

# 10 Tips for Choosing the Right IR Firm

## 10 Understand your own IR goals and expectations.

When evaluating different IR firms, ask yourself, "What are my needs? What are my expectations? Do we need help defining and executing an IR strategy? Will that strategy provide a long-term benefit to our shareholders? Is my company committed to a serious investor relations program? Does the IR firm have all the skill sets I need? Does the IR firm have a proven track record? Does it have the experience and people to get the job done?"

## 9 Consider an IR firm that has harnessed the power of the internet.

Investors are increasingly dependent on the Internet as a primary source of information about the financial markets and their investments. Good communication with your investors includes a well-developed website that satisfies their information needs. A top IR firm should provide a regularly updated website with information about your company that will significantly expand the reach of your story. The websites of effective IR firms attract the attention and help gain the confidence of investors, analysts, fund managers, brokers, market makers and others. Make sure the company you choose has a website strategy that will work for you.

## 8 Determine if the IR firm's written profiles will enhance your credibility.

An investment profile is one of the most important facets of your company's investor relations program. It is your company's face to investors. For many emerging companies, the investment profile created by the IR firm is the only profile on the company available to investors. To be really effective, it must have the content, look and feel of a serious Wall Street report on the company. Are the ones written by your IR firm highly professional? Are they updated with every press release? Is the information truly useful to investors and does it contribute to the company's credibility with investors?

## 7 Make Sure the IR firm is user friendly.

When you call the IR firm, do you end up in voice mail? Or does a competent voice on the other end quickly answer your needs? Can you easily reach the CEO or president, or are you shunted off to a junior account executive? Do the senior people return calls promptly if they are immediately unavailable? Will the IR firm answer investor calls or e-mails? Are you confident that calls will be handled professionally and consistent with management's guidance?

## 6 Look for an IR firm with a written code of conduct.

Are you confident that your IR firm will always act in your best interests? Does the IR firm have a policy that guarantees it will not sell your stock out from under you or get you into trouble with the SEC?





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## 5 Understand terms and pricing.

Be sure you have a full grasp of start-up fees, monthly fees, reimbursement conditions, media mark-ups, costs for additional services and termination costs. This will help you compare apples to apples when choosing your IR firm. Make sure you are getting substantial value.

## 4 Understand shareholders' needs for information and regular communications.

Evaluate the IR firm's opt-in e-mail alert programs, a critical element of a sound investor relations program in an electronic age. A reliable, timely e-mail alert program provides investors with confidence that they are in the loop and that you care about keeping them informed. This is an important element in building shareholder loyalty. Ask the IR firm for server statistics and look for realistic data. A reputable IR firm will provide accurate numbers of opt-in subscribers. Don't be fooled by a huge database of uninterested e-mail addresses.

## 3 Choose an established company with the right kinds of experience.

Consider whether the IR firm has been in business for at least 10 years. Established IR companies provide

enormous value added that includes extensive and well-established Wall Street contacts and relationships built over many years, mature databases, precise targeting, strong references and a track record of great relationships with its clients. Look for a company that has a record of long-term, successful relationships

## 2 Know management and look for depth

The core of any IR firm is its people. Evaluate their experience, training and background. Consider IR firms where you feel you can develop good and effective rapport with top management. Also make sure your IR firm has the depth and talent to handle assignments.

## 1 Remember, reputation with investors is everything.

Choose an IR firm with a reputation for integrity as well as proven and sustainable programs. IR firms should be committed to helping you build your business and your valuation over the long haul as opposed to superficially inflating the price of your stock for expensive and ultimately wasteful short-term gain. Your IR firm should be well known on Wall Street as a serious company, not as a pump-and-dump shop. Ultimately the reputation of your IR firm is a reflection on the integrity of your company and its credibility. These issues are enormously important with serious investors.