



INSIGHT

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The Competitive Landscape of Investor Relations: What You Need to Know



In this insightful interview, Debbie Nathan discusses the evolving landscape of Investor Relations (IR) and its critical role in today's competitive market. With her extensive experience in recruitment and IR, she shares her valuable perspectives on the challenges faced by professionals in the field, and the key qualities that make an exceptional candidate stand out.

What is the importance of IR in today's markets, and are they necessary for a public company to function?

"Yes, it's necessary, and I'm not just saying that because I'm a recruiter. I've also been in IR myself, so I know firsthand that newly listed IPO companies often don't realize this initially. They think they can get by with the CFO or finance department handling it, this approach might work for the first 12 to 18 months. However, they often realize the need for a dedicated IR program when the share price takes a turn or the valuation changes, then they understand the importance of investing in IR to build a more proactive program. When another function handles it, the approach is more reactive, doing the bare minimum. Investing in a proper IR team allows for a proactive investor outreach and strategic planning program. Best practice would be to hire them six months before the IPO so they are involved in the prospectus and the strategy, ensuring consistency throughout the process. Often, they come in later, either just before or significantly after the IPO. A company needs to communicate with the market so participants know what the company is doing, how they are growing, and whether to invest. Without an IR team, you are not effectively communicating your equity story and building a pipeline of investors."

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Debbie Nathan Associates
INVESTOR RELATIONS & COMMUNICATIONS

How has the role of IR evolved in recent years, have you noticed any major changes?

"I would say that it has definitely moved up the valuation chain in terms of recognition within corporates of the importance of IR. Many more companies, even at the smaller cap end, are now investing in IR. When I first got into recruitment ten years ago, many FTSE 250 companies didn't have IR. There are still some that don't, but most do now. Even smaller cap companies, even those with a market cap of around £200 million, are investing in IR to communicate with the investment community. For smaller cap companies, the role of IR is much more strategic, advising the board and engaging in critical decision-making. It has become more pivotal within the organization with a broader remit. This includes areas like ESG and corporate development, which can be hybrid roles working collaboratively with IR. So, there are more aspects now involved in IR."

“Without an IR team, you are not effectively communicating your equity story and building a pipeline of investors”



What makes an exceptional candidate stand out in today's market?

"A CV alone doesn't make someone stand out, especially for an IR role. In IR, a business ethos emphasizes softer skills, how candidates fit with the management team, the broader IR team, and the company culture. These qualities can't be portrayed in a CV. Many people in today's market can technically do the job well, especially those from capital markets backgrounds. However, the best candidate has a blend of strategy, advisory skills, financial acumen, market experience, and soft skills."

How competitive is the market for IR professionals at the senior level?

"The market is very competitive at the moment. There are many candidates due to restructuring and consolidation on the investment banking side, which has affected sell-side and investment bankers. The shutting down of UK equities teams has contributed to this exodus from investment banks. The IPO market is quiet, especially in the UK, and even in Europe, teams are small, often consisting of 2 or 3 people, with some standalone roles. Unless you are in the FTSE 20, where team sizes are larger, most teams are small. Additionally, quite a few companies have gone private over the last few years, resulting in fewer listed companies and no new IPOs. The market is tough right now, in line with what other head-hunters are seeing in other sectors and the general sentiment in the financial markets. However, Q4 is typically a busier quarter for us, and it is already showing signs of picking up in the last couple of weeks. I hope we are at the end of this cycle. In addition, the competitiveness of the IR role has expanded, it's a more attractive prospect for many people and a wider range of candidates looking for longevity in their careers."

When hiring, is there any difference between the EU / UK and Middle East?

"In the EU / UK, because there are a lot of candidates, clients are basically cherry picking exactly what they want, so they can be a bit more selective because they can afford to be, this means they may specifically seek FTSE 100 experience if they are a large-cap, previous sector experience, language skills, or prior IR experience. Most clients prefer candidates with exposure to an IR team, ensuring they understand best practices and can confidently implement them."

If we look at the Middle East, they have made progress, but they are not as advanced, therefore, they are very open to hiring people from broader backgrounds and training them. This includes individuals from finance and banking, as their talent pool in the Middle East is not as large. They need to think outside the box to attract talent. Candidates must still possess the right skills, such as communication skills and experience in finance, but often, people from banking transition into IR and receive training. I think overall when clients are hiring in the Middle East, they probably are less selective because they can't be."

Are there common misconceptions that candidates have about IR roles when applying?

"I believe many individuals with financial market experience assume they can handle IR without fully appreciating the role's complexities and depth. They often overlook the significant internal collaboration required for success, thinking it's merely about communicating with the market. However, IR involves two-way communication: conveying the company's vision to the market and, more challengingly, bringing back investor or analyst feedback to management, which can sometimes be difficult. To gather this information, you must build internal stakeholder relationships, gain their support, and expand your knowledge base. I always advise starting with your internal network, though some people undervalue this step. It's crucial to understand and be sensitive to different stakeholders' requirements. Transitioning into IR from a more independent role can be challenging, as it requires a shift in mindset to appreciate the benefits of collaborative work. Additionally, many don't realize how strategic the IR role is, involving pivotal decision-making and close collaboration with the CFO and management team, necessitating strong stakeholder management skills."

Which field of work has the closest set of skills and experience that could easily transition into an IR position?

