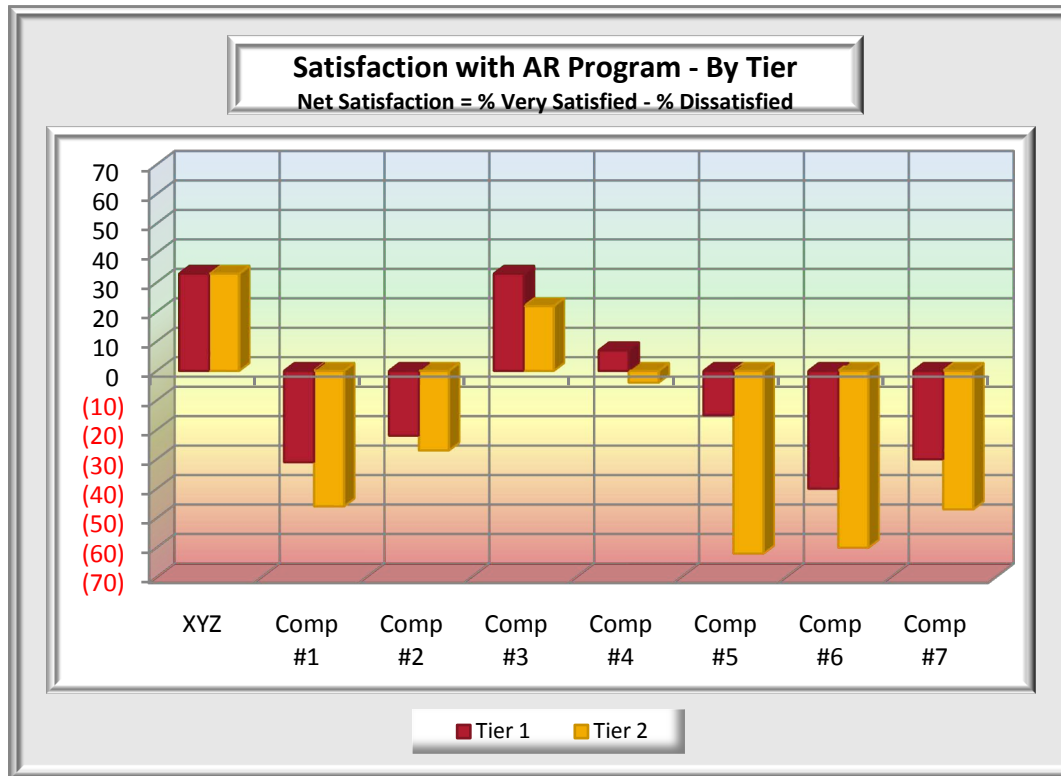


## COMPANY XYZ

### Operational Effectiveness Study - 2008

#### Analysis - AR Program Satisfaction



Positive year-over-year improvements in overall analyst satisfaction with a company's AR program have been shown to positively correlate with improvements in Average Tonality expressed in published research.

Conversely, a year-over-year decline likely will not seriously impact coverage tonality; but a two-year decline almost guarantees a dramatic drop in Average Tonality.

