Shareholder Communication That Actually Works

How to keep owners informed, make information easier to find, and stop rebuilding the same shareholder process every time something happens

Nth round

Table of Contents

The Modern Landscape of Shareholder Communication

Shareholders don't all experience a private company the same way.

Some work in the business and see what's happening every day. Others may hear from the company a few times a year. Family shareholders may inherit ownership without ever working in the business. Outside investors may only see the information the company sends them.

That gap matters.

The people closest to the business already know why margins moved, why a distribution changed, or why management made a certain decision. Shareholders outside the company only know what reaches them.

That is why shareholder communication needs more than a regular stream of updates. It needs context, consistency, and a clear way for owners to understand what matters to them.

At the same time, the way shareholders expect to receive information has changed.

Email is still useful. So are meetings, phone calls, and shareholder letters. But owners are also used to being able to log in, find documents, check information, and get answers without starting from scratch every time.

For private companies, the challenge is not simply to communicate more.

It is to decide what shareholders need to know, how to explain it clearly, where that information should live, and what happens when an owner needs to find it again later.

This guide looks at how private companies can modernize shareholder communication without losing the human side of the relationship.

The goal is simple: make ownership easier to understand, and shareholder communication easier to manage.

New Dynamics of Shareholder Communication

Shareholders are used to having information available when they need it. They can check a bank balance, download a tax document, review an investment account, or pull up years of statements without calling someone first.

That expectation doesn't disappear when they own shares in a private company.

At the same time, private-company ownership has become more dispersed. Shareholders may live in different states, work outside the business, hold shares through trusts, or inherit ownership from another generation.

The old model - send an update once or twice a year and wait for questions - gets harder to manage as those relationships spread out.

Family Shareholder
Wants clear updates and context, even if they don't work in the business.

Outside Investor
Wants timely access to financial information and key developments.

Employee-owner
Wants to understand their ownership and how the company is performing.

Trustee/next-gen owner
Wants easy access to documents without having to email the company.

78%

OF PRIVATE COMPANY INVESTORS WANT MORE FREQUENT UPDATES

The Digital Shift Already Happened

Digital doesn't always mean connected

Most private companies already use digital tools for shareholder communication. Email, PDFs, shared drives, e-signatures, portals, and online meetings have replaced a lot of paper.

But when each part of the process lives somewhere different, someone still has to keep everything aligned manually.

Access matters as much as delivery

Sending a document is one thing. Making sure a shareholder can find it again six months later is another.

Owners increasingly expect to be able to access tax documents, ownership information, stock certificates, and other records without starting a new email thread every time.

The shareholder experience is becoming more self-service

Shareholders are used to logging in to see banking, investment, and tax information whenever they need it.

Private-company ownership is moving in the same direction: less dependence on one-off requests, more secure access to the information that belongs to each owner.

Why modernizing shareholder communication matters

Private companies rarely decide to modernize shareholder communication because the old process completely stopped working.

More often, the friction builds slowly. Shareholders ask for information they've already received. Tax documents get resent. Meeting materials live in old email threads. A family owner wants context that management assumed everyone already had.

Modernizing the process helps reduce that friction while making it easier for shareholders to stay informed, find what they need, and understand what's happening with the company they own.

Simplify the process

A better communication process reduces the amount of manual follow-up behind routine shareholder requests.

Instead of repeatedly finding and resending documents, the company can create a more consistent way to deliver updates, ownership information, tax documents, and other records.

Give shareholders better context

Good communication is not only about sending information.

It helps owners understand why something changed, what management is focused on, and what they need to know or do next.

This matters even more for shareholders who do not work in the business every day.

Build trust through consistency

Trust is easier to maintain when shareholders know what to expect.

Regular updates, clear explanations, and reliable access to important information reduce uncertainty and make it less likely that owners are left to fill in the gaps themselves.

Modern communication is part of modern governance

Shareholder communication is not just about updates and announcements. It also sits inside the way a private company runs votes, shares documents, keeps records, and gives owners access to the information they need.

As those processes become more digital, the goal should be to make governance easier to follow — not simply add more tools.

MAKE GOVERNANCE EASIER

Digital voting, document delivery, and online records can reduce the amount of manual coordination behind routine governance work.

IMPROVE COMMUNICATION

Decide what shareholders need to know, when they need to know it, and which channel makes sense for the message.

USE CONNECTED TOOLS

A portal, cap table, voting tool, and document system are more useful when they work from the same underlying shareholder and ownership information.

KEEP REQUIREMENTS IN VIEW

Disclosure, notice, privacy, and recordkeeping requirements can vary. Companies should work with counsel and other advisers to make sure the process fits their obligations.

PROTECT SENSITIVE INFORMATION

Ownership records, tax documents, financial information, and governance materials should be handled with appropriate security and access controls.

