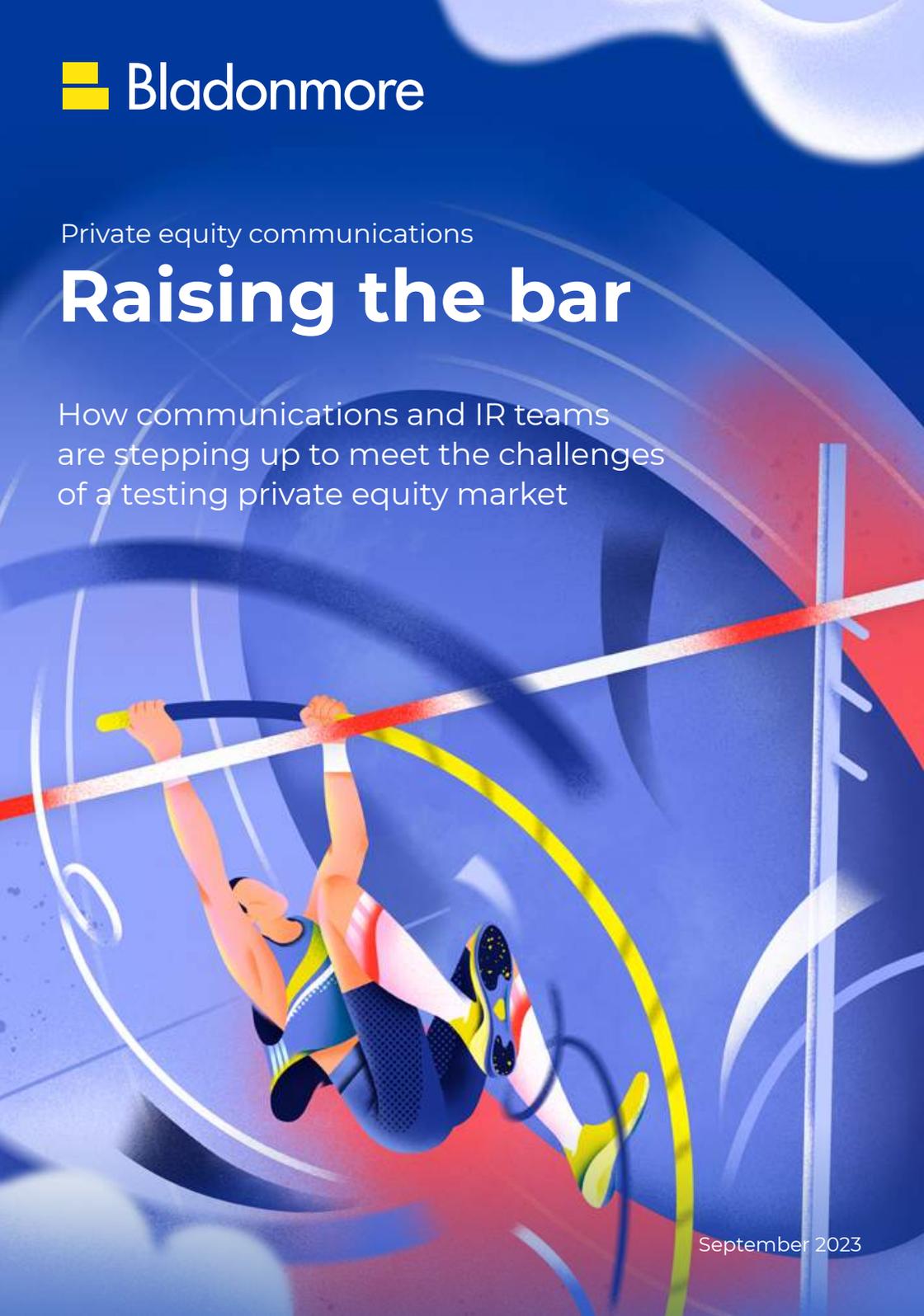


Private equity communications

Raising the bar

How communications and IR teams are stepping up to meet the challenges of a testing private equity market



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How did we conduct the research?

Bladonmore interviewed around 40 leading communications and IR practitioners from across the private equity industry throughout July and August 2023, to discuss how firms are adapting their communications for an increasingly complex and competitive market. These insights, combined with our own analysis, have informed the findings and recommendations set out in this report.

