

How IR Professionals Can Be a Strategic Partner to C-Suite During Economic Uncertainty



AlphaSense

What's Inside

1 INTRODUCTION

3 CHAPTER 1

The Role of IR: What Does it Mean to be a Strategic Partner of the C-Suite?

6 CHAPTER 2

Trust-Based Relationship With Internal and External Partners

9 CHAPTER 3

Deep Understanding of Market Fundamentals

11 CHAPTER 4

AI Technology and Proprietary Data Sources

14 CONCLUSION



Introduction

With the macroeconomic uncertainty of the last several quarters, organizations are grappling with concerns about inflation, supply chain irregularities due to the conflict in Eastern Europe, and the impacts of COVID-19. There are more direct mentions of recession during earnings calls and investor eventsem—with an overall 35.56% increase in mentions of "recession" across all company docs over the past 12 months. Further, there has been a broader normalization of terms such as economic slowdown and downturns.

Document Trend

54,701
TOTAL DOCUMENTS

35.56%
90D CHANGE



Mentions of "recession" across all company documents in the AlphaSense platform over the last 12 month.

Given the macroeconomic backdrop, management teams' ability to communicate precise and timely messaging aligned with their respective strategic narratives has never been more critical. The role of investor relations professionals in all these efforts is underscored even more in these difficult times.

In this ebook, we break down the role IR professionals play as strategic partners to the C-suite, contextualized in today's economic climate. Further, we dig deep into how you can be an instrumental resource and partner for management, especially during a time when intentional, well-informed communication between management teams and the broader investment community is vital.

The Role of IR: What Does it Mean to be a Strategic Partner of the C-Suite?

Every company aims to consistently develop investor confidence and ensure the company effectively communicates performance, updates, forecasts and overall strategy with shareholders, internal stakeholders, and the broader investment community.

In these periods of uncertainty—with the C-suite's every word under scrutiny—messaging can be incredibly impactful and challenging. The importance of investor relations is becoming exceedingly clear as the voice of the company.

Before any conversation, be it a catalyst event such as an earnings call or any other meaningful investor engagement, IR professionals work with the C-suite to ensure they have all the necessary intelligence to avoid blind spots. That includes delivering clear messaging, data-driven insights, and a strong and consistent company narrative with precision and confidence aligned to specific audience expectations.

"As an IR professional, your paramount mandate is to strive to manage uncertainty," according to Samantha Sandler, Director of Investor Relations at SpringWorks, a clinical-stage targeted oncology company focused on rare diseases and cancers.

"IR teams have an essential responsibility as a conduit between management and the investment community. Not just reinforcing, but expanding upon messages to enhance



As an IR professional, your paramount mandate is to strive to manage uncertainty.



SAMANTHA SANDLER, DIRECTOR OF INVESTOR RELATIONS AT SPRINGWORKS

learning and curating opportunities for management teams to have productive and purposeful interactions at a cadence that makes sense for both sides of the table."

For IR teams to effectively fulfill this role, they need to have a thorough understanding of the current market situation, including any challenges and/or areas of opportunity found in both the macroeconomic environment and their own industry. Using market intelligence, IR professionals evaluate the short- and long-term impacts of responding to these challenges and opportunities, and share their data-backed insights and recommendations with the C-suite. Working with the C-suite, they craft messages tailored to the investment community's expectations and needs.

Showcasing Value to Leadership

For all interactions and activities, prep work is necessary. Executives can't just wing it during analyst Q&A and IR professionals cannot afford to provide spotty intelligence to leadership.

That said, not all companies have a dedicated IR team. In many cases, especially for smaller organizations, CFOs or PR professionals take on the IR role. Regardless, it's essential to understand the value that IR brings to the table.

Establishing and monitoring a peer set is foundational to showcasing IR's value to leadership. By understanding market trends, competitive signals, comparable growth metrics, and Wall Street's perception of your peers, you are well positioned to inform your C-suite in preparation for external communications.

