

# OTC Markets Advisor Insights Podcast

## Skyline Corporate Communications Season 2 | Episode 3

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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 Scott Powell, President and CEO of Skyline Corporate Communications Group. Welcome Scott.

Scott Powell: Thank you, Matt. It's great to be here.

OTC Markets Group: Scott, your investor relations agency, Skyline Corporate Communications Group, LLC provides service to several small cap public companies. Can you please tell us about Skyline, a little bit of background about yourself professionally, and more about Skyline's investor relations and corporate communications services?

Scott Powell: Sure. I'd be pleased to Matt. Thank you for the question. Skyline is a investor relations and corporate communications agency. We principally service small and micro cap public companies, so they tend to be under \$1 billion or so in market cap. And we provide a suite of services. On the one hand, we provide standard corporate communications services, such as assistance with press release writing, scripts for earnings conference calls, annual shareholder letters, help companies improve content messaging on their communications platforms, such as their website, the corporate PowerPoint. On the investor relations side, we can make introductions to a variety of institutional and retail investors. So from licensed stock brokers to hedge funds, family offices, mutual funds, as well as investment banks and analysts.

And then over the past year or so, we've been doing a lot of work on social media. Some of our clients don't have social media channels or accounts set up, so we're guiding them through that process, helping them to post news onto their social media feeds and also reposting press releases and so forth on Skyline's social media channels. So it's a full service suite of offerings at Skyline. Our team is very senior. There are number of us who have more than 20 years of experience each in finance, capital markets, investor relations, law, corporate communications, investment banking, we're all very senior professionals. So our clients get senior level service from individuals at Skyline that combined have decades and decades of experience in the capital markets. Clients are getting a very seasoned team, very experienced team. Many of us also have direct public company management experience in helping to run public companies. So a number of us have been heads of IR for public companies, CFOs for public companies, so you're getting some very senior level experience and attention from Skyline.

OTC Markets Group: Scott, getting down to the companies that would be your clients now, why is it so important for these small cap public companies to engage in best practices when it comes to investor relations?

Scott Powell: I think it's really good practice or best practice to start learning these particular tactics early on. So we counsel a number of companies that are quoted on the OTC and for a lot of these management teams it may be their first time running a public company. We are consulting to a couple of private companies that are preparing for their IPOs this year. And so I think it's really important when the companies are private and transitioning into the public marketplace or when they're currently a small public company with perhaps not a lot of

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public company management experience to really engage in best practices early on because when you lay this foundation early on, it tends to be the foundation of what you build as you become a larger public company.

So really having solid practices in terms of communications outreach, just really making sure that your house is in order because for most investors, they're not going to be familiar with your company's name or story. Right? Many of these companies are not household names, are not widely held by American investors, and so it's a lot of these companies really fighting for attention. Fighting for attention from investors, be they retail or institutional. And in order to sort of fight for that attention, it's really important to engage early on in best practices.

OTC Markets Group: Going along with these best practices, now are there any specific tactics that you counsel the small cap public company CEOs to follow?

Scott Powell: Yes. It's critically important to make sure that the company's corporate website, their PowerPoint and press releases and things that they're saying at conferences are robust and are consistent across the platform. So what I mean by that is a lot of smaller public companies come to us and one of the first things that we do is a full audit typically of their website and a full audit of their PowerPoint. And it's really just making sure that all the content that should be there for an investor audience to consume is there. So for instance, making sure that there are working links to SEC filings on the company website. Making sure that press releases are PDFed and available on the company's website. Making sure there's contact information for the company, for their investor relations agency if they're using one. Making sure that the message about the company is clear and compelling.

Many of these companies sell products. And so oftentimes what we see is we see a company website that's really just focused on selling products and not really much about the company itself and why an investor would or should consider investing in this company. So it's really initially making sure that they have corporate communication materials, PowerPoint, website that are very investor friendly and have all the information that's necessary for an investor to make an informed investment decision. If you're a public company and you're trying to attract investor attention, well, you need to make sure that you're providing investors with enough information so that they can make a decision about whether they should invest in your company or not. If you don't even provide that information, it's a non-starter. How is an investor even going to make that decision if that information is not available to him or her? So I think that's one of the critically important parts.

