Op Ed - IR vs. PR?
Collegial Collaboration and Integrated Programs Aren't Ideal — They're Essential

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One of the biggest concerns affecting C-level executives of publicly traded companies should be whether to hire an investor relations firm, a public relations firm or both. And if both, the question becomes how to make sure all parties are moving in the right direction.

IR targets the investment community and PR targets relevant audiences via the media. While the message may be delivered in different formats, the core messages must be consistent. The last thing a company executive needs is the headache of a counterproductive relationship under his or her watch.

When a corporation hires an IR firm, there is a good chance that the company is also seeking PR support. It is at this juncture when murky waters and conflicting agendas can take over, thus creating a non-collaborative environment rather than a truly integrated program. To be fair to all parties, this conflict is typically not caused by malice—but is a by-product of a lack of communication and understanding.

Achieving success and, most important, delivering results that affect action is paramount to both IR and PR programs. Yet the reason why problems occur in these working relationships lies at the very core of a program's strategic development and in the tactical implementation of a campaign. The constant is this: Most PR professionals do not have IR experience, and vice versa. Now that we know the primary obstacle, how do we get past it and help a client that is paying for two firms to drive one objective?

When working closely with an IR team, PR professionals must take steps to learn about and understand the financial communications landscape. Due to the highly regulated environment in which IR firms operate, the PR team must be aware of what can/cannot be said, when information can be released, how information must be released, etc. At the same time, the IR team must be aware of the PR group's need for timely, accurate information. At the onset of the collaboration, both teams should familiarize themselves with the basic function of their counterparts.

Since a client's goals are defined at the commencement of a program, the best way to ensure success is with a combined IR/PR start-up meeting. Over the course of my career, I have seen both sides of this story: strong, focused programs and of course, disasters. When both firms are on the same page, the chances for true integration are dramatically increased.

Once both programs are moving forward, constant communication is the single most important key to prolonged success. Sharing information among all parties drives seamless integration. For example, if IR communicates in advance to PR that it is arranging an investor road show in Chicago, then PR works to drive media coverage in that market. This synergy optimizes management's time and the results of strong coverage can also attract more investors, creating a very positive cycle.

Conversely, miscommunication such as the PR team pitching overly positive angles while the company is in the process of preparing a press release announcing poor financial results can lead to mistrust by the media as well as the shareholder base.

The bottom line for any company executive managing both the IR and PR outreach is simple: Make sure all parties are present when driving the messaging, positioning and objectives of the program.

Tips from the top:

- Company executives should hold joint IR/PR calls.
- IR and PR team leaders should make a point of spending time together to learn how their counterpart works.
- IR and PR teams should hold status calls sans the client.
- PR team members must make sure their client—along with the IR team—is updated on pending and current media coverage.

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