

Those pearly gates are closed again. 'Gone in May, please don't stay'.



Ewan Pearson

The UK Initial Public Offering (IPO) market has definitely been on a steep roller-coaster this year. The market was effectively closed last year, but as the daffodils pushed through in Spring, so the pearly gates to the stock market creaked open to be greeted with a flood tide of companies bursting to float. As soon as a few got through, the gates slammed shut again. It's as if someone stuck a message on the gates 'Gone in May, please don't stay'. We advised on three of those to get through, and we know there are lots more to go, especially on the more popular market, AIM.

At the moment very few companies say they are planning to float between now and September, when they hope the gates will open and some falling Autumn leaves will hold them open whilst everyone gets through.

The old adage is that good companies can still float, and for sure that's true. But they will float at perhaps 10% lower prices. Investors will be happy to get the same good companies at lower cost, so the aftermarket in each case should be good, but the vendors - mostly the Private Equity (PE) firms and large corporates selling off bits of themselves - won't be at all pleased. As soon as the gates closed, the waters receded and we're all left wondering what the fuss was about. The new game is PE firms selling to PE firms - the so-called 'secondaries'.

So what's that got to do with good presenting skills? Well, we're told by the institutional investors we speak to - and those we advise - that it's becoming more and more true that they discriminate on the basis of this skill. That's because there are more good companies than capital to buy them.

The good companies are apparently all roughly the same netted over the top 4-6 financial investment criteria, but what **easily** marks out the men from the

boys is their ability or inability to describe:

- what they do
- how they will grow
- the pace of this growth
- the connection between the three above, and
- 'team dynamics'.

That last term of ours refers to how the presenting team interacts with each other. "Is this a well-oiled machine I see before me, or a dysfunctional rusty old banger?" But it's not just the team aspects. The



interesting word for me is that word 'easily' in the earlier paragraph. Investors tell us they have little trouble telling the difference between individuals who can tell their story, and those that can't. It's also apparently easy to tell who is credible

and who is - frankly - dreaming to think they can float.

And yet in our work of coaching people to present well, it does not seem that difficult to reorganise the presentations so they satisfy the bullet points above.

The list of tips for working on this issue that we could put here would cover all the 21 editions of this newsletter to-date. In fact largely speaking that's true, they do! So I'll just pick out a juicy selection of the big hitting points to make.

First, try to talk like a human, not a robot. Your speaking should be natural. Humans get enthused in work they enjoy, so when presenting to potential investors, make sure that comes over. Not boredom, not flippancy, not overbearing.

Second, stay focussed on the topic at hand - the key messages. Don't waffle or be verbose, ie. using more words than necessary. And do try to avoid the 'have I ever told you the one about.....' diversion. But you can use examples to make the point, we'd

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Exploring in the Commercial Jungle

Alastair Grant shows how to overcome the discomfort of engaging in social chitchat with a stranger, building rapport and trust, listening and asking probing questions.

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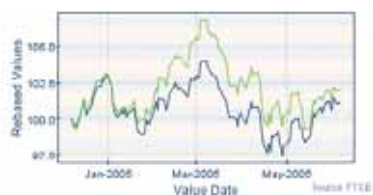
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encourage that. And we'd encourage you to use logic. It always works where obfuscation fails. Investors have a very limited appetite for the float company's pre-prepared pitch, so keep it short and allow plenty of time for questions. What they really want to spend time on is their own questions, so....

Third, when asked a question, give a direct answer unless you have good reason not to, and give the answer first before saying why you've given that answer. The typical excuses for equivocation are: commercial secrets, 'I don't know', or the 'it's not in

the prospectus' blocker. If these apply, you should try the 'I can't tell you this but I can tell you that' alternative. Often this satisfies the question almost as well as an answer.

One final point: It's important to prepare early before floating. In the same way that you take a backswing before hitting a golf ball, you need to take time to prepare the content and the team to float. So even if those pearly gates stay closed for a while, the summer months may not only include the occasional hot sunny day, there may even be the quiet hum of some IPO preparation going on.



