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From OTC Markets Global Headquarters here in New York City, you're listening to Advisor Insights, where we feature professionals addressing the issues that impact small cap companies trading on the OTC markets. Joining us today, we have Scott Powell, President and CEO of Skyline Corporate Communications. Scott, welcome.

Scott Powell

Thanks, Charles. It's great to be back here at the OTC Markets.

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Perfect. Well, to start us off, could you tell us a little bit about your background and what led you to founding Skyline?

Scott Powell

Sure. So, I came to New York City to the financial community in the late 90s and was an equity trader at first and then I subsequently transitioned into investment banking and realized that the skill set between investor relations and investment banking is very transferable. As a banker, you're packaging companies to help them promote their story, talk to investors, ideally raise capital for these companies from the financial community. and so, I moved away from investment banking and really enjoyed the investor relations side of the business, primarily because it tends to be a longer-term relationship with clients, because as a banker, we were just advising on ah the cap structure, raising capital or maybe M&A. But on the investor relations side, we did all the investor communications work, but there was a whole bunch of other work that we did for the company, social media, public relations, scripts for earnings calls. All kinds of additional work, the corporate PowerPoint, the corporate website, or a couple of them to improve the messaging on those platforms. So, it was a more holistic and comprehensive approach to the so helping companies present and tell their story in a more concise and compelling manner. And so, I moved over from banking to investor relations, ran the New York City office for a couple of West Coast investor relations agencies, and then started getting pulled in-house from clients that would want more and more of my time. And so, I began being hired by clients to several in-house positions. So was vice president of investor relations for five or six public companies over the years. And then while I was in-house, I decided that I had always wanted to start my own agency. And while I was in-house, I had a couple of clients on the side that I was just doing some consulting work here and there for them, helping them out a little bit and realized that I could really leverage the existing few clients into a more full-scale investor relations agency. So really just morphed from my experience as a trader and really understanding what moves stocks, investor sentiment, economics, and into investment banking, where you're really in the middle of different transactions from IPOs to Follow Ons, and then investor relations where I've remained for the rest of my career from say the mid 2005, 2006, 2007, up till now. So, a good 20 years or so exclusively in the investor relations front.

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Absolutely. And since your time in 2005, how do you see you know investor relations and corporate communications involved since then?

Scott Powell

Technology is, and it's probably no surprise that that's where the changes have occurred. What I mean by technology is on the social media side. If you recall, when social media just started becoming mainstream, I would tell clients, I don't know if we should use social media. It's more for the... the younger generation right to promote you know what they're doing and show different gadgets and things like that's more social and fun but as more and more corporations began to harness the power of social media that became mainstream and now we tell every client you have to have social media you have to have corporate social media sites we work with a lot of foreign based management teams that are listed you know here in the us whether it's OTC or the other yeah other platforms that they're trading on. And we tell all of our clients, you have to have some corporate social media sites. If you have nothing else, you have to have LinkedIn. We recommend LinkedIn, Twitter, or X, and StockTwits, because those are where professional investors and retail investors get a lot of their ideas. So that's one area that's changed in the past 20 years, is that social media, not only has it become mainstream for public corporations, it's essentially a requirement. Because if we're promoting a company, we're helping them prepare for their IPO. And then they go on their IPO roadshow with an investment bank and investors look and try to find the company on social media. It's like 30 years ago when a lot of companies didn't have websites, right? It was just word of mouth. Nowadays, if you meet a company and they don't have a website, you will not do business with that. You'll never talk to that company again probably, right? Because there seems to be something fishy, it's lacking transparency because it doesn't have a website. So now social media is pretty much the same way. If the company doesn't have social media, it doesn't have a good base of followers, then investors may call into question the veracity of the company and transparency of the company. So that's one area. I think another area is just the speed through which information is disseminated. It happens so quickly now. Part of it through social media. Part of it through you know online chat boards and things like that. But the speed of which information is communicated, a lot of times information is already disseminated before the company has a chance to address it publicly. So, you'll see, oh, did this really happen with this particular company? Then maybe an hour later, the company will issue an official statement. So sometimes the news breaks before the company has a chance to prepare a formal response, and companies need to react more quickly in certain ways because the information is out there so fast. Maybe there's a false rumor that is present presented online about the company. Then all of a sudden that rumor goes viral, the company may need to respond immediately. Versus in the old days, if there was something negative, it might be published in the newspaper or a magazine; the company would have time to respond to that. But nowadays, if something breaks, especially if it's if it's false or misleading information about the company, the company needs to determine whether they should respond to that quickly. So, the speed at which information is disseminated does have an impact. And investors will trade off this news, whether it's true or false. And that creates a challenge for companies. Do they respond to false information? How do they respond to it? How soon should they respond to it? Should they respond to it at all? And those are questions that we work with our clients in terms of that those responses. So those are two examples of the changes that have occurred. And there are many others, but I think those are two very relevant examples of technological change.

