



# Developing—And Selling— Your Story

Follow these guidelines to ensure your next investor presentation generates solid returns.

By Ken Haseley

**F**or most publicly traded companies, the annual or biennial analyst presentation is a financial communications staple—an important tool to reach analysts and investors. The time, effort and money some companies invest in these presentations can be staggering. For example, one of my clients provided extra

compensation to about 100 select employees to come to work on a holiday to serve as an audience and pose questions during an analyst presentation practice session.

No doubt that was an expensive investment, but also a smart one.

If analyst presentations are part of your financial communications efforts, make

sure those presentations are generating solid returns. Here's a six-point plan to help you do that:

## **Know your audience**

So what's to know?

You're talking to analysts—people whose job is to know your industry and

company inside out, right? Sure, but your audience may also include institutional and individual investors, employees, business reporters and others.

Rather than thinking of your audience as a homogeneous group, view them as a collection of individuals with varying levels of interest and knowledge about your company and different information needs and wants. This more diverse audience can impact the content of your presentation as well as how you communicate that content. For instance, you may have to cut back on the jargon and other shorthand that have become part of your vocabulary.

### Go beyond a litany of facts

Business people love data, which explains why so many business presentations are loaded with it. Analysts love data. But they want and need something more: meaning.

Let's say you're a U.S.-based, international energy company that's been aggressively acquiring hydrocarbon assets in the energy-rich state of Queensland, Australia. You now have permits in 5 million acres in a state with more than 9 billion barrels of oil equivalent reserves and an amazing 42% exploration success rate.

Great! Ensure your audience knows that.

today incorporate mind-numbing visuals—large numbers of slides, multiple points per slide and too many words.

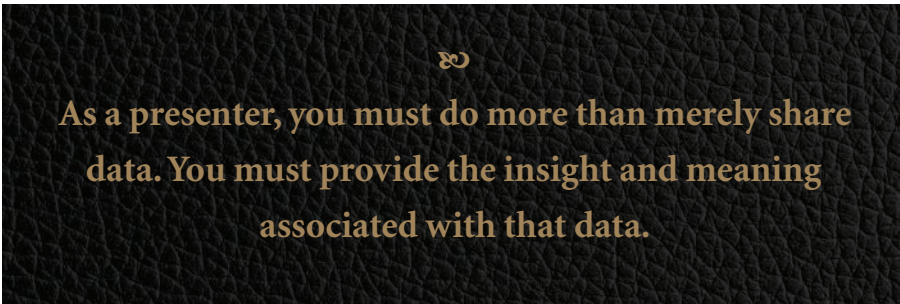
A better approach is to use PowerPoint for such things as pie charts, bar graphs, diagrams and photos, but minimize or even eliminate word slides. Projected images are competing with you for the audience's attention.

Just as you can be only in one place at a time, your audience can process only one incoming message at a time. They are either listening to you or viewing your visuals. Powerful presenters rely on themselves rather than on PowerPoint to reach an audience.

### Have solid platform skills

The best ideas are no better than ordinary if they aren't well delivered. Here are several of the most important delivery skills to master:

- **High energy:** Your business poker face—that unemotional, inexpressive persona that may serve you well during an intense negotiation—prevents you from connecting with your audience. Just as people naturally gravitate to individuals with outgoing personalities, they are inclined to listen to ideas presented with energy and conviction. Communication is selling, and successful selling involves transferring energy and enthusiasm from speaker to listener. To help sell your message, increase your normal energy level 50% when presenting.
- **Minimal reliance on notes:** Although it often appears that skillful presenters are winging it, this is rarely the case. To paraphrase from a Rod Stewart song, "Their ad-libbed lines are well rehearsed." The paradox of successful public speaking is making prepared remarks seem spontaneous. Strive to look at your notes no more than 15% of the time while presenting. You achieve that through practice—preferably three times, aloud, on your feet, into a video recording device.



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### Have a strong opening

Most analyst presentations begin in a predictable way—with a profile of the company, including such things as its mission statement, business divisions, facility locations, number of employees, senior management, etc. Not only is this approach boring, it's self-centered.

Instead, right at the start, tune in to the audience's frequency by answering this question they are asking themselves: "What is it about this particular company that will benefit me or my client?"

The one part of any presentation guaranteed to get audience attention is the opening. But most audiences will give you only about one minute to show them you have something important or interesting to say. Don't squander this moment on the ordinary, the mundane, the expected. Deliver a message they can use—one that's simple, concise and memorable.

