

INVESTOR RELATIONSHIP MANAGEMENT

**BEST PRACTICES FOR LEVERAGING
IMS TO IMPROVE INVESTOR
RELATIONSHIPS**



IMS

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INTRODUCTION

Over the years, investor relations have become more strategic and complex, and the demands from stakeholders are higher than they have ever been before, with a constant stream of information coming from every direction. Technology is making it simpler and more efficient for sponsors to contact and engage with investors, and vice versa. That means that investors have come to expect streamlined communication with their sponsor; sponsors can take a proactive approach to this rising trend by establishing a strategic investor relationship management plan.

It's clear there is a need for a streamlined solution to connect with investors and stay top of mind with prospects. By investing in IMS, you've gained access to tools that help you keep your investors informed and engaged.

USE THIS EBOOK TO LEARN ABOUT:

- ▶ Strategic investor relationship management
- ▶ Leveraging technology to improve investor relations
- ▶ Getting the most out of IMS to create a winning investor experience

If you have any questions, please don't hesitate to reach out to us at support@imscre.com

CHAPTER 1

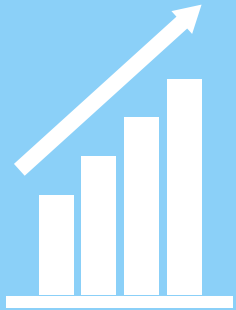
IMPORTANCE OF RELATIONSHIP MANAGEMENT

Many CRE firms do not have a formal investor relations process in place until they're actively raising money. But the real work in nurturing your investors takes place before and after you accept capital. You must stay top-of-mind with your prospects to ensure all opportunities get exposure and none slip through the cracks. A well-prepared investor relationship strategy forms the foundation of a successful business development plan.

The real estate industry is evolving, and new legislation and technology presents new opportunities for individuals to become investors. These factors are also changing the way sponsors communicate and engage with their clients. According to a survey from 2019 by [Deloitte](#), it's predicted that investors will shift their priorities to invest with companies that respond rapidly to changes in business models and adapt technology. But adopting technology is only half of the battle; connecting with and updating investors on recently implemented changes is an essential next step. As such, Investor Relationship Management plays a key role in the shifting marketplace in securing repeat investments.

Investor Relationship Management can be managed electronically, infact, this form of communication has become increasingly popular and preferred amongst both sponsors and investors, accommodating the 24/7 global schedule of investors. In the remainder of this eBook, we will be highlighting two popular methods including email and online investor portals.

WHY YOU SHOULD LEVERAGE IMS TO CONNECT WITH INVESTORS



80% of business professionals indicate that email marketing drives client acquisition and retention (eMarketer)

The average number of contacts in the CRM for an IMS client is **326** (IMS Q1 2019)



Email marketing is the **3rd** most influential source of information, after peer recommendations and industry thought leaders (WordStream)

86% of business professionals prefer to use email when communicating for work purposes (Hubspot)

17% of investors login to their IMS Investor Portal at least once per month (IMS Q1 2019)



Emails sent through IMS have an average **46%** open rate, compared to a 19% industry average (IMS Q1 2019 & Mailchimp)

CHAPTER 2

BEST PRACTICES

Keeping hundreds of current and potential investors up to date by supplying the information they care most about and in a timely manner can seem like a daunting task. Challenges including [time management](#) and [relevancy of information](#) shared may initially come to mind. Below we highlight several best practices for implementing a strategic investor relationship management plan:

Make it Scalable

One of the most important steps in establishing a plan is to include 'SMART Goals' that ensure your efforts are addressing your objectives but are still attainable. In order to successfully manage several hundred relationships, finding an achievable routine and sticking with it is key. Whether you choose to update your investors monthly, quarterly, yearly, or somewhere in-between, set aside time on your calendar to accomplish this routine. It's probably not scalable (nor preferred by investors) to send daily or weekly updates, but it may be reasonable to send out quarterly newsletters and host 1-2 events throughout the year.

Keep Information Relevant

The number one component to maintaining healthy relationships is communicating and making sure your investors have up-to-date information. One of the best ways to do this is to send out periodic updates to investors and potential investors. Avoid over communication by only sending updates that pertain to an investor's specific portfolio or a new offering they might be interested in. Investors appreciate transparency so don't be afraid to share updates across both ends of the success spectrum. Even if you've had a quarter that wasn't as successful as anticipated, by staying in front of the story, you can control the message.

Communicate Consistently

Whatever schedule and message you choose to communicate to your investors, communicate consistently. Your investors will come to anticipate and get excited to receive scheduled updates so it's important to stick to a routine and do your best to not miss a communication update. In addition to a consistent timeline, it's important to stay visible and available to your investors. If you've reported a mixed quarter, maintain a dialog with those investors who want to be reassured by the senior management that you are on top of managing the company. Do your best to be quick to respond.

IMS PRO TIP

Rather than sending e-communications to your entire CRM database, keep emails relevant by utilizing **User Segments** within the CRM to group individuals together.

