

Inside Look at LATAM IR

Professional Backgrounds, Responsibilities and Aspirations

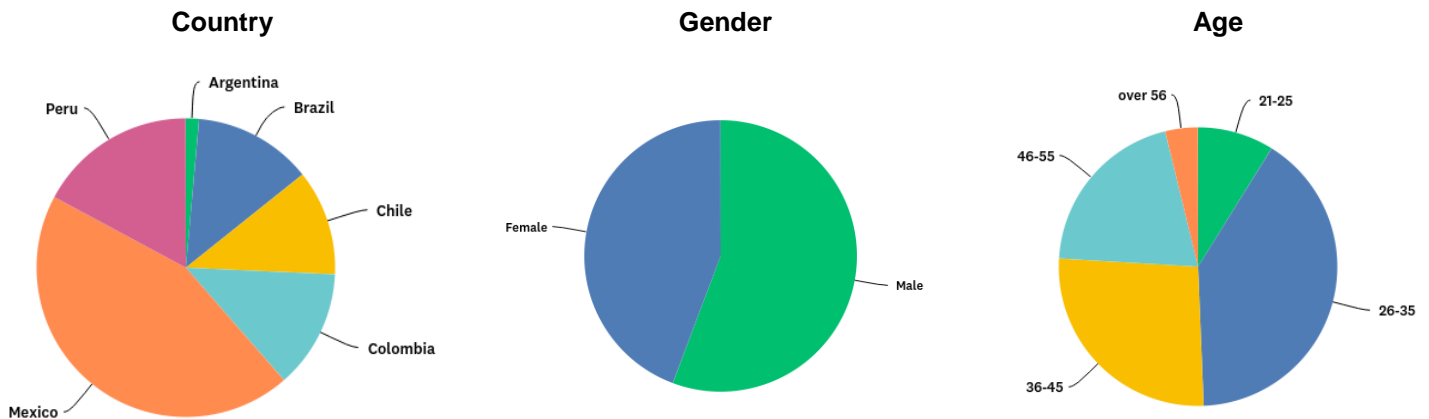
This i-advize newsletter is the second installment in a three-part series that takes a closer look at the IR profession --- specifically as it pertains to the Latin American region. Our main goal with this particular study was to identify key IR demographics in the region that would enable issuers to better understand the **professional backgrounds, responsibilities and aspirations** of their peers.

Earlier in August, i-advize sent out a survey entitled “IR Demographic and Compensation Study”. While the survey responses are not all in yet, we did obtain a preliminary overview of the composition of investor relations teams in certain developed markets. All in all, over 80 IR professionals in Argentina, Brazil, Chile, Colombia, Mexico, Panama and Peru answered pointed questions about their professional experience, their day-to-day functions, as well as their aspirations for the future. In this report, we will be sharing some of these results with you.

The survey results are not all in! Part 3 of this study dives into Compensation and Salaries. If you have not already participated, please complete the 20-question survey prior to December 1, 2017, at: <https://www.surveymonkey.com/r/RCJWWX7>

- [Part 1: IR Team Composition](#) (past issue – July 2017)
- [Part 2: Professional Backgrounds, Responsibilities and Aspirations](#) (current issue)
- [Part 3: How much is all this going to cost? Compensation and Budgets](#) (January 2018)

Demographics (at September 2017)



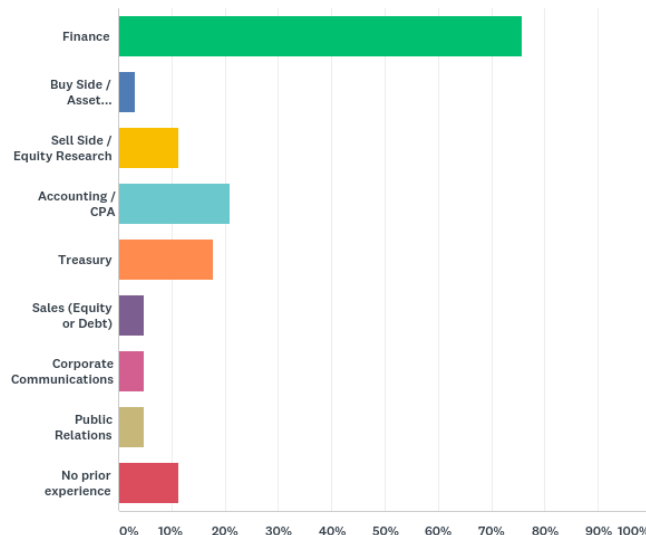
BACKGROUNDS

Successful IROs comprise a wide skill set --- including the areas of finance, communications, public relations and economics --- in order to perform the complex task of communicating with the market. Not only must they fully understand financial analysis, capital markets, laws and regulations, among others, they must also rely on strong communications and networking skills.