And then in addition to that, it's really orally communicating that message. So we work with a lot of CEOs and CFOs that don't have lots of public company experience and really work with them in terms of how to craft the message. So how long should the message be? How short should it be? What should the message focus in on? What are the key topics? What about your company or your technology is disruptive or attractive vis-a-vis the competition. So really working with the executives on all these communication platforms. And then, and this is very, very important, making sure that it's consistent across these platforms. You'd be surprised, there are some very large companies out there and sometimes what they're saying on the website is not what the CEO said at a recent conference.

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So maybe there was a new development, a new product launched, something like that, and the website hasn't been updated. And so an investor hears the CEO present and talk about this particularly maybe exciting new product or new development, maybe it was a merger, a licensing, whatever it might be, and then they go to the website to learn more about it and there's nothing on the website about it. So making sure that the information is consistent across and also making sure that the message that the CEO is saying at a conference, this is really why we're better than our competitors, but that same message isn't brought out on the corporate PowerPoint for instance, is a bit of a disconnect there. And you'd be surprised how often there are different messages on these different platforms. So really working with these companies to make sure that the message has enough information for an investor to make a decision. It's clear and compelling the investment thesis. And we're saying the same things across these various communication channels.

OTC Markets Group: I think in my next question here, I think you just answered some of it. Do you have any other corporate communication strategies that you find most effective for communicating CEOs or company's story and its competitive advantages to the investment community?

Scott Powell: It's a great question, Matt. It's funny, a lot of CEOs ask me or ask our team that question. What is it that we can do? What's that one thing that we can do to really get investors to pay attention to our stock, to our company? And my answer is there really isn't one thing that you can do. It's a whole host of things. It's really a committed, concerted really full time effort. You basically have two businesses, right? When you're a public company, you have your operating business. So whatever that might be. You're a steel manufacturer, you're a coal miner, you sell consumer products, whatever it might be, you have your operating business. But then when you're a public company, you have the public company business to manage. And I think a lot of executives I think underestimate the amount of effort that's required to go in.

It's one thing if you're a gigantic IPO, if you're Uber or Airbnb, that everyone knows about your story and about your company. But it's another thing if you're not, and most companies are not household names, right? And so when that's the case, it's really a full-time effort to build awareness amongst the investment community of your company, of your stock, what you do. And so what I say to CEOs is that it's everything. If you have to be operational, you have to be doing well. That's one thing in order for your share price to rise or for your shareholder base to expand, for people who really want to follow your company. But in addition to that, you have to do everything else. You have to issue regular press releases. You have to communicate with your investors and potential investors.

You have to attend conferences. You have to be visible and you have present. You may want to host annual or quarterly earnings calls so that investors and analysts can hear from the executive team, perhaps can ask questions. Access is really important here. Right? You need to be capturing analyst coverage, expanding your analyst coverage because that will help to get your story out to a wide audience of investors. You should be increasing your shareholder base. Whether it's adding retailer institutional investors that will help to drive liquidity in the shares, ideally will help your company to be properly valued vis-a-vis your competition. And you need to do all these things all the time. So there is not one thing that you can do and then kind of sit back and not do a lot of other things.

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I think that's the one thing that we see a lot with smaller public companies, is the executives underestimate the amount of effort time that goes into this. And it's not something that you just turn on and you sort of achieve it and you can turn it off, it's something that stays on throughout the life of the company. You don't just issue a number of press releases and present a number of conferences for a couple years, and then kind of just stop your communications effort. It's something that has to be ongoing, and it's something that investors will continue to expect you to do. They expect to have that access. They expect you to be visible. They expect you to be communicative. So these are all very important components of running that public side of the business.

OTC Markets Group: Following these various strategies that you have just put forward, what are some common missteps that you see small cap public companies make when it comes to engagement with the financial community?

