

# Making the grade



As the role of the IRO has become more sophisticated and nuanced, so have the opportunities for professional development. *Andrew Holt* uncovers the numerous ways global IR associations are stepping up to the mark

The role of the IR professional has never been more important. The globalization of financial markets and the ever-changing complexity of the legal and regulatory environment have placed great emphasis on staying up to date on developments – IR certification can play a major role in this regard.

As Andrew Mills, partner at London-based consultancy Hydra Strategy and

former chairman of the UK's IR Society, explains: 'As investor relations has continued to grow in importance as a strategic function central to building corporate reputation, so has the need for IR professionals to be fully on top of their game.'

'When just one mistake can have significant consequences, it is critical that the individuals entrusted with

representing a company and dealing with key stakeholder audiences have the necessary skills, experience and regulatory awareness.'

So if this is the challenging playing field, what are the respective global associations doing to ensure the players – IR professionals – are addressing the IR certification challenge? A great deal, in fact.

## NIRI: Setting the standard

NIRI, the oldest and largest of the professional IR associations, is often looked to as the 'standard setter', according to Gary LaBranche, its president and chief executive. And there's a reason for this: NIRI launched the first US-based benchmark for the IR profession, the Investor Relations Charter (IRC), to fulfill an expressed need of the IR community.

'Earning a professional designation is very important these days,' observes LaBranche. 'More than 1 mn certifications are awarded each year in the US, according to a study conducted by the Georgetown University Center on Education and the Workforce.'

The potential benefits of the IRC qualification include the validation of specialized knowledge, enhancement of professional credibility, demonstration of professional commitment, attainment of a practice standard, professional growth and development, and influence on career mobility.

'Before the existence of the IRC, the IR core competencies, knowledge and skills for competent performance had never been defined,' notes LaBranche. 'The IRC can positively affect the profession by defining its best practices, raising awareness through a rigorous credential, providing a service valued by professionals and employers alike, and increasing the legitimacy of NIRI to be a voice for members to government officials.'

### Globally recognized standard

Complementing NIRI's mission, the objective of the IRC program is to maintain a globally recognized standard through the development of a certification program and to advance the practice of investor relations and the professional competency and standing of investor relations practitioners.

'The IRC program development was a very thoughtful, deliberate and rigorous undertaking,' points out LaBranche. 'With the extensive help of highly regarded experts from the investor relations profession, and guided by reputable consultants from the credentialing field, the main components of the IRC program were defined.'

These components are the eligibility requirements, competency framework, examination blueprint, renewal requirements, code of conduct and all related policies and procedures. These aspects of the program were developed following credentialing standards and

best practices and were based on a formal study called the Job Task Analysis.

The new IRC renewal program model is also based on the findings from the Job Task Analysis and related studies. Its purpose is to promote the continued competence of IRC certificants, where competence is defined as demonstrating specified levels of IR knowledge and skills at the time of initial certification and throughout an individual's professional career.

### CASE STUDY: LAURA KIERNAN



Laura Kiernan, CEO and founder of New York-based High Touch Investor Relations, has been an IRO for various companies in multiple sectors for 20 years and in business and

corporate finance for 30 years. High Touch Investor Relations serves primarily private, micro, small and mid-cap companies.

On undertaking the NIRI certification, Kiernan says: 'I wanted to differentiate myself from other IR practitioners. Having the certification helps me stand out relative to my peers.'

She believes she gained a great deal from the certification: 'It validated my level of knowledge and it has set me apart from my peers. I think the profession is elevated by having a certification. I personally enjoyed the book-study guide, which helped me think through my own IR program and how I've approached IR strategy.'

Kiernan also notes the importance of certification in IR career terms. 'The profession has evolved significantly over the past 20 years that I've been in investor relations, and in a positive way,' she says. 'IR practitioners are being paid much more, their credentials have been improved and the competition has significantly increased, in my view, with all of the changes that have happened on the sell side. Certification is a way to stand out in this highly competitive talent pool.'