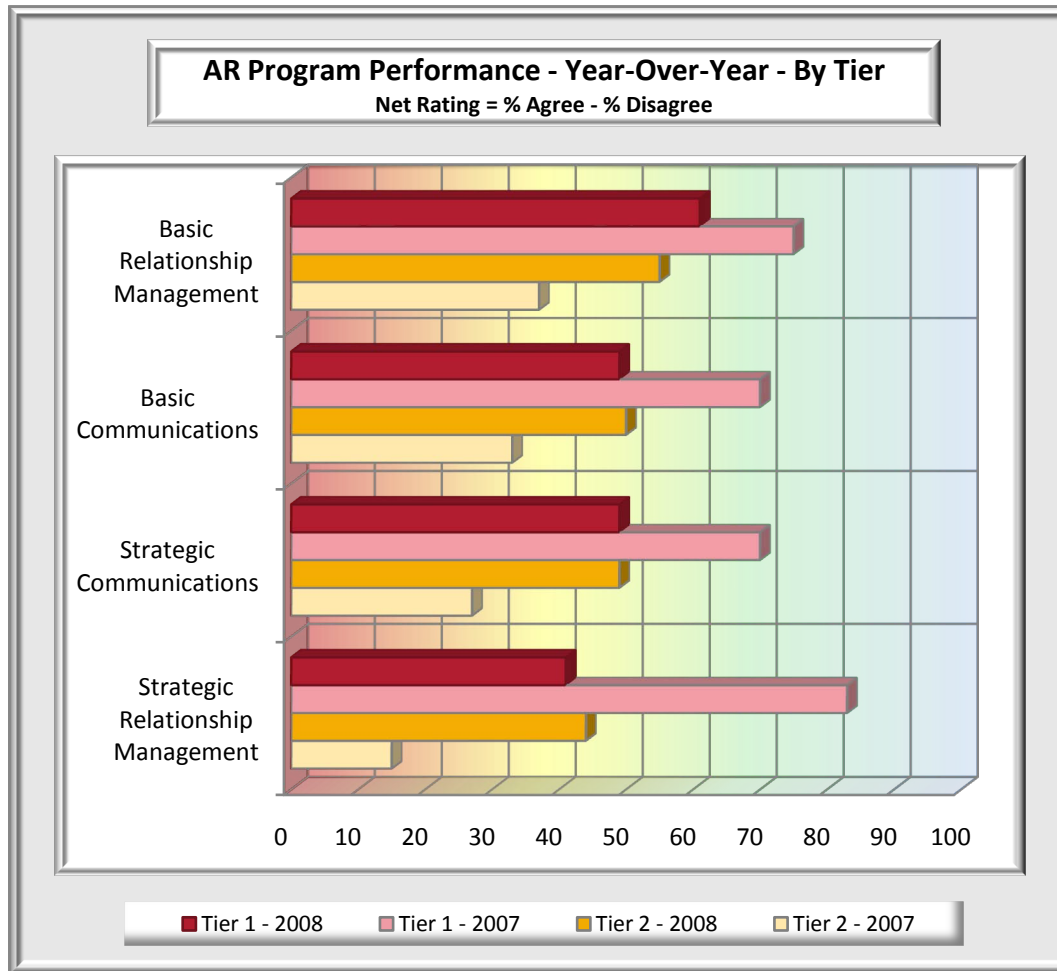
Comparing ratings between Tier 1 and Tier 2 analysts is critical to understand whether a company is focusing limited resources on the most influential analysts. Tier 2 analyst satisfaction equal to (or greater than) Tier 1 satisfaction generally indicates a reactionary program without clear focus or well-defined criteria for defining analyst tiers.

Competitive comparisons are useful for understanding how a company's direct competitors are likely influencing the analyst community, particularly when comparing organizations of similar size.

# COMPANY XYZ

## Operational Effectiveness Study - 2008

### Analysis - AR Program Performance



Understanding a company's performance in the four primary categories of AR efficacy is critical to developing appropriate strategies for improving AR's ability to shape analyst perceptions and drive positive analyst-based market influence.

Each of the defined categories has been shown to correlate with one or more of the following common AR objectives:

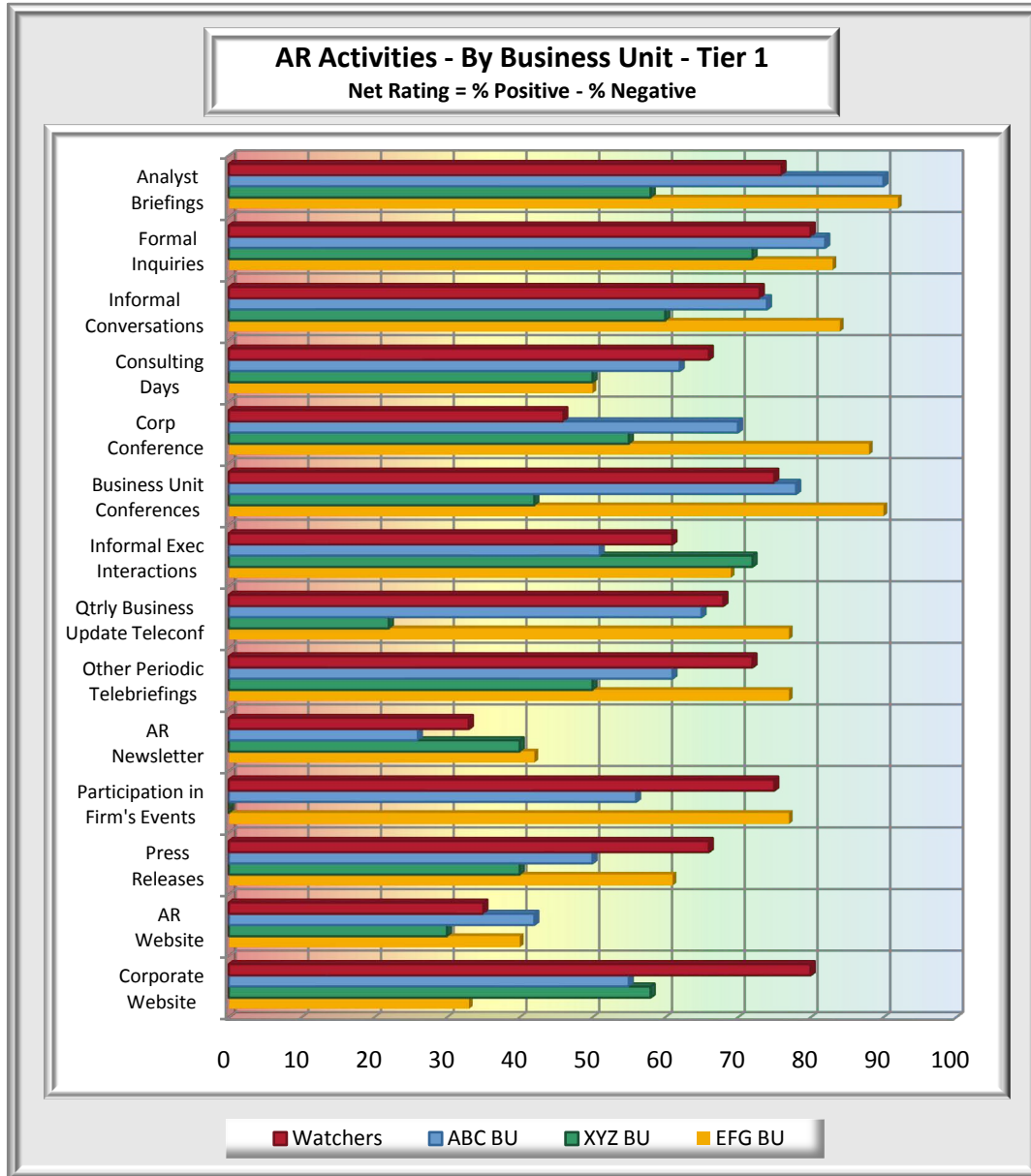
- increasing the level of coverage
- improving the average tonality of coverage
- improving analyst understanding of company capabilities and core competencies
- improving analyst understanding of competitive positioning and competitive differentiation
- increasing the likelihood analysts will recommend a company for inclusion on short lists

And different categories (or specific activities within a category) influence analysts differently based on their Tier designation.

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## Operational Effectiveness Study - 2008

### Analysis - AR Core Activity Execution



Detailed analysis of how well the AR program performs specific activities provides guidance to which areas may require focused effort, greater executive/sponsor involvement, increased training for extended team members, or improved coordination with public relations and other marketing teams.

Each activity and the focus of the activity is primarily associated with a specific analyst Tier. For example, Tier 1 analysts typically assess a company's Analyst Summit based on the amount of one-on-one time they achieved with top executives and product managers. While also keenly interested in one-on-one time, Tier 2 analysts primarily assess a company's Analyst Summit based on how well the company's vision, strategy, and core capabilities are communicated (information Tier 1 analysts typically receive through individual or small group briefings).