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Absolutely. So, when small cap companies come to you and they're trying to build credibility within the U.S. market space, what are some things that they can do and what are some challenges that they face while doing so?

Scott Powell

That's a great question. And that is Key to our business. That's exactly what we do at Skyline is help small cap, micro-cap companies that aren't very well known. Oftentimes, these clients come to us, oftentimes the CEO, it's his or her first time running a public company. So, they don't have a deep knowledge of the capital markets. They may understand their industry really well. and they're probably very, very talented businessmen and businesswomen and understand their business extraordinarily well. They often don't understand the capital markets that well, particularly if they're a foreign-based management team. Even domestic management teams need training. But if they're foreign, and we work with a lot of companies from Europe, from Canada, from Asia, and a lot of them do have challenges, language barrier challenges, not understanding best practices here in the United States, not just fully understanding the capital markets, not fully understanding how investors operate and the investment philosophies and styles of certain investors here in the US. There's a lot of education that that goes into that. So how do they you know how do they prepare for this? We really try to help the company. It sounds simple and easy, but it's basically helping the company to simplify their story at the onset so that within the first few pages of a PowerPoint deck. And that's the primary document that a company will use for their IPO roadshow. Or if they're already public, if they're coming to a conference here at the OTC Markets, for instance, or doing a virtual conference, it's the first document essentially that investors will see at that one-on-one meeting. Maybe they do some research in advance and look at the website. But PowerPoint, the website, those are really important documents for the company to be able to explain what is their business, what do they do? And you'd be surprised how many companies have a hard time explaining to the general investment community what it is that they do, because sometimes the founder, and the CEO, the company is so entrenched in that industry they're they don't know that others don't understand the intricacies and the interest of the industry as well as they do. So, our job is to look at it from the perspective and of an investor that knows nothing about your industry. Now that's not usually true, but if we take that perspective, we can then help the company really simplify, really explain in a logical, organized fashion. What does the company do? What do they do differently? What do the competitors do? What is better about your product, your service? Is it faster? Is it cheaper? Is it more effective? Is less toxic? The less side effects, whatever it might be, whether it's a biotechnology company developing a therapeutic or a drug, whether it's a company making leather goods or handbags, you know, it could be anything but helping the company explain what it is they do. What are the competitive advantages? What does it do better in the competition or differently? Why is it disruptive, actually? And then explain the growth strategy. Where how is the company going to achieve growth through these competitive advantages, management team, any patents, things like that, so that it explains in a very clear manner of what the company does, but then also is compelling at the same time that it gets investors excited about wanting to be on board with that growth journey for that company.

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Absolutely. And when we touched a little bit on the different outlets as well, too, in terms of LinkedIn websites and public facing marketing events. But I'd love to touch a little bit about the consistency of messaging as well as hitting the different outlets. How do you see those intertwined and work on an investor facing side?