Executive summary

Private equity firms are waking up to the need for standout investor communications, as they tackle some of the toughest market conditions of the last decade.

Bladonmore interviewed leading communications and IR practitioners from across the private equity industry, to discuss how firms are adapting their communications for an increasingly complex and competitive market. Combining these insights with our own analysis, this report highlights that private equity firms have reached a critical juncture in their investor communications.

The stakes are higher than ever – new capital is harder to come by, established Limited Partners (LPs) are questioning their allocation to the asset class, and the demands on communications and IR teams are continuing to grow.

The result? The bar for what constitutes good investor communications in private equity is being raised, and firms across the industry are under pressure to keep up with the rapid pace of change. The choice is clear – invest the time and energy into making the step up, or risk falling dangerously behind.

Of course, firms should also see this as an exciting opportunity to reinforce their relationships with existing investors, strengthen their reputation and embed the best-practice that will position them well for the future.

Recommendations

For those looking to drive their investor communications to the next level, our report sets out a number of recommendations, highlighted below.

Bladonmore helps private equity firms to take this step up, providing a full range of advisory, content and coaching services to our clients. This includes support with their messaging and positioning, website development, social media assets, film creation and design of fund materials. We have also developed a particular expertise in delivering standout investor days, providing a full-service offer – from planning to production.

Be increasingly transparent and proactive with your communications.

Investors' own reporting requirements have increased and they expect a new level of frequency and depth in their General Partners' (GPs) communications. Bespoke market insights that underpin your expertise are viewed particularly favourably.

Go beyond the basics of ESG disclosure.

This is an important focus for investors – and one where they believe firms could do more to improve. GPs need to do more than simply supply the required data and metrics – they must clearly highlight the wider connection between sustainability and value creation.

Keep your messaging consistent for both current and prospective investors.

Aside from the level of detail and performance data that is afforded to existing LPs, the main pillars of your story around the firm, fund and market opportunity should remain the same. Spend the extra time refining these messages – not differentiating between audiences.

Clarify your position around values and ethics.

Investors are increasingly interested in where firms are accepting money from and what their stance is on various topical issues. There is not necessarily a right or wrong answer, but aligning your messaging to your strategy is critical for managing the reputation of your firm.

Recommendations

Continued

Focus on your approach to value creation.

Longer investment hold times mean firms have longer to play out their value creation strategies – and LPs expect to know exactly how you plan to do that. With a growing number of continuation funds, it's important to show that the decision to stay invested in a business is based on strategy more than circumstance.

Develop a strong digital presence.

Firms looking to attract new capital should seriously consider upgrading their website – a well-polished site is almost a prerequisite for fundraising in the current environment. Social media channels are also becoming more important – both as a tool for investors to vet GPs, and for firms to target LPs.

Create dynamic content to connect with time-poor investors.

Information is being consumed in ever changing ways – private equity is no exception. Short-form films are becoming an increasingly popular way to share high-level summaries of quarterly reports, management updates etc., or to bring a firm's investment portfolio to life.

Maximise the returns from your investor day.

This means investing the time and resources to pull off a stellar event that excites investors in the moment (high production value, diverse speakers, varied formats etc.), but also being smart about how you can use the content created for these events to form the backbone of your communications plan over the following months.

Regularly review your messaging on challenging issues.

LP's questions – for example, in their Due Diligence Questionnaire (DDQ) – are becoming ever more wide-ranging. They ask about culture, firm dynamics, carry attribution and fund performance. Ensure that you have strong and consistent messaging that is regularly reviewed so that you and your colleagues know how to respond in written and verbal communications, rather than being caught in the headlights in a meeting.

Introduction

Private equity has had a stark wake-up call in the last 18 months. Following a stellar five-year run as the highest performing private asset class, record inflation and rising interest rates in the second half of 2022 and into 2023 brought an abrupt end to this golden time. Globally, private equity performance turned negative for the first time in more than a decade. The number of new deals dried up and the market conditions for favourable exits disappeared.

Both firms and LPs have been savvy enough not to push the panic button. At the end of Q3 2022, the performance of the MSCI World Index compared to private equity buyout strategies showed that private market returns were still outpacing the public markets. This current dip is also arguably exacerbated when compared to the record numbers of previous years – but the mood has shifted. The heyday of cheap debt and economic growth has been replaced with a climate of uncertainty. Investors aren't standing still, but are certainly proceeding with much more caution.

