

5 WAYS TO DRIVE

HIGHER SHAREHOLDER ENGAGEMENT



OVERVIEW

As part owners in a company, shareholders have a right for their voices to be heard when it comes to the company's direction. However, retail shareholders typically vote at a relatively low rate — averaging less than 30 percent overall, year-to-year. This is due to several factors, including that retail shareholders:

- Discount their influence on company policies and practices because of their modest stake in the company
- Perceive that proxy voting favors institutions over individual shareholders
- Do not have enough information to make informed decisions
- Feel that the voting process is difficult

IMPROVING SHAREHOLDER ENGAGEMENT

TO IMPROVE SHAREHOLDER ENGAGEMENT, information must be presented in a way that draws in shareholders and enhances their understanding of the information. Technology and tools must meet shareholders “where they are”, providing a frictionless shareholder experience.

Let’s take a look at five ways to help drive higher engagement in the proxy voting process:



Provide a single location with 24/7 access to shareholder voting and other actionable items. Investors want one central location where they can easily access all of this information anytime from anywhere and from any device. Also, embedding investor education tools in this portal can help explain the proxy voting process.



Deliver more compelling content to educate shareholders. Enhance investor education to better capture the readers’ attention. Create a content engine that focuses on trends and the evolving needs of shareholders. Build a new blog or integrate it within an existing blog or news service to help deliver content in an easily consumable manner, on a regular basis.



Leverage omni-media channels. Quick, seamless direct communications with shareholders can drive voting engagement.



Increase engagement frequency. Organizations can contact shareholders before their proxy season as a way to help refresh their proxy disclosure and better prepare for potential shareholder proposals. In addition, planning touch points outside of the proxy season keeps organizations top of mind with their shareholders throughout the year.



Encourage shareholder participation. Regardless of the annual meeting format—in-person, hybrid or virtual—make it possible for shareholders to submit questions.

A LOOK AHEAD

The number of devices connected to the Internet will continue to grow rapidly and change the way we communicate. According to International Data Corporation (IDC), a provider of market intelligence, advisory services and events for the information technology, telecommunications, and consumer technology markets, 41.6 billion devices will be connected to the Internet in 2025, including the machines, sensors and cameras that make up the Internet of Things (IoT). As a result, the IoT will increasingly enable the exchange of information from things,

people and processes, and data will create even more value for industries, governments and individuals' lives.¹

Looking ahead, technology and the consistent flow of communication — through current and new channels and platforms — will help keep shareholders informed and encourage their voices to be heard, empowering them to be active in proxy events. This two-way dialogue will help boards and shareholders best align on decisions and overall visions for the future.

Tools and technology must meet shareholders “where they are”, providing a frictionless experience.

¹IDC: “The Growth in Connected IoT Devices Is Expected to Generate 79.4ZB of Data in 2025, According to a New IDC Forecast,” June 18, 2019.

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