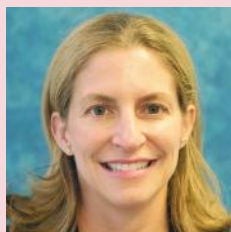
The IRC renewal program includes various types of activities, including professional engagement, membership, speaking, presenting and writing, building knowledge and skills, attending programs with educational content – such as NIRI’s annual conference, seminars and workshops – attending select *IR Magazine* events, and contributing to the IR profession through mentoring, coaching and volunteering.

‘The requirements and procedures that are established as part of this certification program

will assist the credential holders in maintaining competence and staying abreast of all new industry changes,’ asserts LaBranche.

Overall, there are an impressive 172 credentialed IR corporate practitioners and counselors in the US and overseas, including IR practitioners at 114 publicly traded companies; 41 percent of these professionals hold a vice president title or higher. ‘These certificants represent a wide demographic spectrum and have an average 11 years of IR experience,’ adds LaBranche.

## CASE STUDY: MICHELE BACKMAN



Michele Backman’s roles have centered around investor relations and capital markets for more than 20 years, having advised companies on best practices in IR and been a partner to

them in roles at three European investment banks – HSBC, BNP Paribas and Deutsche Bank – as well as at Thomson Reuters.

Now head of the IR advisory group for depository receipts at Deutsche Bank, Backman says: ‘I decided to sit for the exam as a personal challenge, more than anything. It was important to me that I test my knowledge and identify areas where I could improve and enhance my skills.’

‘The other charterholders have impressive experience, so this was another motivator – being a part of this group showcases the strength of the IR profession and the diverse backgrounds that inform what we do.’

There are many ways to describe a career in IR, says Backman, and she believes the IRC brings recognition of this. ‘It’s a unifying element and creates an even stronger community of people dedicated to the profession,’ she says. ‘Whether you are in the first few years of IR or a veteran, the IRC highlights the fact that you are well rounded. Having the IRC can certainly help your career because you will be viewed as someone who thinks critically on these topics and stands out.’

## Planned enhancements

Are there plans to develop the certification program? ‘Thanks to our committed volunteers and subject matter experts, efforts are constantly taking place to identify opportunities for enhancement and improvement to meet best practices and keep the program valid and relevant to the IR profession,’ says LaBranche.

From an operational perspective, NIRI recently upgraded its credentialing engine, which will streamline the submission of exam and renewal applications, connect certificants with their completed professional development units and allow certificants to identify and focus on areas of deficiency in a more structured and objective manner.

## ‘It takes a long time to create awareness of the existence and importance of a voluntary credential’

LaBranche also points out that the IRC holds wider benefits for the IR community. ‘It is the only US-based certification for investor relations practitioners and will be the must-have validation of IR competence,’ he explains. ‘It takes a long time to create awareness of the existence and importance of a voluntary credential. As the IRC becomes a more recognized credential, it will broaden awareness of the importance of IR.’

# IR Society: Demonstrating knowledge

IR Society CEO Gary Davies has a unique take on the UK association's IR certification. 'Having passed both the CIR and DipIR qualifications myself in the last few years while working as an IRO at GSK, I found the courses a great way to consolidate knowledge and understanding of the IR role and start to build a peer network of IR professionals who are working their way through the qualifications at the same time,' he says.

Indeed, there is no doubt that the IR Society's Certificate in Investor Relations (CIR) is an internationally recognized and highly regarded qualification for the IR professional, with around 1,500 IR practitioners holding it. 'The CIR has become very highly regarded and we get a steady stream of IR professionals attending our Coleman Street office [in London] to sit the exam,' says Davies. 'Importantly, it is increasingly being recognized by employers seeking high-quality IR professionals.'

The IR Society has a growing number of partner associations internationally that work with it to provide the certification to their own IROs. These include long-standing collaborations with the Middle East, Latin America, Hong Kong, Malaysia, Singapore and Europe. 'Our most recent addition to our partner associations is with Spain,' notes Davies.

