

IRPAS to push for better investor relation practices among businesses

By Nicole Tan

10 Dec 2013

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File photo: Office workers in the Central Business District (CBD) in Singapore. (photo: Francine Lim, channelnewsasia.com)

SINGAPORE: Investor relations functions are becoming increasingly important among Singapore-listed firms but the resources put into it vary across companies of different sizes, according to a survey by the Investor Relations Professionals Association Singapore (IRPAS).

Going forward, the association says it will push for better investor relation practices among businesses.

Investor relations are in the spotlight amid growing competition for investors' attention.

According to the survey, 69 per cent of investor relations officers attend C-suite management meetings, reflecting the importance of the investor relations role.

However, the survey reflects a significant disparity between mid- to large-cap and small-cap companies -- 94 per cent of large- and mid-cap firms have a dedicated investor relations officer, while only 32 per cent of small-cap firms have the same.

"Small-cap companies do not have the resources, usually they say because their funds are limited, and they do not want to spend money on the type of communication efforts that the large- and mid-cap companies are able to embark on," said Securities Investors Association (Singapore) President and CEO David Gerald.

"Some of the small caps don't even have a website, so they need to have a dedicated investor relations page and function on the website," he added.

Meanwhile, market experts say firms may not be able to hire the right talent. The survey finds that three-quarters of organisations without dedicated investor relations teams pass the responsibilities to their chief financial officers or external consultancies.

Looking ahead, the association and the Singapore Exchange say they will be doing more to encourage businesses to adopt better practices.

"We can help to raise the awareness and we will continue to speak with authorities here. I would propose to work with the SGX and some of the sponsors, particularly of Catalyst companies -- they tend to be the small-cap companies which are mostly entrepreneurial driven or family owned," said IRPAS President Harold Woo.

"I think if they can see the strategic value of good IR practices to attain fair valuation of their company, it will also help them grow their company as and when they want to come back to the equity market to grow and raise their equity to fund their operations."

The survey, which covers 91 SGX-listed companies, was conducted jointly with the Singapore Management University and supported by the SGX.