



UNIVERSITI TEKNOLOGI MARA

CMP654: FINANCIAL COMMUNICATION

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| Course Name (English) | FINANCIAL COMMUNICATION APPROVED |
| Course Code | CMP654 |
| MQF Credit | 3 |
| Course Description | This course will expose students to the field of financial communication management and focuses on skills and strategies that manage the needs in today's workplace. The course gives a basic guideline for students on skills and strategies necessary for successful and effective financial communication in organisation. Students will be exposed to the role of financial communication in organisations, managing internal and external stakeholders including financial writing strategies and also interpersonal communication strategies. |
| Transferable Skills | 1. Annual Report 2. Report Writing 3. Financial Report reading 4. Investor Relations |
| Teaching Methodologies | Lectures, Blended Learning, Seminar/Colloquium, Practical Classes, Presentation |
| CLO | CLO1 Classify the fundamental concepts of Financial Communications and its linkage to Communication Management CLO2 Display the role of communication specialist in the area of investor relations towards organisational development. CLO3 Demonstrate how to apply and integrate appropriate components and functions of Financial Communications. CLO4 Analyse current issues and challenges in Financial Communication and their manifestation in business and industry. |
| Pre-Requisite Courses | No course recommendations |
| Topics | |
| 1. Competing for Capital 1.1) 1.1. Why Go Public? 1.2) 1.2. The Four Phases of Investor Relations for Private Companies 1.3) 1.3. Private Equity Investor Relations 1.4) 1.4. Debt Investor Relations | |
| 2. Seven Keys to Successful Investor Relations 2.1) 2.1. Clearly Defined Goals 2.2) 2.2. Importance of Senior Management Commitment 2.3) 2.3. The Efficient Investor Relations Organisation 2.4) 2.3.1. A Flexible and Scalable Investor Relations Organisation 2.5) 2.3.2. Position in the Organisation 2.6) 2.3.3. Responsibilities of the Investor Relations Department 2.7) 2.3.3.1. Coordinating financial and strategic communications 2.8) 2.3.3.2. Building internal awareness of Investor Relations 2.9) 2.3.3.3. Being the company's spokesperson in the financial markets 2.10) 2.3.3.4. Keeping management aware of market's perception 2.11) 2.12) 2.3.4. Investor Relations: Profiles and Job Descriptions 2.13) 2.3.4.1. Profiles 2.14) 2.3.4.2. Job descriptions 2.15) 2.16) 2.3.5. External Investor Relations Service Providers and Advisors 2.17) 2.3.5.1. Scope of assignments 2.18) 2.3.5.2. Identification and selection process | |

- 2.19)
- 2.20) 2.3.6. Investor Relations Tools
- 2.21) 2.3.6.1. Contact database
- 2.22) 2.3.6.2. Monitoring tools
- 2.23)
- 2.24) 2.3.7. Investor Relations Budgets
- 2.25)
- 2.26) 2.4. Quality of Information and Reporting Systems
- 2.27)
- 2.28) 2.5. Understanding and Complying with Legal Requirements
- 2.29) 2.5.1. Price-Sensitive Information
- 2.30) 2.5.1.1. Main characteristics of price-sensitive or privileged information
- 2.31) 2.5.1.2. Insiders
- 2.32) 2.5.1.3. Disclosure of price-sensitive information
- 2.33) 2.5.2. Periodic Disclosure
- 2.34) 2.5.2.1. Financial accounting information
- 2.35) 2.5.2.2. Annual general meetings
- 2.36) 2.5.2.3. Financial transactions
- 2.37) 2.5.3. Anticipating Changes in Investor Relations
- 2.38) 2.5.3.1. Endogenous Factors
- 2.39) 2.5.3.2. Exogenous Factors
- 2.40) 2.5.4. The Convergence of Investor Relations and Corporate Communications
- 2.41) 2.5.4.1. Convergence Is Here To Stay
- 2.42) 2.5.4.2. Integrated Communications as a Value Driver
- 2.43) 2.5.4.3. Ensuring Consistency across Communications

