



Compass Points: WEBSITE DESIGN: CONVEYING THE REASONS TO INVEST IN THE COMPANY

A key task of investor communication is the articulation of the company's investment thesis – the reasons (preferably no more than seven) to invest in the company. Investor Relations websites are potentially vital tools for this task.

First, have a clear investment thesis. Once that is in place, as with all investor communications you need to employ the 4Cs – CLARITY, CONSISTENCY, COMPLIANCE AND CREDIBILITY when communicating the thesis. Once you have a strategy to do that, use the website's capabilities to make the communication effective.

Websites can:

- Take a key idea and use a layered structure to accommodate those who want the headline thesis points (top page) all the way to those who want deep knowledge (links to additional pages)
- Show and tell in support of key thesis points – audio, video, images
- Create engagement with thesis points – allow investors to ask questions, make comments, contribute to debates

If you already have an IR website, here are a few ideas about how your website can do a better job of thesis communication:

- Is your IR site clear? For example, no matter where the investor lands and what he is looking for will he be exposed to at least 50% of your investment thesis points in no more than three different page views?
- Is your IR site consistent, first of all within itself (the IR site will take you to SEC filings, earnings call replays, investor powerpoints and press releases, are they all consistent in how they communicate your investment thesis?) and second with the messaging from everywhere else in the company from +other parts of the company website to PR messaging to branding.
- Is the site compliant (let's hope so, otherwise legal will have an issue), and at the same time does it engage?

- Is your site credible? Can the website visitor independently verify key assertions? How many clicks will that take him? In one or two clicks, can your site turn something that can be wallpaper (“state of the art,” “industry-leading,” “unique,” “proprietary”) into something that, in a few clicks the investor can see, experience or independently verify?
- How can you create visits that have high ROI (the investment is time, the return is the value of what is communicated).
- Does your IR site engage with your visitors? Does it provide opportunities for them to ask questions and add comments?
- Is your website investor-friendly (providing opportunities to download and view materials in different formats, to easily sign up for automatic updates, follow the company’s IR updates via social media on mobile or desktop platforms)?

All of these questions can be answered in at least a qualitative fashion and to some extent quantitatively, recognizing that your first review will create data that will benchmark subsequent reviews. Measurement can vary according to your budget. As a low-budget exercise, have five people (not from IR) go to the IR website (preferably on a range of desktop and mobile platforms). Tell them “go to the IR website and learn some things about the company that you would want to know if you were thinking of buying our stock.” Give them no more than 10 minutes. Record the pages they visit and how long they stay on each page. Provide a short questionnaire:

- How easy was it to find things (rank 1 to 5)
- Write down up to X things you learned that you think would be most important if you were investing in the company (the X will be the number of points in your investment thesis)
- Only after the unprompted question above allow them to see this question: From the website would you say you saw anything about each of these points (yes or no) then show them your investment thesis points
- For any answer yes rank from 1 to 10 how convinced you were about these points 10 = totally convinced, the evidence was right there on the site, 1 = not at all it was a bald assertion with no convincing evidence

- Ask them “rank the website (1 to 4, 1 = I totally disagree, 4 I completely agree) for the following” and to give examples, +ve or -ve:
 - I found what I was looking for very easily
 - All tabs had labels that made it clear what was on the page behind the tab
 - It was clear up-front what the information was going to be – for example if there was a video I knew up front how long it would last and what it was going to tell me
 - Whenever I was learning something about the company I felt engaged and prompted to make comments or ask questions.
 - It was clear how and where to make comments or ask questions
 - I would come back to the website again

If you have a larger budget, then survey a wider audience. Post-survey, calibrate the behavior you observed from your subjects and use it to interpret gross website data for the last 3 months (number of page views, most frequently visited pages, time spent on site, downloads, comments and questions submitted). This will provide additional insight and answers to the five key questions above.

The insights gained from this exercise can inform IR website redesign so that potential investors become better informed, more convinced of the company’s investment thesis, more engaged and, having experienced a high ROI from time spent the site, more likely to return.



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