The Modern Shareholder Communication Toolkit

Good shareholder communication needs two things: useful information and a reliable way to deliver and access it.

What you say matters.

So does how shareholders receive it, where they can find it later, and what happens when they need to respond.

The best communication process does not rely on one channel or one person remembering how everything works. It combines the right message with the right tools for the job.

56%

OF COMPANIES ON AVERAGE REPORT THAT THEIR TRANSFORMATION EFFORTS EXCEEDED EXPECTATIONS

Technology that supports the relationship

Most private companies already use several digital tools to manage shareholder communication.

Email handles updates. Another system may handle voting. Tax documents might come from somewhere else. Shareholder records may live in a spreadsheet or cap table platform.

The problem is not that the tools are digital. It's that each one can create another handoff for someone inside the company to manage.

The goal is to make those handoffs easier, and give shareholders a more reliable way to get the information they need.

SHAREHOLDER PORTALS

Give owners a secure place to access information and documents they may need again - including company updates, tax documents, stock certificates, and other ownership-related materials.

EQUITY MANAGEMENT SOFTWARE

Keeps ownership information, shareholder records, transactions, voting rights, and other equity data in one place so the company is working from a consistent record.

SECURE DOCUMENT ACCESS

Sensitive information should not have to move around through endless email attachments. Secure access makes it easier to control who can see what, while giving shareholders a dependable place to retrieve documents.

What makes shareholder communication useful?

CONTEXT

Don't just send the numbers. Explain what changed, why it changed, and what management is paying attention to.

PROACTIVE

Don't wait for shareholders to ask. Communicate before a vote, distribution, tax deadline, or major company change creates confusion.

CONSISTENT

Shareholders should have some idea what to expect. A predictable rhythm is usually more useful than sending updates simply because the calendar says so.

HONEST

Share the good news, but don't hide the difficult parts. Owners need context around challenges, not just milestones and wins.

CLEAR

Use plain language. Make the main point obvious. If a shareholder needs to vote, sign, or respond, say that clearly and put the deadline where they can't miss it.

RELEVANT

Different owners have different levels of context. Give people the information that actually matters to their relationship with the company and their ownership.

Different shareholders need different context

Shareholders do not all come to the company with the same level of knowledge.

One may work in the business every day. Another may be an outside investor. A family member may have inherited shares without ever working at the company. A trustee may only need information tied to a specific ownership position.

Sending everyone the same update does not mean everyone will understand it the same way.

Good shareholder communication starts by recognizing what different owners already know - and what context they still need.

SAME COMPANY.

DIFFERENT OWNERS.

DIFFERENT CONTEXT.

Who owns shareholder communication?

Good shareholder communication usually touches more than one team - and more than one kind of shareholder.

Internal

Finance / CFO
Provides accurate financial information and context around company performance.

Shareholder Administration
Keeps shareholder records current, manages distribution lists, and handles routine shareholder requests.

Management & Board
Provides the company's direction, priorities, and the context shareholders need to understand major decisions.

Legal / General Counsel
Helps the company understand disclosure, notice, governance, and other communication requirements.

Marketing / Communications
Helps shape clear, readable updates when broader company communication is involved.

External

Individual Investors
Usually want clear information about performance, ownership, distributions, and company direction.

Institutional Investors
May expect more detailed financial reporting, governance information, and strategic context.

Family Shareholders
May have very different levels of involvement in the business and may need more background around ownership, governance, distributions, succession, and liquidity.

Employee-Owners
Often need to understand both the company's performance and what their ownership means personally.

Nth Round's Framework for Effective Shareholder Communication

Good shareholder communication does not happen because someone remembered to send an update.

It works when the company has a clear process for deciding who needs information, what context they need, how that information should be delivered, and what happens afterward.

Nth Round's framework breaks that process into three stages: building the foundation, putting the communication into practice, and then listening, reviewing, and improving over time.

1. **LAY THE FOUNDATION**
2. **IMPLEMENT & EXECUTE**
3. **ENGAGE & EVALUATE**

Phase 1: Build the Foundation

KNOW YOUR SHAREHOLDERS

Start with the basics: who owns the company, how they hold their shares, how involved they are in the business, and whether their contact information is current.

Not every shareholder starts with the same context. An executive who works in the business every day may need something very different from an outside investor, a family member who inherited shares, or a trustee.

The goal is not to create a different message for every person. It is to understand who is receiving the communication before deciding what they need from it.

DECIDE WHAT THE COMMUNICATION NEEDS TO DO

Before you send anything, be clear about the purpose.

Are you explaining company performance? Sharing ownership information? Preparing shareholders for a vote? Announcing a distribution? Delivering tax documents? Asking someone to take action?