The CIR was launched more than 10 years ago, since when it has been reviewed and updated based on the evolving needs of IR professionals. The program covers:

- Principles of investor relations
- Guide to the financial markets
- Guide to companies, regulation and reporting
- The regulatory environment, market abuse and disclosure
- Introduction to accounting, valuation and investment principles
- Effective IR in practice.

'The certification is supported by a program of professional development courses,' notes Davies, adding that it helps IROs in three ways. One, it provides international recognition as a qualified IR practitioner. Two, it demonstrates competence and growing expertise. Three, it enhances career development.

'We regularly review and adapt the content of the CIR to ensure it remains current and fit for purpose,' Davies

notes. 'The IR Society's examinations committee gives direction to, and maintains oversight of, the standards expected from the CIR. The society's education committee oversees the curriculum and robustness of the coursework, training modules and other facilities, including the online mock exam.'

In the last couple of years the society has also introduced an additional senior-level qualification: the Diploma in Investor Relations (DipIR), which has recently completed its second program.

## CASE STUDY: DEBORAH JONES



On undertaking the CIR, Deborah Jones, head of corporate affairs and communication at soft drinks manufacturer AG Barr, says: 'I'd been with my organization for some time when I was

offered a new role that included IR responsibilities. While I had a good understanding of our own business and sector, I had a limited understanding about financial markets and regulation. I was also conscious that many IR professionals are qualified accountants, which I'm not, so the certificate seemed like the ideal opportunity to gain more knowledge in these areas.'

She says it means a great deal that she now holds a recognized and transferrable professional qualification: 'While also feeling a much greater degree of confidence and competence in my role, from a business perspective I hope I'm making a stronger and more informed contribution to the IR strategy and agenda as a consequence.'

Given her background, Jones found the accounting valuation and investment principles section the most challenging, but ultimately the most rewarding. 'I would encourage anyone with IR responsibilities to take the plunge and enroll for the certification,' she says. 'It's both developmental and reinforcing to attain a qualification that consolidates such a wide range of IR knowledge.'

## CIRI: Advancing IR

'CIRI's Certification Program and Certified Professional in Investor Relations (CPIR) designation establishes a standard of skills and knowledge for IROs, thereby advancing the stature of the IR profession overall,' says Yvette Lokker, CIRI president and CEO.

CIRI ensures the Certification Program and CPIR exam cover all of the relevant areas of this multi-disciplinary role, including accounting, finance, capital markets, securities law, corporate governance, communications and strategy.

'While all these areas are crucial to the IR role, greater emphasis is placed on accounting and finance so that IROs have a deep understanding of financial statements in order to credibly interact with capital market stakeholders and establish a standard of practice across the IR profession,' says Lokker.

When developing the curriculum for the Certification Program, CIRI worked with a team of IROs to identify their key areas of responsibility for IR professionals. Since launching the Certification Program in 2011, CIRI has had more than 120 people participate.

### CASE STUDY: LAURIE THOMAS



Laurie Thomas, vice president of corporate relations at UEX Corporation, has been in investor relations for 12 years. Having trained as an accountant, she knows the benefits

of specialized financial learning so she saw the CPIR as an opportunity to equip herself with more knowledge and insight into the field of IR.

'The program provided me with the competitive tools to be a successful IRO and enhance my skills to do my job,' says Thomas. 'Many folks started the program and underestimated the time, commitment and dedication needed to complete the assignments and pass the final exam.'

The CPIR is a 10-month program, which Thomas undertook while working full time. 'Going through the intense program with other IROs allowed me to develop lasting relationships with individuals I trust,' she says. 'To this day, I still call upon many when of them I need advice on IR issues.'

## Cliff: High standards

French IR body Cliff's IR Fundamentals certification course has three main attractions. One, Cliff is associated with one of the best universities in France, the Université Paris-Dauphine. Two, the certification process is based on practical teaching conducted by experienced professionals from listed firms of different sizes and sectors. And three, Cliff has developed an efficient framework that involves academic and professional mentors during the whole process.

Olivier Psaume, chair of Cliff, says the certification has real practical benefits for the IR professional. 'It allows IROs to become rapidly operational because of the concrete approach of the training,' he explains. 'Teachers come from a range of disciplines: IR, auditing, legal, academia. The certification also helps candidates to efficiently address international investors, thanks to specific communication skills.'

