

Resurrection after Bankruptcy

Situation Analysis: LHA's client had just emerged from bankruptcy, shedding a heavy debt load yet retaining key high-value assets, and was midway through a five-month quiet period when it needed to prepare for its first quarterly disclosure in a pressure-cooker environment. With the event fast approaching, a great deal needed to be accomplished quickly: a complete revamp of the strategic message platform; implementation of new corporate governance best practices; establishment of an internal IR infrastructure; employee education on public company responsibilities; and satisfaction of a large backlog of vocal inquiries and demands for information from former debt holders turned stockholders.

LHA's Solution: LHA responded by attacking all elements of this challenge at once, including:

- Developing a written policy of internal guidelines for employee behavior with respect to external communications and insider trading practices
- Establishing a disclosure group and protocols, including guidance policy, disclosure parameters and information flow
- Educating senior management and internal staff on public company disclosure and how to communicate effectively without violating Reg FD
- Analyzing peer companies' communications practices, messages and metrics
- Overhauling the message platform and metric set to focus on strategic vision, calibrate the outlook, and bridge bankruptcy expectations to current performance
- Preparing for the conference call with effective scripts, presentation, and rehearsal
- Coaching management on how to resist the Street's demands for information during the quiet period, followed by proactive outreach to clear up the inquiry backlog post-emergence
- Installing a best practices IR infrastructure, including IR web pages, IR voice mailbox, email inquiry capture, and IR contact distribution list
- Creating an ongoing IR program to convey the evolving story, broaden Wall Street relationships, and support valuation

Results: The combination of internal structure, powerful messaging, and intense management preparation enabled this client to "go live" fully equipped to function well as a public company. The client's subsequent strong fundamental performance and partnership in a robust IR program left the shadow of bankruptcy in the past in short order, diversified the shareholder base and won analyst sponsorship.