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Welcome to the Jungle: Investor Relations Joins the Blogosphere

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Abstract (Summary)

Managed by the IR department and developed in close collaboration with corporate communications, Dell Shares is a result of the IR team's efforts to "democratize information" and to engage with shareholders in a manner that supports transparency. Innovative in the field of investor relations, Dell Shares is read not just by those interested in investing in Dell, but also by IR and communications execs at other companies who are looking to follow Dell's lead.

Dell's social media culture "has been a journey," [Rob Williams] says. He explains that Dell first got involved in blogging with its customer-focused blog "Direct2Dell," which was initiated as a result of negative online conversations about the quality of Dell's customer support. Effective in engaging customers, as well as mitigating and resolving the sometimes harsh and erroneous online criticism, Direct2Dell's success led to a tide of social media initiatives, not to mention a corporate-wide appreciation for open conversation among customers, suppliers, employees and investors.

The "Terms and Conditions" laid out on the Dell Shares blog effectively set the tone for a productive and honest online conversation between the company's IR execs and readers. The blog is updated regularly by two members of the IR team who are "authorized" to create and post content. With this authorization, their posts do not require legal review. The team shares blog monitoring duties and aims to post new content once weekly to keep the site fresh.

Full Text (1210 words)

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Although today's social media-obsessed culture is familiar territory to most marketers and corporate communicators, investor relations professionals have been more hesitant to jump on the bandwagon. This trend is starting to change, though, as companies like Dell, Sun Microsystems and Cisco expand their already thriving blogging culture to tackle issues related to investor relations and financial communications. Monica Maeckle, VP of new media for Business Wire, stresses that this is a trend investor relations can't ignore.

"The main lesson is that people are getting their information from each other, rather than from institutions and from corporations," she says.

Dell's Take On Democracy

Dell is leading the pack with its Dell Shares blog (<http://dellshares.dell.com>), which discusses diverse IR issues such as sustainability initiatives, corporate growth priorities and changes in management. As explained in a recent post, Dell "launched Dell Shares with a commitment to reach out to our institutional and retail investors to discuss items relevant to our strategy, our financial results and progress on our initiatives."

Rob Williams, director of investor relations for Dell, notes that there are more than 1,000 blog posts about Dell every day in English alone. It was this sheer magnitude of online conversation about the company that spurred the IR team to take action and join the discussion on their own terms.

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The Blogger Dimension

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Williams says that with the IR blog, the company is really just elevating their communications to the next level by taking information that is already in the public domain and compliant with regulations, and just "peeling back the onion" to provide a richer story to constituents.

IIR = Internal Investor Relations

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With each new post, a notification is sent out over the IR e-mail list, encouraging investors and analysts to check out the latest posting.

Williams says that they have witnessed very strong readership and a "multiplier effect" whenever a new posting is made. With the ability to track page views, the stats suggest that sell-side analysts are forwarding the blog to their clients, and that buy-side analysts are encouraging their portfolio managers to visit the site.

Fear & Loathing In IR

IR executives' hesitancy to embrace blogging may be warranted, but it's also easily assuaged. Why, then, have IR professionals been so slow to adopt blogging? Commonly cited reasons are fear of being compliant with Regulation FD (Fair Disclosure), lack of time and budget and the inclination to avoid attracting critical comments from readers.

To this end, Cisco VP of investor relations Marilyn Mora, who regularly engages with her company's 12 corporate blogs, stresses that "you can't be afraid of blogging--it requires the same common sense and good judgment just as you would use in your daily communications with constituents."

Maeckle, who works closely with Business Wire's own corporate blog, notes that blogging can save time for investor relations professionals, as answers to frequently asked questions can be posted on the blog, cutting down on the need for phone calls or e-mail requests for the same basic information.

Williams seconds this, emphasizing that blogging must be viewed as any other communications medium, and that there is no one better to be discussing financial issues on a blog than the investor relations team. He stresses that investor relations professionals "need to join the [blogging] conversation now--if you procrastinate, you will get drawn in on someone else's terms." PRN

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Blogging For An Investor Audience

- * Make any corporate blog a collaborative effort. Include corporate communications, product groups, investor relations and information technology. Since online audiences converge, everyone needs to be on the same page, and you should have the Web analytic support to measure your progress and impact.
- * Establish clear policies stating who at your company can blog and what they can and cannot say. Although transparency is the end goal, legal compliance with Regulation FD and Rule 10b5 is paramount.
- * Start with an internal blog. This will help you find your blogging voice and learn which issues appeal most to your audience before you open up to the world.
- * Update and monitor the blog regularly. You can't let the content get stale, and you must respond to your reader's comments in a timely manner.
- * Use quiet periods creatively. Dell has used quiet periods to educate readers on new e-proxy procedures and on the company's sustainability initiatives.
- * Remember that the blog is an extension of your brand. Make sure that the tone and look and feel of the blog is consistent with the essence of your corporate brand. Use the blog to enhance and to directly engage constituents with your brand image.
- * Use online tools to proactively monitor what is being said about your company in the blogosphere. Seize the opportunity to respond, if necessary. Free tools such as Technorati, Google Alerts and Yahoo Blog Search can get you started.
- * Enable RSS feeds to push new posts to your readers. Really Simple Syndication (RSS) will automatically alert your readers when new material is posted on the blog, encouraging their participation.
- * Incorporate videos into your blogs for a richer reader experience. Cisco and Dell regularly interview company executives on their blogs to provide fresh color and insight on corporate strategies.
- * Use traditional methods to engage readers with your blog. Once up and running, publicize your blog on your Web site, through e-mail and in investor meetings. Direct constituents to your blog whenever relevant.
- * See this as an opportunity, not a task. Blogging enables you to take control of your company's messaging and communication in the blogosphere, one of today's most influential and fastest-moving channels. If you don't engage in the conversation about your company, you risk letting others speak on your behalf.

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