# 2027 IR Power Playbook: Ten Actions for the Era of Continuous Underwriting

*How the Adaptive Investor Relations Officer Can Strengthen Investor Conviction, Valuation, and Strategic Adaptability*

Recently Jennifer Parmelee Witt, Managing Director, interviewed Mark Hayes, Founding Partner of Breakwater Capital Markets, about the 2027 IR Power Playbook: Ten Actions for the Era of Continuous Underwriting: How the Adaptive Investor Relations Officer Can Strengthen Investor Conviction, Valuation, and Strategic Adaptability. Drawing on Breakwater Capital Markets' proprietary 2026 research across 2,751 global institutional investors, the presentation argues that investor relations is entering a fundamentally different operating environment one in which investors continuously revisit the assumptions behind value while many corporate IR programs remain organized around periodic disclosure.

**Jennifer: Mark, the central phrase in the presentation is "continuous underwriting." What exactly do you mean by that, and why do you believe it changes investor relations so materially?**

Mark: Continuous underwriting is really a description of how serious investors are already behaving. They no longer wait for the next earnings call to decide whether the investment thesis still holds. They may begin a quarter with a particular view of revenue durability, margins, capital intensity, incremental returns, competitive advantage and management execution, but those assumptions are being tested continuously as new evidence arrives. A competitor changes price. A government changes an export rule. Customer behavior weakens. A supplier signals that capacity spending is going higher. Management reallocates capital. Alternative data points to a change in demand. Any one of those developments can cause an investor to revisit part of the thesis before the company formally says anything.

What changes for IR is not the requirement to disclose constantly. Formal disclosure will remain periodic for good reasons. What changes is the interpretation cycle. The company is being analyzed every day, often with information it did not produce and through research systems it does not control. So, the question for IR becomes much larger than whether the next presentation or earnings call is well executed. The question is whether the company understands which assumptions investors are currently underwriting, where those assumptions are moving, what evidence is driving the change and whether management's internal view is materially different from the market's external view.

The scarcity has shifted. Investors have more information than at any point in the history of public markets. What they do not necessarily have is conviction. Conviction requires judgment about which information matters, which changes are temporary, which changes alter the economics and whether management has the capacity to respond intelligently. In that environment, IR becomes less about distributing information and much more about helping create a reliable bridge between the economics of the enterprise and the assumptions investors use to value it.

**Jennifer: A skeptical CFO might say, "Markets have always moved and investors have always updated their models. Why isn't this simply a more sophisticated version of traditional IR?"**

Mark: That would be a fair challenge if investors were merely asking companies to perform the traditional job better. If the evidence showed that the market wanted faster responses, more access, better decks or more frequent meetings, I would describe this as an execution upgrade. What the research shows instead is that the substance of underwriting is changing. The median importance of the drivers examined in the playbook rose from 74 to 89 in one year, and 96 percent of equity narratives were already identified as misaligned with emerging investor information needs.

Investors are asking for information that allows them to test the economics rather than simply understand the story. They want segment-level economics, incremental return on capital, competitive evidence, downside sensitivities, cash conversion, management adaptability and credible milestones. Boards are asking IR for more valuation and capital allocation intelligence. Management teams increasingly want to know what investors believe, what will change those beliefs and how strategic decisions are likely to be interpreted by the market. Those are not simply communications questions.

So, the shift is not that IR suddenly owns strategy, finance or capital allocation. It does not. The shift is that IR increasingly becomes the point of integration between the decisions made inside the enterprise and the underwriting decisions made outside it. If management thinks investor relations begins after a decision has been made and ends when that decision has been communicated clearly, the traditional model will still look adequate. If management believes the capital markets can provide useful intelligence before and during important decisions, and that misunderstanding can create an economic cost, then the role becomes much more consequential.

**Jennifer: You introduce three velocities shaping value: the operating environment, the capital markets and the IRO. Why is the difference in speed among those three so important?**

Mark: Because the gap between those speeds is where interpretation problems emerge. The operating environment is moving faster. Technology can change competitive advantage. Policy can alter market access. Geopolitics can change supply-chain economics. Customer expectations can move quickly, and AI can change both productivity and capital requirements. A strategic assumption that looked perfectly reasonable eighteen months ago may not deserve the same confidence today.

