


[top](#)
[PAGE ONE](#)
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Tips from the Pros – Annual General Meetings



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Ah spring – crocuses blossoming, songbirds returning from the south, paddling down a snow-fed stream and ... AGM season. If you're an Investor Relations Officer (IRO), you have one AGM to worry about. If you're a consultant, you could have a half dozen crowding your May-June schedule. Each is different, with different clients to accommodate, different stories to tell, different venues to cope with. Here are a few tips that might help you get through the event (or the season) with grace and style.

1. Start early. It's never too early to start planning your next AGM. Typically, planning begins at the post-mortem of the last one. What worked? What didn't? How could the problem areas be handled better? Write it all down.
2. Venue. Many companies consider hosting their AGMs at their own facilities, but this is not always appropriate. Unless you have a compelling reason – such as a plant tour or demonstration of a new manufacturing process after the event – a convenient downtown hotel is probably a better choice. Otherwise most investors, especially the professional ones, may not bother to attend.

You'll need to book your venue well in advance. Most hotels need a six-to-twelve-month lead time to reserve facilities that can handle 200+ people. Even "firm" bookings occasionally get bumped in favour of a convention that wants meeting rooms plus hotel rooms.

Estimate your attendance based on the last AGM, or

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if you're a new issuer, talk to the IRO at a similar-sized company to get a sense of how many investors attend their AGM. If you're not 100% sure of your audience size, book smaller (within reason) – a "standing room only" crowd always looks better than a flock of empty chairs.

Make sure the room/venue can handle your equipment requirements – power, phone, Internet connection, whatever you may need. Is there a side room (or a suitable space up front) that can be for media interviews after the meeting? Each reporter will want a few moments with the CEO or Chair so that they can get an individual quotation rather than just a group answer in a scrum.

You must also provide adequate room for your transfer agent's staff to register shareholders and conduct the proxy count during the meeting.

3. Catering. Always a big decision. Gone are the days when companies put out elaborate spreads of food and beverage. Nowadays that kind of display is considered not in the best interests of shareholders. On the other hand, coffee, soft drinks and a few modest munchies are always appreciated and make the after-event reception a bit more hospitable.
4. Script. Only rank amateurs would face an investor audience without a carefully prepared and rehearsed script. The formal part of the meeting will most likely be scripted by your legal counsel. The informal part – the CEO's review of operations – needs to be tight, focused and forward looking. The investors have had a chance to read and absorb the annual report. They may ask about past history during the Q&A, but there's no need to dwell on it in the speech. Investors come to AGMs to judge the vision of management, so

focus on industry trends, growth strategy, and long-term planning. Give them a sense of where the company is going, how it is going to get there and how shareholder value will be enhanced.

If you've never written a speech before, hire someone who has. Your AGM is not the time for on-the-job training. If you're writing it, the key thing to remember is that it is going to be read aloud. So, as you write, read it aloud. If you stumble over long convoluted sentences, the speaker will too. Keep the text short, punchy, conversational. Throw in some asides – anecdotal material that sounds "off-the-cuff" and personal. Get to know the speakers and their speech patterns and use them to advantage –

let their personalities shine through. And use a large font – at least 16 point – for easy readability. (**Ed. Note:** See also [We need a speech...](#) in this issue.)

And don't go long. I like to hold the CEO's speech to 15 minutes. Add five minutes for the CFO's financial comments and that's it – 20 minutes maximum.

5. Multimedia. Support your speaker(s) with a professional multimedia show. It doesn't have to be expensive, with all the bells and whistles, but it shouldn't look like it was done by somebody's assistant the night before. A bunch of PowerPoint slides thrown together might work for an internal sales meeting but does not convey the public image appropriate for any company. Spend the time and money to do it properly. And make sure the slides follow the script.

Also consider a video opener for the show. A two or three minute video can set the stage for your event with attention-grabbing footage of your facilities, personnel and products. It can relay key messages and inform your audience in ways that your slides and speeches cannot.

6. Staging. Pay the money and get it done right. Sure the hotel can give you a podium and a microphone, and for small meetings, maybe that is adequate. But any meeting over 50 people requires proper staging.

Will you project the presentation from the front or use rear screen? Will you need video playback as well as digital/computer projection?