Scott Powell: In general, I touched upon this just a second ago. I think it's underestimating the amount of effort that's required. That's one big component. Also, just underestimating how hard it is to fight for attention. There are thousands of public companies out there and each one is fighting for the attention of investors. And why should an investor invest in your company when he or she can invest in Tesla or Apple, some of these well known companies, where there's so much information freely available on these companies. So I think it's sort of underestimating the fierceness of the competition for an investor audience, underestimating the amount of effort that goes into it.

And then if you want to get a bit more granular, there are some specific missteps that we see occur on a regular basis. One, when it comes to press releases, is the length of the press release. Sometimes companies think that the longer the press release, the more they say in the press release, the better it is. I would say it's not necessarily the case. Investors, while they're reading your press release, they're obviously going to read the title and then maybe the first and the second paragraph. They're not really going to read a whole lot more than that. So length is critically important. If you have something important to say, make sure if you're going to write a long press release, which we don't think you should, if you're going to, make sure that have the key points right at the very top in the first or second paragraph, because the likelihood of an investor reading page after page of a press release is pretty small. So we counsel companies, keep the press release short, make it more impactful, say the important things to say.

OTC Markets Group: Short and sweet, right?

Scott Powell: Exactly. Short and sweet. The other thing is frequency. Sometimes executives think the more frequently that the company issues press releases the better, and that's not necessarily the case. It should be sort of a middle ground, because if you're constantly issuing press releases, investors wonder, do you really have that much to say? And when they look at the press releases, sometimes they realize, well, the company isn't really saying things that meaningful or that impactful, that significant, in all these press releases. So they tend to discount future press releases as being not that important.

And likewise, the opposite is true. If companies never issue press releases or just a couple a

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year, they're not really seen as communicating enough or being transparent enough with investors. So kind of funny in that middle ground where you're issuing enough press releases so that investors feel they're up to speed on recent company developments, but you're not overloading investors with somewhat less important news. It makes investors really eager to read each of those press releases as they come out because they're pretty certain that when a company issues a press release, it's saying something meaningful and important

OTC Markets Group: Scott, last but not least, what are some trends that are emerging in the investment community and how should companies that trade on the OTC Markets be using these to their advantage when it comes to communicating their story to a broad audience?

Scott Powell: I think one of the most important words that I've been using recently is the importance of access. Investors want access. And what I mean by that is they want regular important press releases from the company, so they feel that they can access the company because they're reading quotes from the CEO or the CFO. They're getting updates a couple times a month perhaps on recent company developments. They feel like they can access the company through regular news flow. Executives that do regular interviews with the media, post those videos onto their social media channels or onto their website. It provides great access. It allows investors to see the CEO directly, hear the vision that he or she has for the company, for the growth, so that's a great way to provide access to investors.

Another way is communicating through earnings conference calls, perhaps quarterly, perhaps annually. If you're not ready to do earnings conference calls, at least a shareholder letter or maybe a general call to sort of update investors. Access through social media channels, posting recent news releases through your social media channels. Some people prefer to read news through Twitter and don't really go into the news wires, so making sure that you are using social media, which has become a very, very powerful tool as we've seen over the past couple of quarters with some of these stock messaging platforms and the rise of the retail investor and the impact that retailer individual investors in aggregate can have on the marketplace and can have on share prices.

So again, I think that's an important word for executives to remember is providing that access and there are multiple ways to provide that access. And I think that really makes an investor much more comfortable with his or her investment decision, right? If they feel that they have enough information, they can access the company, the company is communicating regularly, they feel then that they have a little bit more control perhaps over their investment because they're able to understand what the company is doing. So I think companies that don't provide the same level of access, don't get the same level of comfort from investors and therefore won't be able to broaden their potential investor base as much as companies that do provide more access and are more communicative with the financial community.

OTC Markets Group: Scott, thank you very much for all that. This podcast is called Advisor Insights and I think you did provide a lot of insight to a lot of our companies today. So once again, thank you for joining us.

Scott Powell: Thank you, Matt. I was really happy to be here today. Thank you for inviting me to the Advisor Insights podcast, and look forward to speaking with you again soon.

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OTC Markets Group: If you'd like to speak with Scott further, you can find Skyline Corporate Communications Group listed in the investor relations section of our premium provider directory.

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