The capital markets often move faster still. Investors can incorporate competitive data, channel checks, policy developments, alternative information and machine-assisted research immediately. They do not have to wait for the company's planning cycle or its quarterly reporting process. If IR remains organized mainly around preparing for the next scheduled event, the company can develop an interpretation lag. Management may be explaining a question that mattered six weeks ago while the best investors have already moved on to the next assumption.

That does not mean companies should communicate faster simply for the sake of speed. Speed without judgment creates noise. The better answer is to improve the learning loop inside the company: sense what is changing, determine whether it matters economically, understand how investors are processing it, decide whether management's own view should change, allocate accordingly, execute and then provide evidence. IR has a unique role in that loop because it sits at the boundary between the enterprise and the capital markets. Used well, it allows useful external intelligence to move inward without allowing every market fluctuation to become an internal distraction.

**Jennifer: The presentation argues that the cost of being misunderstood can rival the economics of major operating decisions. Isn't that overstating the power of communications?**

Mark: It would be overstated if the issue were simply whether a message was well written. What matters is the way uncertainty enters valuation. The presentation identifies meaningful valuation effects when communications fail to demonstrate resilience, adaptability, strategic clarity or investor confidence.

An investor does not have to decide that management is wrong before a valuation penalty appears. The investor may simply conclude that an important assumption cannot be validated with enough confidence. At that point, the rational response might be to reduce the probability of the upside case, increase the probability of the downside case, shorten the expected duration of competitive advantage, apply a higher risk premium or hold a smaller position. Every one of those choices has an economic consequence.

That is what I mean by the cost of disbelief, although in many cases it is really the cost of insufficient evidence. If an investor looks at the same evidence management sees and reaches a different conclusion, that is legitimate disagreement. If investors apply a discount because they cannot reconstruct economics that management already understands internally, that is a different problem and potentially an avoidable one. IR should become much better at distinguishing between those two situations.

**Jennifer: Companies have spent years talking about "controlling the narrative." With so much of the underwriting information now coming from outside the company, is that idea obsolete?**

Mark: I think the old version of it is. A company can no longer dominate the information environment around itself. Investors have access to customers, suppliers, competitors, expert networks, alternative data, employee information, policy intelligence, industry sources, digital behavior and increasingly powerful machine-assisted research. Producing more corporate content does not restore the old information advantage.

What management can establish is interpretive authority. There are important things management understands better than any external source. It knows why capital is being allocated a certain way. It knows which operating KPIs actually drive decisions. It knows why an assumption changed. It knows what evidence would cause an initiative to be expanded, modified or stopped. Those are valuable pieces of information because they reveal the decision system behind the financial results.

So, I would replace the idea of controlling the narrative with a more demanding ambition: become the most credible source of economic truth on the things management genuinely knows best. That authority has to be earned through consistency, usefulness, evidence and candor. In an environment with many alternative information sources, promotional communication actually weakens authority because investors can test it so easily. The company may no longer control the amount of information surrounding it, but it can still become the source serious investors trust most when they are trying to understand what the information means.

**Jennifer: You also say companies increasingly have to communicate to machines as well as humans. Are executives really supposed to start writing for algorithms?**

Mark: I would put it differently. They need to communicate with enough precision that the economic meaning survives both human and machine interpretation. The machine issue is important because it exposes weaknesses that were already present. Experienced human investors are very good at compensating for ambiguity. They remember that a metric definition changed two years ago. They infer a causal connection management did not state explicitly. They recognize that a familiar term is being used slightly differently because the business has evolved.

Machines do not always make those accommodations reliably. If definitions are inconsistent, causal logic is implied rather than stated or different channels describe the same economics in materially different ways, machine-assisted research can compress the information incorrectly. Once those interpretations are being summarized and redistributed through automated workflows, the distortion can travel faster than it would have in a purely human research process.

The response is not robotic writing. It is stable definitions, explicit causal logic, clear explanation of changes, structured scenarios and better metric lineage. The presentation argues that the next generation of investor information will need to become increasingly auditable, comparable, refreshable, attributable and difficult for automated systems to misinterpret. I think that is ultimately good for human investors too, because ambiguity that confuses a machine often wastes human attention as well.