Scott Powell

That's another great question. And you'd be surprised even… really well-known large companies sometimes have inconsistent messaging you'd be really surprised at that but what often happens is the website may might get updated in January and the PowerPoint doesn't get updated until June it sounds very simple but it can have a significant negative impact so for instance let's say that a company is presenting through one of the virtual investor conference series here at the OTC, which you which you put on throughout the year. Really good job with the virtual investor conference series here. Let's say a company is presenting at ah at the conference series. And let's say that the company is using its PowerPoint to present to investors. And there's a handful of investors that really like the company's story. They want to do more research. What do they do? They go to the company website. Now, if what they just saw in the PowerPoint about particular products or services or technologies and they go to the website to learn more about those and they don't see all of those products or services or technologies on the website, they're confused. Because maybe the website hasn't been updated recently. Maybe the company launched some new products, and they really did a good job updating the PowerPoint ahead of the conference because they were under a deadline but forgot to update the company's website. That undermines the CEO or CFO, whoever was the presenting individual at the conference that undermines his or her credibility. right Because the investor is confused. They're so excited about this particular product; they go on the website to learn more about it. There's nothing there about it. So, it sounds simple, but it's a it's a mistake that many companies make small and large. We've seen large cap companies make similar mistakes. So making sure that before you're going to an investor event, whether it's a conference, a non-deal roadshow, a public speaking opportunity, whatever it is that you're saying the same thing on all your corporate platforms that goes to your corporate social media, to your website, to your PowerPoint, to what your CEO is saying verbally at different events, making sure that there's consistency there because that will build that credibility. and it doesn't leave investors confused. It's a very simple thing to do, but you'd be surprised that companies get busy, right, and executives get busy, and the team gets busy. And sometimes these things slip and it can be a real disservice to the company, especially an executive who maybe is flying to New York for an in-person conference, he's preparing his or her speech on the PowerPoint. And then all of a sudden, these investors that are really excited lose that excitement because they say, what is going on? This doesn't look like the same company that I just saw present. And so that and the whole objective is shareholder conversion, right? Awareness so that more people know about your company, but then converting prospective shareholders to becoming shareholders, coming on board for that corporate journey, that growth for the company. And if you're not able to do that, you're not employing your IR and PR program as effectively as you should be.

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Absolutely. And I was just about to ask, too, you know, what do you see companies that are successful at building that U.S. shareholder base? What do they do that differentiate themselves from the ones that don't succeed at building the shareholder base? Effort.

Scott Powell

It's as simple as that. Companies need, especially foreign-based management teams; they need to make an effort. What do I mean by that? They need to be responding more often than less often to investor inquiries, right because investors from the US typically aren't going to travel to Japan or London or South America, wherever the company may be domiciled and have their operations. So, these companies need to be more communicative than less. And a lot of foreign-based management teams don't know what level is appropriate for the US financial community. So, responding to investor inquiries in a timely manner, having that dialogue so that investors feel comfortable. They can't visit your factory, your facility, your laboratory, whatever it might be, but you can make them comfortable by responding in a timely manner or having your IR firm; your investor relations firm respond in a timely manner. Coming to New York, coming to Chicago, coming to Dallas, wherever it might be for conferences, being available, being present in person, sitting down, meeting with investors one-to-one, answering Q&A session at the ah at the conference ah at the conference presentation. So, making an effort to come to the US to do in-person meetings, do some virtual meetings. You're not expected to come every quarter, but maybe twice a year. And then the alternate quarters do virtual meetings. Regular press releases, making sure that invest you're staying in contact, you're updating investors on your progress. If the company completed ah an IPO here in the US, investors put money into that into that company or bought the shares after the IPO. They want to see what the company is doing to move things forward. And so, all these ways to communicate are really important. We but oftentimes, unfortunately, we've seen foreign-based management teams prioritize operations. And the distance creates this barrier. And they say, well, you know I'm too busy to come to New York. And so, they don't come for an entire year. Or were so busy with operations, we forgot to have our communications team you know regularly issue and write press release. we've had meaningful and important events we just haven't announced them because we haven't been organized enough and by the time we get around to it the event had occurred a month or two months ago it's not relevant anymore so we don't issue the press release so things like that so it's effort right it's yes focus its dedication it's realizing that as a foreign company you need to work even harder Yeah, because most investors can't go to your home country and business. You need to work even harder. And that's often a challenge that we see with foreign based management because of distance, language barriers, sometimes cultural differences and business differences. And those are the areas that we try to educate and teach best practices to our clients so that they can overcome some of those hurdles.

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Absolutely. We see a lot of companies on our market here. They have a lot going on the business end, a lot of investment into the US, but then fail to also provide on the you know equity and public facing side and corporate communications. Kind of just tying off on that as well too, you know what are some common mistakes that you see a lot of the companies and international companies find here in the US as a challenge and when they come here as well too, in terms of getting their story out and making sure that they're reach reaching the right investors?

