

Business

Reports Writing Guide

Reports consist of the following elements:

Order in Report	Order Written	Executive reads
1. Executive Summary	6	Always
2. Contents	7	N/A
3. Introduction	1 (Unless academic Report)	Sometimes
4. Findings (Main Body)	3	If interested in research
5. Conclusions	4	If surprised...
6. Recommendations	5	Nearly always
7. Bibliography / sources	2 Write as you research	If report shows area that needs further investigation
8. Appendices	Anytime you find extra info.	Rarely

1 Executive Summary

The executive summary should include a summary of all of the key points, the idea is that an executive can read the summary and if it appears logical and inline with expectations the recommendations can be followed without the need to read further. This is in fact the most important part of the report and should be written last. The executive summary should include a summary of all parts of the report **including** recommendations.

Writing Order: Written after main report, but before the contents page

Email Tip: If you are sending the report via email, include the executive summary and recommendations in the main part of your Email, so that a busy executive doesn't have to read an attachment to read the main points.

2 Contents

The Contents of the report should be consistently laid out throughout the report and you should include both page numbers and title numbers. In this example we look at the transport requirements for sales people:

1. Executive Summary	1
2. Introduction	3
3. Findings	4
3.1 Car fuel consumption (Finding 1)	4
3.1.1 Petrol (More details)	6
3.1.2 Diesel (More details)	7
3.2 Cost of car purchase (Finding 2)	8
4 Conclusions	10
4.1 Car fuel consumption	10
4.2 Cost of car purchase	11
5 Recommendations	13
5.1 Car fuel consumption – Use diesel to reduce costs	13
5.2 Car Purchase Price – Purchase Used Cars	15

3 Introduction

The introduction should say why the report is being written. Reports are nearly always written to solve a business problem. Reports maybe commissioned because there is a crisis or they maybe routine. Nearly all reports in some way answer the age-old business problem, how can we increase profits? Example business problems include:

1. Cost of transport for sales people
2. Unseasonably hot weather has affected sales of winter clothes.
3. Require new software to create interactive web forms.
4. Advertising requirements to increase sales.

Whatever the problem is Make sure you clearly state how this problem is affecting profits.

Writing Order: Often written first, but maybe refined at anytime. (In Business studies courses this could be done later, because the exact business problem may not be given by the lecturer.)

4 Findings / Main Body

Sometimes reports don't say Findings, but it is normally assumed that the main part of your report will be the information you have found.

This information is not always read by executives, but that doesn't mean it isn't important, because without thorough research and analysis the author will not be able to come to effective conclusions and create recommendations. Also if anything in the executive summary surprises the executive, then they will turn directly to the relevant part of the recommendations.

Numerical data in the main body

Use graphs to illustrate numerical data, and then include the data itself in appendices. Very rarely do tables present figures as well as graphs, but there are exceptions particularly where the precise figure is more important than the trend.

Use of diagrams

Relevant diagrams can be very useful, but only include them where they will make the report clearer and more concise. Many professions have standard diagrams, be sure to use them as intended and label them as such. E.g. Porters 5 forces.

Writing Order: This is normally written after the 1st draft of the introduction.

5 Conclusions

The conclusions should summarize the Findings section, do not include diagrams or graphs in this area. This area should be short, clearly follow the order of the findings and lead naturally into the recommendations.

You should never include new information in the conclusions!

Writing Order: Written after the Findings

6 Recommendations

All reports should include recommendations or at least suggestions. It is important to make sure that there is at least an indicator of what the Return on Investment would be. It is always best if this can be directly linked, but may not always be possible.

There are three approaches to this:

1. Decision

Where each decision has positives and negatives and only one option maybe taken, show the risks involved, costs and likely benefits. Put what you think is the best option first.

Recommendations

5.1 BMW purchase

We could purchase Diesel BMW's, but the initial cost would be high, fuel economy would not offset this cost, but driver comfort and safety would be attractive to the sales people.

Return on Investment: If the BMWs motivated sales people and created the right image for the company and led to 15% increase in sales then the cars would increase our profits by £50,000

5.2 Toyota purchase

The cost of new Toyota's is reasonable and the fuel economy excellent, but this may affect the image of the sales people and could be de-motivational.

Return on investment: On paper this looks good and would save us significant costs over three years.

5.3 Used BMW purchases

The initial outlay for used BMWs would reduce our upfront investment and I believe that sales people would be reasonably satisfied with the cars, but the maintenance costs could be higher and they are petrol so there would be no savings on fuel costs.