The result of all this is that a lot of private equity firms are facing a reality check. Fundraising has become much more challenging and a firm's relationships with its existing investors are becoming more important than ever.

However, while the market outlook may be cloudy, the improving level of communications across the industry has been a ray of light. The bar is being raised, with firms investing more in their communications and IR resources as they recognise the value it can create. The days of investing LPs' money and returning at the next round of fundraising, with only a quick snapshot of 'what we've been up to' are rapidly retreating. IR is fast becoming a 24/7, full-service activity, and communication is now a key tool to unlocking capital and protecting reputations more generally.

As the industry navigates the challenging economic outlook and attempts to get back on the front foot, investor communications could be the silver bullet that sees private equity firms firing on all cylinders again. Those who fail to keep pace with change will likely find it harder to thrive in a challenging market. But, for those who can meet this step up and lead from the front – opportunities await.

1. Adapting to new demands



Adapting to new demands

Continued

Current market conditions have brought the need for standout investor relations and communications to a head, but this evolution hasn't happened overnight. In fact, there's been a growing demand on communications and IR teams within the private equity sector over the last few years. The change happened at the larger firms a decade or so back, but the next-tier have then played catch-up – and now mid-size firms are putting their communications house in order.

"LPs' expectations around IR have continued to evolve and have become more and more extensive," says Stephen Ziff, Partner and Global Head of IR at Collier Capital. "Covid was an inflection point. Firstly, the level and depth of information LPs wanted about their portfolio and the timeframe they wanted it in was unprecedented. And secondly, the manner you had to deliver it to them needed to change to make it more accessible."

Today, many IR teams are finding that they need to invest more time than ever before in providing LPs with the detailed market insights that will demonstrate their expertise and help them differentiate from the pack. It's a continuous process; LPs are looking for on-hand support throughout the entirety of the investment cycle – not just when it comes to fundraising. For many private equity firms, communications and IR sit together as part of the same function and may even fall under the responsibility of a single person.

Operating in this constant cycle between investor service and fundraising, heightened expectations from LPs are increasing the pressure on what is often an already limited resource and forcing firms to up their game.

"LPs' expectations around IR have continued to evolve and have become more and more extensive."

Stephen Ziff, *Partner and Global Head of IR, Collier Capital*

Adapting to new demands

Continued

Regulation and sustainability concerns create added complexity

Communications and IR teams are also having to adapt to an onslaught of new regulations. As alternatives have become somewhat less alternative, the focus on private equity has sharpened.

The challenge is that while regulation is universal – it isn't uniform. "There's no doubt that regulatory requirements have increased," says a senior IR professional at a global investment firm, with over \$20bn AuM aligned to its private equity strategies. "As you raise capital across different geographies and markets, complying with each of these requirements has become a lot more complex." Many mid-sized to smaller firms have already admitted that they are unclear on how regulatory changes could impact their business. As GPs begin to target new pools of capital, with some starting to steer towards the retail market, investor communications will be increasingly thrust under the microscope.

"Our investor relations and ESG teams are seeing a lot more requests for really granular and bespoke data through the year."

Kate Beers, *Head of Corporate Communications, Stonepeak*

The continued emphasis on sustainability goes hand-in-hand with increasing levels of regulatory scrutiny. 2022 was a record year for ESG-focused fundraising, attracting around \$24bn globally in the first half of the year alone (McKinsey). More broadly, from the firms' perspective, almost all funds now consider ESG as a key part of their due diligence processes, while on the LP side, investors are putting added pressure on firms to provide them with the specific ESG data and insights that their own stakeholders are demanding. This has also been complicated in the US by anti-ESG sentiment from some States (see next page).

"Individual LPs have stepped up their own commitments on what they report to their own constituents," notes Kate Beers, Head of Corporate Communications at Stonepeak. "It means our investor relations and ESG teams are seeing a lot more requests for really granular and bespoke data through the year."

Adapting to new demands

Continued

Despite this focus, sustainability communications still seems to be an area where some firms are lagging behind LP expectations – only a handful currently believe that GPs' reporting on ESG is at a standout level. Firms need to tackle this more holistically, looking beyond basic disclosure requirements and highlighting the connection between sustainability and value creation.

