

OTC Markets Advisor Insights Podcast

Harbor Access

Season 3 | Episode 6

- OTC Markets Group: From OTC Markets' global headquarters in New York City, you are listening to Advisor Insights, where we feature professionals that will address the issues that affect the small-cap companies that trade on the OTC Markets. Joining us today is Jonathan Patterson, managing partner at Harbor Access, an investor relations firm that is listed on our premium provider directory, welcome Jonathan.
- Jonathan Paterson: Nice to meet you, Matt, and thanks for having me.
- OTC Markets Group: Absolutely. So, Jonathan, to get started as always, I do ask all our participants if you could provide our listeners with just some background about yourself and tell us about how Harbor Access came to fruition.
- Jonathan Paterson: Yeah, sure. Matt so I'm originally from the UK specifically Scotland. I started out my career on the buy side as a portfolio manager, managing pension funds and charities moved to the U.S. in 2001 between 2001 and 2017. I worked for various investment banks always advising non-US companies in terms of helping them with their diversifying their shareholder base. In 2017, we launched Harbor Access, which is based here in Stamford, Connecticut. And then we do also have an office in Toronto.
- OTC Markets Group: Now Harbor Access. Let's talk about the firm for a second. What sorts of clients do you work with any specific industries?
- Jonathan Paterson: Not specific industries where actually sector agnostic, but we do specialize with small and mid-cap companies. We believe that that as an asset class of its own we do work with US, UK Canadian, Australian, and as far as South Africa given that most of my career was based here in the US and working with cross border companies. We feel that we're well experienced in helping those types of companies diversify their shareholder base.
- OTC Markets Group: Great. And what sorts of services do you provide? Is it just general IR work? Do you have any particular expertise or specialties
- Jonathan Paterson: We're a strategic IR advisory firm, so we do everything from creating your client's investor presentation, they're reviewing their website to make sure that investors can get as much information with as few clicks as possible. We do specialize in investor access given my experience but essentially, we're an outsourced cost-effective investor relations solution for small and mid-cap companies
- OTC Markets Group: Now, as you just mentioned the OTC markets, we are speaking to small and mid-cap companies and our listeners are small and mid-cap companies, and there are many IR firms that work within the space. What can you say differentiates Harbor Access from other IR firms?
- Jonathan Paterson: Sure. in the small and the mid-cap space I would say that we're very different in that we're not career consultants. I've worked with companies all the way up to mega cap and all the way down to microcap. And I think that what we do is we provide clarity, transparency, integrity, and honesty. So we're working with clients and a lot of it is managing their expectations, a TRO or a BlackRock is not necessarily going to have taken a position in a small

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cap company after the first meeting. So I just think that working with a company, we have a very diversified skill set. Whether it be from one of my colleagues that was a former published sales side analyst, to someone that's on the team that was a published marketing expert. So it's a broad-based skill set. That's beneficial to a lot of our clients.

OTC Markets Group: So going along with the skill sets that you were just talking about what do you think these small and mid-cap companies who may not know much about investor relations, what do you think they misconstrue about what your roles, capabilities and or skillsets should be as their IR firm?

Jonathan Paterson: That's a good question. And I know that a lot of my colleagues would be desperate to jump in and answer this what I would say. And as what we say to our clients is as IR practitioners, we can't do anything about your stock price. Anyone that tells you that they can do something is either one they're lying or two, they're doing something illegal, which typically will end up having you flagged on the OTC for promotional activities. So again, I would recommend when you're working with an IR firm, you have a dialogue, an active dialogue what is it that you're looking for? Are you looking to improve your investor presentation? We can help with that. Are you looking to make more robust press releases? We can help with that. But we definitely cannot do anything about the stock price.

OTC Markets Group: I appreciate you mentioning the, the promotional activity because, our compliance team is very strict on that. So, companies don't know that sometimes until it does happen to them. And continuing on, you may have just touched on it, but what do companies perhaps know the least when it comes to know the least about when it comes to IR or in other words, what may be their biggest blind spots when it comes to investor relations?

Jonathan Paterson: I think the blind spot is very often we'll take a management team to go in and meet with an investor. And we come out, we have a great meeting, and nothing happens. And then we go back for a second meeting, and nothing happens. It's a very, very long process of building up, investor interest, but also just building up that relationship between the corporate and the investor. And then I would say even prior to that, what we often find in the small cap world is that CEOs know their business inside out, upside down. That's great, but that comes with a special set of challenges and that because the industry so well you have to take a step back. Not everyone knows your company as well as you. And sometimes the presentations can go into too much detail, be very, very careful of falling into that trap.