[Learn More](#)

INVESTOR RELATIONS COMMUNICATION SUGGESTIONS

While each CRE firm may choose to communicate different messages or reports to their investors, below is a list of ways we suggest IMS clients keep in touch with investors to build upon relationships.

Quarterly Portfolio Performance

If you are not sure how often to connect with your investors, we recommend checking in at least once a quarter to provide updates on their portfolios and to keep their investments top of mind.

Annual Reports

An effective annual report should strike a balance between being comprehensive and concise. Key sections of an annual report typically include

- ▶ Key financial highlights and strategic initiatives
- ▶ Letter to shareholders
- ▶ Financial statements

Key Performance Indicator Progress

Share portfolio KPI progress with investors but remember that metrics alone don't tell the entire story; data without context can be hard to interpret. Adding context to these numbers and highlighting key milestones not only gives you more control over how people understand numbers, but also helps highlight the less tangible parts of your business and engage investors.

What's on the Horizon

Give investors a sneak peak of future deals coming down the pipeline that will be open for investments. Even sharing simple details such as the asset type and location can be enough to spark investors' interests. In addition to news about upcoming deals, share any major operational news such as staffing changes, new business territories, or new business systems implemented.

IMS PRO TIP

Easily generate comprehensive **Investor Statements** within IMS that can be sent quarterly to investors.

[Learn More](#)

IMS PRO TIP

Customize **Investor Dashboards** with real time metrics to let investors stay up to date on KPIs 24/7.

[Learn More](#)

Periodic Check-Ins

The easiest way to stay top-of-mind with your prospects and make your long term investors feel valued is to drop a brief note to show you're interested in their lives. This could be as simple as, "We haven't spoken in a while; just checking in to see how you're doing." We recommend providing a brief status update, but keep it short, sweet, and value-oriented.

Meetings and Networking Events

If your firm is hosting a gathering for investors or potential investors it's a good idea to get communication out as quickly as possible. There may also be networking events or parties that are hosted outside of your firm but are open to investors to attend. Extending the invite to these events will make your investors feel valued and in tune with your firm. According to corporate event planners, at least 8 weeks notice should be given to attendees for a large-scale, corporate event.

Media Attention

If your company was recently highlighted in the media, share that information with your investors! Examples may include any recent team member spotlights or awards given, assets being recognized in the media, or company media partnerships such as speaking on a panel or blog. These forms of public spotlight reinforce trust with investors.

CHAPTER 3

UTILIZING TECHNOLOGY TO CONNECT WITH INVESTORS

Technology is changing the way that commercial real estate firms engage, communicate, and conduct business with investors. And in a world where customer expectations are higher than ever before, CRE firms must adapt and be willing to connect with investors and prospects with technology 24/7.

MAINTAIN AN ELECTRONIC CRM DATABASE

To keep electronic communication methods scalable, companies should have a well-maintained and functional CRM software. Customer Relationship Management (CRM) software provides a single, central location for you to maintain a database of your prospects and customers and to manage, track, and record all of the information you have about these people and the interactions you have with them. A CRM is more than just a contact manager, Excel spreadsheet, Rolodex of business cards, or stack of sticky notes. This tool simplifies, centralizes, and scales your investor management and engagement. 3 out of 4 CRM users say this software has improved their access to customer data. In fact, sponsors can find investor information up to 76% faster.

IMS PRO TIP

Turn business cards into an electronic database by adding new contacts and prospects into your **IMS CRM** as soon as you receive them.

[Learn More](#)

The CRM within IMS can perform the following functions:

- ▶ Track each contact's investment activities to show engagement
- ▶ Associate investment management professionals to an investor profile
- ▶ Manage data inputs such as investment history, asset type preferences, regional preferences, deal size preferences, and other investment criteria
- ▶ Simplify, streamline, and store communications with investors, such as emails and invitations to invest
- ▶ Set tasks to help you maintain and develop investor relationships

Maintaining an electronic CRM database allows sponsors to offer a more personalized investing experience, create more value for investors, and raise equity faster, knowing which prospects would be a best-fit for each investment opportunity.

EMAIL MARKETING

A carefully formulated email marketing strategy can help your CRE firm grow, enhance the investor experience, and drive communication efficiencies. Follow the best practices outlined below to get started. But remember, it's important to experiment and identify what tactics are most effective for your specific firm and resonate the best with your specific audience.

Subject Line

People spend an average of 4 seconds scanning their inboxes and determining whether or not to open a particular email. Thus, the subject line – your first impression – can have the biggest impact on the success of an email marketing campaign. It will not matter how valuable or helpful the content in your email is if the subject line doesn't capture the recipients' attention and entice people to open the email.

Tip: Keep your subject line short, clear, concise, and personalized, if possible.

Best Practice: Studies show that subject lines with 1-3 words perform the best, especially because this length is most compatible with mobile devices.