Do you need microphones for the audience Q&A? Will these mikes be handheld and passed around or stationary, requiring investors to leave their seats to ask a question? (Handheld mikes can be difficult to get back from a talkative and determined investor.) Will the mikes have a "kill" switch controlled by the Chair? Why do you need mikes for Q&A anyway? (They are especially important for webcasting, so your online audience can hear the questions/comments from the floor.) Will you supply an audio feed for any broadcast media that might show up?

How is the room lighting controlled? How high is the riser at the front of the room? Are the speakers high enough to be seen from the back of the room? Are you going to have two screens running for English and French slides? Do you need to do have a close-captioned screen for the hearing impaired? How many will be sitting at the head table? Who is

designing, building and mounting the set? Who is producing the signage (directional, podium, tent cards)? Who approves it all?

How much time do you need to set up? To conduct a technical rehearsal, followed by a dress rehearsal?

7. Rehearsals. Most CEOs are poor presenters. But the key to good delivery is practice. Make your CEO rehearse the script aloud with an audience. The more times they do this, the better chance they have of making it "their own." And if they want to change words here and there, remember it's their script. "Ownership", whether real or imagined, will make for a better delivery.

One tendency of presenters is to turn constantly to the screen – to make sure everything is in sync. One of the things I do at the first rehearsal is sit the presenters down and I deliver the script myself with the multimedia operator cueing through the slides. That way, the presenters get a feel for the complete show, script and slides, and see that it's all working together. If they're still nervous and need the security of seeing the slides, a floor monitor, displaying the multimedia, can be set up in front of the podium.

But whatever you do, don't agree to let the speakers control the slides. Give them a "pickle" switch and let them think they control it. A "pickle" switch simply flashes a light in front of the computer operator "cueing" him/her for the next slide change. The reality is that the operator should be working from a carefully cued script and be prepared to move on, even when your executive forgets to push the magic button.

Include a rigorous Q&A practice in your rehearsal(s). Management needs to be well versed in the issues that investors are liable to raise. Look to your conference call Q&As, email comments and questions, feedback surveys, phone call inquiries, etc. for clues on the kinds of questions management will face. Prepare answers that are on topic and reflect your strategic messaging and forward strategy.

8. Handouts. Have a display area with copies of the annual report (in English and French, if available), the Management Information Circular, the first quarter results if they are recently issued or will be announced at the meeting, and some marketing brochures. Make (small-font) hard copies of the script available to media and analysts.

9. Invitations (Financial community & media). Send them out, along with copies of the annual report, about three weeks prior to the meeting. Work from your investor contact list and target buy-side and sell-side analysts, institutional investors, local retail brokers and the financial media.

Don't forget to fax notices to the Globe & Mail and Financial Post. They both do listings of "Meetings This Week".

10. Webcasting. Like your quarterly conference calls, your annual general meeting should be webcast to ensure that your message reaches the widest possible investor audience. Webcasting is also a "best practice" in terms of disclosure.

The more sophisticated the webcast, the costlier it gets. For a micro- or small-cap company, audio webcasting is perfectly adequate. If you are a larger company, depending on your investor audience, you may want to enhance the audio webcast with synchronized slides. The current trend with large-cap companies is to arrange a video webcast with synchronized slides.

Webcasting really does allow you to reach out beyond the geographic limits of the physical meeting space. In the future, look for "virtual" AGMs. Already you can allow emailable questions from your webcast audience. Online proxy voting has been available in the US for a couple of years and is starting to be seen in Canada. Eventually there will be no need for a physical meeting at all. Key executives scattered around the globe could be web-conferenced into a "virtual" meeting, accessible to any investor, anywhere – and at any time, because the entire event can be archived and available after the fact, on-demand.

Sound simple? Well there's one last thing. Remember that post-mortem I suggested at the start of the column – the one where you documented all the suggestions and problems and solutions from the previous AGM? Make sure that post-mortem happens. And make sure all that information is saved and passed on to whomever gets saddled with planning next year's AGM. There's no sense in re-inventing the wheel.



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background as an award-winning television producer, a managing editor and a writer. He was the author of the groundbreaking report *Under Construction: A Survey of Canada's Information Highway* (1995). He currently provides freelance consulting services through his company, [Mirus Communications Inc.](#)

As senior investor relations consultant, Paul is a hands-on practitioner producing corporate speeches, press releases, IR websites, annual reports, and investor presentations. He has provided financial communications and strategic planning to a number of small- and large-cap Canadian companies.

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