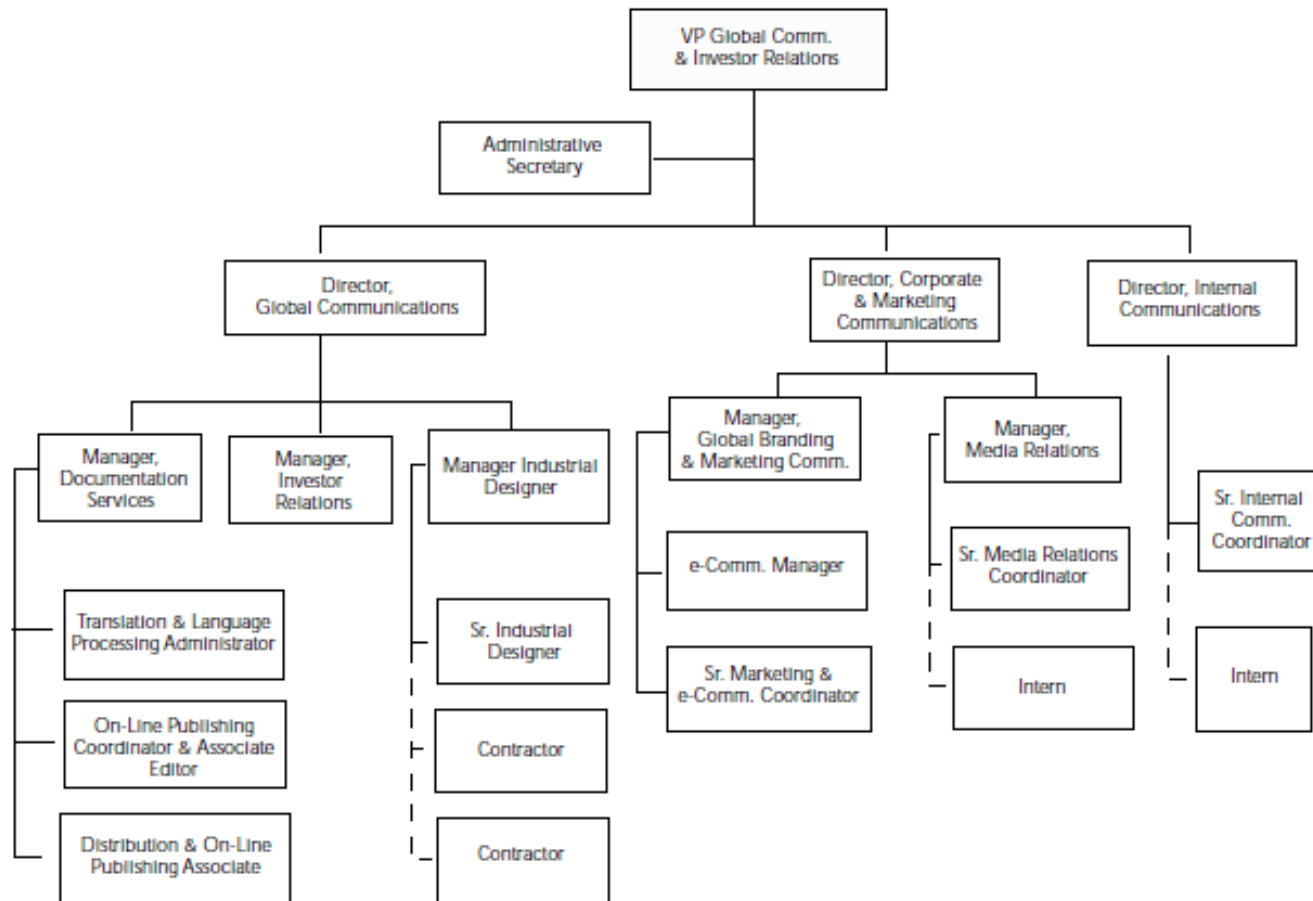




Different approaches to organizational design: “Partners in other functions.”



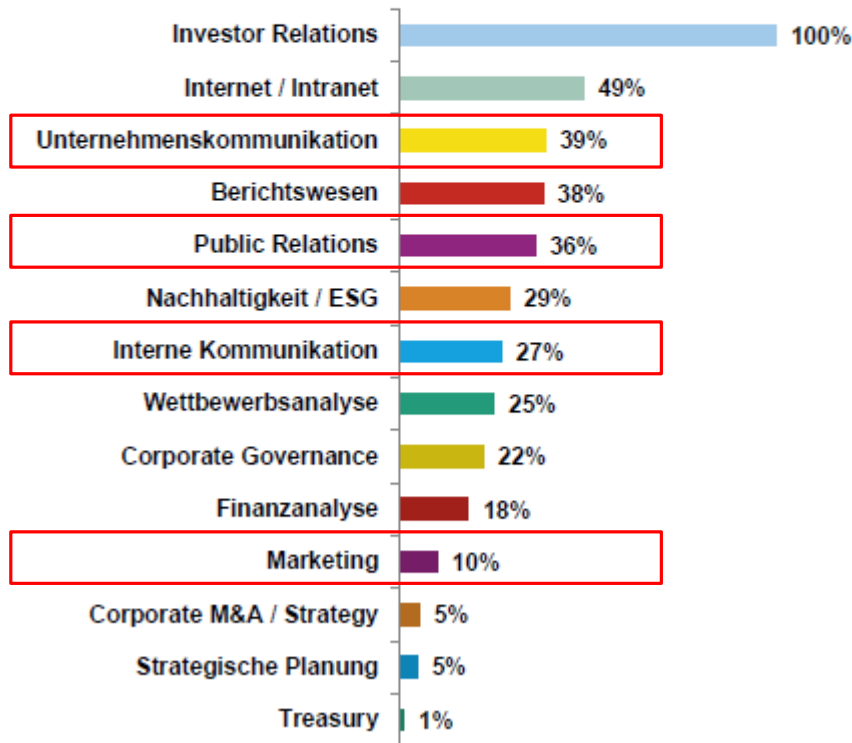
Different approaches to organizational design: “Splitting up stakeholders.”