Return on investment: Low start-up capital, no fuel savings but could enhance our image and result in higher sales.

Business

2. Suggestions

Where you do not have all the information available or authority, suggest ideas that the management should consider:

Recommendations

5.1 Diesel Cars

With the increasing cost of petrol, I suggest switching to Diesel as soon as it is available. This would save £10,000 per year in fuel. Encourage sales people to purchase diesel cars even if that means they have to purchase a second hand car, perhaps there could be a monetary incentive.

3. Benefit analysis

Strongly advocate the idea that you would like implemented

Recommendations

I'd strongly recommend switching to diesel cars as soon as possible, the fuel savings are approximately £10,000 per year and for the fleet this would reduce our costs by £140,000 per year.

Make sure that your recommendations clearly follow what is said in the conclusions

Tip: if you don't have any ideas suggest a brainstorming meeting and invite the relevant people.

Writing Order: After the Conclusions

Exercises

Comprehension Questions

1. What is most likely to be read first by an executive?
2. Why do you need to write findings?
3. Why should you always think about Return on Investment?
4. Why is the introductions not always written first?
5. What are the three types of recommendations made?
6. When are tables better than graphs in the findings?

Return on Investment

How does each of these improve Return on Investment (ROI)?

Benefit	Improved ROI
Cost Saving	
New Customers	
Customer information	
Higher sales	
Higher profit margin	
Reduced stock	
Reduced capital expenditure	
Competitor Information	
Improved customer loyalty	
Saves Employee time	

Business

1. Car Leasing Decision

You have been asked by your manager to write a report for the board on the cost of transport for sales people in the company. The board also wants you to take into account the motivation of the sales people and how this might be affected by changing cars.

Each sales person does an average of 30,000 miles per year and the company leases the cars from Excel leasing Ltd. They currently lease executive petrol cars for all of their sales people regardless of performance.

Total costs for leasing cars per year in UKP (Including fuel)

			
	Small Car	Executive car	luxury car
Petrol	6525	9681	16542
Diesel	6345	9225	14622

The Sales people have complained that they feel the cars don't represent the high-end luxury product that they are selling and feel somewhat embarrassed when they drive to their richer clients in an executive car that doesn't reflect the upper class life style of their potential customers.

2. Supermarket Challenger

You own a supermarket in a small town and had a monopoly position, until three months ago when ASPA opened a large competitor in town. You are now facing some very serious competition. Your boss has provided you with the following SWOT (Strengths, Weaknesses, Threats and Opportunities) analysis and he expects you to come up with a report to effectively compete with the new supermarket.

Strengths	Opportunities
<ul style="list-style-type: none"> Have good customer database with purchasing details, names, addresses, phone numbers and emails Local butcher who provides excellent quality meat Vegetables from local farmers 	<ul style="list-style-type: none"> Located near centre of town, so people can also go to the high street for clothes shopping, pubs and restaurants Access to cheaper frozen food than competitor
Weaknesses	Threats
<ul style="list-style-type: none"> Higher meat and vegetable costs People prefer fresh produce to frozen products No public canteen. (Have staff canteen) No children's play area 	<ul style="list-style-type: none"> Competitor provides free parking, if you do the same people might use your parking to go shopping in town centre Competitor collecting customer info with loyalty card Big discounts, selling some products at a loss.

Car Leasing Guided Writing

The following is a sample answer. Look at possible ways to improve it.

1. Executive Summary

The findings show that diesel small cars are the cheapest option, therefore I recommend them.

2. Introduction

This report was commissioned to investigate the costs of transporting sales people.

3. Findings

	Small Car	Exec car	luxury car
Petrol	6525	9681	16542
Diesel	6345	9225	14622

4 Conclusions

The Diesel small car is cheapest and looks cool!

5 Recommendations

I recommend the diesel small car, because it is the most cost effective.

Hints

Summarizes points in report effectively, but does not address key issue

What about Sales people's morale?

Doesn't include sales people's opinions. This table should be a graph. A bar chart would work effectively.

Summarizes material in findings, but also adds that the car looks cool without any evidence, image or statement in the findings.

What about something to motivate the sales force e.g. If you sell £10,000 more than your target we will upgrade you to a luxury car.

Business

Hints for Supermarket Exercise

When you write your report think about the following:

Capitalizing on strengths

- Database – Use it to provide a mailing campaign with personalized special offers.
- Emphasize quality of local butcher and the source of the meat.
- Again emphasize quality and that you are supporting local farmers – Perhaps use them in mailing campaigns. Try and get an emotional response from people.