'Gone in May, please don't stay'.

The Two Ers, Presenters and Leaders: Do Leaders have to be good Presenters?

Ewan Pearson

Do leaders have to be good presenters and communicators? The answer is surely yes! to both. Can leaders lead if they can't communicate and persuade by use of word and voice? Possibly yes, depending on who they are leading. The captain of a submarine may be a good leader, followed loyally by his crew because he can outwit the destroyer hunting above. His communication may be a few terse helm orders. For the rest of the time he is dour and reticent. Clement Attlee never pretended to be a good presenter. He was, in the words of Margaret Thatcher, *"all substance and no show"*. But for leaders of large corporations there is no doubt that good communicators have an advantage. Terry Leahy of Tesco seems to be a good example.

Is it also true that good communicators are good leaders? I doubt it. The ability to persuade others to follow cannot be dependant on just being a good communicator if other essentials are not in place.

When it comes to leaders having to speak - to large groups or small - then we feel we have something to contribute! Here are some of the ideas we think are important.

1. Inspire by using simple, succinct concepts

"When put in command.... Command!" So said "Stormin" Norman Schwarzkopf during a talk he gave on the, "I used to be a Big Cheese" lecture circuit. This was the key message of Schwarzkopf's series of leadership talks, and was given over and over to businessmen around the world.

The initial reaction of those business people is

likely to have been similar to that of the parents of Harrow school, when shortly after WW2 ended, its most famous alumnus, Winston Churchill, returned to give the keynote address on Speech Day. He slowly rose to his feet, walked to the podium, paused for a considerable moment, all the while looking around the assembled throng, who were edge-of-seat with anticipation at what they were about to hear from the Great Man himself. He then spoke:

"Never... Ever.... Ever.... Give up!" He then went and sat down.

The silence that followed was apparently very awkward, before gradually the parents in the audience realised their charges had just heard, in a very concise way, all the advice they would ever need to know in life. Slowly they got it. The applause began and rose into a very noisy standing ovation. Phew. That must have been a bit close, even for Churchill. The point here was that Churchill had built up a huge reservoir of goodwill and respect such that the words had authority and credibility. And the words were certainly succinct.

I know from first hand experience in the case of Schwarzkopf (I had the honour of paying a large amount of money to hear his speech whilst working in Sydney), that the audience's first reaction was like that of a stunned mullet. Schwarzkopf's message was about the need for leaders to avoid paralysis by analysis, and for them to act quickly on the input from advisers. Just make the right decisions and tell everyone who needs to know. Very American and often right. Again succinct yet powerful.

2. Be straightforward and not obscure

Lucy Kellaway in the FT recently poked fun at a company that produced 144 'Leadership Imperatives'. She described a relationship that suggests that the more intangible a product the more cant is churned out. Telling your people to 'own communicate and deliver agenda items' and 'insist on radical alternative within the value-based management process' has little resonance.

Instead give direct, honest, credible and good examples.

3. Be careful with PowerPoint

Leaders cannot lead well by narrating a slide show. If used, the leader should be the star, supported by good visuals. Probably better to have none at all, especially at 'key moments'. Abe Lincoln managed fine (see our Winter 2004 article).

4. Deliver with passion and sincerity

This means using all the delivery skills you can muster! Use silences well, hold steady eye contact where it matters. Use the right amount of expression in your voice and body language to reinforce the words. George Galloway MP demonstrated that superbly when in the US Congress recently. We duck from any comment on the accuracy of his words!



The Great Man himself, not always loquacious

5. Think carefully how you end a leadership speech

Corny war films show leaders saying all sorts of cheesy things. It's all too easy to produce a form of exhortation that hits the ground with a dull thud. We advise people to speak more steadily at the close of the talk, and with determination. Refer back to examples that you used earlier, gathering them together into a common theme.

We think it's clear that leaders need to be able to present with inspiration and authority, and produce key messages that the audience can talk about afterwards. These people have a distinct advantage over the more reticent leaders who communicate mostly by email, indirectly or maybe not all.