Body of the Email

We have already discussed different communications you may like to send to your investors. Each type of email serves a unique purpose and contributes differently to various organizational goals. Thus, every campaign you create may have a distinctive purpose and even a different (segmented) audience. But regardless of the type of email you are sending, it's important to write meaningful and valuable copy for the body of your email. Industry best practice recommends following the "4 U's".

UNIQUE Make your content distinctive from content they can receive somewhere else. For example, discuss an up-and-coming prediction for the market. If it's an already-trending or popular topic, present a different POV or present it in some other way that is unique. This is your opportunity to stand out from the competition, as well as to position yourself as a go-to resource or authority in the industry.

IMS PRO TIP

Brand your email campaigns under **Email Integration** in the Admin Settings tab to add a custom header and footer to all emails.

[Learn More](#)

USEFUL Recipients want to receive relevant or helpful content to keep them engaged. Provide solutions to problems or information they can benefit from. Consider their pain points, challenges, questions and pressing needs, and then offer content or information that addresses those topics. The key is to always provide value.

ULTRA-SPECIFIC Make sure your email content matches the audience and is tailored to their needs, questions, and concerns. Ultra-specific information makes content more useful and compelling and also demonstrates that you understand the readers' struggles and goals. For example, consider content that is targeted around asset class or geographic location.

URGENT Urgent subject lines drive open rates, and urgent copy boosts click-through-rates. But be aware of overuse, and only leverage this "U" when necessary. When it comes time to use it, what pressing need is being addressed? Why must the reader take action immediately? What is the cost of not taking action?

Following the "4 Us" will engage readers, entice them to click through, and give them a reason to continue opening and reading your emails in the future.

Sender

Trusting the sender is a critical factor in whether or not an email is opened. In fact, over 2/3 of Americans open their emails based on the name of the sender. The "from" name, which tells your investors who sent the email, needs to be recognizable to your email recipients; that may be your name, your firm's name, or a combination of the two.

Tip: Use a consistent and recognized sender for all emails. This will increase the likelihood of the recipient opening the email and decrease the chance they will mark it as spam.

Frequency

Finding the right email cadence can be one of the most challenging areas to fine-tune in your email marketing strategy. You want to make sure your clients have the most current data and information, but you also don't want to risk over-contacting them. However, sporadic emailing has proven to be ineffective in most industries, particularly with regards to impacting organizational goals and initiatives.

Tip: Once you determine an ideal cadence for your campaign, it's important to maintain a consistent frequency, as your readers will begin expecting to receive your emails.

Best Practice: One study by SendGrid found that the optimal frequency for email newsletters in the commercial real estate industry is 2-3 per month.

Timing

Optimizing when you send an email can be critical, as it heavily impacts the open rate, which in turn impacts the click-through-rates and conversions. **Studies say the best time and day to post is Tuesdays or Thursdays between 10:00 AM and 11:00 AM in the recipient's time zone.** These stats make sense, as it's during the work week and after many people have arrived at work and are starting to check their inbox. As can be expected, weekends are typically poor days to send because many people like to disconnect. Similarly, sending during the after-work hours or late at night could also be detrimental to your open rates. However, it's important to do some experimenting yourself to identify what works best for your firm and your audience.

Tip: Consider sending your emails in the morning, mid-week.

Best Practice: To give a benchmark for what's working and what's not, the real estate industry can expect to achieve around a 25% open rate and 4% click-through-rate.

ONLINE INVESTOR PORTALS

Keep up with investors' evolving expectations for how they receive and interpret information with a solution that builds trust and transparency 24/7 while streamlining equity raises. Investors want visibility of and insights into the performance of their investments, as well as secure, on-demand access to key documents. The integrated document management system within IMS, effectively a built-in deal room, gives investors easy access to project and investor specific documents, K-1s, statements, and other reports.

Online Investor Portals provide dashboards and an organized document management system so investors can stay up to date on all communications from sponsors.

Investor Portals within IMS provide following information and functions:

- *Historical and current document management and storage*
- *Asset and portfolio performance*
- *Open deals and current portfolio investments*
- *Ability for investors to update their bank information and contact information*

IMS PRO TIP

We recommend at least annually reminding investors to double check their contact and banking information is up-to-date on their **Investor Portals**.

[Learn More](#)

IMS recommends pairing an electronic communication with updates on investor portals such as uploading K-1 documents onto the portal and then following up with investors via an update email.


NEXT STEPS

Throughout this ebook we have discussed the importance of developing a strategic investor relationship management plan and how to leverage the IMS platform to communicate with your investors.

The rewards for a strong relationship with your investors are

- Maintain loyal investors
- Increase long-term investor value
- Establish a network of future investors
- Build trust with investors through open communication and transparency

Today we have over 450 customers who have been able to raise capital and maintain investor relations with over 65,000 investors in 92 countries. The IMS Platform is being used to calculate over \$2 Billion in distributions and over \$38 Billion in equity.



Login to your account today to leverage IMS in building and maintaining investor relations.

View a list of recent product releases and enhancements here.



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