

The story behind Shutterstock's innovative new IR microsite

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Interactive website is alternative to static investor presentations most companies post on IR sites, says Shutterstock CFO

As Shutterstock announced its second-quarter results this year, the company also unveiled a new, innovative [investor relations microsite](#) that more closely resembles an interactive annual report than a quarterly earnings report.

The site features 11 videos with members of the company's executive team – showcasing a deep bench including the company's chair, CEO and CFO, but also its vice president of content operations, vice president of platform solutions, a general manager of one of its business divisions and several other executives – as well as interactive graphs and charts and an audio FAQ section.

The idea for the microsite came to Shutterstock's chief financial officer, Jarrod Yahes, as he was updating the company's investor deck. Having joined the company in December 2019, he wanted to refresh the IR materials. In doing so, he reflected that they could be more dynamic.

‘Typically, you have an investor deck that essentially becomes a PDF that you email around to research analysts and the buy side,’ Yahes tells *IR Magazine*. ‘It started to dawn on me that this was a very tedious, cumbersome and antiquated way to communicate with investors that probably hasn't changed in 20 years.’

As Yahes – who spent four years in investment banking at Citigroup earlier in his career – participated in a number of virtual banking conferences following the outbreak of Covid-19, it further dawned on him that the structure of an investor deck isn't necessarily optimal for the way investors want to receive information.

‘It started to become obvious to me that doing these decks in a very linear fashion is not responsive to how investors think about our stories,’ he says. ‘They think about our stories in terms of what the most exciting areas are that are overlooked and what the areas of risk are.’

This informed Yahes’ approach to building the IR microsite, which places information about the company’s business divisions and competitive environment higher on the page than financial performance. Regardless of the page structure, there’s an easy-to-use navigation tab at the top of the page that can help users find the section they want.

Yahes was also drawn to the potential of embedding interactive features on the website. He says it was important for visitors to be able to see and hear the management team, especially during the Covid-19 outbreak when the return date for in-person meetings is unknown. The videos help to build a connection with the management team, as does the audio FAQ section – where no answer is longer than 90 seconds. These features are designed to be a primer for investors and analysts, to help with their initial research and make meetings more efficient.

‘The idea is that when they get on the phone with you as a management team, they know your voice and how you describe the business,’ Yahes says. ‘That way they can dive into the investment opportunity and the risks that make them nervous.’

A similar approach is being adopted by iRobot. Speaking on a [recent IR Magazine webinar](#), Andy Kramer, the company’s vice president of investor relations, explained that it is recording audio snippets and narration to accompany its investor deck on the IR website.

Value for small caps

Since the launch of the microsite, Yahes says the vast majority of investors he’s talked to have used it. While it’s maybe too early to objectively measure the success of the site quantitatively, the qualitative feedback has been satisfying.

‘When we get on the phone with investors, nine out of 10 have already checked out the website and their level of understanding about our business is better,’ Yahes says. ‘If you’ve ever done a day of meetings with the buy side, you can often count the questions you get on one hand across the entire day. Since the launch, I find myself answering fewer rudimentary questions.’

This is especially important for small and mid-cap companies, Yahes says. As of August 21, Shutterstock’s market cap is roughly \$1.8 bn.

‘When you’re a small or mid-cap company, it’s extremely important to have a world-class IR function – even more so than if you’re a mega-cap,’ Yahes says. ‘You have limited trading and coverage and it’s more important for people to be able to access your information and for that information to be very user-friendly. The buy side invests in companies that have good values and management teams it likes and trusts and that are accessible. If [the microsite] makes it easier to get up to speed on Shutterstock, it’s of enormous value.’

But value is an interesting topic, especially for small caps during the Covid-19 pandemic. Roughly one third of IR teams have already had their budgets cut and a further third expect their budgets to be cut this year, according to [IR Magazine’s recent research report](#), and ambitious projects such as these may not be within everyone’s reach.

Yahes says the microsite took about three months to launch. He plans to update his videos and segments on a quarterly basis, while the rest of the site will remain the same. And, of course, working for Shutterstock has its advantages in terms of the available branding collateral and creativity of colleagues.

‘Had I not been at Shutterstock and seen what we do for a living and the way we power creatives for their websites, I don’t think we would have come up with this idea to begin with,’ Yahes says. ‘But now we’ve done it, I can see it making a ton of sense for all kinds of companies to help investors understand their firm.’