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maybe to recap on what the other person has said. If I have got it right you are delighted with the 3 month forecast but six months ahead is less certain? This also allows you to legitimately break their flow of information, which by this time may have wandered from where you wanted to go!

Thirdly, explorers ask good probing questions - typically open questions. What, when, how, why, where, who, and which. In a social situation or when networking, low threat open questions are a good way to start. In a business context it's the same.

Once the other person is speaking, suitably encouraged by you; then the exploring begins in earnest. You listen carefully to their response and then pose a new question based on their previous answer, indeed including the main words of their answer, just like Stephen Fry suggested the Royals do. Of course there has to be a fine balance. Questions that are too probing will be resisted or bypassed. If rapport is not solid then a brick wall will be quickly erected. So questions like why did you do this? -

which is directly in the face of the listener may be better phrased as what caused this to happen? The individual is not being put on the spot.

You may be exploring an issue or problem facing the other person. The other person will give you useful information but you want to know more. This is when the skilful explorer is no longer asking about issues but seeking to find out the implications of those issues. So how much is this issue affecting your profitability? Can you put a figure on it?

Good explorers are successful in finding out more because they understand that information will be given more readily if there is warmth. The explorer encourages the other to speak by demonstrating good listening skills, so good that the speaker positively wants to tell his story. The ability to explore well has wide benefits socially of course! But in commerce skilful explorers are more successful in persuading, selling and negotiating. There is plenty of research to confirm this. The skills look easy on paper but few of us become real champions, without actively developing our exploring skills.



Are You A Good Explorer in the Commercial Jungle?



Alastair Grant

Recently on the Parkinson TV programme Stephen Fry was demonstrating, in his inimical style, how members of the Royal Family are schooled to ask questions of strangers and show a genuine interest.

The trick, it seems is to ask a simple open question, listen carefully to the reply and then embark on a response that includes the final word of the previous answer.

"Where do you live?"

"I live in Birmingham."

"Birmingham. That's a great part of the world. Whereabouts in Birmingham do you live?"

"Edgbaston."

"Oh Edgbaston - Splendid splendid: What goes on there?"

Etc

All this looks contrived but many of us are not adept at what we call 'exploring technique'. This could be discomfort at engaging in social chitchat with a stranger or in a sales meeting trying to find out the needs of the other party. Also a key element of a successful negotiation is the ability to find out the other person's needs.

Successful explorers use three skills.

First they build up rapport and trust. If you don't like someone or feel uncomfortable in their presence then questions will be resented and resisted. But good rapport builds warmth. The other person will want to engage with you and talk. A lot of this is put down to personal chemistry. Two naturally extrovert persons may quickly set up a banter with each other. But what happens if one is not extrovert but reticent? The reticent one is positively put off by what they see as excess bonhomie. Skilled explorers will sense this and

switch to a lower key approach - softer voice, match the words and cadence of the other. They are careful not to butt-in or seize the initiative too quickly. They will avoid being dominant. We know that we match the behaviours of people we like, so the words we use, the expression of our voice and the body language we show, all play a part. If two people are using different types of language, different levels of expression and different body language then rapport



"Who's your stylist?"

is heading for the rocks. We can work at rapport. Make an effort to smile with your whole face, use warm expression in your words, be positive with your body language. Be sensitive to the mood of the other.

Secondly, explorers are good listeners. Of course they pay attention to the words uttered, but more than that they show that they are really listening with encouraging nods of the head. They prove that they have really heard the facts and also the feelings of the other person too. In meetings some will write detailed notes. This looks efficient but it maybe better to put the pen down and just listen. A good idea

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We coach and advise individuals to perform at their best in the toughest situations including: Presentations, New Business Pitches, Business Development, Negotiating, Media Interviews and Telephone Calls.

Our clients' needs are the only focus of our work; we listen to them and closely tailor our response to deliver first class coaching and advice. Through our own innovative culture we selectively pursue new ideas and approaches, continually hone our advice and create tools such as Voice Analysis, Prospect Relationship Management (PRM) and the GPB Virtual Classroom.

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