"I believe that candidates from various backgrounds can be successful, and the beauty of it is that clients are generally open to different backgrounds. Successful candidates have come from financial communications and sell-side investment banking. While many skills can be leveraged, it's more about the environmental experience and cultural differences between sectors like investment banking and corporate environments. These differences can be stark and sometimes pose challenges for people transitioning. Someone who has spent 20 years in an investment bank may be moulded into that culture, where people work more independently, and you run your own work stream. This approach doesn't work in a corporate setting with a hierarchical structure, where you have to follow directives from above. The hardest part of the transition is not necessarily the skills but the cultural fit. Financial literacy, communication, and stakeholder management are essential, but these can be acquired in various roles. Ultimately, it's more about adapting to the new environment."

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What advice would you give to someone trying to transition into an IR role from another field?

“In today's competitive market, there are many candidates. However, not every IR role is the same, and each client has unique requirements. Each role has its own nuances, so I advise my candidates to identify their USP. What sets you apart from others? What can you bring to the table? Is it your sector expertise, financial modelling skills, or your network of investors in a particular region? Leverage your strengths, find a role that truly values your USP. That's my advice.”

What trends have you noticed in candidate expectations regarding salary, benefits and work-life balance?

“The nature of an IR role involves collaborative and cohesive work with internal stakeholders, particularly management. This often necessitates being in the office to maintain proximity to management. While some people in other countries express interest in working for a London-headquartered business, it's unlikely to work if they're based abroad. The management team typically wants to see you 2 or 3 days a week, so you can be present for conversations and accompany them on the road. This proximity is critical for a successful IR role. A CFO I spoke to recently validated this by stating that they are looking for an IR person who is willing to come into the office, interact with the team, and participate in lunches to stay informed. Regarding salary, with so many candidates available, there's less pressure on salaries, and people realize that the earnings they had in investment banks five years ago are unlikely to be seen again. It's not a direct comparison; it's more like comparing apples to pears. Therefore, if you move into an IR role, you need to be flexible with the salary. Most candidates understand this, but there is still a market rate for IR roles, and they should not be undervalued. I encourage candidates not to undervalue themselves. A client who values IR should pay the market rate, even if it is lower than what candidates are currently earning in banking roles.”

What role does networking play in the hiring process?

“It's very important, the IR society is excellent for this, as they host many events. I always advise anyone new to IR to get involved with the society. Some sectors and industries have their own IR meetups and social events. If you're openly and publicly on the job market, definitely network with bankers, brokers, and PR advisers, as they are the ones who hear about jobs and pre-IPO roles first. Building your credibility and networking within those circles is crucial.”

Regarding LinkedIn, having an active profile is very important. If someone is actively looking for a job and doesn't have a LinkedIn profile, it seems strange. Most people in IR use LinkedIn as a great education source for information sharing, joining groups, and staying updated on relevant topics. Even if you're not actively looking, you should stay on top of market trends, speak to head-hunters, and ensure your salary is in line with the market. If not, you risk falling behind. Make it easy for head-hunters and recruiters by clearly outlining why your prior roles and experience are relevant, especially if you're coming from outside the field. Spell it out for them so that you'll get picked up. LinkedIn relies heavily on algorithms, so include the right keywords to ensure you appear in searches conducted by companies for headhunting and AI recruitment.”

How do you approach the growing demand for diversity and inclusion when recruiting for IR teams?

“Some companies we work with have quotas or policies around D+I that we must adhere to. Generally speaking, we have diverse channels for candidate attraction. Sometimes, we do blind CVs, removing information about gender, age, or university dates if requested by the client. Ultimately, our job is to find the best candidate for the role based on specific criteria, not to find a candidate of a specific gender or background. We open up our channels of candidate attraction, using the entire LinkedIn network and our expertise to place the best person in the role.”

What is one piece of advice you would give to IR professionals looking to advance their careers in today's competitive market?

“Think about what makes you unique—something you offer that others don't. Make that stand out. Consider the diversity in your CV and how exposure to various stakeholder groups can push your career forward. Identify and plan to fill any gaps, whether within your team or by gaining experience in specific areas. Ensure your current role is enhancing your CV; if it's not, and if the excitement is gone, it might be time for a change. I'm incredibly passionate about IR, but if you're in a company with little corporate activity and stagnant growth, it can get monotonous. Reporting alone won't keep anyone motivated. So, look for exciting developments in your role, or consider switching companies or sectors to find new challenges that will help you grow. The ladder can be tight in small teams; if the person ahead of you doesn't move on, you're stuck until you move out. Don't be afraid to explore different company sizes, sectors, regulations, and countries. That's where the excitement and challenge often lie for many.”



Meet the expert

Debbie Nathan has over 15 years' experience within the Investor Relations (IR) and Communications industry.

After qualifying as a chartered accountant, she worked as a financial analyst for Barclays plc before transitioning to the firms IR function. She spent over a decade in FTSE 100 and 250 financial services companies engaging with the investment community in IR roles. Her financial excellence, along with the first-hand IR experience, positioned her well for a successful career in Recruitment and Executive Search, with a specific focus on the IR and Communications fields.

Debbie has been successfully working with high calibre talent since 2014 and was the driving force behind the creation and growth of IR and Communications functions within two recruitment agencies.

Debbie has been a member of the IR Society for many years and is actively involved in the community through managing and coordinating events, producing talent and remuneration guides and offering career development advice globally.



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