



Niri chapters in 'lesser' cities help bring companies together with money managers and analysts, writes Terry McWilliams

Louisville is not New York. Neither is Raleigh. They're second and third-tier cities, far removed from the well-oiled investment circuit and rarely mentioned in the same breath as Boston or San Francisco.

Yet they're models for successful equity conferences that have attracted hundreds of securities analysts and institutional investors to hear executive presentations from name companies like Yum! Brands and Duke Energy, as well as from a plethora of small-cap companies. Word of the multi-industry conferences has spread through National Investor Relations Institute (Niri) chapters and local analyst societies, and the concept is taking root elsewhere.

'We observed the successes in Louisville and the Research Triangle [in Raleigh, North Carolina] and we became quite intrigued with the idea,' says Susan Robinson, president of Niri's Cincinnati tri-state chapter and vice president of IR for Federated Department Stores.

As a result, June 2006's InvesTristate was born – and others are moving ahead with the idea. Niri's virtual chapter is also planning to stage an online equity

conference, and interest continues to be strong in Raleigh and Louisville for subsequent events, organizers say.

Raleigh's 2006 equity conference, called Southeast Invest, attracted its largest attendance and highest number of presenting companies since the conference began in 2003 as NCIInvest.

Louisville's InvestKentucky, organized by your correspondent (who heads Mozaic Investor Relations) and a steering committee of IR officers and CFOs, attracted a dozen companies and more than 200 participants in its inaugural year, and planning has begun for its June 2007 event.

Close to home

The overriding mission of this kind of equity conference is simple: to bring Wall Street to Main Street. Organizers want to increase institutional investor awareness of companies within their region and reach out to new investors, says Jenny Kobin, SVP of investor relations for Inspire Pharmaceuticals, who helped launch Raleigh's equity conference.

For Brown-Forman Corp, which makes Jack Daniel's whisky, the InvestKentucky conference provided the opportunity to meet regional investors in a familiar setting. 'It was a particularly good fit for Brown-Forman because we have the bulk of our investor base in the area,' IR director TJ Graven says.

SY Bancorp's management was curious about the quality of the audience attending a first-time, multi-industry event. Nancy Davis, CFO of the Louisville-based banking chain, says the conference – with 'top-flight' investors of various interests and investment orientations – 'exceeded our expectations.'

Greg Schrecke, CFO of the Kentucky banking chain First Financial Service Corp, says the conference had a 'vibrant effect' on New York analysts' understanding of Kentucky's economic growth prospects and the effect of these on his company. 'We got a lot of positive feedback from analysts who cover our company,' he says.

The North Carolina, Kentucky and Ohio events limited attendance to analysts and investment professionals. 'An individual analyst, in the span of one work day, could see three or four companies, be involved in Q&A, or chat off to the side with the CEO, CFO or IR officer. It is an efficient way to spend

to Main Street

the day,' says John Vinsel, who coordinated the CFA Society of Louisville's participation in InvestKentucky.

These investment events don't just provide an opportunity for analysts to network with one another, says Vinsel; they also bring greater visibility to those overlooked companies that dwell in the shadow of well-known regional corporations. Some 'backyard' gems have been uncovered, analyzed and found to have good investment prospects.

While the sessions allow analysts 'to pick up bits and pieces to put together the mosaic,' as Vinsel says, a multi-industry conference does not provide the depth of a specific industry conference. There, analysts would ask more pointed questions, says Vinsel, who has spoken about the CFA Society of Louisville's participation in InvestKentucky at the CFA Institute's national and international conferences.

For the June 2006 InvesTristate event in Cincinnati, the investment community nominated the public companies it wanted to see, says Robinson. 'We expect the presenting companies to discover that there is an abundance of attractive investment capital under management in their own backyard, and investors to see that many solid investment prospects are thriving close to home,' she explains.

Cincinnati is hosting its conference at a downtown hotel and is offering related events at the Great American Ball Park and visits with the Cincinnati Reds baseball team. Raleigh, after staging three consecutive conferences in chilly February, moved its date to April and tied in an executive golf tournament as part of the conference package. The Louisville conference was steered to Churchill Downs, the historic racetrack that hosts the Kentucky Derby each May. The public company sessions were held in the morning and early afternoon, and the delegates were released after lunch to apply their horse-picking skills.

Destination events

Over the past four North Carolina conferences, Kobin says she's learned that a multi-industry conference must be a 'destination' event, as are the well-funded investment banking conferences held in places like Nantucket, Rhode Island and Naples, Florida. 'It has to be a good place not only for the companies, but also

to get the investors out of their mode,' she says.

With many investor conferences available via webcasts, these events have to offer a distinctive experience that's only possible in person, Kobin asserts – and the amenities necessary for this cost money. Conference costs are typically underwritten by participating companies and/or sponsors. Sponsors see customer goodwill and executive access as primary reasons to participate.

'There are limited opportunities to be able to network and meet with individuals,' says Todd Bright, marketing director with law firm Frost Brown Todd, sponsor of the Kentucky and Ohio events.

'These were great opportunities to get to know the businesses that were presenting, get to know the executives, and as a sponsor, get our name across to influential individuals,' he adds.

Other sponsors have included stock exchanges, accounting firms, news distribution services and investment banking companies. Organizations such as analyst societies and the Association for Corporate Growth have also helped stage the conferences.

Conference organizers say a successful event takes a lot of detailed planning and an immense amount of organization – but when everything falls into place, it's more than worth the effort for the analysts, fund managers and presenting companies involved. Smaller companies really appreciate the opportunity to tell their investment stories to analysts and institutional investors in this way. ■