It's also clear that ESG is nuanced and demands a 'shades of grey' approach, according to several of those interviewed. The US, in particular, is split between those who absolutely insist on clear ESG goals and objectives – and those who see it as an affront to the way in which they make money. The number of anti-ESG bills filed across the US has significantly increased this year.

73%

GPs believe that the demand from investors for ESG data and insights has increased.

"It's important for LPs to understand how the metrics that are being tracked and reported on are connected to value creation."

Samantha Tortora, *Investor, Advisor and Former Global Head of IR & Corporate Sustainability, BlackRock*

LPs use Due Diligence Questions (DDQ) packs to draw out different points of view on many challenging and contentious issues, including ESG. Several of those interviewed in the US noted that they are constantly having to revise and refine messaging and have instilled quarterly reviews, accordingly. That then requires updating across the teams, too. "You need to think hard about the organisations linked to ESG that you align with," says one Head of Communications at a leading US-headquartered private equity group. "You need to be ready to answer why you have partnered with some – and, indeed, why you have ignored others. Ensure that there is real consistency between written and verbal messaging – train your colleagues to demonstrate a calm, reasoned and considered set of responses, even if it goes against the grain of their own individual thinking."

Adapting to new demands

Continued

“It’s important for LPs to understand how the metrics that are being tracked and reported on are connected to value creation,” says Samantha Tortora, Investor, Advisor and Former Global Head of IR & Corporate Sustainability at BlackRock. “Portfolio companies, and ultimately GPs, will often just share a snapshot of data points for a given period of time; but this does little to create a connection between the sustainability story at the portfolio company and GP levels, and how it will mitigate risk and optimise return for investors.”

Admittedly, the challenge for LPs in gathering data from GPs is that there are often inconsistencies in the data the GPs receive from across portfolio companies. “GPs will need to put significant efforts into standardising the data and using it to both report to LPs but also guide portfolio companies and decision-making,” continues Tortora. “GPs have an opportunity to work with each portfolio company to adopt best reporting practices that will make it easier for both groups to tell a more compelling story and use sustainability as a lever to generate value for investors.”

Investors expect transparent and proactive communications

The connection between all of this – heightened expectations from LPs, increased regulation and the emphasis on ESG – is the importance of transparency. “All the smart GPs now realise that they need to invest in their communications and that there’s an expectation that companies will be constructive and open in how they share information,” says the Head of Communications at a European private equity firm. “As an industry, we’re definitely seeing that shift towards being more open, transparent and communicative in a lot of different areas – ESG, LP communications and with investments across the board.”

81%

GPs emphasised the importance of transparent and proactive communication in building strong relationships with investors.

Adapting to new demands

Continued

Firms also need to be increasingly proactive about the information they are offering LPs on a regular basis – and work hard to get better and faster at it. “Investors expect to hear from us first – before they learn news from other channels,” says the Head of IR at a leading private equity firm investing in the lower middle-market. “There’s an added expectation for IR teams to be at the top of their game in this regard.”

“As an industry, we’re definitely seeing that shift towards being more open, transparent and communicative in a lot of different areas – ESG, LP communications and with investments across the board.”

Anonymous, Head of Communications, European private equity firm

Firms must be clear on their ethics and values

One of the specific areas that firms are being pressed on, outside of traditional reporting requirements, is for clarity on a fund’s sources of capital. Of course, this isn’t especially demanding for IR teams – the data alone is simple to share. But dig into the reasoning behind this question and things become

a little more difficult. “We’re getting more questions on ethics and behaviours – with a focus on where our capital is coming from,” says the Head of Communications at a leading global private equity firm. “For example, LPs have questions around funds being raised in certain parts of the Middle East or concerns over the geopolitical tensions between the US and China. It means we need to be clear on where we stand on these issues and what our values are.”

The implications can be challenging. In some cases, certain LPs do not want to be invested alongside others and trying to reconcile that can be problematic for IR teams. It highlights the importance of a clear investment philosophy – and more widely, an authentic brand. Firms need to think clearly about how they want to be perceived and what they represent, and ensure that their messaging and strategy are always aligned.

