

“Your website is a digital receptionist. Dress it well and encourage it to smile at all times”

Mohamed Abdulla Isa is Chief Financial Officer of Inovent and the author of “A Review of IR Practices in Bahrain.”



“What is the first thing you do when researching a company? Exactly. You visit its website. Websites dedicated to investor relations (IR) are a tool that companies use to communicate with their investors, existing and potential, as well as the financial community at large. IR sites are among the best sources of information for investors. According to a survey by Thomson Financial, almost 90 per cent of investors say that websites greatly affect their perceptions about a company.

Think of a site as a digital receptionist for

visitors. You form a judgment about the company by looking at its website. So how would you feel, when entering a company's premises, to find there is no receptionist? Visitors to some 19 per cent of listed companies within the countries of the Gulf Co-operation Council must feel the same: none of these firms has a website.

Investors look for at least four types of information on a site: details about the framework and practices of its corporate governance; its board of directors and executive management; the level of financial disclosure; and the performance of its shares compared to those of its peers with the ▶



"Firms should strive to update their site regularly, particularly when there are changes to management"

relevant market index.

Does your company's site disclose information about how it is governed or the responsibilities of its directors and those of the executive committees? Do you talk about your company's internal controls, its policies, risk management or the various strategies and initiatives?

Existing as well as potential investors will be keen to learn more about your directors and the team of executive managers, not least to determine whether they are capable of maximising the value of an investment in the company. Be concise. Provide factual and relevant information about the education, professional backgrounds, expertise and achievements of your directors.

"Disclosure of your financial performance is a must"

Full disclosure of your company's financial performance is a must. You should upload statements of the interim and year-end results, together with explanatory notes, preferably in different formats such as Portable Document Format (PDF), MS-Word and MS-Excel. Providing the last two formats helps investors to speed up their analysis by saving them from having to re-enter the data. It is also wise to maintain an archive of all your company's published press releases.

Does your company hold conferences to announce its quarterly and year-end results? If so, upload the presentations and audio recordings of the meetings for the benefit of visitors to your site. In 2008, General Electric hosted a live webcast for its retail investors to which no fewer than a million stakeholders tuned in. Can you imagine how difficult it would be to host an event of this size at a single location?

If your company is rated, post the results on the website and make sure you provide the trends and the methodology used by the agency in question so that visitors can form their own judgment on the rating. If your company is covered by analysts from stockbrokers, post the links to their sites as well. Do you provide live quotations of your company's share price on the website? Do you give visitors

the chance to compare the performance of your company's share price with those of its peers and the stock market as a whole? Only a few companies do this. Why not join them?

Your company's site should allow visitors to interact with it as if they were doing so with a real receptionist. Do you provide the contact information of the person in charge of responding to shareholders' queries? Do you give his or her name or just info@company.com? I prefer emailing a specific person rather than a generic email. In addition, it is a good idea to have a section dedicated to answering frequently asked questions (FAQs). If nothing else, such a section saves time and may provide your IR team more opportunity to work on their strategy.

Sending newsletters via email is a good way to push information towards shareholders. Really Simple Syndication (RSS) is another tool to keep shareholders informed about announcements. RSS saves subscribers from having to check the site for updates. You should also provide visitors with a search facility so that they can easily find information they are looking for.

Some companies have a website simply for the sake of having one: they view it as a one-off project. How often has one come across companies which appear to have done nothing for the past two years? That, at least, is what their web site would suggest. Firms should strive to update their site regularly, particularly when there are changes to the board of directors or management. In addition, companies should upload their financial statements promptly. All this can be done simply by providing the webmaster with copies of the company's announcements.

Google offers a free tool to track traffic on websites. Google Analytics can analyse how visitors reached the site, what key words they used to search for it and their country of domicile. Using this tool can improve the content of sites by enabling firms to get to know what visitors are looking for. Such tools are easy to design, cost next to nothing and significantly improve the level of service offered to shareholders. Remember, your website is your digital receptionist. Dress it well and encourage it to smile at all times.