Addressing Weaknesses

- Emphasize quality of fresh produce and the cheapness of the frozen option
- Consider redeveloping staff canteen to become a canteen open to the public
- Consider setting aside space for children's play area. Perhaps even offer a crèche to beat your competitor.

Opportunities

- Use partnerships with local shops and the local council to encourage a better shopping experience
- Use price advantage with frozen food to make special offers.

Threats

- Offer free parking to anybody spending £20 in your store or other loyalty system.
- Use present information to reduce shopping in other store. Maybe able to offer a trade-in for competitor's loyalty cards or use own database to target special offers that may create misinformation in competitors system. (Unlikely to be able to completely stop their knowledge gathering.)

Exercise Answers

Comprehension Questions

1. What is most likely to be read first by an executive? *Executive summary*
2. Why do you need to write findings? *For your own thought process in making an effective report and to back up the executive summary and recommendations.*
3. Why should you always think about Return on Investment? *Because most companies have a profit motive and executives are more likely to respond positively to something that will increase their profits. (There are exceptions)*
4. Why are the introductions not always written first? *Because the task may not have been set out specifically enough in an academic environment.*
5. What are the three types of recommendations made? *Decision, suggestions and benefit analysis. (There are other types, but these are the main three)*
6. When are tables better than graphs in the findings? *When the precise figures are more important than the trends involved.*

Return on Investment Answers

Please note that greater profit without additional capital spending will directly improve Return on Investment.

Benefit	Improved ROI
Cost Saving	Reduces costs -> Less investment required. (Increased profit)
New Customers	More turnover -> More returns in long term (Increased profits in long term)
Customer information	<ol style="list-style-type: none"> 1. Can lead to greater customer loyalty and better targeted marketing reducing marketing costs. (Reduced cost, less investment required and increased profits) 2. Can increase turnover (Directly increasing profit) 3. Can show price tolerance and allow prices to be raised. (Directly increasing profit)
Higher sales	Greater turnover and more profit.
Higher profit margin	More profit for less investment
Reduced stock	Less investment required
Reduced capital expenditure	Less investment required
Competitor Information	<ol style="list-style-type: none"> 1. This knowledge allows pricing maximisation, improved profits 2. targeted R&D (reducing investment required) 3. Cheaper marketing (Reducing investment required)
Improved customer loyalty	Same benefits as better customer information, but increased chances of success.
Saves employees time	In extreme cases can save salary costs, but in general it may mean that the employee can do something more important which can increase profits.

Business

Return on Investment (Definition)

Most businesses emphasis is shareholder or owner returns and the most common measure for this is return on investment.

$$\text{Return on investment} = \frac{(\text{Gain from investment} - \text{Cost Of investment})}{\text{Cost Of Investment}}$$

$$\text{Profit} = \text{Gain from investment} - \text{Cost of investment}$$

Profit is a fairly good indicator of return on investment, but it doesn't take into account the amount invested. £500 profit from a £1000 investment is a great return, but not from £1,000,000,000 investment.

Alternative Objectives

Management may have other objectives such as: getting market revenue share, building infrastructure or positioning itself for sale.

Please also remember that management are people and may respond well to something that appeals to them personally. E.g. Suggesting that management buy GPS systems or new laptops might appeal greatly if they love gadgets and the profit motive would be secondary.

Business

Matching Exercise

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Answer on page 1 of handouts.

Teacher's Notes

Matching Exercise

This has been provided as a warmer for trainees to encourage them to think about report writing from the management's perspective. You can either give this out per table or in pairs.

Report Writing Guide (Pages 1-5)

This is a reference guide, which you may want to give students as a reading exercise. This should help them layout reports effectively. Please note that this is one of several common methods for writing reports.

Return on Investment (ROI)

Depending on students' backgrounds you may want to define Return on investment before giving out the exercise. You may also want to handout the definition (Page 10) in advance.

Report Writing Exercises

You may want to give these out for homework or to do in class. These are also suitable for BEC Higher, but the sample given might slow students down in an exam, it maybe better to use a simpler report format for the exam itself.

Depending on the abilities of your students you may want students to have a go at the questions with or without the sample and hints.

Research Extension

You may want students to research the real prices of leasing cars and the fuel costs. Two helpful Websites for British figures are:

- <http://www.theaa.com/>
- <http://www.leasecarsdirect.co.uk/>