But that's only part of your message. Here's the rest: China is now the second-largest economy and has surpassed America as the world's biggest energy user. But China will exhaust its domestic oil reserves by 2018 and deplete its coal reserves by 2032. So the country is importing vast amounts of LNG.

LNG comes from natural gas found in unconventional sources such as coal seams—found in abundance in Queensland. Gas from this coal can be liquefied and transported in ships—to China. And China is buying more energy from Australia than from any other country. All of this makes our hypothetical energy company a very attractive investment.

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### Use PowerPoint sparingly

PowerPoint is a great tool, but it's frequently misused, i.e., overused. Most presentations

- Sustained eye contact: Most business situations call for “involvement.” One of the best ways to show it is through eye contact. When we’re excited and fully engaged, we tend to look at someone for about five to 10 seconds. Great presenters have mastered this skill, and deliver one complete thought to one pair of eyes. In large-group situations, they focus on several individuals who serve as proxies for the entire audience.

### Nail the Q&A

The most valuable part of many presentations is the question-and-answer segment. In a recent study, buy-side analysts said that 45% of the time spent on earnings calls should be devoted to Q&A. Responding to questions is two-way communication—the best kind of communication. It gives the audience a chance to participate actively and you get a chance to get feedback and gauge their understanding of your message.

Before presenting, identify the questions you’re most likely to get and be sure to

verbalize your answers rather than simply thinking about how you’ll respond. Also, develop a list of the questions you hope no one asks. Then answer them. For each question, listen ... think ... then respond—in that order. If necessary, take five to 10 seconds before responding. The silence may seem like an eternity to you, but to the audience, you will appear thoughtful.

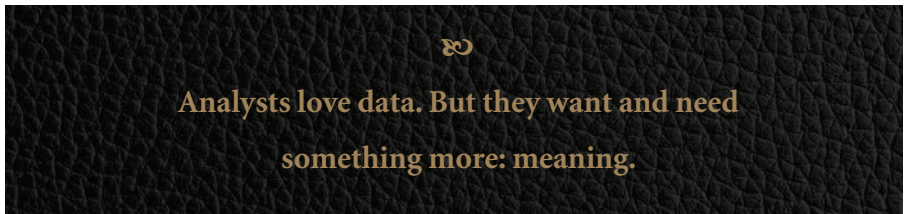
Audience questions can be used as a springboard to your agenda if you use the technique of bridging. Think of the equation  $Q=A+1$ , in which Q represents a question from the audience, A represents your answer, and +1 represents the bridge to your point or agenda. Consider this question that might be asked immediately after a pipeline accident and a possible response:

Q: How much damage did your pipeline sustain?

A: It’s too early to know, and that’s not really what we’re focused on right now.

+1: Our concern is for the families who live near the pipeline and getting them back in their homes as quickly as possible.

If you want your company’s message to stand out, you must stand out among the many other presenters analysts will hear. And that may mean eliminating comfortable, but outdated and self-defeating, communication patterns. ■



## PowerPoint Pitfalls— And How To Avoid Them

Visual aids can be a powerful tool to help convey information in a way that’s clear, creative and compelling. Today, the most popular presentation-graphics tool is Microsoft’s PowerPoint. Nearly everyone uses it, but few use it effectively. Here’s some guidance on how to use PowerPoint to enhance your presentation, not detract from it.

- Use PowerPoint sparingly. You’ll lose an audience if you subject them to a mind-numbing barrage of slides.
- PowerPoint works best for information that lends itself to a graphic representation—pie charts, bar graphs, flow diagrams, photos.
- Avoid copy-heavy slides with loads of text. Use a few words—like in a headline or a classified ad—rather than complete sentences.
- Consider using “builds” or “reveals,” where you sequentially reveal information on the slide. This keeps the audience from reading

ahead. They can read at 600 words per minute, and you’re probably talking at 150 to 200 words per minute.

- Don’t talk (or worse—read) to the screen. Glance down briefly at your notes or laptop, then look at the audience and elaborate on the visual being shown.
- Use the “B” key. When using PowerPoint, you can “black” the screen by hitting the “B” key. This technique works well at the opening of your presentation, at the end, before Q&A, or whenever you want the audience’s full attention. To return to PowerPoint, hit the “B” key again.
- Don’t deliver your presentation in a totally dark room. (Remember what you did when you wanted your kids to fall asleep? You read to them in a darkened room.) Make sure the audience can see you, not some faceless figure.

—Ken Haseley