How to Reduce LLMs' Interpretive Gaps without "Writing for AI"

Presented By

Breakwater Capital Markets

What This Is

This playbook outlines a repeatable quarterly process Investor Relations teams can use to understand how AI systems are likely to ingest, normalize, and interpret their public disclosures.

As AI increasingly becomes the first reader of earnings materials, structure and context matter as much as content. Important qualifiers can be separated from claims, causality can be inferred incorrectly, and nuance can be lost through normalization.

This is not about optimizing language for machines or changing what you disclose. It is about ensuring that when AI systems summarize or retrieve your materials, the meaning that survives is the meaning you intended.

STEP 1

Map your "machine entry points" for the quarter

Objective: Identify every artifact that will enter AI pipelines and the versions that will circulate.

Checklist
- 10 Q or 10 K and exhibits
- 8 K earnings release
- Slide deck and script
- Prepared remarks
- Q&A transcript source you expect most investors to use
- Any supplemental tables, KPI definitions, non GAAP reconciliations
- IR website copies and PDFs
- Any investor day or conference remarks related to this period

What you are looking for
- Multiple versions of the same content
- Tables that exist only as images
- Any "important nuance" that lives only in spoken form
- Any changes in labels or segment naming

Deliverable
A one page inventory with links, owners, and what is authoritative.

STEP 2

Run a "machine readability audit" on the raw materials

Objective: Find where normalization will likely destroy structure.

Do this in practice
- Copy and paste the filing text into a plain text document
- Export the deck as text if possible and also view it as a PDF
- For tables, ask: would this be intelligible if flattened into a single line of text

Common failure points
- Multi column layouts
- Footnotes that qualify a key statement
- Tables that are images
- Headings that carry the logic but disappear when flattened
- Safe harbor or boilerplate that overwhelms retrieval

Deliverable
A list of high risk sections with specific "what breaks" notes.

STEP 3

Identify your "claim and constraint pairs"

Objective: Prevent the model from retrieving the claim without the qualifier.

LLM systems often retrieve chunks. If the claim is in one chunk and the constraint is in another, the constraint can be missed.

How to do it

For each of these topics, write the primary claim and its constraint in one place.
 • Guidance and outlook
 • Demand and pricing commentary
 • Margin drivers
 • Capital allocation and buybacks
 • Risk factors or regulatory exposure
 • Any one time effects or normalization drivers
 • Any program ramp, timing, or dependency

Example format
 • Claim: demand improved sequentially in North America
 • Constraint: improvement driven by channel normalization, expected to fade in the second half

Deliverable

A two column table of claim and constraint pairs that must remain adjacent in your materials.

STEP 4

Reduce chunking risk by making key qualifiers local

Objective: Ensure that if an AI retrieves one paragraph, it still contains the right meaning.

Practical rules
- Put the constraint in the same paragraph as the claim
- Repeat the constraint at the end of the section if it is a key driver
- Avoid placing critical qualifiers only in footnotes
- Avoid relying on a later slide to limit an earlier slide

Deliverable
A revised set of paragraphs for top three topics where meaning depends on distant context.

STEP 5

Create a structured "AI survivable recap" inside your public materials

Objective: Provide a short, unambiguous anchor that survives normalization and becomes the default retrieval target.

This is not a new disclosure. It is a clearer structure for existing disclosure.

What to include
- A three to five bullet "what changed this quarter"
- Guidance range in plain text including what it assumes
- Top three drivers of the quarter in ranked order
- Top two risks and what would cause you to update your view
- A short KPI dictionary if you use non standard terms

Where it should live
- In the earnings release or prepared remarks, not only in slides
- Ideally in text, not embedded images

Deliverable
A stable quarterly recap section that you can reuse with minimal drift.

Objective: Prevent models and investors from treating the same concept as different things.

Do this each quarter

- Maintain a glossary of segment names, product categories, and KPIs
- Track any planned renames and map old to new explicitly
- Keep definitions consistent across filings, decks, and Q&A

High impact areas

- Segment reporting changes
- KPI definition changes
- Non GAAP metric reconciliation labels
- Product platform naming

Deliverable

A one page ontology sheet IR and finance use every quarter.

STEP 7

Make causality explicit, not inferential

Objective: Prevent the model from inventing a driver hierarchy.

Models tend to tell stories. If you list drivers without ranking them, the model may choose a narrative that feels plausible but is wrong.

Better structure
 · Primary driver
 · Secondary driver
 · Offsetting factor
 · One time versus structural
 · What you expect to persist next quarter

Deliverable
For margins, guidance, and demand, a short ranked causality paragraph that can be used consistently in release and remarks.

Objective: Simulate the machine layer before the market does.

You can do this internally without violating Reg FD because you are testing interpretation of already public or planned public text.

How to do it
Use your draft release, remarks, and deck and ask:
- What changed this quarter
- What are the main drivers of guidance
- What are the biggest risks
- Compare this quarter to last quarter in tone and confidence
- How does the company explain margin changes
- What is management implying about the second half

What to look for
- Missing qualifiers
- Incorrect causality
- Temporal mixing
- Confusion across segments
- Overconfident synthesis from partial context

Deliverable
A list of the top ten likely machine misreads and the edits that fix them.

STEP 9

Create a post release "machine narrative check"

Objective: Detect early if the machine layer is anchoring a wrong story.

Within 24 to 72 hours after release, sample:
 · Two to three AI summaries used by investors internally if you can access them
 · Your own internal AI analysis of the public transcript and filing
 · Analyst notes that appear to mirror AI phrasing
 · The most common questions coming inbound

You are diagnosing
 · What became the default frame
 · Whether key constraints traveled with the claim
 · Whether a wrong derived artifact is spreading

Deliverable
A one page narrative risk assessment for the quarter.

Pre test how an LLM would answer the questions investors will ask

Objective: Improve interpretability without reacting in real time.

Rules
- Do not respond directly to retail or online narratives
- Do not create new material disclosures
- Use the next regular disclosure moment to clarify structure and framing

Plan contents
- The three places where interpretation drifted
- The one slide or paragraph that should be restructured
- The KPI or term that should be stabilized
- The causal explanation that should be made explicit
- A risk statement that needs local qualifiers

Deliverable
A tracked list of edits to implement in the next earnings package.

A simple operating rhythm for IR

If you want this to be repeatable, run it as a quarterly cadence:
- Two weeks pre earnings: Steps 1 to 4
- One week pre earnings: Steps 5 to 8
- 48 hours post earnings: Step 9
- One week post earnings: Step 10

The key principle to remember
You are not trying to write for machines.
You are trying to ensure that when machines become the first reader, the meaning that survives is the meaning you intended.

BREAKWATER CAPITAL MARKETS

Built for the future
We bring distinctive judgment and deep market insight to the decisions that shape valuation, command investor confidence, and position companies for enduring leadership.

Contact Mark Hayes for more information
mark@breakwaterstrategy.com

https://breakwaterstrategy.com/capital-markets/