Scott Powell

Biggest challenge that we've seen is that, and this also applies to some domestic companies, but a lot of our farm-based clients, they think the IPO is the finish line, and it's not, it's just the beginning. Well, it's the beginning of the journey as a public company, but it's just in another milestone in the corporate evolution. The company is founded with an idea or with one client or some technology and in a laboratory or a university, right and then you get some initial funding or the founder and his early friends or family fund the company going forward. and it grows and progresses and maybe it's got a VC round or PE round or what have you then it's getting ready for an IPO and then it goes public but then there's still growth there's still a story you know many companies have been public for decades and decades here in the us so i think that's part of the issue they, some management teams see the IPO as, okay, we've done it, we've achieved this, we've taken the company public. And then they let their guard down and they relax too much. And it's important that they, of course, have some recognition, have some enjoyment, and some feeling of success for having achieved the initial public offering here in the U.S., but after that short period of time, it's time to get back to work because now you're running essentially two businesses. You have the operating business, which is whatever you're producing, manufacturing, whatever drug you're developing, whatever it is that you're doing on the operational side. That's a full-time business. But then being a public company is also a full-time business because you no longer have five shareholders that are your all your friends and family. You now have hundreds, maybe thousands of shareholders that you now have an obligation to communicate with. And that might be on the phone, that might be by email, that may be at conferences, that may be through press releases. There are many ways to communicate with that base. And so, helping companies understand that they know, this is a great milestone, but it's only the beginning. And it's the beginning of your journey as a public company. So that's one of the you know one of the missteps that that we tend to see. And was there another part to the question?

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Well, I actually, I'll turn it over to you as well, too. Are there any areas that maybe I haven't asked that you'd like to discuss further or any tidbits that you'd like to give our audience?

Scott Powell

For issuers, I think the guidance I'd like to give is it's hard work, it's dedication, because you're probably not a household name like Anthropic or SpaceX, right? Whether there are six, seven, 8,000 public companies in the US and most Americans can name five or 10 or maybe 20, right? The obvious ones that that they're all invested in, Facebook and Twitter and SpaceX and Ford and GM and so forth. But there are thousands and thousands of other companies that they've never heard of. So, you're fighting for attention as an issuer. So one bit of guidance I would give is that it's a lot of work, it's hard work, and it doesn't just stop one day. If you look, even your major corporations, they continuously advertise on TV, on radio. They don't stop, even when they've achieved. I was thinking about this the other day. I saw Dunkin' Donuts ad on TV, and I said, why does Dunkin' still you know pay big dollars to advertise on TV? I think it was I think was ah one of the FIFA games, the World

