

The written word

By Reg Pauffley

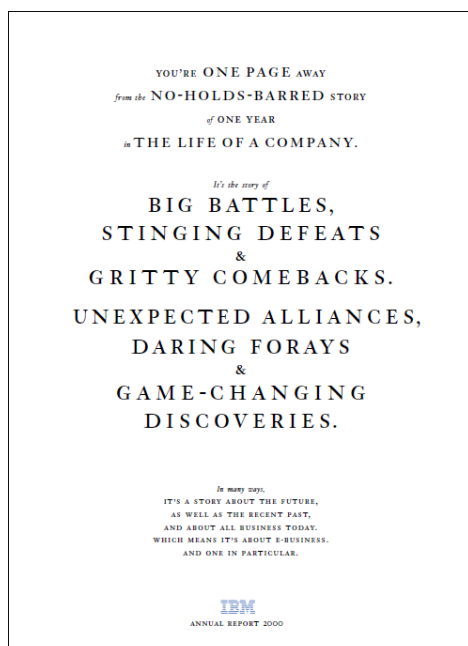
I'd like to kick off with one of my favourite subjects; the quality of writing, or should I say the lack of it, when it comes to the annual report.

It's my view that a majority of annual reports fail to communicate or engage with the reader. Most are written in a **language** that I refer to as 'annual report speak', a financial legalistic language that automatically assumes that the reader has a PhD in finance and already possesses an in-depth knowledge of the company, what it does and the markets that it operates in.

I appreciate fully that the annual report is a statutory requirement that is produced to report on the company's performance during the previous financial year, but it also provides one of the best opportunities for a company to communicate to its wide range of stakeholders. So why don't more companies use this opportunity to tell the company's story in a **well written, easy to understand, compelling** and **engaging** manner that will not only provide greater understanding about the company and its business, but will **capture** the imagination of the readers too?

For one of the best examples of what I'm talking about I need to take you back ten years, to the 2000 **IBM** annual report, which in my view is a true benchmark for how an annual report can be written (the report ranked n°1 in the Annual Report on Annual Reports 2001). To me it's inspirational.

To give you a taster, the front cover is used as an introduction to the report (something not that frequent, by the way), and this is what it says:



You're one page away from the no-holds-barred story of one year in the life of a company. It's the story of big battles, stinging defeats and gritty comebacks. Unexpected alliances, daring forays and game-changing discoveries. In many ways, it's a story about the future, as well as the recent past, and about all business today. Which means it's about e-business. And one in particular.

And the story continues on Page 1:

The story of IBM is really many stories.

We're opening up new markets and extending our lead in others.

We're fighting back in businesses we pioneered and changing ourselves in some fundamental ways. Last year, we absorbed our share of hits, too. But we won more than we lost. And closed the year on a high note.

All the while, we've kept working, inventing and partnering to write the next chapter of the story we started five years ago. The story of e-business.

So, while this year's report is not a simple narrative, it does yield one singular theme. It's ultimately the story of hundreds of thousands of people tackling scores of the toughest business and technological challenges over 12 intensely challenging months. It's one story we're proud to tell.

I strongly urge you to take the time to download and read the front section of the report (go to <ftp://ftp.software.ibm.com/annualreport/2000/pdf/IBM2000E.PDF>). Note that it's not just about two pages. The fifty pages of narrative were up to it, of the same writing quality and with an overall straightforward message.

I would also like to point you in the direction of two other, more recent reports that I feel are well worth looking at too. Firstly, The **Rezidor Hotel Group** 2008, is written in an excellent 'business magazine' style (go to www.rezidor.com - investor & media - financial centre - annual reports - 2008 - download 2008 pdf).



And then there's **WPP** 2008 (and previous years) annual report, which after all should impress, it's one of the world's largest advertising and marketing groups and will have plenty of good copy writers to call upon. The report has a great fast read section at the front (go to www.wpp.com - investor centre - Financials - Annual Reports - 2008 - download pdf).

The fast read  Who we are

For a quick, pre-digested, highly-compressed version of this Annual Report: read the next six pages. The full story starts on page 8. Please read that, too.

WPP is the world leader in marketing communications services. It comprises leading companies in all these disciplines:

- Advertising
- Media Investment Management
- Information, Insight & Consultancy
- Public Relations & Public Affairs
- Branding & Identity
- Healthcare Communications
- Direct, Digital, Promotion & Relationship Marketing
- Specialist Communications

There are more than 150 companies within the Group – and each is a distinctive brand in its own right. Each has its own identity, commands its own loyalty, and is committed to its own, specialist expertise. That is their individual strength. Clients seek their talent and their experience on a brand-by-brand basis. Between them, our companies work with 345 of the Fortune Global 500, 29 of the Dow Jones 30, half of the NASDAQ 100 and 33 of the Fortune 500.

It is also of increasing value to clients that WPP companies can work together, as increasingly they do: providing a tailor-made range of integrated communications services. Over 700 clients are now served in three distinct disciplines. More than 440 clients are served in four disciplines, and these clients account for over 90% of Group revenues. Group companies now work with over 310 clients across six of seven countries. Collectively, over 135,000* people work for WPP companies, out of 2,400 offices in 107 countries.

* Including associates.

Our companies and their websites are listed on pages 40 and 41.



These are just three examples from a number that I could have chosen, but I hope these will really stimulate your thinking, especially amongst the report writers.

I'd be interested to hear **what you think** about these reports and even more your views about the quality of writing in annual reports generally.

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