

Dude, Where's My Roadshow?

Does a roadshow ever disintegrate? True stories of how it goes horribly wrong



Introduction

When the trip comes together like clockwork, no one gives it another thought. When things crash and burn, the experience is likely to scar. First, bad logistics can carry a real opportunity cost for the company because missing the investor meeting means potentially losing out on a financial commitment—real money—from the fund. Second, a road drama can cost you your reputation. Can you hear the not-so-joking voice of your CEO about ‘that fateful investor trip’ ringing in your ears even several years later? How many advisors endure humiliation at the ‘horror storytelling’, where the senior management team recalls and shares roadshow traumas and piles heaps of ridicule on the hapless people involved in the logistics? Whatever you do, enter the exercise with open eyes. No better way to prepare to fail than to fail to prepare yourself mentally for the usual pitfalls of the road.

This White Paper, produced by Mediatree’s knowledge management initiative ThinkTank, shares some of our team’s vignettes from the road—maybe yours isn’t so bad after all.

Caveat peregrinator...(traveller beware)

1. Roadshows through an 'act of God'

'Acts of God' is a term you read about in contracts that nothing can protect you about. So how does the show go on when Iceland's Eyjafjallajökull volcano erupts into a mammoth ash cloud that shuts down the whole of European airspace, helping millions of people realise what it's like to wake up to singing birds and chirping natural sounds rather than roaring aircraft engines crisscrossing the sky in the early dawn airport landings? We faced this very challenge once a few years back.

You might wait years for your company to IPO. It usually costs you a small fortune in banker / lawyer / accountants' fees and your senior management team's man-hours spent drafting memoranda, slide deck and deal steering committees. You've meticulously jumped every hurdle of the long-trodden path (bank beauty parades, syndication, analyst presentations, lawyer and vendor discussions, 'early look' meetings, research publication...), you're ready for your big launch day...and then, the ash cloud erupts and nothing is for certain. It seems like madness, but the markets aren't shut and if you're slotted to go, do you really want to miss the window?

The challenges of a land-locked roadshow are not as bad as they seem. Don't assume there isn't a way around it, there always is—and if it's a long drive or train ride, there are advantages to this form of travel. Drastic conditions make for drastic measures, and exceptional conditions build special bonds of trust. In roadshows, where there's know-how, there's a way.

2. Flight disruptions - it's a race against time

It's 4:15 and the last one-on-one in Frankfurt city centre just started. Then I get the call. While the management team is happily ensconced in the 'equity story' presentation, I experience a heart-stopping moment. "Hey, it's André. The weather report has just come in, air traffic is asking us to take an earlier slot—fog is descending fast in Milan and we need to anticipate our departure by at least 30 minutes. We need the team loaded up and engines running at 5pm for take-off and wheels up at 5:10. Otherwise, we're not going to make it and you'll be driving through the night to meet your 8am Milan investor tomorrow." Our pilot, André, is a Swiss dude of the best kind—confident, a firm hand, smooth flying and undeniably the Captain of the Challenger 604 we have rented for our cross-European marathon. This is not a test—this is a sprint. Reflexes must kick in fast! First reflex: immediate airport check. All commercial flights are cancelled, re-routing through another hub from Frankfurt won't help, the weather is closing in fast in Italy. A few more checks (travel partner, meteorological news, local intel)—all pointing to the same issue.

Swiftly to the driver who confirms to me that the quickest he can drive to Flughafen Frankfurt Private Jet Terminal is 22 minutes, we'll need about a minute or two to pass through the gates and get out of the cars, about 5 minutes if they can fast track us through security, a minute to conduct the usual roadshow 'idiot check' (hopefully this is part of your roadie repertoire—checking cars for cables, chargers, coats, documents, spare bags etc in the last place you leave) and then ferry us down the runway to the plane. Working back, we need to leave....now!

The immediate reflexes and solutions you put in place without wasting precious minutes and their implementation make the difference between success or failure. On the road, the art is to make the call fast and put in place the plan B that doesn't scupper the CEO's flow and mar the relationship with your shareholders. What did we do? A terrific elevator pitch, a dial-in number ready to hand out so Q&A could continue in the 22 minute car transfer without stopping, some good IR relational performance, a zen management team that trusts that if you pulled the trigger, there was just no other option. Result: we got that investor's buy order.

3. Illness

My boss once had a heart attack on the road. My client broke their foot. Most roadies get bad sniffles (too much aircon). I come home broken and delirious with sleep deprivation and massively dehydrated. Everyone has a bad illness road story at some point—just make sure it's not your epitaph.

In 20 years of specialist roadshow practice, we have encountered only once a case of two flights back-to-back on a red eye (San Diego- New York on the Monday night and New York-London on the Tuesday). This exception came about because we had to work around the US 4th July. Nevertheless, it is not uncommon to cumulate 2 of them in as many weeks.

Red-eye jetlag isn't an illness per se, but when you read Dr Jessica Payne's (Head of the Sleep, Stress and Memory Lab in the Department of Psychology at the University of Notre Dame) research on the effects of sleep deprivation on cognitive functions it boils down to this: even a 20-minute per day increase in sleep can improve clarity and cognitive reasoning exponentially. And going to work tired? It produces psychological functioning, reflexes and awareness akin to diving drunk.

The brain represents 2% of the total body mass but consumes 20% of the energetic intake. Dark chocolate is an antioxidant. Make sure your roadshow cars are packed with it.

4. Forget-me-not

The lift had just arrived and as the senior management team stepped into the elevator ready to fend off the first investor questions of the morning from our 'cornerstone' fund manager, my CFO's eyes darted and locked mine wide and intent. Fear. A silent shudder of heavy, inexorable, limbic resonance darted into my own brain from his terror-stricken stare. What on earth had he left behind? What was the priceless item he couldn't do without? Not the bespoke cashmere coat a famous German CEO had delivered from Italy to take him from city to city in style at IPO. Not the 'loaded' iPad the Italian IRO forgot on the seat of an aircraft that had long spat out its passengers, containing the company and bookbuilding secrets. Not even the phone left in a security tray by the pressed Swedish entrepreneur at Edinburgh airport. Our CFO looked at me and slowly raised his left hand, palm facing in, so only I could see. His wedding band. Uh-oh. We found it. Somewhere (not disclosing) by the bedside. Crisis over (a couple of hours later). A tough few hours.

5. Production creativity

The Investor Day will welcome 150 analysts and investors travelling the world over to come share a day or two of your management's time, catching up on the latest and gaining new insights on the operational or strategic orientations of the business. A beautiful set has been designed and fills the vast hall that hosts the day(s), lit slickly and with corporate visuals looking immaculate. The stage furniture is modern, white and plexiglass, looking cutting-edge. All senior managers have their markers, know their production cues, and then a few minutes before you usher the guests in the room from their welcome coffee.... "can you add a chair in the Q&A corner for our Head of xyz division?" Ewwwww.... The chairs are bespoke low seating, cushiony, ordered weeks ago, shipped in yesterday, arriving shrink wrapped to remain pristine white and shiny chrome.... Difficult to just 'add one extra chair'—we can't exactly pull one of the participant chairs. How quickly can we source one? About 1-2 hours. What colour? Black. Here's what we do: we order it, add it to the stage set during the first break (before Q&A and Mr xyz being required on stage). Lucky us: the logo is white, red and black. The seventh chair gets set prominently centre, 3 white either side, and our cracking logistics manager finds a red cushion to adorn it. Presto: company colours. A little creativity goes a long way.

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Get with it!