3. Implementing Best Practices in Investor Relations

- 3.1) 3.1. Identifying Shareholders
- 3.2) 3.1.1. Legal Means
- 3.3) 3.1.1.1. Notification of threshold crossing
- 3.4) 3.1.1.2. Identification by a central securities depository
- 3.5) 3.1.1.3. Analysis of voting results
- 3.6) 3.1.2. Technical Means
- 3.7) 3.1.3. Free shareholder identification techniques
- 3.8) 3.1.4. Free-based identification tools
- 3.9) 3.1.5. Financial intermediaries
- 3.10)
- 3.11) 3.2. Attracting and Retaining Shareholders
- 3.12) 3.2.1. Intelligent Targeting
- 3.13) 3.2.1.1. Meeting with hedge funds
- 3.14) 3.2.1.2. Activist shareholders or the limitation of institutional targeting
- 3.15) 3.2.2. The “Seed, Harvest and Lock” Approach to Investor Relations
- 3.16)
- 3.17) 3.3. Understanding Market Expectations
- 3.18) 3.3.1. Form
- 3.19) 3.3.2. Content
- 3.20)
- 3.21) 3.4. Developing the Financial Calendar
- 3.22) 3.4.1. Who Prepares the Financial Calendar?
- 3.23) 3.4.2. Financial Calendar Content
- 3.24) 3.4.3. Publication of the Financial Calendar
- 3.25) 3.4.4. Quiet Periods
- 3.26)
- 3.27) 3.5. Crafting Compelling Messages
- 3.28) 3.5.1. Writing Clearly
- 3.29) 3.5.2. Financial and Strategic Messages
- 3.30) 3.5.2.1. The business environment
- 3.31) 3.5.2.2. Organisation
- 3.32) 3.5.2.3. Human resources
- 3.33) 3.5.2.4. Commercial, technological, and financial performance
- 3.34) 3.5.2.5. Business model
- 3.35) 3.5.2.6. Strategy
- 3.36) 3.5.2.7. Risk factors
- 3.37)
- 3.38) 3.5.3. Outlook
- 3.39) 3.5.3.1. Forecasts, objectives, outlook and guidance
- 3.40) 3.5.3.2. Selecting guidance indicators
- 3.41) 3.5.3.3. Choice of time horizon
- 3.42) 3.5.3.4. Updated outlook
- 3.43) 3.5.3.5. Profit warnings and preannouncements
- 3.44)
- 3.45) 3.5.4. Shareholder Value Creation
- 3.46)
- 3.47) 3.5.5. Mergers and Acquisitions
- 3.48)
- 3.49) 3.5.6. Corporate Governance and Internal Control

