



HAWK ASSOCIATES, INC.

PROVEN INVESTOR RELATIONS STRATEGIES

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BRANDING YOUR SMALL CAP COMPANY FOR MAXIMUM WALL STREET IMPACT. THE KEY IS ESTABLISHING CONFIDENCE IN FUTURE VALUE.

WHAT IS BRANDING? WHY IS BRANDING IMPORTANT TO A COMPANY'S STOCK PRICE?

Branding is normally thought of in terms of creating a positive identity for a company's product. From an investor relations standpoint, however, branding is also about establishing confidence in the future value of a company and its stock. A company's efforts in successfully branding its products are inexorably intertwined with developing a message that will attract the positive attention of Wall Street. A fresh and simple message consistently delivered is an important element in building credibility for a management team and the company.

HOW CAN A SMALL COMPANY CEO BREAK THROUGH THE INFORMATION CLUTTER TO ATTRACT INVESTOR ATTENTION?

In the crowded, noisy world of Wall Street, small companies with brief or bumpy histories and limited resources face an overwhelming challenge in making their stories known to busy investors with short attention spans. There are over 5,000 publicly traded small companies and a relatively narrow universe of investors interested in small cap investment opportunities.

BRANDING = VALUE PERCEPTION

Current Value is normally a multiple current of projected EPS factored with market perception about the industry and general market conditions.

Expectations of Future Value are the most powerful drivers of stock prices. These are generally based on some combination of:

- Revenue and profit growth trends
- Expectations of future revenue and/or profits
- Credibility of the management team
- Excitement about new products or technology
- Expectations about the industry
- The overall market direction

This is why a company's brand or reputation is critical to long-term success with the financial community. The development of a company's brand extends well beyond an advertising logo or gimmick. A successful brand is synonymous with the company and its stock. Microsoft, for example, is the brand of a shrink-wrapped software product. But on Wall Street, Microsoft is the brand of a stock that has created significant wealth for many investors.

BRANDING THE SMALL COMPANY

Strong brand identification is every bit as crucial for small companies as it is for larger companies. Successful branding begins with the CEO and the management team. Serious investors always have the same questions – does the management team have the ethics, determination and skill sets to make the company successful? Management's approach to these issues must be defined and built into the business plan and clearly articulated so that the brand becomes the theme and identity of the company.

BRANDING YOUR SMALL CAP COMPANY FOR MAXIMUM WALL STREET IMPACT

POSITIONING AND MESSAGE DEVELOPMENT

There's an old saying that if you don't know where you're going, you might not get there. The same is true for a company's message with Wall Street. It's essential that a company be correctly positioned to attract maximum support. The message must be clear and simple so that it can be easily and quickly grasped in a fast-paced world of infinite choices. Small companies must project messages that maximize management's ability to attract and hold the attention of Wall Street. Effective use of the media plays an important role in this effort.

SUCCESSFUL BRANDING CREATES DIFFERENTIATION AND BUILDS VALUATION

Our client Exactech has a vision statement that the company has used for several years. "We aspire to be the world's leading producer of innovative and joint restoration products that improve patient outcomes." This branding message with its implied themes of quality, growth and market share has been consistently aimed at customers, employees and shareholders. The company produces innovative, high quality products that are highly respected in the orthopaedic community. The company is building a strong pipeline of new biologic technology that could revolutionize the orthopaedic industry. In addition, the company has produced excellent financial results that have regularly met or exceeded Wall Street's expectations, thereby creating strong credibility for the management team. The results speak for themselves. Exactech stock has strongly outperformed the markets over the past five years.

PRECISE TARGETING IS A CRITICAL COMPONENT OF BRANDING

What if you gave a party and no one came because the invitations went to the wrong people? It's easy for small companies, even those with strong stories, to get lost or be ignored. In fact, it often seems like that's the norm. The result is that the stocks of these companies never seem to carry an appropriate valuation. That's Wall Street's way of saying, "Who cares?" A great branding effort includes precisely targeting those most likely to be interested in the company and the stock to help them fully understand the company's future prospects and the investment opportunity.

BUILDING VALUATION

Branding is about building valuation. Does your company have the valuation it deserves? Crafting and successfully delivering the company's message is the heart of a successful branding effort, which, in turn, is critical in realizing an appropriate valuation for a company's stock. The effort involves:

- Positioning the company in the most positive manner
- Articulating and expertly delivering the message to appropriate investors
- Maximum use of the most effective IR techniques including use of the media
- Targeting appropriate new investors
- Setting expectations
- Enhancing credibility
- Delivering expected results

MULTIPLE BRANDING CHANNELS

Direct Mail Campaign
Broker Relations
Print Services
Internet Exposure
Institutional Exposure

Brochures & Collateral
PowerPoint Presentations
Advertising
One-on-One Meetings
Investor Conferences
Internet Presentations

Newsletter
Media
Press Releases
Website
Video Presentations

DOES YOUR COMPANY BENEFIT FROM ITS INVESTOR RELATIONS PROGRAM?

Is your company benefiting from strong expectations for a higher Future Value?

At Hawk Associates, we understand the complexities of Wall Street expectations. We provide clients with sophisticated, leading-edge investor relations programs to create visibility and brand identity. We provide a full range of functionality and services including day-to-day IR counseling, financial public relations, media programs, roadshow planning and execution and specific project work. We help build the company's credibility, provide guidance for full disclosure in setting expectations, generate excitement about the company's products and assist CEOs in realizing the full potential of the company's stock.

