

An effective tool for shareholder engagement

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Deloitte Canada had a great quote in their recent Corporate Governance Insights mailing. They said **“companies get the shareholder they deserve”**. They followed this up with the following advice for how to get great investors, and avoid being pushed towards counterproductive short-term goals ‘by the market’:

“Boards need a shareholder engagement strategy that includes regular and ongoing dialogue with investors so they better ensure they understand investors’ concerns and priorities and so shareholder better understand the company’s longer-term goals and its progress towards achieving those objectives.”

Corporate Governance Insights newsletter – Deloitte Canada

Communicating regularly with the shareholder helps them to understand the company’s longer-term goals and its progress. A monthly emailed shareholder newsletter, if properly done, gives your stakeholders a sense of trust in the company. Newsletters can be used to inform shareholder about the company’s results and activities, industry developments, profiles of customers, major developments in the business, such as the construction of a new plant or progress of a merger transaction and raise awareness of shareholder services programs like dividend, Bonus issue, and share purchase plans, online voting, odd-lot programs and online shareholder account features.

How Should You Communicate?

People have many ways to communicate. Some CEOs arrange to have weekly or monthly meetings with shareholder groups to keep them in the loop. While this is effective, it is also time-consuming. A strategy that many people use effectively is a monthly emailed shareholder newsletter,

Setting up your own Shareholder newsletter

Given the opportunities to build profile, understanding and loyalty with investor audiences, email newsletters are a highly attractive proposition for investor relations departments. Furthermore, the low cost of setting them up makes newsletters affordable to companies of virtually any size.

Despite this, you need to determine if you have sufficient resources to manage the process of publishing a regular newsletter. This means assessing your department’s ability to handle the following things:

- **Set up and manage an email list**

Setting up an email list, or using an existing one, is simple and cheap. However, you should ideally choose one which allows you to control the formatting of messages in standard text and HTML, and which can deliver the most appropriate message format

supported by users’ email clients/programs.

- **Gathering material for your newsletter:**

Many IR departments will view gathering and generating content as their biggest obstacle to starting an investor relations email newsletter. In a few situations this might well be the case, but don’t reject the concept out of hand because you may have more resources than you think. Most organizations generate vast amounts of information that can be leveraged for your newsletter. By working more closely with other communicators within the company — public relations, corporate communications, marketing and sales — information prepared for employees, customers, the media or suppliers can be reworked and customized for your investor audience.

Corporate Intranets, employee magazines and sales newsletters are rich sources of information about a company, its products, its people and its culture. External sources like trade publications, business journals, mainstream media and news services can also provide you with excellent contextual material. With many possible sources of content, your objective should be to establish a disciplined news gathering process for your newsletter. One useful approach is known as the three C’s. They stand for comb, call and collect.

Comb:

This means scouring all existing sources of news and information about your company for items that you can reuse or adapt for your newsletter. Daily newspapers, trade magazines and websites, industry research reports, surveys, internal company newsletters, press releases, media backgrounders, sales brochures, all are potential sources that might provide information to help investors develop a broader appreciation for your company.

Call:

In the journalistic sense, call means contacting sources who might have something interesting to share. You can do the same within the corporate domain. Contact senior managers to discuss the possibility of doing a Q&A about their role and speak to other communicators and managers within the company about projects they are working on. An interesting media backgrounder being prepared for an upcoming product launch might make a useful feature for your newsletter (It probably won’t get much play with the media anyway!). A report being compiled on a company-wide innovation program might provide good source material for an interesting article or interview. Also call external industry suppliers and consultants to learn about any surveys or other research that they may be conducting.

*The views expressed are personal views of the author and it should not be taken as views of the NIRC-ICSI.

Collect:

This refers to material that inevitably lands on your desk, including earnings releases, investor presentations, speeches and news releases. This material will be the backbone of your newsletter supplemented by combing and calling exercise.

- Formatting your newsletter**

Formatting your email newsletter is easy, especially if you opt for a text-only approach. You can format your messages using any email client, such as Microsoft Outlook or Express. Lest you want to make users mad, do not use PDF as the exclusive format for your newsletter or send PDFs as email attachments. You might consider providing a PDF in addition to the HTML version on your site.

Once formatted, you can cut and paste your message's source

code into your email list application and fire it off. However, you should only use complex HTML formatting with an email list that automatically delivers the format supported by the user's email client. Most clients today support HTML formatting, but those that don't will end up displaying a bunch of gobbledygook.