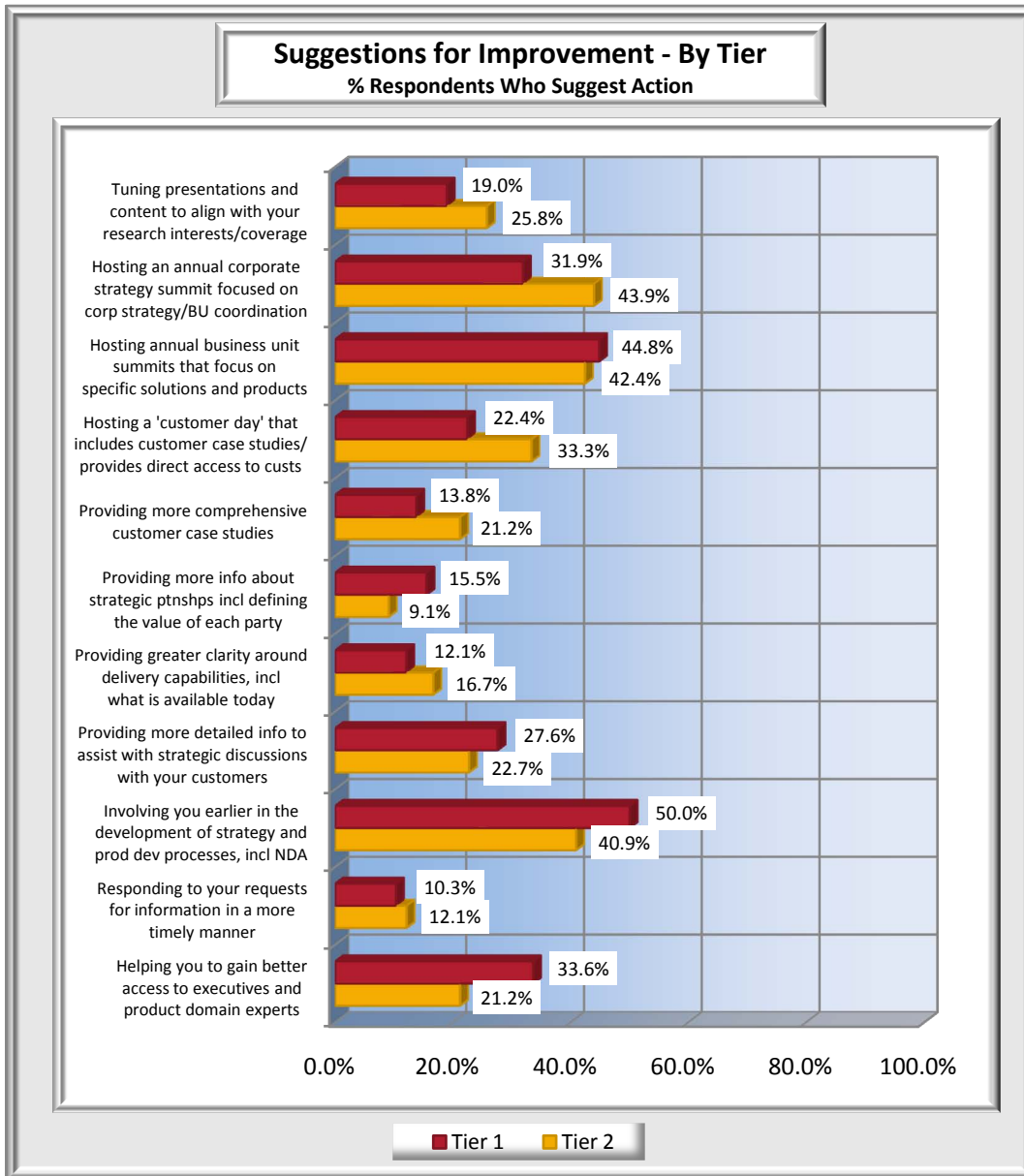
Interpretation of ratings and placing ratings in the appropriate context is perhaps more important than the raw ratings themselves.

For larger organizations, comparative analysis of each business unit's performance provides more precise feedback to assist planning efforts.

# COMPANY XYZ

## Operational Effectiveness Study - 2008

### Analysis - Analyst Suggestions for Improvement



Analysts typically provide highly valuable insight into how a company might improve its AR program.

Universally, the #1 suggestion from Tier 1 analysts is earlier involvement in strategy and product development discussions, particularly under NDA. After discounting this obvious response, specific feedback is gained by examining analysts' second or third most common suggestions.