Tom Marinaro, who leads IR and the corporate finance division for life sciences businesses at AlphaSense, shared this scenario highlighting IR's worth:

"One of the first questions an investor will always ask a company is, 'Who do you compare yourselves to?' And if I don't have that fundamental data readily available, I don't really know what to say."

It's important to highlight that no matter the team size, the competence of the IR core and management's appreciation

Establishing and monitoring a peer set is foundational to showcasing IR's value to leadership.



of IR's value to the company are the main success factors. When there's trust placed on IR, they are given the resources to perform their duties effectively.

Becoming C-suite's Strategic Partner: Essential Elements of IR Success

Becoming a trusted partner to the C-Suite can be broken down into four essential elements:

- ✓ **Trust-based relationship with internal and external partners**
- ✓ **Deep understanding of the market**
- ✓ **AI technology and proprietary data sources**
- ✓ **Messaging cadence and curation**

Trust-Based Relationship With Internal and External Partners

Building Trust With Stakeholders

Building solid relationships is the core enabler of a competent IR team. IR professionals need to have a strong partnership not only with the C-suite but also with analysts, investors, and other internal stakeholders like finance, PR, corporate strategy and marketing.

Establishing these strong bonds enables IR to obtain the information necessary to do their jobs in supporting the C-suite: an upfront grasp of what Wall Street's expectations are, what they want, and what raw data and insights they need to craft messaging tailored to respective audiences.

Internal Stakeholders

IR is a team sport. Making sure you have built trust with other members of your organization outside IR is crucial to success. It's important to understand how different groups within the organization operate, have an ongoing conversation with them about their expectations from management regarding the long-term company narrative, and share perspectives on programs, value-driving strategic priorities, and potential roadblocks. You must be able to come to finance, PR, and other internal partners for data and have them trust your ability to deliver messages as an extension of management.

IR is a team sport. Making sure you have built trust with other members of your organization outside IR is crucial to success.

Managing internal expectations is also crucial. Sandler shared that for biotech companies like Springworks, IR needs to ensure that management can provide clarity and precisely answer questions, especially when there is a shift in position that needs to be acknowledged, such as a change in guidance stemming from new clinical data or a program update.

External Partners

To become a strategic partner of the C-suite and serve as an extension of management, shareholders, investment analysts, and the broader investor community must be confident in coming to IR as a trustworthy representative of leadership and as a thought partner.

Remember that both sides benefit from developing relationships with each other. It's an open dialogue—listening and sharing perspectives to establish an understanding of what each side brings to the table. Leading IR teams bring a perspective beyond their own company, through market research on trends, competitive signals, new entrants, macroeconomic impacts, and more.

This position of thought leadership and credible brand trust is built through consistency and reliability—being available for quick and informed communications, coming with intelligence-backed insights, and an acute understanding of the market and broader economic landscape.

Forming successful partnerships with the buy-side from the start allows IR to understand buy-side workflows, further informing effective messaging. Not only is it imperative to show buy-side that you are trustworthy partners, it's also important for you understand their workflow and expectations, and internally, take that into account and communicate it before any buy-side interaction with the C-suite.

Many IR professionals use expert call transcripts, conducted by buy-side analysts, to understand what investors care about regarding a company or industry, and most importantly, to anticipate questions during earnings Q&A or other investor events.

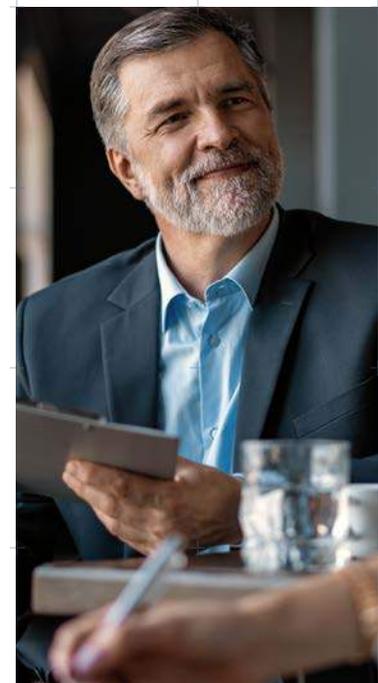
AlphaSense



A critical marker of strong shareholder relations is when investors and research analysts alike turn to management and also IR as thought partners, not just in the context of sharing perspectives on a company's specific programs or initiatives, but importantly as it relates to the broader competitive landscape and other development activities.