OTC Markets Group: And I was my next question that I was going to ask is what are the biggest changes and our implications? Once again, I feel like you may have touched on this a little, but what are the biggest changes and our implications in the IR landscape that companies need to know about as well?

Jonathan Paterson: Yeah. I mean, I guess the biggest, one of it would've been everything we've gone through in the past two years, the, the zoom presentation, the 30 minutes we, we talk about the 10 20, 30 rule. So, 10 pages, 20 minutes to present and then a little bit sort of joking, but 30-point font. And essentially with a zoom call, you no longer have an hour in front of an analyst or a portfolio manager, you have 20 minutes and that person's attention is getting pulled in different directions because they're sitting at their desk. So, you have to grab their attention.

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I would say that that probably is the biggest change that certainly I've come across in my career in IR

OTC Markets Group: I feel like that's the, the new elevator pitch, right?

Jonathan Paterson: Yeah, absolutely.

OTC Markets Group: And, with the current markets, is there anything you are specifically advising perhaps your clients, especially if they're expressing any concern to you about the current market?

Jonathan Paterson: Yeah. Fun times. Volatility definitely brings out the best in CEOs and CFOs. What I would say is make yourself if you're, management team of small or mid-cap, make yourself accessible to investors don't hide away, again, we come across it, you may have had a, a bad quarter, get ahead of it have an earnings call, speak to your investors, explain to them what happened and what you've put in place. So that doesn't happen again. But again, it's, it's the key is consistent communication to the market.

OTC Markets Group: Now we as I mentioned earlier, our listeners are the small and mid-cap companies. We also just briefly joked about the current market. So that being said, I think a big factor for a lot of our companies are budgets. So where should companies be focusing their energies when it comes to their investor relations strategies?

Jonathan Paterson: Yeah. Well, and again, Matt, to go back to what we talked about earlier, zoom, you now have a travel budget as big as some of the, the companies that are recorded on the QX, I'm thinking of a BASF or an Adidas, so you now are able to rub shoulders with them. So, from a budget standpoint, you have the same at your disposal as, as the larger companies, I would also think about looking to utilize conferences, specifically virtual conferences. I know that you guys run at OTC a series of virtual conferences. These are a great way to not only tap institutional investors, but also a percentage of the attendees are retail. So, by attending virtual conferences as a fantastic way to stretch that budget and get in front of more investors and have them know about your story.

OTC Markets Group: And, I will ask for any social media that you have, but one of the last questions I do have for you, do you have any tips for management who are considering hiring an IR advisor?

Jonathan Paterson: Yeah, I mean, I guess I would say go with Harbor Access, but that would be a pretty easy decision. No, I would say that make sure that you have as a, a CEO, or a CFO of a smaller mid-cap company, make sure that you have a set of goals that you're looking to achieve. Don't be swayed by an IR advisor saying "this is what you need to do", make sure that you have goals that you're looking to achieve, whether that's diversifying your shareholder base, creating a new presentation that reflects the business that you have become. And again, have a pretty in-depth discussion, take your time, deciding who you want to go with make sure you don't lock yourself in for a long-term project, a lot of advisors out there will try and lock you in. And obviously you want to develop that relationship with the advisor and then go with a gut feeling. A lot of our clients said that they felt that there was some kind of connection that as an advisor, we understood their business. Sometimes that your gut feeling can be kind of the

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main driver as to who you choose to go with.

OTC Markets Group: All right, Jonathan, thank you very much for joining us. Lastly, like I said, I, I will ask if any companies do wanna reach out to you, what are the best ways to contact, whether it's website, LinkedIn, Twitter?

Jonathan Paterson: Yeah, I would say that listeners, we actually have a monthly newsletter, which I would encourage anyone that's interested in investor relations or just in general the sort of the global capital markets go to our website, which is www.harbor-access.com and sign up for our newsletter. We're also fairly active on Twitter, under Harbor Access IR and we're on LinkedIn as well. Anyone interested in reaching out to us, our website is probably the best way to connect with us.

OTC Markets Group: All right. Thanks a lot again. Thanks for joining us and to our listeners. You can find Harbor Access under the investor relations category on the Premium Provider Directory. Thanks, Jonathan.

**This is an autogenerated transcript and may contain typos.*