Cup games. And it just goes to show you that even when you've achieved a huge success where i don't know what the percentage is, but probably half of Americans are drinking Dunkin' coffee and donuts each morning, whatever the number is. But even when you achieve that level of success, you still need to market, you still need to communicate. so It doesn't end until you're no longer a public company. So that it's dedication, it's hard work, it's focus, and it's making sure that you're giving enough dedication to that side of the business as well. For investors, I think sort of that's the flip side to that. Look for companies that are communicative, then that want to communicate with investors, that are accessible. that are responsive, you know because that's how you will get greater insight into the company that you're considering investing in. Or if you're already invested in you can understand more about the company's prospects and the growth strategies and things like that. So I think that comes down to dedication, focus, and transparency is a large part of it. I think companies need to be transparent. They need to acknowledge when they've made mistakes. That might be another point to discuss as well, that one thing that we've seen over the years is it's human nature and it's corporate nature when something bad happens to to try and almost hide it or downplay it because we don't like to admit fault. We don't like to admit mistakes. But that's actually the time when you need to take ownership of a particular situation. So everyone likes to say, yeah we achieved this great success. We had a client get FDA approval of a medical device a couple of days ago. And I was so proud of them. And we issued the press release on Monday morning. The stock was up 300% or something like that on that day. It was a great success for the company and a great milestone on the operational side. And that's wonderful. But investors aren't calling and they're not upset. that just that They're thrilled. They're not really calling at all because they just made a good return if they if they bought at a certain period of time. But it's when the company has a misstep and the stock declines because of a negative news announcement or a negative event that's occurred. It's how the company handles that vis-a-vis the financial community that can make a big difference. I published an article 15 years ago, it was called The Importance of Getting in Front of Bad News. And it's just that, it's when things are going great, when we're getting approvals and growing revenue, where everyone's happy. But that doesn't That isn't definitive or reflective of what happens all the time at your at the company. And there will be missteps. You will lose a major customer, you'll lose an important board member, um you will have gross margin shrink, you'll have a missed quarter when it comes to revenue or earnings. There will be things that that occur on the negative side. You may have something even worse happen, but it's how the company handles that. Do they take ownership of it or do they try to avoid any responsibility? It's actually better for the company if if they're culpable to explain what happened. Look, we are you and you know we understand that something may have happened. We're investigating. And that's fine. But acknowledge that something is out there that may have that may have occurred. Then when you have initial findings, explain you what your initial findings are. And then do a deeper dive into it. And if you are culpable, explain what happened. Look, we had a security breach, a data breach, and it's extraordinarily rare. we were The servers were down for X amount of time and someone slipped and explained exactly what happened. Because investors, humans will understand that there can be mistakes that are made. But then explain what you're doing to fix that so that it doesn't happen again or it's very unlikely to ever happen again and if you do those things and you know it hasn't already crushed the company baby you know if it's a recoverable yeah incident investors will appreciate them, you taking them through that process of what happened, and then they they can then get behind the company saying, okay, the company is going to do better going forward. They've put in certain security measures or technological firewalls, whatever it might be, or they've tightened up you know production quality or quality controls at the manufacturing facility, whatever it might be, and you'll end up with actually a stronger investor base after a particular crisis.

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It kind of reaping the rewards when you own up to your mistake in the moment.

Scott Powell

Exactly.

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Perfect. For companies that are private and maybe looking to go public in the future, what are the best practices that you would advise them to do on the corporate and IR side?