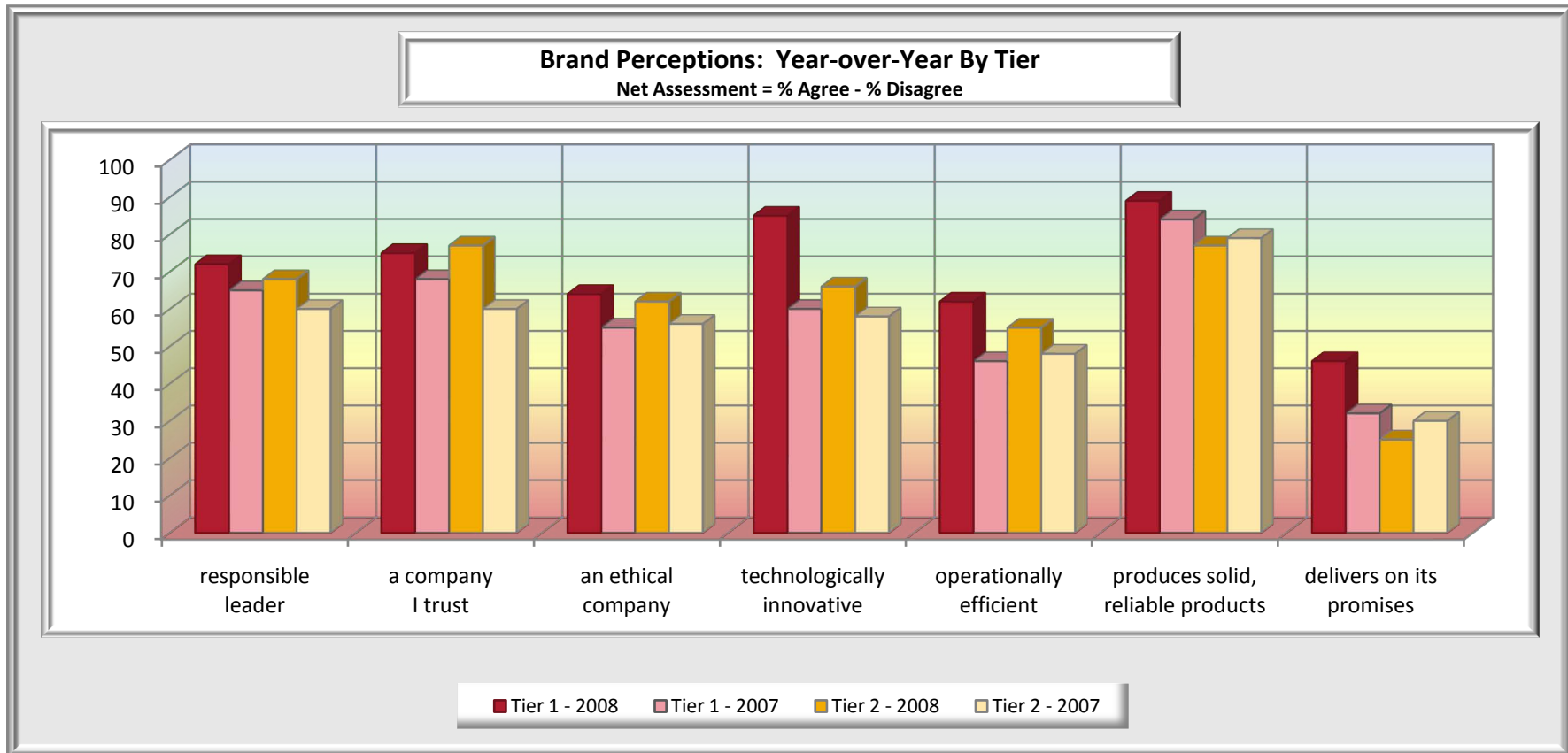
In this chart (excerpted from an actual study), Tier 1 analysts were interested in gaining more specific detailed information to assist in their strategic discussions with their customers, particularly via a business unit specific summit. Tier 1 analysts also anticipated gaining greater one-on-one or small group access to executives via the Summit format and other key activities.

In contrast, Tier 2 analysts were most interested in attending a more generally focused Summit that would address their questions regarding overall corporate strategy and cross business unit coordination. Tier 2 analysts also indicated a strong need for more direct contact with customers.

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### Operational Effectiveness Study - 2008

