

# INVESTOR MEETINGS ON THE FLY

VIDEO CONFERENCING IS GOING MOBILE, WITH NEW TECHNOLOGY DEVELOPED BY OPENEXCHANGE

In mid-November Mizuho Securities USA expanded the reach of its corporate access day in New York by offering virtual meetings using a compliant video conferencing application developed by OpenExchange. Mizuho hosted 10 virtual meetings connecting companies and investors from Hong Kong, London, Boston and San Francisco, using an array of devices that included desktops, laptops, conference rooms and even iPads.

Mizuho's clients were installed on OpenExchange in under 10 days, but companies are connecting users to video conferences in minutes flat. In October, for instance, a businessperson traveling in Europe asked to join a video conference currently underway on OpenExchange's platform. Using the speaker and camera embedded in his iPhone, the individual had his image up on the video conference screen 90 seconds later, and was actively participating in the conversation.

As IROs, institutional investors and

analysts grow adept at using the iPad 2, smartphones and other mobile devices, video conferencing for investor events is reaching new heights, says Mark Loehr, CEO of Boston-based OpenExchange. What once required intensive planning can now be done on the fly at a very reasonable price. OpenExchange, which uses Vidyo's scalable video coding technology, charges just \$3 per user per day.

Timing matters when convincing the buy side to invest. Rather than assembling a target list of money managers to visit next year, IROs can now arrange to see prospects next week or even sooner via a desktop video conference. Often, says Loehr, an institutional investor on the brink of increasing a position 'wants to see management's body language around a couple of key points. The ability to get this information at the moment you're making the decision is critical.'

Video conferencing also makes life simpler for harried executives at public firms. 'IROs are very sensitive to using the CFO's and CEO's time wisely,' observes Loehr. 'If they can create a video conference that achieves everyone's goals without the CEO having to leave his/her desk, the IRO becomes a hero.'

## HD QUALITY

In fall 2011, Integrys Energy Group began testing video conferencing over the iPad. Steve Eschbach, the Chicago-based company's vice president of IR, believes desktop conferencing could be useful for analyst and investor meetings, possibly reducing travel costs for the important face-to-face encoun-



END-TO-END CONNECTION: ROOM SYSTEM, DESKTOP AND IPAD ALL ON ONE CALL

ters Wall Street firms require for making their purchase decision on the buy side or initiating equity research coverage on the sell side.

'Video conferencing is going to add to the interactions between Wall Street and IR officers,' emphasizes Eschbach. He notes that OpenExchange's high-definition picture quality adds to the overall experience. 'With a pretty large screen, it's almost at the point where you feel you're sitting across the desk from the other person,' he says.

OpenExchange has modified technology from Vidyo so that financial services firms can communicate in a Reg FD-compliant manner. One central concern is the manner in which participants join a meeting. 'Imagine a meeting in the corner conference room and people are dropping in and out all the time,' says Loehr. 'That's not really what you want going on if it's a sensitive discussion in which a merger is being discussed.'

To respond to the unique security needs of financial professionals, OpenExchange protects all video conferences with passwords, and has implemented three layers of security, including AES 128-bit encryption. By using cloud technology, OpenExchange schedules meetings in randomly created virtual rooms, and uses an authentication process that stays outside the firewalls of any of the participating organizations. Loehr understands that before an IRO can begin using OpenExchange video conferencing, the IT department has to be convinced the calls are secure, the bandwidth won't overwhelm the system, and installation is simple and inexpensive.

#### IMPRESSIVE RANGE

OpenExchange calls can accommodate more than 50 participants, with eight locations visible at any given time. Companies can choose to record calls and transcribe what was said; once a call has been transcribed, it can be translated into other languages, and the video

is searchable by either subject or keyword.

To date, 70 different organizations have installed Open Exchange's system on a test or user basis and, with the release of OE 2.0, virtual calls are becoming a common occurrence. Even those assuming a wait-and-see approach are impressed by the technology. 'The quality of the picture and ease of use of the software are quite impressive,' notes Dmitry Kushnir, manager of investor relations at Agnico-Eagle Mines. He says he wouldn't hesitate to use video conferencing once there is more demand from money managers.

Loehr acknowledges that there's a learning curve with video conferencing. 'You have to make sure the light is in front of you, not behind you, so you don't look like you're in the Witness Protection Program,' he says. 'By the time you've done this six or seven times, you realize certain things that bother you when you do them on screen are probably things you're doing all the time.'

Ultimately, video conferencing makes sense because it streamlines investor meetings, making them less expensive and time-consuming. Loehr recalls one investor telling him: 'I really don't want that company's CEO on a plane. While it's great to have him in my office, part of my brain is saying, *I'd rather he was back at the office doing what he does best: managing the company.*' [CA](#)

#### ABOUT OPENEXCHANGE

**OpenExchange was founded by individuals involved in every conceivable type of financial services meeting. We offer a solution created by public company CEOs, investor relations professionals, buy-side and sell-side analysts, traders and institutional sales professionals.**

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