- 3.50)
- 3.51)
- 3.52) 3.5.7. Corporate Social Responsibility and Sustainable Development
- 3.53)
- 3.54) 3.5.8. Investor Relations for Employee Shareholders
- 3.55)
- 3.56)
- 3.57) 3.6. Selecting and Implementing Investor Relations Tools
- 3.58) 3.6.1. Press Releases
- 3.59) 3.6.2. Visuals, Presentations, and Slideshows
- 3.60) 3.6.2.1. Form
- 3.61) 3.6.2.2. Content
- 3.62) 3.6.3. Online Investor Relations
- 3.63) 3.6.3.1. Basic principles for Web site construction
- 3.64) 3.6.3.2. Site content
- 3.65) 3.6.4. Blogs and Social Media
- 3.66) 3.6.5. The Annual Report
- 3.67) 3.6.5.1. The purpose of the annual report
- 3.68) 3.6.5.2. Structure of the annual report
- 3.69) 3.6.5.3. Distribution of annual reports
- 3.70) 3.6.6. Shareholder Letter
- 3.71) 3.6.7. Financial Advertising
- 3.72) 3.6.8. Press Kits
- 3.73) 3.6.9. Public Meetings
- 3.74) 3.6.10. Solving the “Who Meets Who” Problem
- 3.75) 3.6.11. Successful Investor Relations Meetings Tactics
- 3.76) 3.6.12. One-to-One Meetings
- 3.77) 3.6.13. Roadshows
- 3.78) 3.6.13.1. Roadshow format
- 3.79) 3.6.13.2. To go solo or to use a bank
- 3.80) 3.6.13.3. Roadshow participants
- 3.81) 3.6.13.4. Ten rules for successful roadshows
- 3.82) 3.6.14. “Reverse Roadshow”
- 3.83) 3.6.15. Conferences
- 3.84) 3.6.16. Analyst and Investor Days
- 3.85) 3.6.16.1. Objectives
- 3.86) 3.6.16.2. Planning
- 3.87) 3.6.16.3. Location
- 3.88) 3.6.16.4. Content
- 3.89) 3.6.16.5. Feedback and debriefing
- 3.90) 3.6.17. Conference Calls
- 3.91) 3.6.17.1. Making the best use of technology
- 3.92) 3.6.17.2. Script and presentation
- 3.93) 3.6.18. Open Days
- 3.94) 3.6.19. The Annual General Meeting (AGM)
- 3.95) 3.6.20. Factbooks
- 3.96) 3.6.21. Written Disclosure Policy
- 3.97) 3.6.22. The Shareholder Guide
- 3.98) 3.6.23. Corporate Social Responsibility Report
- 3.99) 3.6.24. Fact Sheets
- 3.100) 3.6.25. Deploying Technological Innovation in Investor Relations
- 3.101)
- 3.102) 3.7. Enhancing Shareholder Loyalty and Retention
- 3.103) 3.7.1. Extracting Value from the Shareholder Base
- 3.104) 3.7.2. Combining Financial and Corporate Communication Strategies
- 3.105)
- 3.106) 3.8. Dealing with Crisis Communication in Investor Relations
- 3.107) 3.8.1. Anticipating, Just in Case...
- 3.108) 3.8.2. Joining Press Relations and Investor Relations Forces

4. Measuring The Value of Investor Relations

- 4.1) 4.1. Quantitative Factors
- 4.2) 4.1.1. Stock-Market Criteria
- 4.3) 4.1.2. Equity Research on the Company
- 4.4) 4.1.3. The Shareholder Base
- 4.5) 4.1.4. Financial Criteria
- 4.6) 4.1.5. The Investor Relations Program
- 4.7)
- 4.8) 4.2. Qualitative Factors
- 4.9) 4.2.1. Perception Studies
- 4.10) 4.2.1.1. Areas of focus
- 4.11) 4.2.1.2. Methodology
- 4.12) 4.2.2. Awards
- 4.13) 4.2.3. Investor Relations Organisational Structure

5. Annual Report Writing

5.1) Annual Report Writing Exercise

6. Project/Annual Report Presentation

6.1) Project/Annual Report Presentation

| Assessment Breakdown | % |
|-----------------------|---------|
| Continuous Assessment | 100.00% |

| Details of Continuous Assessment | Assessment Type | Assessment Description | % of Total Mark | CLO |
|----------------------------------|--------------------|------------------------|-----------------|------|
| | Group Project | Group project | 30% | CLO1 |
| | Individual Project | individual project | 10% | CLO2 |
| | Test | mid term test | 20% | CLO4 |
| | Writing Test | final test | 40% | CLO3 |

| Reading List | Recommended Text | <ul style="list-style-type: none"> • Guimard, A. 2009, <i>Investor Relations: Principles and International Best Practices of Financial Communication</i>, MacMillan Pallgrave • Ross, Westerfield, Jordan 2003, <i>Fundamentals of Corporate Finance</i>, 4th Ed., McGraw-Hill New York • Wilcox, DL, Ault, PH & Agee, WK. 1998, <i>Public Relations: Strategies and Tactics</i>, 5th Ed., Longman New York |
|---------------------------|---|--|
| | Reference Book Resources | <ul style="list-style-type: none"> • Baskin, O.W. 1997, <i>Public Relations: the profession and the practice</i>, Brown & Benchmark Publishers Madison |
| Article/Paper List | This Course does not have any article/paper resources | |
| Other References | This Course does not have any other resources | |