“We’re getting more questions on ethics and behaviours – with a focus on where our capital is coming from.”

Anonymous, Head of Communications, leading global private equity firm

An abstract illustration of a high jumper in mid-air, performing a Fosbury Flop. The jumper is rendered in stylized, flat colors: orange for the torso and limbs, yellow for the shorts, and black for the shoes. The high jump bar is a thick red horizontal bar supported by a vertical post. The background is a deep blue with various white and light blue lines and shapes, suggesting a track and field setting. The overall style is modern and graphic.

2. Winning the competition for capital

Winning the competition for capital

Continued

In addition to heightened demands from LPs, fundraising is also becoming increasingly hard, compounding the need for firms to step up their communications.

The macro challenges that rolled in during the second half of 2022 triggered the so-called 'denominator effect', causing a number of LPs to reconsider their allocations to private equity. At the beginning of 2023, close to 50% of endowments, government agencies and public pension funds were all overallocated to the asset class, forcing them to pause and rethink their capital allocation plans (McKinsey). While there has not been – and is not expected to be – a mass exodus away from private equity, some investors have pulled back, with smaller, newer funds often the ones taking the hit.

The decline in new deals and exits has also created a knock-on effect for fundraising. Put simply, the macro environment made it unattractive for firms to sell off their positions and many have chosen to hold on to their investments. This delay means that some LPs will be slow to get their cash back. Aside from the pressure that this places on IR teams, with some investors getting restless, it also means that many of these LPs are not in the position to be diving back into re-ups.

Building strong relationships will pay dividends

With money harder to come by, many firms are unsurprisingly choosing to double-down on the established group of LPs they already know. “There’s a big focus on where you have existing relationships,” notes the Head of Communications at a leading global private equity firm. “With everyone out fundraising, and greater levels of competition, the noticeable thing is that people tend to be going back to the names they know. Private equity is also a very relationship-focused business, so it can be hard to break into new money.”

“By the time it comes round to fundraising, you should have already built a relationship with that prospect in the same way that you do with an existing investor.”

Anonymous, *Head of IR,
US private equity firm*

The emphasis on relationships – or more specifically, the strength of these relationships – is the key point here. Those firms who are already providing a proactive, full-cycle service to their LPs and are confidently and capably addressing the demands discussed in Part 1, will be starting from a stronger position on the grid. When it comes to tough decisions around capital allocation, this can go a long way to influencing the decision.

The same focus on relationships is also important for GPs looking to attract new pools of capital. “It comes back to the lifecycle of IR,” says the Head of IR at a US private equity firm. “By the time it comes round to fundraising, you should have already built a relationship with that prospect in the same way that you do with an existing investor.”

Winning the competition for capital

Continued

Develop a compelling narrative fit for all investors

Some firms also highlighted that they invite prospects to key IR events, including their investor days. While there are of course some fundamental differences – existing LPs will have access to a far greater depth of information, for example – much of the messaging connected to the market, investment opportunity and the firm’s own positioning should speak to both groups. The fact that most firms do not significantly distinguish between current and prospective investors in their communications plans highlights this.

Instead, communications and IR teams can use that time to work closely with the wider business to develop messaging around specialisms and expertise. “Our firm has young founders,” says the Head of IR at a US-based venture capital firm. “We knew this could be a target or a red flag, so we leaned into that risk and really focused on crafting a narrative that highlighted how unique these guys were. Now, it’s a huge selling point for investors – they feel like part of the team when they join our fund.” Similarly, while it is too late to differentiate your story just before going out to the market, making time early on to develop messaging that speaks to the current economic outlook and helps contextualise the role of a certain strategy within an LP’s portfolio will help secure capital – particularly as GPs err away from generalist positions.

64%

GPs do not significantly distinguish between prospective and existing investors in their communication plans.

Communicating your approach to value creation is key

Firms have recognised that they are by no means a shoo-in for capital – even with long-standing LPs. More broadly, many investors have started to question whether their GPs have the right strategy for the current economic climate. Indeed, some feel that some have not effectively communicated that they have the right investment strategies in place to deliver strong results in a downturn.

Connected to the drop-off in exits and absence of IPOs, investment-hold times are lengthening, primarily through an increase in continuation funds. The result of this means that firms will have more time to play out their value-creation strategies but will need to improve on how they communicate these externally. GPs will need to show clearly how an extended hold period is in the best interests of the company, not a decision born out of necessity.