Since 2014, 90 people have taken the IR Fundamentals certification course and 80 have passed. Only two failed; others stopped for personal or professional reasons.

'Each year we review the content of the certification as a result of regulatory change such as Mifid II and the Market Abuse Regulation,' says Psaume. 'We are giving more emphasis to social responsibility matters as they are increasingly scrutinized by investors, but also focusing on governance, compliance issues and ethics.'

### CASE STUDY: ARTHUR CARLI



'I was lucky enough to be offered the IR Fundamentals training in 2015 when I was an IR analyst at Sopra Steria,' says Arthur Carli, head of investor relations at Axway, the fifth-

largest software publisher in France. 'After three years in the IR industry it was a perfect opportunity to challenge and confirm my skills.'

'I remember [it offered] particularly concrete training and high-quality courses covering international IR best practices with interventions by some of the most experienced heads of IR in the country.' He also cites the partnership between Cliff and the Université Paris-Dauphine as a major asset, in terms of both prestige and convenience.

## Meira: Measuring the IR impact

John Gollifer, general manager of the Middle East Investor Relations Association (Meira), highlights why IR certification is so important.

'In any industry, we seek a benchmark against which to measure our progress – and IR is no different,' he explains. 'It is important for emerging markets to be in a position to measure themselves against other markets, including developed markets. In this way, notwithstanding similar international market principles, we can develop best practice in the context of our own operating and regulatory environment.'

A key element of the Meira offering is professional development and the Certified IR Officer (CIRO) qualification, which provides the industry benchmark in the region. For some years, Meira has worked closely with the UK's IR Society to deliver the CIRO in the Middle East. The program offers a broad sweep of IR, from important principles to the practice of IR. Its contents were developed by IR professionals and continue to be reviewed on an ongoing basis.

'Importantly, the CIRO covers what we consider to be the essential technical components to operate safely as an IR practitioner, from company law and market rules and regulations to finance, accounting and investment valuation,' says Gollifer.

'Given its breadth, the CIRO components serve as a useful reference manual for IR, and the examination that CIRO candidates take is a good test of their knowledge and application of IR. It is no coincidence that many other international markets, from Asia to Latin America, also use the same components. IROs generally consider the certification program a useful benchmark that provides a comparison with their international peers.'

More than 100 candidates have taken the CIRO exam since Meira started offering it in 2013. On the future, Gollifer notes: 'We are happy to continue rolling out the CIRO to all Meira chapters in the region – we're already up to 10 markets today – and this will keep us busy.'

## Irpas: Professional recognition

The Investor Relations Professionals Association Singapore (Irpas) believes capturing best practices and offering a certification program are natural ways to enhance the professionalism of investor relations in the region. The Irpas offering is the International Certificate in Investor Relations (ICIR).

'The ICIR is based on the new international syllabus provided by the UK's IR Society,' says Harold Woo, Irpas president. 'It is an internationally recognized qualification in investor relations and regarded as an essential prerequisite for people keen to enter the industry due to its comprehensiveness. It also allows the senior practitioners to benchmark their own knowledge against industry standards.'

The association's main focus is the fundamental principles and practice of investor relations as well as factual knowledge of both the regulatory requirements and the financial and market environments within which the IRO is able to operate effectively.

'We continue to see new candidates signing up for the examinations, which we have conducted twice a year since we introduced the ICIR in 2014,' says Woo. 'We have had senior IR practitioners including CFOs taking part in the certification program.'

Irpas is looking to introduce an IR Professional Development Program to promote professionalism, improvement and skill development for experienced IR practitioners to advance to a higher level of skill in IR.

'The program would cover the strategic value of IR, finance essentials and corporate governance and ethics,' says Woo. 'The curriculum will be interlaced with case studies to enhance the learning of effective communication with all the company's stakeholders. It will be designed to help IROs engage in investor relations activities to create a path to successful outcomes on an ongoing basis.'

