30 Don’ts – How NOT to use an annual report effectively?

- Forget that the report COVER should be eye-catching and work as a “book-opener”…
- … And that what follows inside should LIVE UP to the cover message or promise. A turn-on that turns into a turn-off makes it even worse.
- Produce a report longer than 200 pages. In print or online, NOBODY will read -or not many will print out- all those pages. No need to cut so many trees, whether on glossy paper or from the laser printer.
- Publish the report more than four months after the fiscal year-end.
- Publish a report only because it is mandatory: reports as a NECESSARY EVIL don’t give a thrill…
- … Simply pack a 10-K, 20-F or other GAAPish files. This will please (regulatory) BODIES but not as much the (living) SOULS who would like to grasp the facts and figures a clear way.
- Highlight earnings and forget dividends.
- Overemphasize or… underplay exceptional items.
- Have only institutional investors and international (hedge) FUND managers in mind (DO they really read it?)…
- … Or have only the next-door shareholders in sight. They are NOT the sole ones reading it.
- Publish a report without SHOOTING chief executive, chairman and boards’… pictures.
- Explain the (profit) engine, performance (drivers), growth (factors) without displaying a quick DASHBOARD.
- Focus on LAST YEAR only. One of the raisons why annuals are still used -and kept- is to give the longer-term strategic perspective.
- Leave all calculations up to the reader, e.g. for ratios and return indicators.
- … And pay lip service with a book-cooking and window-dressed “4th quarter” analysis (another bad SECish fad, especially ridiculous in the wake of the subprime crisis).
- Target current shareholders and forget potential investors’ indicators – who don’t necessarily look at the same figures.
- Take it as a reading exercise -it is NOT- and therefore make it illegible and unintelligible.

- WRITE it by and for bookkeepers, accountants, auditors, lawyers, analysts. If all of those must of course contribute, good copywriters must polish up.
- Consider that reports are made to be READ-ONLY files. They are also made to be watched, highlighted, charted, animated, illustrated.
- Rerun the same annuals' style and content year after year, with just the NUMBERS being changed…
- … Or change every year just to follow SUIT or fashions. And thus show a lack of consistency and personality.
- Just copy and paste a printed report on the web, without updates, value added, LINKS, interactive facilities… All the content must be the same online and in print. But the WAY to organize it may -or must- differ.
- Appoint a famous "CITY" (we mean big or "the") design agency because of its track record. Creative people and better value for money may be found in many other places. For design, big is not always beautiful.
- Outsource the whole report process…
- … Or go for an entirely in-house approach, because the NIH syndrome may prove harmful to reporting too.
- Mix up -good- creative reporting with -bad- creative accounting!
- Forget that reports are most valuable when they put last year figures in a medium-term perspective in place of just telling the year story.
- Don't look FORWARD. Instead of stressing a safe HARBOR statement (is there still a safe harbor anywhere?), report makers should also forecast, target, show ambitions, set targets. A report without outlook is worthless.
- Make the annual report DOWNLOADABLE in full only. Readers must get a chance to access each section, and, at best, to build up their "own" report.
- Show the annual report to the CFO or CEO when it goes to the printer –or even later!

List of Don'ts compiled by the e.com team of analysts, also based on external report specialists and readers' feedback.

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