“A good story around the fund is critical. A lot of this comes back to how firms talk about their strategy and approach to value creation and how they show they’re following this.”

Henrietta Dehn, *Director of Communications (EMEA), Ontario Teachers’ Pension Plan*

“The competition is so stiff that it means your numbers alone aren’t enough,” says a former Managing Director of a global asset manager with multiple private equity strategies. “You need to focus on developing a clear, consistent story around value creation, that reinforces why you are well positioned to succeed in the current market.” Henrietta Dehn, Director of Communications (EMEA), at Ontario Teachers’ Pension Plan echoes this. “A good story around the fund is critical,” she says. “A lot of this comes back to how firms talk about their strategy and approach to value creation and how they show they’re following this. It doesn’t always have to be hugely different, but it must be consistent, relevant to the wider world in which they operate and show why they are the right firm to invest with or take funding from.”

Winning the competition for capital

Continued

Invest in upgrading your corporate website

Despite the challenging backdrop, for some firms, targeting new pools of capital remains a priority. Standing out in the current market can be tough, especially for those with younger funds or smaller numbers of assets under management. With GPs currently significantly outnumbering LPs at major conferences, firms are having to explore new approaches to their communications to grab investors' attention. "We are accustomed to working with long-standing LPs and have developed great partnerships over the years, but we're always looking for new partners to join us," says Ralph DeBernardo, Partner and Head of IR at Sapphire Ventures, a software-focused VC firm. "In this current environment, it's important to be up to speed on the latest trends in technology that can help you properly pair yourself with like-minded LPs."

"If your fund is looking to break out into targeting larger, institutional investors, website polish is critical."

Kaylee McCall Correa, *Managing Director, Elion*

For others, it's about putting in place the digital foundations to support the fundraising process – starting with the firm's website. As one of the most easily-accessible channels, a well-functioning site that presents the key information for investors in a clear and engaging way is essential. "If your fund is looking to break out into targeting larger, institutional investors, website polish is critical," says, Kaylee McCall Correa, Managing Director at Elion. "It pays to really think about the design of marketing materials – especially your site."

From a technical standpoint, many smaller firms are relying on outdated platforms with poorly optimised content and a laboured user experience to win investors over. Beyond looking shabby and being difficult to navigate, it makes it harder for these firms to build wider awareness of their specialisms or expertise, with search engines tending to prioritise and promote content on well-structured webpages, versus messaging that's hidden in the depths of a PDF. "Our website tries to give investors an immediate sense of who we are and how we work," says the Head of Communications at a middle-market buyout firm. "It might not be the decisive factor when it comes to allocating capital, but if your digital presence is at odds with how you talk about the firm, it makes things a whole lot harder."

Winning the competition for capital

Continued

Social media matters

Social media – particularly LinkedIn – is also becoming an increasingly important tool for GPs. The fact that this year’s SuperReturn saw Kim Kardashian delivering a keynote address, advising David Rubenstein, the co-founder of The Carlyle Group, on how to build a social media following, highlights just how far perspectives have shifted. Social media cannot be shrugged off – it is a serious platform to attract capital. Increasingly, it is helping to inform decision-making. A growing number of LPs have acknowledged that LinkedIn is becoming an important part of their management due diligence processes and will often take the time to dig into the profiles of key personnel within a prospective fund.

From a GP’s perspective, given how hard it can be to get in front of these investors, social platforms give firms the opportunity to run targeted campaigns – pushing tailored content through paid-ads into the feeds of those whom they believe are the right fit for the firm.

“We’ve found more success reaching out to prospective investors on LinkedIn compared with some of our other, more traditional outreach strategies.”

Melanie Böttcher, *IR and Communications Manager, DTCP Capital*

61%

GPs say they plan to develop their presence on social media channels further over the next year.

“We’ve found more success reaching out to prospective investors on LinkedIn compared with some of our other, more traditional outreach strategies,” says Melanie Böttcher, IR and Communications Manager at DTCP Capital. “Investors like to hear directly from the firm, and social is a powerful tool to enable that.” There are, of course, several important considerations around regulations and managing risk – GPs will need to take care to put in place the right policies and procedures – but this is a channel that is only expected to grow in importance. As firms look to widen the net and target new pools of capital, particularly around high-net-worth individuals, having a strong social strategy in place will be critical.



