

## Week 6: Lecture

### Financial Communications

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I'm going to tell you something now that I only learned when I began writing corporate annual reports 20-some years ago.

Here it is: the CEO of a publicly held company's main job is that of salesman. He or she is the public face of a company to its investors and stock analysts. He or she is responsible for "convincing" these audiences to buy and hold stock in the company.

In other words, CEOs, especially in very large companies, have little to do with leading day-to-day operations. That is typically the job of the president.

Why do I mention this? Because if you get into the business of financial communications, also known as investor relations, you will likely be working with the highest levels of a company. You will also be expected to be comfortable with the financial LANGUAGE used in financial communication -- think EBITDA and ROIC. I don't say this to intimidate you, but to let you know that -- as with virtually EVERY PR job -- you are going to need to become an expert not only in PR, but in the particulars of the segment you are representing.

For example, I have been writing about the water and wastewater industries for more than 25 years. At this point I am, and excuse me for bragging, arguably one of the nation's foremost sewer writers. It's not something that gets me invited to a lot of cocktail parties. But it makes me a very attractive resource for engineering firms, environmental publications and sewer districts -- all of which I count among my clients.

But I digress. Back to annual reports. Another thing to keep in mind: financial communications involves more than annual reports. Investor relations professionals also prepare presentations for "financial road shows," scripts for quarterly calls to analysts, news releases that report quarterly financial results and other communications with investors.