A communication becomes much easier to write - and much easier for shareholders to understand - when the company knows what it is trying to accomplish.

Phase 2: Communicate & Execute

EXPLAIN WHAT MATTERS

Once you know who the communication is for, give them the context they need.

Don't just report the result. Explain what changed, why it changed, and what shareholders should take away from it.

If they need to vote, sign, respond, or prepare for something, make that clear too.

BE CLEAR ABOUT THE GOOD AND THE BAD

Shareholders do not need a polished version of the company every time they hear from you.

If performance improved, say why. If the company had a difficult quarter, explain that too.

Clear, timely communication builds more trust than leaving owners to guess what happened.

USE THE RIGHT CHANNEL FOR THE JOB

Not every communication belongs in the same place.

Email may be best for an announcement. A phone call may be better for a difficult conversation. A shareholder portal may make more sense for documents and information people will need again.

The goal is not to use more technology. It is to make the communication easier to deliver, access, and act on.

Phase 3: Listen & Improve

BE AVAILABLE AFTER THE MESSAGE GOES OUT

Shareholder communication does not end when the email is sent or the meeting is over.

Owners may have questions. They may need clarification. A vote or other event may require follow-up.

Make it clear where shareholders can go when they need help, and respond consistently enough that questions do not disappear into someone's inbox.

LEARN FROM THE QUESTIONS YOU KEEP GETTING

Repeated questions are useful.

If shareholders regularly ask where to find tax documents, why a distribution changed, or what action they need to take, the problem may be in the communication process rather than the shareholder.

Pay attention to those patterns and adjust the way information is explained, delivered, or made available.

> This framework is not meant to make shareholder communication more complicated.
>
> It is meant to help private companies build a process that is clear enough to repeat, flexible enough to adapt, and useful enough that shareholders know what to expect.

Where Nth Round fits

Good shareholder communication still depends on people.

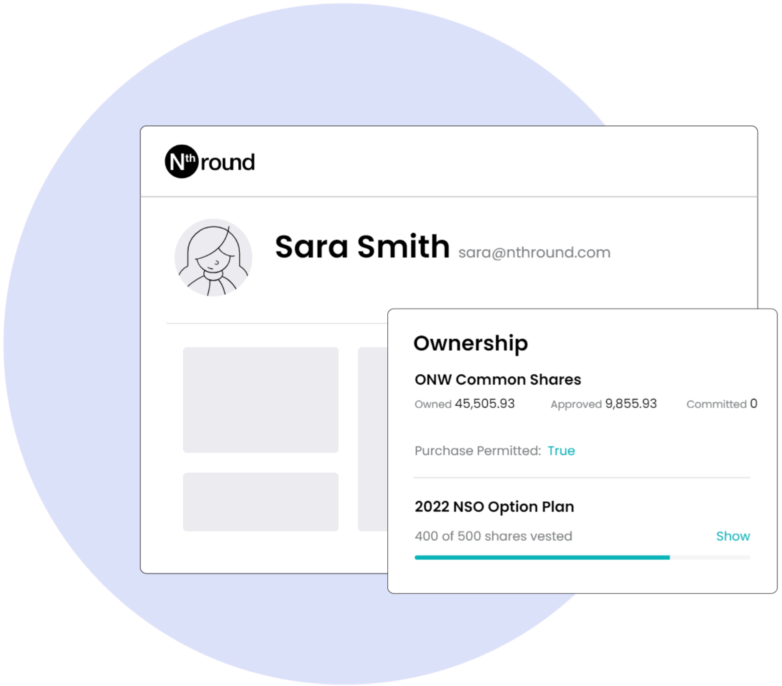
Management has to explain what is happening. Finance has to get the numbers right. Legal and governance teams need to make sure the right information reaches the right owners. And shareholders still need a clear way to ask questions when something does not make sense.

What Nth Round helps with is the infrastructure around that work.

Private companies can keep ownership information, shareholder records, documents, stock certificates, voting, distributions, and other ownership activity connected in one place.

That means fewer situations where someone has to piece together the answer from an old spreadsheet, a shared drive, and three email threads.

It also gives shareholders a more consistent place to access the information tied to their ownership.



Who We Serve

Nth Round works with private companies and family businesses that need a better way to manage ownership and the relationships around it.

Why Nth Round

Private-company ownership gets more complicated as shareholders, entities, documents, and ownership events accumulate over time.

Nth Round helps companies keep that work connected - from ownership records and shareholder information to documents, stock certificates, voting, distributions, and shareholder access.

The goal is simple: make ownership easier to manage for the company and easier to understand for the people who own it.

See how Nth Round helps private companies manage ownership and shareholder relationships at www.nthround.com.

1800 John F Kennedy Blvd Ste 1405
Philadelphia, PA 19103
www.nthround.com
info@nthround.com