3. Working smarter in a hybrid world

Beyond the world of private equity, a lot has changed in the corporate environment in recent years. Covid accelerated a change in working patterns, communications channels continue to evolve and the way that people choose to engage with information is developing.

Both GPs and investors are becoming more conscious – and careful – with their time. “Everyone is fundraising all the time now, for various different strategies,” says the Head of Communications at a leading global private equity firm. “On the investor side, you get the sense that a number of these institutions have not significantly increased their own teams to absorb that, so their time is being stretched.”

Dynamic content is king

From the firms' perspective, this is leading to a growing recognition of the need to provide LPs with short, sharp, dynamic content, in addition to the depth and detail that is expected as a given. “We communicate our quarterly results through written reports. However, from a timing perspective, we’ve now initiated quarterly films for our fund investors,” says Nick Jones, Director of Corporate Communications at Arrow Global Group. “This dynamic content is delivered directly to them, substantially saving time for both sides in conveying key performance messages. This can then be utilised as a basis for more detailed follow-up conversations.”

Working smarter in a hybrid world

Continued

Kate Beers (Stonepeak) echoes this: “Whereas five years ago, some investors may have been just as happy to read a written quarterly report from GPs or a portfolio company, today, the proliferation of digital tools has diversified and enhanced the ways sponsors can communicate with investors – we’re seeing that across video, live webinar engagement, and multimedia as part of in person sessions.”

“We communicate our quarterly results through written reports. However, from a timing perspective, we’ve now initiated quarterly films for our fund investors.”

Nick Jones, *Director of Corporate Communications, Arrow Global Group*

Filmed content is becoming a priority. In addition to bite-size executive summaries for results, or colourful case studies that help bring each investment opportunity to life, firms are using film to maximise on a number of the efficiencies that were highlighted during the years of remote working. Pre-records are being used to limit the amount of time that people need to spend in due diligence sessions, underlining the need for well-executed presentations that can be shared in data rooms.

There is also a recognition of the flexibility that this kind of content provides. From a responsibility angle, it cuts back on the need for long-distance travel, as well as allowing firms to reach a much wider audience group. “It’s important to adapt to new methods of engagement with investors,” stressed the Head of IR at an early-stage venture capital firm. “The vast majority of our due diligence is now through remote meetings and virtual data rooms (VDRs), so it’s important for everyone to be comfortable – and effective – at communicating in this way.”

69%

GPs highlighted the importance of film content in their investor communications.

Virtual events are good... but in-person is even better

Despite this, the overwhelming view is that both firms and investors are pleased to be 'back in the room'. Relationships sit at the heart of this industry, and – while virtual meetings have their merits – there is a general consensus that there's little substitute for chatting face-to-face. "For our portfolio company day, there's so much value in bringing people together – online or hybrid just doesn't have the same impact," says Henrietta Dehn (Ontario Teachers' Pension Plan). "It means that we're spending a lot more time from both a content and an events perspective thinking about how we can make these moments as impactful and relevant as possible."

"Dinners, events etc. that provide these opportunities [to socialise with LPs] are hugely valuable, both in keeping current investors onboard and attracting new capital."

Anonymous, *Head of IR,
US private equity firm*

89%

GPs believe that in-person investor events deliver better results than virtual or hybrid.

Part of this stems from the recognition on both sides that these social interactions, often in a slightly more informal setting, are equally as important. "It's becoming harder and harder to socialise with LPs," says the Head of IR at a US private equity firm. "Dinners, events etc. that provide these opportunities are hugely valuable, both in keeping current investors onboard and attracting new capital."

Similarly, at larger flagship events, like investor days, firms can grow their reputation and credibility by acting as the matchmaker or connector between different groups of investors. "In many cases, investors are at these kinds of events to meet and share ideas amongst themselves," highlights a senior IR professional at a large European asset manager with multiple private equity strategies. "They often value those interactions just as much as they do finding out information about the company."