SAMANTHA SANDLER, DIRECTOR
OF INVESTOR RELATIONS AT
SPRINGWORKS



Sandler shared that having a grasp of investor workflow and viewpoint is important when driving attention to a particular perspective. For example, in life science, investors typically evaluate a company's overall maturation—looking at stages of development for specific preclinical, clinical, or commercial programs.

Curating messaging to address these investor workflows can be framed in three particular pillars:

- 1 Key accomplishments that give investors confidence in management and the quality of your assets**

- 2 Upcoming milestones and forecasts that signal confidence in your growth strategy**

- 3 How programs and milestones contribute to the company's long-term vision**

For example, a company may have a broad product roadmap, making it essential for IR to partner with management and craft messaging that communicates short-, medium-, and long-term value-driving inflection points that speak to specific investor interest they're trying to attract.

Learn how IR at a midstream energy investor navigates earnings with the power of AI.

Deep Understanding of Market Fundamentals

Deep Understanding of the Market

An IR professional must have a comprehensive understanding of market and sector dynamics, stay attuned to pressing industry topics, understand messaging tactics of peers and others, and proactively equip management with information to lead or respond to conversations.

Sector-Specific Dynamics

As an illustration, the biotech industry is driven by event-based catalysts. According to Sandler, in the present climate of market volatility, news regarding regulatory and medical market developments has a more significant influence on stock price than major company updates or even positive news.

"In biotech, we've also seen a paid-to-wait dynamic, where price action has been negatively skewed on clinical or regulatory updates regardless of whether the news was positive or negative. Catalysts were broadly being used as liquidity events, and investors were seeing better entry points in stocks once key milestones had passed. So, in many ways, this is counterintuitive as you would expect big or positive news to support your stock price and provide validation of a company's value proposition and messages versus driving your share price into the red." Sandler emphasizes the importance of being familiar with sector-specific headwinds and the ability to communicate these drivers effectively to the C-suite to create clear and concise messaging.

IR has challenges even for companies that performed well through the pandemic, whose revenues may still be directly tied to pulled-forward growth or public safety. In a possible endemic state, these companies must think about messaging around how to address potential revenue misses.

Market Positioning

Balancing short-term dynamics in messaging with the long-term equity story is important. Knowing where you stand against your peers is essential to finetune, in terms of both comparable metrics like segmented revenue and messaging themes. There are considerations depending on where you are from a company development standpoint and the broader market backdrop.

For example, in an inflationary market, investors scrutinize even harder, making it crucial for IR teams to work with management to find the best capital allocation strategy for long-term liquidity and access to capital. Identify investors who align with the company's long-term vision and are interested in the story. Be well-prepared to answer questions about capital allocation and value-driving programs, in the context of the markets you operate in.

Learn how IR at a midstream energy investor navigates earnings with the power of AI.

Knowing where you stand against your peers is essential to finetune, in terms of both comparable metrics like segmented revenue and messaging themes.



AI Technology and Proprietary Data Sources

The right intelligence is paramount in ensuring that the C-suite is optimally prepared for engagements. IRs who present an informed point of view backed by data build C-suite confidence in their expertise, as well as assurance that IR is portraying the company's vision in the best way possible, especially during challenging times.

For market intelligence, IR professionals need to monitor sources such as earnings transcripts, analyst research, broader market news, expert call transcripts, and company presentations.

Efficient Research and Surfacing Insights

Scouring these sources for relevant data has historically been time consuming, leading IR professionals to spend too much time researching and not enough time to analyze and formulate strategies.