**Jennifer: There is a potential turf problem here. You are asking IR to understand strategy, valuation, capital allocation, risk, data architecture and management decision-making. When does IR start wandering into everybody else's job?**

Mark: IR should not own those functions, and if it tries to, the model will fail. Finance should own the financial system. Strategy should own strategy. Legal should own disclosure integrity and the relevant legal judgments. Operating executives should run the business. The board has its governance role. The argument in the playbook is not that IR absorbs those responsibilities.

The differentiated role is integration. Investors do not experience the company in functional silos. They experience one enterprise and try to understand whether its strategy, financial performance, capital allocation, risk profile and management decisions fit together into a coherent economic thesis. A strategy can be excellent internally and still be difficult to underwrite because the financial consequences are not clear. A capital allocation decision can be sound and still create skepticism if management has not explained the return logic. A KPI can be technically accurate and still create confusion if its definition changes across channels.

IR is unusually well positioned to see those fractures because it spends its time translating between internal decisions and external interpretation. I would not measure the future IRO by how many functions or responsibilities moved into the department. I would measure the role by the quality of integration it creates across responsibilities that remain distributed throughout the enterprise.

**Jennifer: The research suggests that what investors consider credible management is changing. Historically, credibility meant doing what you said you would do. Is that standard becoming less important?**

Mark: No. Delivering commitments remains fundamental. A management team that repeatedly misses what it has promised will lose credibility quickly. What is changing is the idea that credibility requires management to hold the original plan constant even when the evidence has changed.

The research places much greater importance on learning speed, reallocation, capital discipline under uncertainty, adaptability and the integration of external change into management decisions. Investors increasingly want to know whether leadership operates a serious learning system. Can management recognize disconfirming evidence early? Can it distinguish a temporary problem from a structural one? Can it stop putting money into something that no longer earns the required return? Can it redirect capital without turning every strategic adjustment into a crisis of confidence?

A credible management team should be able to say, in substance, “This is what we believed. This is the evidence we were watching. The evidence changed here. Our view changed as a result, and this is what we did with capital.” That is not inconsistency. It is disciplined adaptation. In a volatile operating environment, I would place more confidence in a management team that changes its mind intelligently than in one that spends three years defending an assumption reality has already invalidated.

**Jennifer: Investors frequently say they want more disclosure, yet one of your central arguments is that more information can actually worsen the problem. What does it mean to make a company "easier to underwrite"?**

Mark: It means a sophisticated investor can reconstruct the economic logic of the business accurately and then refresh that understanding as new evidence appears. The playbook uses five tests: information should be relevant, model-ready, comparable, refreshable and evidence-backed.

Take a statement such as, "AI is increasing productivity across the company." It may be true, but it is not yet particularly useful for underwriting. Which productivity? In which workflows? Does the benefit appear as lower service cost, higher throughput, reduced hiring needs, faster product development or better conversion? What investment produced the improvement? Will the company provide enough evidence six months from now for investors to determine whether the benefit is increasing or fading?

That is why I prefer the question "What uncertainty are we trying to resolve?" before asking whether more disclosure is needed. If another page or KPI does not help investors improve an assumption, understand a sensitivity or evaluate management's decision quality, it may simply add volume. Underwritability is not about making a complicated company look simple. It is about removing complexity that exists only because economically important information is poorly organized or insufficiently connected.

**Jennifer: One of the frameworks in the presentation maps six structural forces against six valuation inputs, creating 36 potential transmission paths. That is intellectually interesting, but how does an IRO make something that complicated useful?**

Mark: By never trying to communicate all 36. The framework exists to help management identify the few transmission mechanisms that matter materially for its own business. The structural forces include geopolitics, AI, cyber and trust risk, energy and physical resilience, capital intensity and regulatory divergence. Those can affect revenue, margins, reinvestment, incremental ROIC, risk premiums and terminal value. The presentation identifies 36 possible pathways across those variables.