Investor days should sit at the core of your communications plan

The renewed energy and investment that is being put into investor days is perhaps the best example to highlight this enhancement in investor communications. Increasingly, there is a focus on varied, dynamic content, high quality creative execution and a sharper thematic focus to the day – all to ensure that firms are really making the most of their moment in front of LPs. “We’ve been conscious of the need to up our game,” says Fiona Laffan, Global Head of Corporate Affairs at ICG. “We’ve tried to professionalise our investor days as much as possible, with high production values and strong video content.”

“There’s a real desire to be a bit more creative with the content and the structure – things like panels, fireside chats and video content to break up the day and make it a memorable event.”

Anonymous, *Head of IR, leading private equity firm (Asian market)*

“We’ve tried to professionalise our investor days as much as possible, with high production values and strong video content.”

Fiona Laffan, *Global Head of Corporate Affairs, ICG*

Firms are waking up to the need to go that extra mile if they want to differentiate from other firms and excite investors. “Getting the format right is extremely important,” says the Head of IR at a leading private equity firm investing in the Asian market. “It’s a heavy lift for IR teams, and there’s a real desire to be a bit more creative with the content and the structure – things like panels, fireside chats and video content to break up the day and make it a memorable event.”

78%

GPs believe that a more creative approach to investor days is increasingly important.

Of course, putting on this kind of premium event is not without its challenges, and can take up a lot of time, focus and expense for an already stretched resource. That is why it is key not to look at these events in isolation. Beyond the immediate benefits that result from pulling off a standout investor day, these events can be leveraged to provide a kind of content draw-down for the rest of the year. In other words, content that is created for the day – and off the back of it – can be used as the backbone of a communications plan for the following six months. “We’re trying to be much better at repurposing content,” says a Senior Communications Practitioner at a global private equity firm. “If we’re planning to do a big video for an annual investor meeting, there’s much more thought going into how you can get the most out of this output from the beginning.”

Planning and partnerships are the key to success

Much of the success of all this is determined by the ability of communications and IR teams to be proactive, plan ahead and partner with other divisions of the business – and a trusted external advisor. “You’ve got to be thoughtful about how you allocate time and resource,” says Dania Saidam, Head of Communications at PAI Partners. “In this kind of set-up, the agencies you work with become very important. You’ve got to be able to look ahead and see where you’re going to need that level of additional support and be smart in how you plan and partner with different functions across your communications.”

With little scope for flexibility or ad hoc initiatives in a highly-regulated market, those firms who can do this effectively and curate a considered pipeline of content will be in the strongest position to control the narrative around the firm and its portfolio companies.

“You’ve got to be able to look ahead and see where you’re going to need that level of additional support and be smart in how you plan and partner with different functions across your communications.”

Dania Saidam, *Head of Communications,*
PAI Partners

Conclusion

It is far beyond the paygrade of any communications advisor to predict the outcome of the economic markets, but what is clear is that communications and IR teams play an important role in supporting their firms to tackle the challenges of the current climate. The bar for what constitutes good investor communications is undoubtedly being raised – and this should be seen as an opportunity for firms and a benefit for investors.

Expectations from LPs continue to grow, but wider factors including questions around regulation and sustainability make this an increasingly complex evolution. Transparency and proactivity from firms will be key, as well as a clearly-defined – and regularly reviewed – position on relevant ethical issues. Firms need to ensure that their written and verbal communications are aligned.

While the economic outlook remains cloudy and some investors question their allocation to the asset class, fundraising will continue to be a challenge. Strengthening relationships with existing investors is a wise first port of call. To stay front of mind, firms should focus on sharing deeper and better insights with their LPs that highlight their expertise, as well as being crystal clear on their approach to value creation. Those committed to targeting new pools of capital should start thinking creatively about new channels to approach investors and investing in their corporate website. LinkedIn is set to stay – and so is the importance of having a strong digital presence.

Finally, firms need to think about new, dynamic ways to engage with time-poor investors – and make the most of the limited moments that they have together face-to-face. Investor days remain a flagship moment for IR and can form the cornerstone of ongoing communications, but they must be executed to the highest level or risk falling flat. All of this underscores the importance of planning and partnership. Firms who think ahead and make the smartest use of their resources will find themselves in the strongest position.

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We're immensely grateful to the 40 or so communications and IR professionals who took the time out from their busy schedules to contribute to this thought piece, with particular thanks to the following for allowing quotes on the record.

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