Different approaches to organizational design: “One team to all stakeholders.”

# Aufgaben des Investor Relations Managers und Berichtslinie

## Verantwortlichkeiten

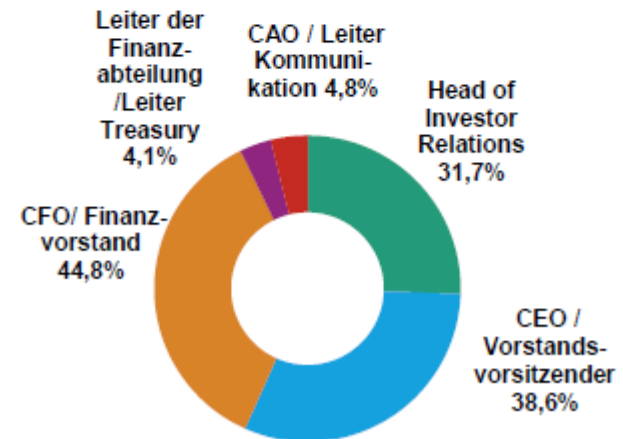


Professionals im Investor Relations Umfeld sind neben klassischen IR Aufgaben für die Pflege des Internets / Intranets, Unternehmenskommunikation, Berichtswesen und Public Relations zuständig

Aufgaben im Bereich Finanzen, Corporate Finance oder Strategie spielen eine eher untergeordnete Rolle

Dennoch berichten 44,8% direkt an den CFO und nur 38,6% an den CEO

## Berichtslinie\*



\* Mehrfachantworten möglich

Many German IROs are already part of integrated teams – and it will increase.

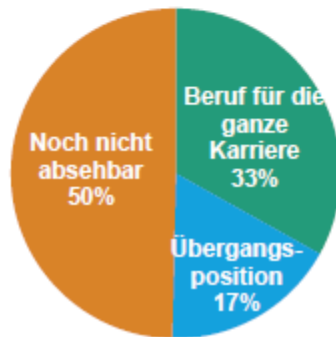


# Motivation und Perspektive von IR Professionals

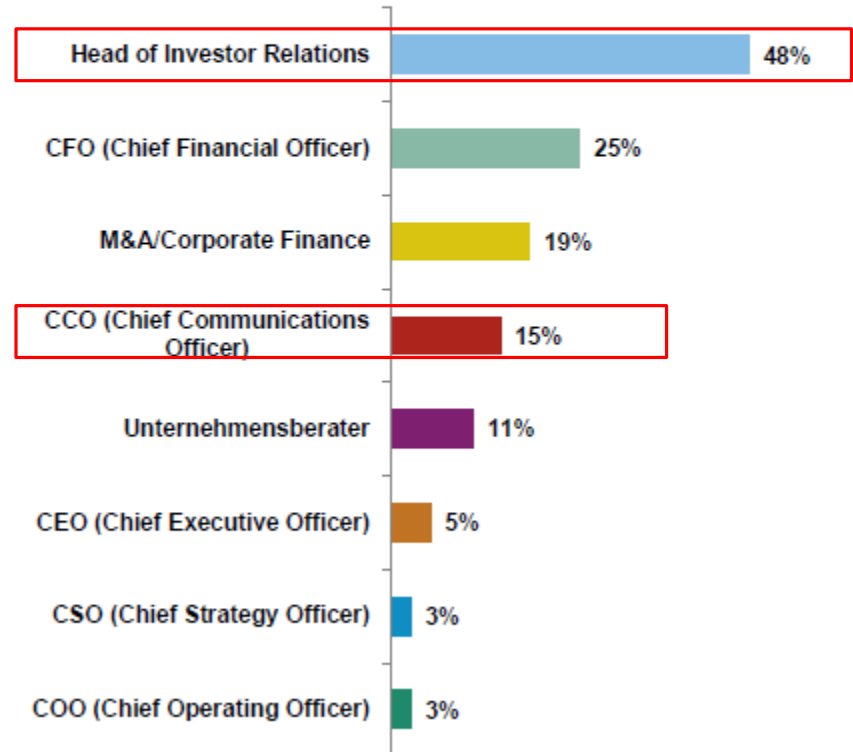
Beliebt ist der Wunsch, CFO in einer Tochtergesellschaft zu werden, aber auch in eine Investor Relations Position eines größeren Unternehmens zu wechseln.

Die Auswertung der Kommentare ergibt, dass für einen großen Teil der Inhalt der Tätigkeit wichtiger ist als der Titel.

## Als was sehen Sie Ihre IR Position?



## Mögliche Ziele



Think bigger than just Head of IR. Why not lead an integrated team?  
My prediction: Head of IR role gone as CEO/CFO-direct report in 10 years.

My summary: Make friends – not enemies – with Communications.  
Capture benefits for your company while improving your career opportunities.