For a semiconductor company, export controls may affect revenue access, inventory economics, capacity decisions and competitive position. For another company, geopolitical exposure may be secondary while energy availability becomes the binding constraint. A generic statement that "geopolitical uncertainty is elevated" is almost impossible for an investor to use. A statement explaining that a particular policy could affect a defined revenue pool, require incremental localization investment, alter margins and potentially change the duration of the opportunity is something an investor can model.

That is the practical job: trace the external development into the economic assumption. Once you do that, complexity becomes manageable because the conversation is no longer about every conceivable risk. It is about the handful of pathways capable of changing enterprise value.

**Jennifer: Capital allocation occupies a large part of the playbook. Why should capital allocation communication sit so close to the center of investor relations?**

Mark: Because investors are underwriting the quality of the capital allocation system, not just the outcomes of individual decisions. Management teams are generally good at announcing what they decided to do. They built a plant, acquired a company, increased AI spending, reduced debt or repurchased shares. The more revealing question is why that decision won relative to the alternatives.

Investors increasingly want to understand the decision rule. What return did management expect? What strategic control does the investment create? What risk does it reduce? What evidence would cause management to commit more capital, and what evidence would cause management to stop? The presentation makes this point directly: best-in-class capital allocation communication makes the decision rule visible, not simply the decision.

This becomes more important because the highest immediate financial return may not always be the best enterprise decision. Resilience, sovereignty, access to compute, energy, supply or strategic capability can matter. Management may rationally accept a lower near-term return because an investment protects far more valuable economics elsewhere. But “strategic” cannot become a word that suspends financial accountability. Investors need enough information to understand the trade-off. Ultimately, incremental ROIC is where strategy meets arithmetic: what value is being created by the next dollar retained and invested in the business?

**Jennifer: You argue that the traditional equity narrative puts too much weight on observable performance and management's own story. What should a modern equity narrative do differently?**

Mark: It should make the underlying assumptions visible. Reported performance remains essential because it is evidence. Strategy remains essential because investors need to understand what management is trying to accomplish. The problem is that many narratives stop there, while the valuation actually rests on assumptions beneath those layers.

What has to remain true for the thesis to work? Maybe the answer is pricing power, customer retention, reinvestment economics, margin durability or the expected duration of competitive advantage. Those are load-bearing assumptions. Then there are developments capable of changing those assumptions rapidly a competitor changing the economics, a regulatory decision altering market access, or a technology shift weakening part of the business model. The presentation refers to those as story-quake triggers and goes further into thesis-fracture risks and the company's reset capacity.

A strong equity narrative lets investors see not only what management expects to happen but what management is watching. What evidence would strengthen the thesis? What evidence would cause leadership to rethink it? What options exist if an important assumption stops being true? Sophisticated investors do not confuse acknowledgment of uncertainty with weakness. They become much more concerned when management behaves as though uncertainty does not exist.

**Jennifer: You are unusually critical of conventional perception studies. Aren't you dismissing something that can be very valuable when done well?**

Mark: Perception research can be extremely valuable. My criticism is that too much of the category stops at description. Management learns that investors are concerned about margins, want more information about a segment, question capital allocation or like one aspect of the strategy. Those observations may be accurate, but they do not necessarily improve a management decision.

The standard in the playbook is considerably higher. It calls for investor-model deconstruction, valuation-gap diagnosis, conviction-driver identification, more real-time perception tracking and earlier warning around mispricing or narrative failure. If investors are concerned about margins, for example, I want to know why. Do they think the current margin structure is cyclical or structural? Are they questioning pricing power? Are they assuming a cost is permanent when management believes it will fade? Is the margin issue actually a proxy for concern about competitive advantage?

Those are different diagnoses and should produce different management responses. The test I use is very simple: what decision should management make differently because we conducted the work? If nothing changes, the research may still be interesting, but it has not reached the level of decision intelligence.

**Jennifer: Earnings calls are another institution you want to rewire. What, specifically, has gone wrong with the conventional earnings call?**

Mark: Too much of the scarce time is spent repeating information investors already possess. The research in the presentation shows investor satisfaction with earnings calls declining from 3.74 out of 5 in 2021 to 2.75 in 2026. That does not mean quarterly results have become less important. It means the call often does too little to help investors understand what happens next.

