



INVESTOR RELATIONS IN ASIA: 2019 EMERGING TRENDS

Investor relations has changed enormously over the past couple of decades and it is set for further evolution as the business world develops at pace. With this in mind, Andrews Partnership recently met 54 heads of IR across the market with roundtable events in Hong Kong and Singapore, presenting on the state of play in the global industry and providing Asia market intelligence on local trends and issues.

Focusing on 'From Investor Relations to Corporate Leader', a piece of research from our European partners Broome Yasar Partnership, the events drew on research from 185 (current) investor relations professionals and 13 former IR professionals interviewed who have progressed to senior management positions.

The overall theme was career prospects for IR professionals, with examples such as Tony Quinlan, who progressed from investor relations director at Marks & Spencer to chief executive of technology company Laird, Andrew Griffiths, who moved from IRO at Sky to be the group's chief financial officer and chief operating officer and Steve Trowbridge, who journeyed from IR director at Thomson Reuters to chief financial officer at HSS Hire. We explored what these types of developments look like within Asia and examined the available career routes. To follow such a path requires a plan. Although many of those surveyed revealed that they never mapped out

their careers in detail, they stressed the need to always have higher sights in mind and be constantly thinking about career progression, with an eye on the C-suite and CEO role.

Lessons from the Research

Four key themes emerged. One common thread in the case studies was a need for driving ambition and awareness of the power of personal brands – something often neglected in the hustle and bustle of corporate life.

It was encouraging that half of the senior IR leaders surveyed had received career progression support or advice from their senior management, with more than two-third finding their businesses supportive of transitions into general management and leadership positions. Investor relations also emerged as a key learning experience where skills in communication and networking can be honed. Finally, half the professionals polled said there needs to be greater understanding in the Human Relations functions about the skills inherent in today's IROs - a feeling echoed around our Asia roundtables.

It is clear that Investor Relations is working increasingly closely with chief financial officers, being more exposed to critical professional development and in some cases acting as proxies for CFOs in communications with investors.

Many IROs now sit on executive

committees and are playing major parts at a senior level, developing relationships internally and externally and gaining experience of other roles. Over time, we expect this change to be replicated in Asia. The stature of the continent's IR industry still lags its counterpart in Europe, with lower levels of regulation and sustainability reporting. There is also a higher proportion of females in IR than Europe. Yet, the career trajectories in Asia and Europe are similar with most IROs coming into the roles from positions in financial public relations, accounting or as sell-side analysts or investment bankers.

We expect this specialism to sharpen further in the post Mifid II environment, yet investor relations also needs to become less siloed in its thinking, with its professionals recognising that they play essential roles at the heart of business that position them well for future leadership positions.

Challenges in Sustainability

Investors now care a lot more about environmental, social and corporate governance reporting, placing additional pressure on investor relations officers to be able to articulate and envision the sustainability of their businesses. This is particularly difficult in Asia because of its strength and size as a global manufacturing economy, producing goods and materials

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for the world's marketplace. Creating and articulating a coherent sustainability strategy in such a rapid-growth, lower-cost manufacturing economy can be extremely challenging.

Yet, IROs in Asia have a key role to play here, not only in communicating such policies but in educating CEOs and senior leaders about the importance of sustainability and the increasingly requirement of investors for companies to be taking action in the issue.

At the roundtable events, it was evident that sustainability has become a strong theme of Asian business. Investor relations professionals are at the forefront of this development, needing to become knowledgeable enough to not only answer questions from sophisticated investors but also educate and develop mindsets within their businesses. We feel it is inevitable that the topic will gain still greater currency in Asia in the months and years ahead, so it is definitely something that IROs need to know about and prepare for.

A Greater Role in Story-Telling

Investor relations officers are becoming more and more responsible now for being able to articulate the narrative behind the business. They operate in a niche space between communications, the chief financial officer and strategy. This means that, in an age where internal and external engagement are becoming increasingly important, they need to be able to tell a story. Gone are the days when investor relations professionals just had to communicate and manage expectations around numbers. They now need to be able to articulate what is happening at their companies in a way that brings the strategy to life. This is something that the IR industry is currently struggling with.

Traditionally, it has been able to find people with the financial qualifications plus some softer, communications skills



but increasingly it now also needs narration and articulation skills that are able to convey and unpack the strategy in a cohesive way for investors.

Finding individuals who can do both with ease and authority is a challenge. If it is not addressed, it could hold back the profession in Asia from developing as quickly as it is in Europe.

A Buoyant Market

The good news is that Asia is continuing to be a buoyant and exciting place for capital markets. In 2018, Hong Kong surpassed the US in the number of initial public offering fundraising. This activity is continuing and investor relations will be at the heart of these newly-listed companies.

With such volumes of activity and the wealth continuing to spread out of China, there is significant momentum in the investor relations community. Bright careers not just in IR but throughout senior roles in business await those who grasp the opportunities that these trends present.