#### Analysis - Brand Perceptions



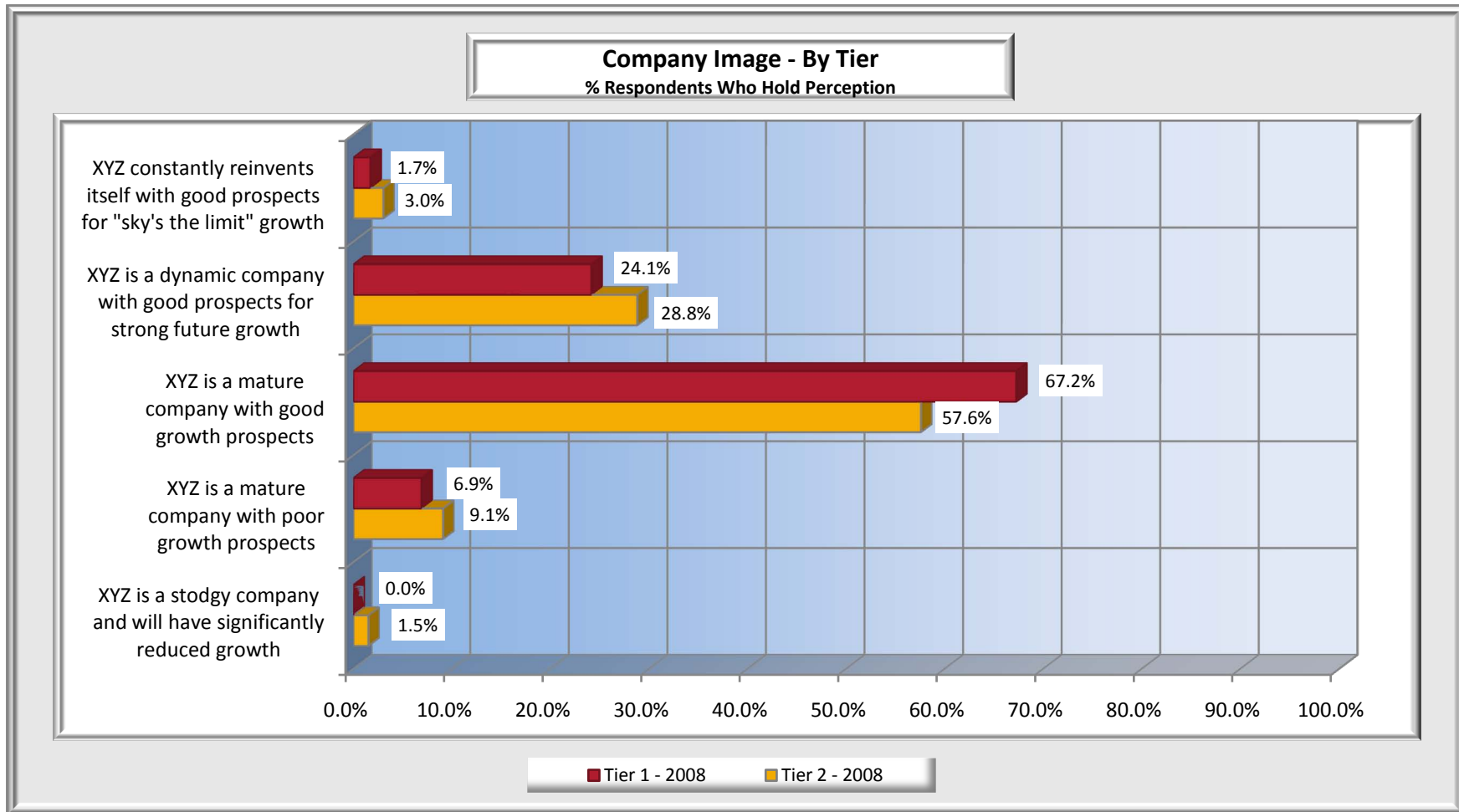
Additional questions often uncover underlying perceptions that have significant bearing on the degree of correlation between analyst satisfaction and Average Tonality of research coverage.

For example, one vendor was seen as highly technologically innovative, but rated comparatively low in product reliability and the ability to deliver on its promises. No amount of AR outreach could significantly alter the tonality of analyst coverage until these underlying issues were addressed. HOWEVER, AR still carried the responsibility (in fact, AR carried a heightened responsibility) to immediately and comprehensively communicate all data that indicated company improvement in these areas.

## COMPANY XYZ

### Operational Effectiveness Study - 2008

#### Analysis - Company Image



Mature organizations often look to assess how the analyst community views their ability to maintain currency within rapidly evolving markets.

After a major restructuring accompanied by extensive analyst outreach, one organization saw its year-over-year rating for being a 'dynamic' company increase by 14 points, while its rating for 'poor growth prospects' declined by almost 18 points. Tracking this shift in analyst perceptions was crucial feedback for how well the AR organization was driving effective communications around the company's restructuring efforts.