If I were rebuilding the format, I would give prepared remarks a very specific purpose: introduce evidence that matters to the forward thesis. What assumptions changed? What is newly relevant to estimates? What are management and investors learning about segment or unit economics? What does competitive evidence tell us? How did capital allocation respond? What does this quarter tell us about the long-term investment case that was not already obvious from the release?

Q&A should serve a different function. That is where investors observe judgment under pressure. Can the CEO address evidence that challenges the thesis without becoming defensive? Can the CFO explain the downside case honestly? Can management distinguish a cyclical issue from a structural one? Those moments tell investors a great deal about the quality of leadership. A great earnings call is not a successful defense of the last ninety days. It should leave a serious investor better equipped to underwrite the next twelve to twenty-four months.

**Jennifer: You take an equally strong position on Investor Days, saying they should become institutional-quality underwriting packages rather than corporate showcases. What does the best Investor Day actually look like?**

Mark: It begins with the question a long-duration investor is really trying to answer: why should I believe this organization can continue producing attractive economics when the world does not unfold exactly as management expects? That is a much more demanding standard than presenting a five-year plan.

The playbook argues that Investor Days should be designed around the variables that determine long-duration value rather than around the company's organizational structure. I want to understand how management sees the world, which structural forces are reshaping the industry, where future profit pools are developing, what the long-term economic engine is and which leading indicators will tell investors whether the strategic thesis is proving true before the financial statements do. I want to understand how capital allocation changes across different regimes, how AI is changing the economics today, what makes the organization more adaptable than competitors and how leadership makes high-stakes decisions under uncertainty.

Then I want evidence that the organization itself can support the strategy. Talent, culture, incentives, balance-sheet flexibility, customer behavior, innovation, governance, technology infrastructure, regulation and partnerships all matter because they determine whether the stated strategy can actually be executed. An Investor Day should not feel like a sequence of executives describing their departments. It should allow an institutional investor to underwrite the economic engine, the strategic system and management's capacity to adapt when the base case changes.

**Jennifer: The playbook encourages IR teams to use AI. Every corporate function now claims to have an AI strategy. Where does AI genuinely create value in investor relations?**

Mark: Primarily in places other than writing. AI can materially expand an IR team's ability to detect changes in investor questions, estimates, competitor narratives and external information. It can help identify patterns across much larger bodies of research than a small team could review manually. It can also improve investor targeting by looking beyond conventional categories such as fund size or style and examining whether an investor's underwriting characteristics actually fit the economics and duration of the company's strategy.

I think interpretation testing may become one of the most valuable uses. Before a major disclosure goes out, a company can ask how a machine-assisted research workflow interprets the information. Which value drivers does it identify? What assumptions does it think changed? Does it infer a causal relationship management did not intend? Then compare that output with the economic meaning management intended to communicate.

The playbook makes the point directly: the most valuable use of AI in IR is not generating more content; it is identifying where investors and machines may be interpreting existing content differently from management's intent. AI expands sensing capacity. It does not replace judgment, and management remains accountable for what the company says and how it acts.

**Jennifer: Investors are also evaluating what companies themselves are doing with AI. What separates credible AI economics from AI theater?**

Mark: Evidence and economic translation. Almost every company can announce pilots, list use cases or say AI is embedded in the strategy. Those things show that activity is occurring. They do not establish that value is being created.

The investment case should begin with what is being committed to data, compute, infrastructure, models, integration and people. Then investors need to understand where adoption is actually occurring and what changes operationally as a result. Is conversion improving? Is service cost falling? Is product attachment increasing? Is throughput higher? Is innovation moving faster? Is the company able to support growth with less incremental labor?

Then the financial translation has to follow. Where should the benefit eventually appear in revenue, margins, reinvestment, incremental ROIC or the duration of competitive advantage? The presentation explicitly argues that investors have moved beyond "AI-enabled" narratives and increasingly want translation into revenue, margin, reinvestment, returns and moat duration.

AI should ultimately face the same discipline as any other major capital program. What was the thesis? What evidence supports it? What are the milestones? What would cause management to increase the commitment, and what would cause it to stop? If an initiative is still experimental, there is nothing wrong with saying so. The problem begins when experimentation is presented as established economics.