- Frequency of release of newsletter**

The ideal frequency for a shareholder newsletter would seem to be a month. Consider publishing your newsletter on a quarterly schedule to follow your earnings releases. This will give you an opportunity to gauge investor reaction to the results and possibly prepare a Q&A with the CEO to clarify or expand upon any contentious issues or lingering questions. Anything less often than a quarterly schedule is of dubious value. However, don't sacrifice quality for frequency. It is better to provide high quality content each quarter than second-rate stuff each month.

Corporate Membership of NIRC-ICSI for the year 2017-18

The Corporate Membership Scheme of NIRC of ICSI is open for the Financial Year 2017-18 (April'17 to March'18). Anyone becoming a member under the Scheme shall be entitled to the following benefits:

Corporate Membership Scheme – Option-I (Delhi)		Corporate Membership Scheme – Option-II (Delhi & Chapters)	
- To attend all the paid programs (Except workshop and residential programs) organized by NIRC at Delhi free of charge throughout the financial year 2017-18. - Minimum 12 Program will be organised under this Scheme. - The member may depute any other officer only from his/her organization with the authorization on letter head of the Company, certifying that the nominated person is from his/her organization. - The individual member/PCS may depute only his partner, employee from his/her Firm with the authorization on letter head, certifying that the nominated person is from his/her Firm. - Credit hours will be given to only those members who joins the program upto 10.30 a.m. - PDP hours will be given to only those students who pay the participation fee. - Presentation made by the speakers of all programs will be shared. - The fee structure for the corporate membership for financial year 2017-18 is as under:		- To attend all the paid programs (Except workshop and residential programs) organized by NIRC & its participating Chapters at any location throughout Northern Region free of charge throughout the financial year 2017-18. - Minimum 12 Program at Delhi & all programs organised by the participating Chapters will be covered under this Scheme. - The member may depute any other officer only from his/her organization with the authorization on letter head of the Company, certifying that the nominated person is from his/her organization for all the programs to be held in Delhi (Not applicable for programs organised by the participating chapters). - The individual member/PCS may depute only his partner, employee from his/her Firm with the authorization on letter head, certifying that the nominated person is from his/her Firm for all the programs to be held in Delhi (Not applicable for programs organised by the participating chapters). - Credit hours will be given to only those members who joins the program upto 10.30 a.m. - PDP hours will be given to only those students who pay the participation fee. - Presentation made by the speakers of all programs will be shared - The fee structure for the corporate membership for financial year 2017-18 is as under:	
Particulars	Amount (Inclusive of Service Tax) (Registration No.AAATT1103FSD005) (PAN NO.AAATT1103F)	Particulars	Amount (Inclusive of Service Tax) (Service Tax Registration) No.AAATT1103FSD005) (PAN NO.AAATT1103F)
For Members	Rs.10,500	For Members	Rs.13,500
For PCS	Rs.9,500	For PCS	Rs.12,900
For Non-Members	Rs.11,600	For Non-Members	Rs.14,600
For Senior Citizens	Rs.8,800	For Senior Citizens	Rs.11,800

The Corporate Members for the year 2016 were also given Annual Legal & Compliance Referencer - 2017 and were also invited in New Year Celebration and Dinner free of cost.

Further, concessional fee was charged from the corporate members for the State Conferences and other residential programs as organized by the NIRC during the year.

I request you to kindly enrol for Corporate Membership for the year 2017-18 on any of above options.

The payment for Corporate Membership can be made through following options:

Option 1 – Cash deposit at NIRC Building, 4 Prasad Nagar Institutional Area, New Delhi

Option 2- NEFT transfer to NIRC- ICSI Saving Bank Account No. SB- 90062010039267

Syndicate Bank, East Patel Nagar, New Delhi – 110008, RTGS/ NEFT IFSC – SYNB0009006

Option 3 Paytm payment through link :-

<https://paytm.com/education?op=The%20Institute%20of%20Company%20Secretaries%20of%20India%20NIRC&type=registration>

Option 4 Cheque/DD towards the Corporate Membership Fee for the requisite amount be drawn in favour of "NIRC of the ICSI" and sent to Regional Director, NIRC of ICSI, 4, Prasad Nagar Institutional Area, New Delhi-110005.

Note: For NEFT & Paytm payment - Transaction ID alongwith details to be mailed to niro@icsi.edu and beena@icsi.edu and CC to deepak.saxena@icsi.edu