

# SIX QUESTIONS FOR MICROCAP COMPANIES CONTEMPLATING PUBLIC RELATIONS

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## WHAT ROLE CAN A PUBLIC RELATIONS FIRM PLAY IN HELPING MICROCAP COMPANIES COMMUNICATE WITH THEIR SHAREHOLDERS?

Getting noticed is a fundamental challenge for microcap companies. Major financial news outlets tend to overlook these companies because of their size, and a lingering layer of negative sentiment continues to affect their perception. This is where public relations can help. The first step is messaging. Developing a clear, concise and compelling narrative that resonates with shareholders and the news media is critical. Not only can PR help develop and finetune *what* is said to key audiences, but it also can help determine *how* and *where* these messages are delivered. Key messaging is transformed into various types of content, which are then distributed across a wide range of mass and specialized media, including news outlets, industry publications, digital and social media, broadcast channels, and more. Perhaps somewhat ironically, many microcap companies have outstanding management teams and exciting stories to tell. The key is maintaining regular communication with all constituents to keep them informed and engaged.



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## WHEN IS THE BEST TIME TO BEGIN A PR CAMPAIGN?

It's never too late, or too early, to start a public relations campaign. Programs can vary in size, scope and duration—ranging from a few months to ongoing. Regardless of the timeframe, it's crucial for companies to communicate effectively with the right audience. While a specific event isn't always necessary to initiate a campaign, timing can be critical. Consider beginning a PR campaign when there is upcoming company news or an

event, such as a product launch, earnings report, acquisition, industry conference and shareholder meeting. Favorable market conditions can also provide a supportive backdrop for positive messaging. Additionally, if there's a need to shift public or investor perception, launching a campaign early can help control the narrative.

## HOW CAN A MICROCAP COMPANY HONE ITS MESSAGING THROUGHOUT SOCIAL MEDIA, PRESS RELEASES AND ATTENDANCE AT CONFERENCES?

Consistency is key. Organizations must ensure that messaging across all platforms aligns with the

company's core values and goals. However, messages need to be tailored to the specific audience of each platform. Social media might require more engagement-focused content, while press releases and conference presentations might need to be more formal and detailed. More importantly, what's said to investors may be different than what's said to employees or customers. The use of storytelling is a great way to engage audience with compelling narratives about the company's mission, products or impact. The use of analytics to measure the effectiveness of messaging and adjust as needed are great ways for microcap companies to hone their messaging to resonate best with investors.

### WHAT CAN MICROCAPS DO WHEN THEY NEED TO MANAGE THEIR DAMAGE CONTROL?

Ideally, having a crisis communications plan already in place is best practice. These are a set of action items with key messaging to help organizations quickly respond to a disruptive event, including financial crises, reputational damage, operational interruptions, legal issues, regulatory challenges, cybersecurity breaches and natural disasters.

Microcap companies must be proactive in managing damage control by prioritizing transparent communications. Assembling a dedicated crisis team and ensuring consistent messaging across all channels are key steps. Engaging with media outlets through well-crafted press releases and building strong relationships with journalists can help ensure the company's perspective is accurately represented.

Direct communication with investors is crucial to address concerns and maintain confidence. Emphasizing the company's long-term strategy while managing short-term challenges can reassure all stakeholders. Additionally, closely monitoring social media and responding thoughtfully to any misinformation can prevent negative sentiment from escalating.

Legal considerations and reputation management also play vital roles. Consulting with legal advisors ensures compliance with regulatory requirements. Highlighting positive developments, without burying opposing views, and leveraging third-party endorsements, can help rebuild the company's reputation.

### HOW CAN A COMPANY MEASURE THE RETURN ON INVESTMENT FROM A PR CAMPAIGN?

When evaluating a public relations campaign, it's important to consider a range of intangible factors. For example, a media interview that doesn't immediately lead to a published story is still a significant outcome. Journalists often work on their own timelines, particularly for stories that aren't breaking news, which means it may take time for an interview to result in coverage. Tracking the number of interviews, along with the quantity and quality of media mentions and impressions, offers valuable metrics for assessing PR efforts.

Social media engagement, measured through metrics such as shares, likes, and sentiment analysis, is another area to monitor. Additionally, website traffic and lead generation—such as inquiries, sign-ups and event participation—can provide insight into the campaign's effectiveness. These are just a few examples of how a company can measure ROI. In essence, executing the tactics outlined in a broader strategy helps track progress and also allows firms to attribute specific values to each initiative, enabling them to score campaigns. Most importantly, evaluating the long-term impact on brand equity, including awareness and reputation, is essential for understanding the sustained effects of the campaign.

### WHY DO LARGE AND MIDCAPS USE PR MORE THAN SMALL AND MICROCAPS?

It often boils down to resources. Large and midcap companies generally have greater financial and human capital to invest more in marketing and communications. Additionally, bigger corporations generally have higher public profiles, as well as larger and more diverse groups of stakeholders, which, in turn, drives the need for ongoing communications among varying target audiences. That said, it's really a matter of scale, and microcap companies usually benefit greatly from public relations tactics as well as traditional IR.

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