**Jennifer: Action Ten introduces scenario packets, metric lineage, dependency graphs, AI-governance evidence and even authenticity mechanisms. Is that realistically where public-company disclosure is headed?**

Mark: I think the direction is right even if the exact form of these tools continues to evolve. For decades, capital markets have improved the structure and standardization of reported financial information. The next challenge is improving the structure of economic meaning around that information.

Metric lineage is a good example. If a KPI matters to the investment thesis, investors increasingly benefit from knowing how it is defined, where the data comes from, who owns it, how it is calculated and what happens when the definition changes. A scenario packet serves a different purpose by helping investors understand how a defined future regime might affect key variables and how management could respond. Dependency mapping exposes reliance on suppliers, platforms, geographies or physical infrastructure. AI-governance evidence helps investors judge whether automated systems are being deployed safely and economically. Authenticity mechanisms become more relevant as synthetic information becomes easier to create.

I do not think every company needs to create a giant new reporting package. I think these ideas point toward a persistent investor knowledge architecture in which important information can be updated, compared and validated rather than recreated from scratch every quarter. The broader ambition in the presentation is to make company information auditable, comparable, refreshable, attributable and harder for automated systems to misinterpret. Narrative will remain essential, but narrative alone is being asked to carry more complexity than it was designed to handle.

**Jennifer: The first two actions in the playbook are organizational: build an always-on interpretation system and establish clear ownership across finance, legal, strategy, communications, data and IR. What actually has to change inside the company?**

Mark: The biggest change is recognizing that investor understanding is not the product of one department. Market meaning is assembled from decisions made across the enterprise. Finance produces the financial architecture. Strategy defines future priorities. Legal protects disclosure integrity. Communications shapes language and reputation. Data and technology determine how information is structured. IR engages the market and sees how those pieces are being interpreted.

If those systems are poorly connected, a company can produce five pieces of information that are all individually accurate but collectively tell an incoherent economic story. That is where the IRO's overlay role becomes important. The presentation recommends an always-on interpretation system that examines value-driver alignment, narrative-data coherence, KPI governance, cross-channel coherence, machine interpretability, scenario legibility and credibility durability.

The questions are practical. Do investors identify the same value drivers management believes matter? Do strategy, evidence and capital allocation reinforce one another? Are the company's metrics stable and comparable? Does the same strategic truth survive across the earnings call, filing, Investor Day and digital channels? Are machine-assisted systems reconstructing the thesis differently from experienced investors? Those questions should be reviewed periodically and after major strategic, financial or governance events.

The key is institutionalization. If interpretation quality depends entirely on a talented IRO personally remembering every inconsistency and connecting every dot, the company has a talented person, not a durable capability.

**Jennifer: Let's finish with the standard. At the end of 2027, how would you know that a company had built a genuinely world-class IR function?**

Mark: I would start with the five questions in the underwriting diagnostic. Do investors understand the correct value drivers? That is investor-model alignment. How much of the thesis is being formed externally and where has the company lost visibility into that process? That is information control. Can investors validate the assumptions that matter? That is evidence sufficiency. Do management, investors, analysts and machine-assisted systems reconstruct substantially the same economic story? That is interpretation integrity. And where is unresolved uncertainty constraining ownership or creating a valuation discount? That is conviction leakage.

Then I would look at how the company behaves. Is IR brought into important strategic discussions early because management values the capital-markets perspective? Does the board receive intelligence about investor beliefs and valuation assumptions rather than a summary of meetings? Does management explain when an assumption has changed and why? Are capital allocation decisions communicated with enough economic logic that investors can understand the decision system? Do earnings calls provide new evidence? Does the Investor Day help investors underwrite not only management's plan but the company's ability to adapt if the plan encounters a different world?

The highest standard is not that every investor agrees with management or that the stock always reflects management's view of intrinsic value. Markets will disagree, and they should. The standard is that a sophisticated investor can understand what management believes, see the evidence behind those beliefs, know what could change them and evaluate whether the company has the ability to keep creating attractive economics as conditions evolve.

If IR can do that consistently, while also bringing useful market intelligence back into better management decisions, it has moved beyond being a disclosure function. It has become an enterprise-value capability.