



Welcome back ... I trust all of you had a wonderful holiday season. For most of us, the holidays are now over and earnings season is just around the corner. This year is likely to be another challenging one for the Investor Relations professional. The economy is still a bit unstable and forecasters are revising their estimates almost every time new economic news is reported both here and abroad. Europe continues to weigh heavily on investors' minds. A company can report great results only to see their stock price go down because of investor anxiety about the macro economy. For many of us, maintaining strong investor support, attracting new investors, and explaining stock performance to our Executives and the Board will be challenging in 2012.

Because of this environment, investors are increasingly engaged with their portfolio companies on two fronts. The one we are most familiar with is what they expect from their investments in order to drive the types of returns they need for their investors. Second, an emerging trend, are their efforts to improve corporate governance through their respective compliance activities and organizations. Historically, these were challenges that arose primarily during proxy season and were often approached as a challenge to management's autonomy. Increasingly, Boards of Directors want to better anticipate this "shareholder activism" so that they can shape a more appropriate response for both the company AND all of their shareholders.

Today, many corporate Boards of Directors are seeking to develop an ongoing dialogue with their institutional investors' compliance organizations. In this environment, virtually all investors want to ensure that the value of the firm is being appropriately safe guarded through management's leadership and operational discipline.

Developing these relationships will enable Boards to better anticipate and respond to company specific issues as well as emerging trends to develop a more proactive response. Why are Investor Relations professionals better equipped to handle this responsibility? How much additional effort is required?

You might be surprised. First, many Compliance Officers want to and will talk directly with company management about their positions. Their goal is not to be antagonistic but rather to cause positive change. Additionally, although institutional investors may indicate an association with ISS or Glass Lewis, many of them develop their own positions using ISS & Glass Lewis simply as "input". Many times, these positions are considerate of the investment objectives that are critical to their Portfolio Managers' decision making. Furthermore, Compliance Officers understand that there can be legitimate company-specific situations that would warrant an exception in their voting policies or guidelines.

This is where the Investor Relations professional can make a valuable contribution. Knowing the investor is critical to understanding their position on corporate governance matters. And, the IR professional's in-depth understanding of the company makes them well equipped to represent the company position.

Undoubtedly, 2012 will continue to bring new challenges and opportunities for many of us. We are working to develop our website to become a valuable resource for our members. If you have material you have gathered on this or any topic, please forward it to one of your Board members so that we can get it posted to our website library. Also, take advantage of our LinkedIn group for Atlanta NIRI. It's a great medium for leveraging the skills of our membership and it is with people you know firsthand.

We also have a great lineup of programs in 2012 starting with an overview from the NYSE and NASDAQ at our next meeting this Friday, January 20 at Maggianos, 7:30AM. Hope to see you there.

Also, don't forget our Annual Golf Outing and Auction to benefit Junior Achievement. Our event this year will be held on May 8th at The Heritage Golf Course. Anyone interested in helping please contact Sid Jones, Vice President of Atlanta NIRI.