



What makes a Good annual report?

A corporation's annual report is a unique project. Done well, it provides the clearest window into the management, results and potential of a company. In fact, when viewed as something more than an obligation imposed by SEBI, the annual report can play a diverse range of roles in a company's messaging mix.

Companies now use the annual report's platform of credibility to promote their strategy, market leadership, management expertise, management structure, products and their brand. In fact, the annual report is the natural anchor for a corporate brand-building effort.

Producing a good annual report requires a unique mixture of easy to comprehend financials, corporate information, marketing information, good visual appeal and a firm grasp on the company strategy. If not planned properly, the entire production of the annual report can be a cluttered process. Dickenson Intellinetics offers a structured approach towards building world class annual reports, where the entire process is de-risked for the client.

By addressing the questions below, one can be sure that the final outcome will be of a well structured annual report which will be appreciated by its readers.

What is the brief of the annual report?

To do something other than fulfill its prescribed legal obligations, one begins with specifying the Design (or Strategic) Brief. It's essential that the Brief is the product of insights and agreements gained in the course of discussions with the 'real' owners of the annual report - the Senior Management. The single most important step in producing a great or ground-breaking annual report is to make the Chairman & the CEO an integral part of the team.

What is the key message of the annual report?

The way the information is presented and reinforces the key messages can dramatically affect the impression on the reader. For maximum effect, the main messages need to run through all aspects of the annual report - the front cover, the annual highlights, page design, photographs, charts and editorial content.

We tend to resist the all-too-common practice of confusing the key message

of the annual report with a theme line. Instead, it is better to write a statement that captures the essence of what we are trying to communicate. Focusing the report on this single key message is the best way to ensure that the report delivers a clear & meaningful message.

In doing this, one should be judicious and organised in providing support. Support should provide what is essential to bring the key message to life, and make it persuasive.

What are the objectives of the annual report?

One needs to be relentless in driving objectives - or an objective - that address the perceptual hurdle we're trying to clear. We should not be satisfied clearing a lower, easier hurdle if what we need to do requires stretching and pushing to clear a higher hurdle.

Who is the audience for the annual report?

Audience definitions are often straightforward. In the process of writing the brief, one should try to force himself to think about new ways to cluster and describe audiences. Moving past the conventional approach can unlock creative ideas and open new ways to address the assignment.

Finding or agreeing on what the audiences have in common is an essential but often overlooked step in writing the brief. One should make the effort to define common attributes, otherwise the annual report has a tendency to become fragmented, trying to address multiple audiences' needs and failing to address any effectively. Our goal should be to have a singular, cohesive report. This may require us to narrow the audience.

As each audience probably has a different context in which they'll understand the annual report, we need to recognise that the desire to make different audiences come away from the report with significantly different messages is nearly impossible.

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Finally, we should not lose sight that the single most important role of the annual report is to inform the Company's shareholders of the company's performance for that year. It should be done clearly and precisely.

What makes the annual report more credible?

Because the document is regulated by the SEBI and scrutinised by auditors and lawyers for accuracy, and personally signed by the CEO, it has become the single most

important document where not only investors, but also the media, suppliers, potential partners, government agencies and employees look to learn the truth about a company.

Some guidelines to help make an annual report more credible are:

- Avoid marketing or advertorial language; make the company's motive clear and present the information in an unbiased way. Credibility is based on one's assessment of the trustworthiness of the content and well-rounded information. It is also important that information should be easy to find.
- One needs to make sure to have good editing, grammar and thorough proofreading for typographical errors.
- Visual design is not the primary marker of credibility. However, one should refrain from using flashy graphics. Annual Reports should have a clear and professional visual presentation. Although it is true that some less-credible annual reports in our study have flashy, distracting graphics, it is not inversely true that clean, professional-looking annual reports are necessarily credible.

What should the style of the annual report be?

In order to determine the style palette, these are the questions that need to be answered while deciding on the look of the annual report:

- What are the goals, expectations, and ideal characteristics of how the report will work, look and sound?
- What aspects need to be incorporated to reflect the company values?
- Are there references that might guide design?

Design & Style

There are usually two distinct approaches to the design style of an annual report - the minimalist and maximilist approach. With the help of the design agency one should decide on which approach will be most suitable for the company and complements the corporate identity.

Visuals, Photography & Illustrations

The casual browser can learn a lot from photos and captions. Good photography and illustrations enhance reader understanding and appreciation. The visuals which are used should be impactful, relative and tasteful. A skilled photographer with the proper brief can not only take good photos but can also capture the personality of the organisation. Reinforced with crisp captions, visuals are often the most eye-catching and informative elements on the page. Illustrations and artistic renderings can also be used when budgets are constrained. Both photographs and illustrations also serve to give readers visual relief from a text and number heavy annual report.

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Language

Most annual reports include letters from the Chairman, MD& CEO; graphic portrayals of financial standing; a primary section that defines business unit activities; a board of directors list; and mandatory financial disclosure documents. Each section calls for a different writing speciality and demands that each contributor use plain English, devoid of legal or financial jargon.

The copy should be written using passionate or arresting language so that it forces people to pay attention

and react. Too often, the financial information created for the annual report by lawyers and accountants contains too much obscure jargon. After they give their draft of the content one should rewrite it to give a fresh, non-industry review of the document and eliminate incomprehensible language. Using plain English does not mean deleting complex financial information, it means providing orderly and clear presentation of that complex information for better understanding.

What should be the structure of the annual report?

Some people feel that a printed annual report is like getting something tangible from a company. It has merit because it can be felt, touched, written on and copied. The paper, the resolution, the colour and the type styles - all communicate a 'feel' for the company.

It is important to recognise that most readers will not start at the beginning and read through to the end. The structure of an annual report can make it more inviting to browse, by making use of techniques such as:

- 'At a glance' summary of the year
- A user-friendly contents page and page numbering
- Charts showing financial and operational highlights
- Stock Price Information about where it is traded, the stock symbol, High/Low history and price/dividend trends over time
- 'Special reports' on topics such as the company's environmental performance or equal opportunities policies

- A financial overview - a concise summary for those who will not study the accounts in detail
- Small charts and diagrams in the margins illustrating the adjacent text
- Industry comparisons with national averages (or international if the company's market crosses borders)
- Geographic area maps (areas of service, company locations)
- A glossary of technical terms
- Contact names and addresses for further information, including the website address

Some additional points to keep in mind while designing an annual report:

- Brainstorm to find the most powerful idea
- Choose a design style which complements the company's corporate identity
- Ensure the design meets the brief
- Ensure the design meets corporate identity standards
- Ensure the design is simple and uncluttered
- Keep consistent layout throughout
- Keep wide margins and leading and abundant white space
- Keep clear section headings on every page
- Good photography and illustrations enhance reader understanding and appreciation
- Use pictures and diagrams instead of complicated text to make report user friendly
- Create dynamic visual content which strongly illustrates the chosen theme
- Use sensible typography to increase comprehension

**Working as a team
at Dickenson,
we plan, write and
design annual reports
for organisations
that care about
their reputation.**

- Choose appropriate typography which is crucial to comprehension
- Ensure good editing, grammar, and proofread for typographical errors
- Put Company name and year on the cover or spine for quick retrieval
- Choose paper carefully as cheap stock looks and performs badly
- Take care in selecting how the report will be bound for wear and tear
- Reduce weight to save on mailing costs

Conclusion:

The process of developing an effective and purposeful annual report is cumbersome and complicated. However, with our structured approach, we take away the clutter out of the process, and ensure that fact and creativity blend together to enhance the company's image. Working as a team we plan, write and design annual reports for organisations that care about their reputation.

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