"There are various tools at your fingertips that can aggregate information in a much more efficient process and your ability to save time and go back to your real job, which is building those respective relationships and using that information to support it," Sandler shared.

Timing is essential, and the quicker IRs can surface insights, the better they can support the C-suite. Instead of IRs manually monitoring various data sources, AI tools can canvas a wide range of documents and transcripts, aggregate them, and proactively push what the prominent

Leading IR professionals to spend too much time researching and not enough time to analyze and formulate strategies.

themes, topics, and questions in conversations are among the investment community, specific industries, and specific peer groups.

Additionally, management's time is limited and valuable. AI can help IR professionals efficiently use their time with management by providing tailored intel for specific interactions and identifying which events and engagements will generate ROI from management presence.

Edge of Premium Content Access

IRs rely on AI not only for speed and efficiency but also as a way to effectively pinpoint relevant and crucial insights through all the noise. Access to content not readily available through public search engines makes an AI-backed market intelligence platform not only a helpful tool that makes work easier but a valuable piece of IR workflow.

For example, proprietary expert call transcripts give IRs and executive stakeholders an edge.

"Having the confidence of having proprietary insights into buy-side-led conversations readily accessible through something like an expert call transcript where an institutional investor is talking to a former of a company is going to give the C-suite an advantage to say, I'm going into any interaction knowing what my shareholder may ask," says Marinaro.

Benefit of Historical Messaging

AI also helps by quickly surfacing historical messaging around trends and topics for specific companies, industry peers, and the market at large.

For example, a company on its first M&A outing or a biotech doing its first earnings read-out will significantly benefit from knowing specifics of how peers and similar companies have approached messaging in the past. Having access to messaging around precedent events and how that messaging changes over time—along with sentiment analysis—is crucial in how you prepare and craft the

IRs rely on AI not only for speed and efficiency but also as a way to effectively pinpoint relevant and crucial insights through all the noise.

messaging for interactions with potential investors, analysts, and the broader investment community.

IR teams also leverage AI to track investor sentiment around peers' or their own historical messaging to determine what language produces positive results or gauge confidence levels in describing a particular topic. Being able to look at the language you or peers used in the past, track changes over time, and craft messaging that's consistent with the strategic story is not only valuable, it's what gives you the edge.

For example, the COVID-19 pandemic and inflationary pressure have presented a unique challenge to companies, leading many to alter guidance and use constant currency metrics. AI helps IRs efficiently analyze communication from previous challenging periods, such as the 2008-2009 financial crisis, and use these insights to refine messaging. Unfortunately, this has become increasingly important in recent years, given the recurring themes in the macroeconomic environment.

[Learn how KEMET accelerates Investor Relations research with AI.](#)

IR teams also leverage AI to track investor sentiment around peers' or their own historical messaging to determine what language produces positive results.



Conclusion

During periods of market volatility, every decision matters more—from which competitive strategy to pursue to communicating with the C-Suite, all the way to how to effectively position a company with investors.

But access to market intelligence content sources alone is no longer enough to maintain a competitive advantage in volatile markets. Leading IR professionals are consolidating their information sources into one platform and using AI search technology to help them spot signals through the noise in order to make more confident, timely decisions.

If you're still using consumer-grade tools to track market movements, you might be losing key insights to your competitors. Ensure you never miss an opportunity again. Discover how AlphaSense can help you stay on the leading edge by starting your free trial today.

AlphaSense

About AlphaSense

AlphaSense is a market intelligence and search platform used by the world's leading companies and financial institutions. Since 2011, our AI-based technology has helped professionals make smarter business decisions by delivering insights from an extensive universe of public and private content—including company filings, event transcripts, expert calls, news, trade journals, and equity research. Our platform is trusted by over 3,500 enterprise customers, including a majority of the S&P 500.

Headquartered in New York City, AlphaSense employs over 1,000 people across offices in the U.S., U.K., Germany, Finland, and India.

LEARN MORE AT ALPHA-SENSE.COM

