

## Case study

### “Influencing the influencers”

#### Nortel Networks’ European Analyst Relations Programme

##### Objectives

European industry analysts covering the telecoms and Internet sectors are key business influencers -prospective customers turn to analysts for advice before buying products and journalists draw upon third party comment from analysts when writing articles. Gaining their support is key to any PR programme.

Before the Analyst Relations programme began in March 1999, analysts at organisations such as IDC, GartnerGroup and Ovum had limited exposure to Nortel Networks. In contrast, two of Nortel Networks’ main competitors (Lucent and Cisco) were already running comprehensive analyst relations programme and had good relationships with the analysts. According to a 1998 study by the Kensington Group, Nortel Networks ranked sixteenth in the world in terms of its analyst relations programme.

Based on this situation analysis, the objectives of the programme were to:

- Move from 16th to 6th position in the Kensington Group’s annual analyst relations ranking
- Educate the key European industry analysts on Nortel Networks’ strategy and product portfolio
- Position Nortel Networks’ executives as industry commentators and strengthen individual relationships between them and key analysts
- Increase the number of analyst reports containing reference to Nortel Networks

### Application

The foundation of the analyst relations programme was a Notes database of contacts in the European analyst community that Brodeur built from scratch in early 1999. The database proved to be a key knowledge management tool and has helped the team to target the right analysts with the right information and to easily identify gaps in Nortel Networks' education of the analyst community.

From August 1999 onwards, the Analyst Relations programme consisted of the following activities:

#### ***Changing the client's mindset***

Brodeur persuaded Nortel to start pre-briefing analysts before major announcements to the press under a non-disclosure agreement. This has two direct benefits - first it helped build trust between Nortel and the analyst community. Second, improved communications between each party as well as creating a safe environment to test messages and strategies before going to the market.

#### ***Targeted press release distribution***

Analysts, like journalists, do not want to be bombarded with unnecessary press releases. Brodeur set up a system whereby press releases were sent to analysts who covered the subject area - and interviews were proactively set up for those analysts likely to require further detail.

#### ***Report tracking***

A key element of the programme was tracking what reports analysts were writing and proactively contacting the authors to set up interviews with Nortel Networks' representatives. The analyst houses tend not to provide lists of planned reports, so much of this work was about building relationships with the individual analysts

#### ***Event organisation***

The team organised regular face-to-face briefings for the analyst community, on themes such as "Internet Telephony" and "Creating the Optical Internet" These events were well-attended and received positive feedback from the analysts. Of particular note was an Analyst House Tour in November 1999, which 15 analysts at GartnerGroup attended.

#### ***Analyst helpdesk***

As Brodeur became widely recognised as the dedicated manager of Nortel Networks' European Analyst Relations programme, the number of incoming analyst enquiries grew. The team set up a Help Desk for analysts to enable them to respond effectively to these enquiries.

### Outcome and evaluation

Nortel's primary objective was to move from 16th to 6th position in the Kensington Group's annual report. At the beginning of the programme, measurement was divided into three key areas: improvement in relationships between Nortel Networks' executives and individual analysts; awareness of Nortel Networks to be measured by the number of reports in which the company was cited; and feedback from the analyst community about the programme.

- 1. Improvement in relationships** Prior to the Analyst Relations programme, Nortel Networks' contact with the European analyst community was "ad hoc". The initial research and development of a comprehensive database paid particular dividends as the team was able to target analysts with highly relevant information that attracted them to attend events and led to requests for one-to-one interviews for reports they were writing. **In the nine month period, Nortel Networks executives briefed 74 European industry analysts.** A large number of these analysts had several interviews with Nortel Networks during this time.

<b>Interviews between Nortel Networks and European industry analysts (August 1999 - June 2000)</b>	
Attendees on conference calls	25
Telephone interviews	43
Face-to-face interviews	80

- 2. Number of reports** A number of the interviews listed above was for specific reports that the analysts in question were writing. Prior to the Analyst Relations programme, there was no system in place for tracking the number of analyst reports for which Nortel Networks was interviewed for or in which they were featured. It is, therefore, impossible to measure this activity in terms of improvement. However, the fact that Nortel Networks has appeared in a minimum of 12 reports and that the company is now aware of these reports is a massive improvement. The reports are an important sales, marketing and PR tool which can be used by Nortel Networks as valuable collateral.

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**3. Analyst feedback** In the 1999 Kensington report, Nortel had moved from 16th position to joint 1st place with Lucent Technologies as a company which provided the most effective and comprehensive analyst relations programme. Some analyst quotes have been included below to illustrate the improvement:

"Nortel analyst relations in Europe is now among the best that there is. Previously it was difficult to understand Nortel's strategy given its large complex structure. With Brodeur's help Nortel is now much more proactive in the way it communicates with analysts."

***Eric Owen, programme manager, European telecoms, IDC***

"Brodeur's Nortel analyst relations programme is one of the top two or three I have seen. Brodeur has greatly improved my awareness and access to Nortel."

***Emma Whitten, managing director, CIT research***

"As far as I am concerned, Nortel has the most active and useful analyst relations programme of them all"

***Tim Johnson, director, Ovum***

"Changing analyst perception was key to our communications programme. We set Brodeur a clear target to get us into the top 6. They made us number 1 with a really defined and enthusiastic programme."

***Amber Byrne, analyst relations manager, Nortel Networks***