



Managing stakeholder expectations

Walking the tight rope



The recent outbreak of Coronavirus, COVID-19 has created a deep sense of uncertainty and introduced new challenges for the business environment, which call for a measured, practical and informed approach from leaders.



Key concerns worrying investors

- ? What will be the impact on business operations and financial performance?
- ? What is the liquidity position? Do you have enough funds to survive the downturn?
- ? What steps are being taken to keep the key stakeholders engaged?
- ? What are the business continuity imperatives and plans?
- ? Will future growth take a huge hit? What are the short/medium/long term impacts?
- ? What will be the shape of recovery and how equipped are businesses to emerge from this crisis?
- ? What are the steps being discussed to preserve value in the near term?
- ? Are the Enterprise Risk Management (ERM) frameworks equipped to anticipate and deal with such shocks?

In this context, it is critical to keep your investors and shareholders engaged and informed.



Points to consider




1. Communicating with investors is not a choice
2. Engage constructively; provide meaningful content
3. Leverage technology to communicate given the restrictions on physical mobility
4. Nobody knows when and how this phase will end; however, you must provide management's views on how you are dealing with it
5. Be conscious of unpublished price sensitive information; training your spokesperson(s) may be required
6. If possible, get the senior management involved in the conversation, it will enhance confidence and build trust
7. Keep your investor webpage/app updated with information
8. Utilise this time to prepare for the results season.

A self assessment questionnaire to understand preparedness before reaching out to investors.

1	Have you considered your investor communications policy and enlisted required actions that you need to take?
2	How frequently do you need to engage with investors during these times?
3	If your Company's silent period is on, should you speak with Investors?
4	Have you considered communications made by your peer companies?
5	Do you need to speak with everyone who approaches the Company?
6	Have you framed your responses to questions likely to be raised by investors, analysts and shareholders?
7	Do you have your spokesperson identified for this period?
8	Would you need additional members from senior management to address the investors during this time?
9	Given the significant uncertainty regarding the current situation and the future outlook, have you evaluated the level of specificity and details you can provide in your communications?
10	Have you considered the restrictions on communicating during the silent period and the applicable requirements from the SEBI (Prohibition of Insider Trading) Regulations, 2015?



How we can help

We will be sharing first notes on updates impacting the finance function 'as they evolve'. These can be accessed on: : <https://home.kpmg/in/en/home/insights/2020/03/the-business-implications-of-coronavirus.html>

Webinars are also being organised to go over each area of impact so that we can ideate together on the most effective and efficient way forward.

Do stay tuned and please write to priyankaca@kpmg.com for any feedback (especially on topics you would like us to cover in the webinar) and/or queries that you may have.

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