Scott Powell

Certainly. And this is something that Skyline Corporate Communications Group can assist them with. And we've had a a very robust pre-IPO consulting business for many years now. We've had a lot of clients that we advised on the pre-IPO side to eventually go public and list here in the U.S. And what the objective is, and they can certainly do this themselves, they can rely on an investor relations firm like us to do it, or often it's a collaborative effort. But what we want is that between now and their listing, whether it's an IPO, whether they're merging with the SPAC or doing a reverse merger, whatever path to get publicly traded here in the US, we want to make sure that all of their investor facing materials are in really good shape. What I mean by that is one of the first things that we do for a private company is have them send their PowerPoint back to us. And what we find is that it's typically very product and service focused, as it should be because they're selling a product or more service or preparing to sell a product or service or developing a drug or a therapeutic or whatever it might be. And that makes sense. But when they are preparing for an IPO, for instance, there needs to be certain information for investors to be able to evaluate the company from an investment perspective and make an investment decision. Do I want to partake in the IPO and invest money directly in the company, or do I not? And so we spend a lot of time helping companies really rework their corporate PowerPoint. So adding the information that investors really need to know, what are the competitive advantages? What are the differentiating factors from your technology versus another technology? um What is it that you have in terms of patent protection or trade secrets, things like that. What is it that you do within the overall industry or ecosystem to understand what service or product you're providing that maybe supports the larger piece of the industry? Maybe you're producing a small piece of of a you know a data center or or or a ah chip or things like that and understanding where that fits into that the whole technological platform, for instance. so A lot of our work is is really helping to redo the the corporate PowerPoint. We'll be back with various you know revisions and revisions back and forth until we have a really solid PowerPoint deck that really explains what the company does, its competitive advantages, its growth strategy, and so forth. We often find that the in the when we get the initial PowerPoint deck, there's not much information about the management team, the company history, but board members, upcoming events, things like that. so We want to add lot that information in. We do the same with the corporate PowerPoint. and We often find, again, very product and service focused. We need to add a lot of information for investors to be able to consume. What's the corporate structure? What's the company history? what Who are the management team members? What did they do before they joined this company or founded this company? and Those are all important things for investors to be able to consume in order to evaluate the investment decision. Some of the other things that we do is once we have a really good PowerPoint, once the company has a really good website, have the CEO do some practice presentations to our team. So before he or she is getting in front of investors on the IPO roadshow with their investment bank, do a couple dry runs with our team. We can provide real-time feedback. So they're generally using the PowerPoint that we've helped revise, and they're giving a verbal presentation, and we'll give real-time feedback as they present. We'll also record the presentation and provide written feedback after the presentation so that the idea is to really improve upon the written word and make the spoken word as impactful as the written word is. Sometimes that that can be a challenge because some executives are better public speakers than others. Some have training, some don't, some are comfortable, some are not as comfortable. so We consult on everything from speed of the presentation, body language, intonation to the actual content. And we also do some question and answer prep. So help the companies think about the most likely questions that they will get asked and think about the really difficult ones that they may be asked and help them to craft the responses that are clear, articulate, transparent, impactful, and honest as well when it comes to some of the more difficult questions. And then also get the corporate social media sites in order. A lot of times they may not have, if they're a foreign based company, they may ah may not have a corporate LinkedIn or a corporate X account. So we can help them create those accounts. Some of the executives may not have individual LinkedIn profiles, for instance. that's important for executives to have those. We had one client, for instance, this is example. We had a client from Indonesia listing on the NYSE American um couple years back. and they didn't have They had a corporate LinkedIn account, but that was at the senior executives, the CEO, CFO didn't have individual LinkedIn accounts. And when we looked at the CFO's bio, even though he's from he's from Singapore, actually, we realized that he has an MBA from the University of Southern California, a really great American university with a wonderful and MBA program. And that wasn't known to investors. So we said, we'll help you. We'll help you create your LinkedIn profile, and investors can see your educational background. And they'll be very impressed that this is a company, even though they're foreign-based, the CFO has an MBA from the top MBA program in the United States. So that was that was important. And then making sure that there's a steady stream of news flow coming after the IPO. So if the company is raising X amount of dollars here from US investors, investors want to see that they're they're taking that capital and they're deploying it for growth and stated growth. if if the If the company management team said they were using the IPO proceeds for X and for Y to develop a new factory or develop a new business line to advance a clinical study, whatever it might be, investors want to see through the issuance of press releases that the company is moving towards those stated objectives. So that's really the work that we do on the pre-IPO side. We help the companies really improve their corporate PowerPoint, really improve their corporate website from a messaging perspective, a content perspective, really improve their verbal presentation, really prepare them for difficult questions and help them prepare the answers, get their socials ready and get a steady stream of press releases going so that when they it's time for their IPO, for instance, if that's how they're going public, they come to the IPO with their banker, but they have a great PowerPoint, great website. Great verbal pitch. They're ready to answer the hard questions. They've got the corporate social set up, so there's full transparency about the company and all the executives and the board members. And then post IPO, we've got our steady stream of news flow. We've got conferences for them to attend. They've got trips to New York, whether they're from California or Singapore. They've got trips to New York plan to meet with investors. So that's a big part of our business. And we really pride ourselves on doing a really transformative amount of work for these companies on all those investor touch points so that they're successful can be ah their IPO can be as successful ah as possible. And we've done our job from a communications and consulting perspective to help them really define and and hone and perfect their corporate narrative.

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Well, before I let you go, I do want you to kind of let our audience know what's the best way to reach you and your team and if they need any assistance on the corporate communications and IR side, how can they best get in touch with you?

Scott Powell

That would be great. Thanks, Charles. So again, our company is called Skyline Corporate Communications Group, LLC. Our website is skylineccg.com. And our phone number and email addresses are on the bottom of the website under contact information. We work with companies across industries, across market caps. We want to make a difference, make a positive impact. And we're very happy to speak with public companies that are looking to augment what they're already doing on the IR or PR side. And we work with a lot of pre-IPO companies to help them prepare their messaging, their corporate-facing materials, their investor-facing materials for that public listing event. And so we're very happy to talk to both pre-IPO and public companies across different industries. And really appreciate you having me on the OTC Advisor Insights podcast again.

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Absolutely. Well, we love you here at OTC Markets, and we're glad you joined us.

Scott Powell

Absolutely. Thank you.

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Enjoy the day. Have a good one.

Scott Powell

You too. Bye.