

‘Arrogant and lacking in transparency’: German investor relations in the U.S.A.

Following is one person’s summary of the report of a survey taken by the German-American Chamber of Commerce of New York. Before you argue whether it is “fair” or not, just think that it is the subjective reality of those who see German companies in a certain way. What does this information mean for us?

In their communication with investors and the media in the United States, German companies are frequently perceived as arrogant and lacking in transparency and shareholder-orientation, according to a recent study published by the German-American Chamber of Commerce.

This was the result of 160 interviews with American finance experts and business journalists. These negative views were in stark contrast to the good marks given to the competence, procedures and quality orientation of German companies.

More than two-thirds of those questions criticized the lack of transparency encountered in the investor relations activities of German companies in the U.S. Although to a certain extent this is a result different accounting practices in the two countries, it was also found that the opaqueness of German firms resulted from a lack of access by journalists to top management. Such one-to-one interviews – a crucial source of information – took place less frequently than desired. The internet pages of German companies were also criticized as too complex and as sometimes lacking such basic contact information as people’s names and telephone numbers.

According to the survey, the best ways of improving the image of German companies are a listing on a U.S. stock exchange and an investor relations office staffed by locals. The American financial community regards the chairman of the board as a key element of a company’s communication activities. He should be able to create enthusiasm for the visions and strategies of the company and possess charisma and integrity. The American affinity for high-quality brands should also play an important role in German companies’ investor relations in the U.S., the study reports. The high quality of German products should therefore be emphasized when addressing American portfolio managers. Visit the German American Chamber of Commerce New York’s site at <http://gaccny.com>.