In our findings, we discovered that most of our respondents --- a whopping 75% --- had some sort of prior experience in the field of finance. Other areas worth noting were accounting, which represented nearly 21%, followed by treasury and equity research, with 17.7% and 11.3%, respectively.

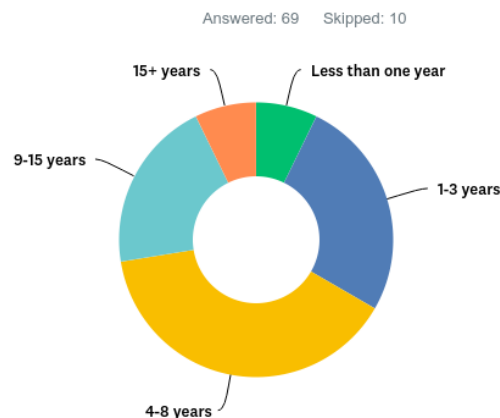
What is your PRIOR PROFESSIONAL EXPERIENCE? (check all that apply)



Other fields/backgrounds represented by the participants of the survey included public relations, corporate communications, sales and buy side. It is important to mention that prior experience or background could represent previous job experience or educational degrees. 11.3% of the respondents mentioned they had no prior professional experience at all, indicating that they were recent college graduates. It is also interesting to note that in the comments, some respondents mentioned that they did not fit into any of the “traditional” IR-related fields we listed. Other areas of experience included were: auditing, engineering, commercial, information technology as well as planning.

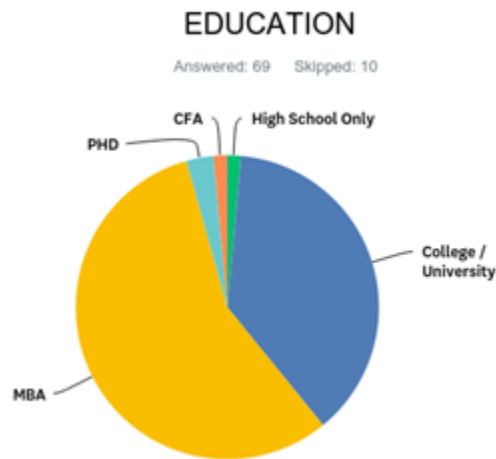
In terms of investor relations experience, per se, the number of years in the industry varies, with most of the respondents having between 4 to 8 years (39%) experience. The remainder has 1-3 years (27%), 9-15 years (20%) and over 15 years (7%) experience.

How much TIME have you spent in the IR profession?





In terms of educational background, the Latin American IR professional circuit has a very high level of education, with 56.5% holding an advanced business degree and 37.7% holding a college or university diploma. Interestingly, none of the participants of the study hold an investor relations degree from NIRI. Several of the respondents also indicated that they held Masters Degrees in Finance, Management or Economic Studies, which were not listed among the choices.



RESPONSIBILITIES

Let’s begin our review of IR Responsibilities, particularly to whom our respondents report. The choices are: Board of Directors, CEO, CFO, a higher ranking IR officer, or Treasurer.

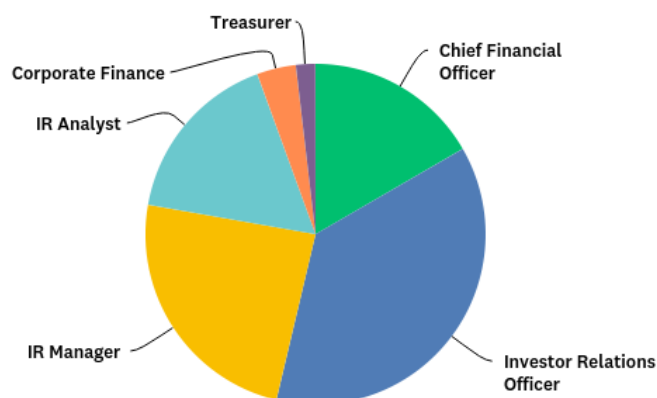
To WHOM do you report to within the company? (check all that apply)



As expected, most of the respondents (51%) report to the Chief Financial Officer, the position that has traditionally held IR under its area of supervision. However, 35% report directly to the CEO and 33% to the Investor Relations Officer, indicating that nearly 1/3 of the respondents are IR managers or other members of the IR team. This brings us to the official title of the respondents:

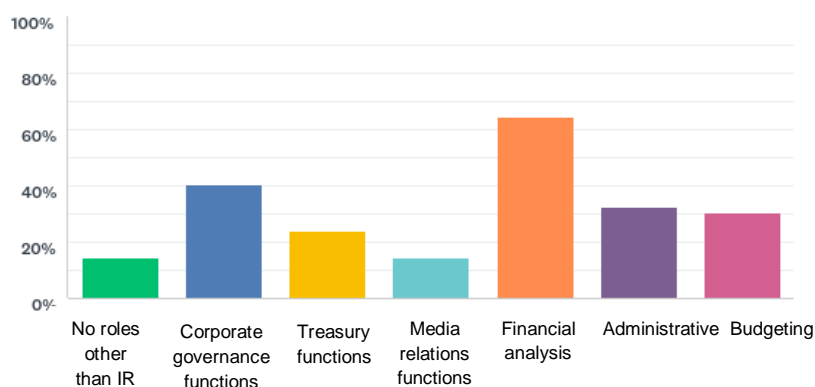


What is your official TITLE?



While IRO's represented the majority of the respondents (37%), IR Managers (24%) and IR Analysts (17%) also had a strong showing. Chief Financial Officers participated in significant amounts to this survey, representing 17%, as well as a handful of CEOs (less than 1%). Interestingly, quite a few respondents categorized themselves under titles that were not listed in the choices, including "IR Director", "Financial Planning", "Head of IR", "IR Coordinator", "Junior IR Manager" and "Head of Market Information", among other variations.

Lastly in this section, we asked respondents *other than IR*, what other roles do they currently have? The answers were quite varied and included financial analysis (64%) and corporate governance (40%), mainly, as other roles within the company that they fulfill, as per the chart below.



In their comments, respondents mentioned a few other responsibilities they have at their companies, in addition to IR, including:

- Strategic Planning
- BOD report creation
- Project Financing
- Bond issuances and relationships with credit rating agencies
- Sustainability

Core IR Functions

External Functions	Internal Functions
<ul style="list-style-type: none"> - Create value driver investment messages - Broaden awareness and target new investors - Execute communication activities - Maintain disclosure policies - Create publications for media - Manage market intelligence databases - Conduct investor/analyst meetings - Maintains up-to-date contacts with financial analysts through private/group meetings, conferences, perception studies, inquiries and feedback analysis 	<ul style="list-style-type: none"> - Advise senior management to create value - Present external feedback to senior management - Coordinate strategic communications for employees, customers and suppliers - Prepare and develop senior speaking reports - Write and distribute quarterly financial reports - Enhance and expand the investor relations presence on the corporate website

Source: i-advize client training materials

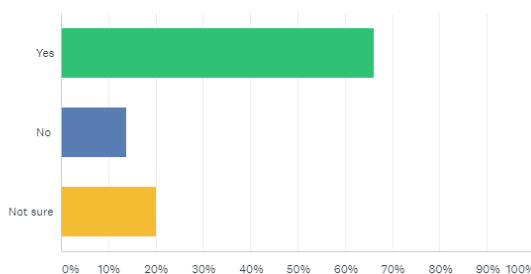
ASPIRATIONS

We find that in many cases, technical IR skills can be transferred across industries and that the broad perspective gained in multiple sectors is often beneficial. As IR continues to become a more popular career in Latin America, oftentimes we see IRO's gaining more expertise as they jump on to other industries. The study shows that over 68% of surveyed participants are in the IR field for the long run, and see themselves remaining in the field for the next 5 years.

In terms of the positions that they aspire to: 37% seek to be a higher ranking investor relations officer, while 28% hope to be CFO and 11% aspire to Chief Executive Officer; and oftentimes this comes true. Throughout the years, i-advize has seen many client IROs take upon a seat in the c-suite. This transition oftentimes seems natural as the IRO is the one person in the entire organization outside of management that works hand in hand with the CEO and CFO. Consequently, the IRO has deep insight as to what is going on in the company and management thoughts --- hence, day to day work serves as a "managerial training".

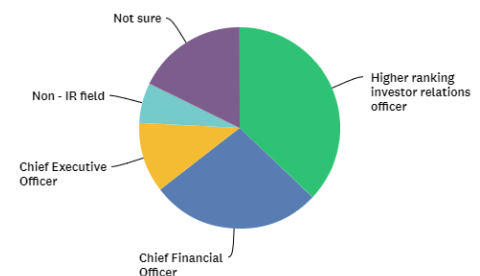
Do you see yourself pursuing IR for the next 1-5 years?

Answered: 65 Skipped: 14



In the next 1-5 years, what position do you aspire to?

Answered: 62 Skipped: 17



For more information on how i-advize Corporate Communications help your company reach its maximum potential, please contact us:

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