

FIVE IDEAS TO TAKE HOME

➤ Develop a Database for Company Coverage and Continually Update It.

With the huge amount of information on companies available these days from electronic sources, especially for publicly traded companies, keeping it straight and up-to-date can be daunting. One strategy is to use electronic spreadsheets to develop a company-by-company database so that you can, on deadline, call up relevant information and trends. On the spreadsheet, you can list such obvious details as company name, contact information of current and former executives and board members, business or product lines, executive structure, useful sources, not-so-useful sources and then quarterly and annual earnings information from the past three to five years. This should include things like the company's total return, end-of-year stock price, revenues, profits, sales, market capitalization and other figures.

But also think about noting such things as federal or state investigations, major shareholder suits, competitors, vendors and information on executive compensation. If organized well and regularly updated, this spreadsheet also can serve as a valuable tool for doing company roundups or comprehensive guides. Since it's readily accessible, this database also will allow your colleagues to better fill in for you when you're out of town. And try to take a day, or even an afternoon, every few weeks to update the information from recent earnings reports, Securities and Exchange filings and news events.

➤ Don't Forget About Privately Held Companies.

Privately held companies are typically tougher to cover than their publicly held counterparts as that treasure trove of information from the SEC isn't available every quarter, yet they're in the majority. Covering their financials aggressively requires doggedness and determination, but there are sources available. First, create a database for them similar to that for your publicly held companies, so that you have a good starting point and can better organize whatever information you have for them.

Sometimes privately held companies are offshoots of publicly traded firms, and you can use division information from that period as a starting point. Then, consider instances where this firm must "intersect" with public disclosure – court documents (lawsuits and exhibits and, in some cases they may be required to include recent financial information), public or government bids, regulatory reports, incorporation records, UCC filings, public financing documents, local government filings (including those involving real estate transactions and zoning petitions) – and eagerly soak up all of this information. Use it to query company officials about their finances, but also use it as a base for questioning industry analysts – especially independent research types or those who cover public competitors – about how this firm performs compared to their peers.

You may never get the same kind of exact, up-to-date financials you receive from publicly traded companies, but by digging a little harder for financial information on privately held firms, you can provide readers with a much more detailed look at their

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financial underpinnings. Two other sources for other information on private companies may be <http://www.internalmemos.com> and <http://www.virtualgumshoe.com>.

➤ **Look Beyond The Obvious – Make Your Company Coverage "Holistic."**

We're not advocating New Age thinking here, just a focus on viewing the company as more than an earnings statement you deal with quarterly. While those earnings statements are important, they are just part of the picture. Think about other regular events in the "life" of a company. Some, again, are fairly obvious, but note them – annual shareholders meeting, reporting dates for earnings restatements and adjustments when relevant, the start and end of their fiscal year. On the latter point, many companies base their finances according to a calendar year, but others may use a fiscal year starting on July 1 and ending June 30, or in the case of many government contractors, starting on Oct. 1 and ending Sept. 30. To better keep these dates straight, perhaps include a calendar section in your individual company spreadsheet, and then compile that information for a comprehensive calendar for the top companies covered by your business section.

Then think about the less obvious facets of the company's life to cover – conference calls, proxy statement filing dates, court hearings. Also look for broader court cases, new legislation or state and federal bills under debate that may affect them. They may have lobbied for or against those bills, hoping they may improve or worried they may ruin their business. Look for regular events, seasons and holidays, such as Valentine's Day and Mother's Day for candy-makers, back-to-school shopping season and tax-free-holidays for retail companies, that could affect their bottom line. Prepare for those seasonal changes and think of new story ideas well in advance. Keep all of this in mind, as well as local events or implications you glean from careful reading of other sections of the local newspaper, when planning your company coverage.

➤ **Go to Where The Companies Are To Cover Them.**

Business writers are decidedly hampered in a way that sports writers and government reporters are not. Government reporters have a press room at city hall or the statehouse. Sports reporters sit in the press box to cover the game and head to the locker room afterward. They literally have a front-row seat on what they cover. Business reporters, except in certain circumstances like annual meetings, are rarely given that front-row seat, and in fact, most of the time are dissuaded from showing up at the company's place of business. But seek opportunities to change that, and ways around it.

Firstly, go where the companies' services or products are, even if you can't be at their corporate headquarters. If you cover retailing, walk their stores, visit their mall branches – and their competitors – both in your local area and at other venues such as outlet malls. If you cover agribusiness, go to the fields and plants where the raw materials are transformed into products. If you cover financial services, visit those brokerage offices and troll the Web sites where they are encouraging people to do their banking. In other words, don't take their word for it – get off the phone and away from the computer and see what their customers, vendors and employees see.

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And then, figure out where their employees often are outside of the office, and start hanging out there – not just after word of a layoff has spread, but regularly. It's an old trick, but it works. Find out where they lunch, and start going there for lunch, and introduce yourself. If they see you there often enough, they may start to trust you and invite you over for a sandwich. If possible, work out where they work out or bank where they bank. You'll hear things that may introduce new questions and reporting paths you wouldn't have found otherwise. Though, always identify yourself as a reporter or editor for your news outlet. It's unethical to "spy" on people for reporting purposes.

And lastly, ask to come by. Find opportunities to visit a company – for a profile, to write about a new product you might otherwise not be interested in – and see the place, get a demo and meet people you wouldn't otherwise have met. This will give you a familiarity with the company that will enliven your overall company coverage with detail, color and background.

➤ **Become an Expert on the Industries in Which Your Companies Operate.**

In the good ole days of business sections, this wasn't too much trouble – basically, your industry and company coverage was one and the same. But now things are more complicated, as local companies can "reside" in a range of industries, and each of those industries is more complex as well. Even formerly straightforward areas like retail are now multi-faceted – and delivery systems more complicated. So become an expert on all aspects of those industries. Think of each corporate player in the company's process, from a product's conception to sale.

Use sourcebooks like Nelson's, with their listings of buy-side analysts, as only a jumping-off point for industry experts. Also seek out as sources independent analysts, market research experts, business school or other professors and consultants who know the industries. Read trade journals religiously – the more in-the-weeds, the better. Ask your industry sources what they read. Consult industry-related Web sites and Web logs daily, including those of your company's employees or ex-employees. Become an expert on the competitors as well. This will give you useful information on your company's motivations and strategies, and it can be a more interesting way to cover a company. Take classes at your local university or business school to beef up your beat knowledge, or have experts from outside of the newsroom in for a brown-bag lunch to learn more.

By becoming knowledgeable about the landscape your companies are working in, you can provide your readers with context and background that may be lacking from your competition's coverage.

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