

Riger

R E P R I N T

Please pass this article along to all who might find it of value:



Reprinted from the *Riger Update* newsletter. To receive future newsletters, subscribe using the "request info" page at www.riger.com.

For more free articles on advertising and marketing, visit the "knowledge base" at www.riger.com.

A Time to Shine: All About Annual Reports

The annual report traditionally sits atop the corporate communication pyramid. After all, it provides key target audiences with a dynamic look at a company's vision and perspectives. And corporate America is not alone in producing annual reports. Most non-profit and not-for-profit organizations issue year-end reports used for fund raising, grant proposals, or simply to present the organization's essence and personality to volunteers and others.

With the tremendous importance of these documents, annual reports deserve intense creative thought and innovation. Because the content is basically similar in all these publications, good design becomes critical. And when compared to the bland offerings of most organizations, good design provides a great opportunity to stand out.

Although effective annual reports are written and designed for a primary audience such as securities analysts, annual reports are becoming comprehensive marketing tools, as well. In addition to attracting investors, annual reports help recruit new employees and generate pride and loyalty with staff members. They're used to support new business initiatives and demonstrate community involvement. Annual reports not only summarize the financial year in a single read, but also examine an organization's history and look into its future.

Today, it's fashionable to move away from more rigid and conservative publication formats and design highly visual annual reports with effective charts, graphs and creative images. In fact, high-quality, impressive annual reports actually help signal an organization's financial strength.



According to Sid Cato, a leading expert and critic of annual reports, the criteria for designing award-winning annual reports include:

- Cover that communicates the theme of the report.
- Design elements that extend throughout the piece. Because of credibility ("seeing is believing") and imagery, photography is the preferred artwork for annual reports. It also helps visually connect the theme throughout the publication.
- Readability enhancements on inside pages. For example, use sidebars (brief, easily understandable statements) to make key points or explain numbers and bottom-line results.

continued on next page...

**Fred Riger
Advertising
Agency, Inc.**

Fred Riger Advertising Agency, Inc.

53 Chenango Street • PO Box 1623 • Binghamton, NY 13902-1623 • Phone 607.723.7441 • Fax 607.723.7623 • E-Mail agency@riger.com • Web site www.riger.com

Riger

R E P R I N T

Please pass this article along to all who might find it of value:



Reprinted from the *Riger Update* newsletter. To receive future newsletters, subscribe using the "request info" page at www.riger.com.

For more free articles on advertising and marketing, visit the "knowledge base" at www.riger.com.

continued from previous page...

- An action-oriented content listing.
- Company description, mission statement and glossary of terms.
- Special editorial section, ideally an interview with the CEO.
- Financial highlights page including a percentage-change column.
- Financial data that runs over an 11-year period.
- Printing on recycled paper and so noting this fact.

A study of corporate annual reports

Do target audiences value annual reports? What information is important? Do they care? And why? A study commissioned by Potlatch Corporation and performed by Yankelovich Partners Inc., measured the attitudes of securities analysts, portfolio managers and individual investors toward annual reports.

Key findings

1. The annual report is the single most important document a public company produces. It outscores reports in the news media, newsletters, advertising, and sales brochures among all three target audiences.
2. Annual reports are considered important tools in making investment decisions. Professional investors

seem to rely most heavily on information presented in annual reports. They also rank analyst conferences as an important information source.

3. When a company's overall financial performance is strong, investors don't mind when more is spent for a better-looking annual report.

4. Annual reports made from cheap materials signal that business is not very good.

5. An annual report without photography would be considered boring.

6. Annual reports are well read. In fact, 75% of securities analysts and over 40% of portfolio managers and individual investors say they read all/most of annual reports.

7. Investors learn new things through annual reports. Two-thirds to three-quarters of all three segments claim to learn new things from annual reports, even though months elapse between the end of the companies' fiscal years and the release of their annual reports.

8. The audiences differ significantly over the portion and/or content of an annual report they find of most interest. Securities analysts rank detailed financial information of most interest. Portfolio managers put the chairman's letter first followed by detailed information and individual investors rate summary financial information highest.

**Fred Riger
Advertising
Agency, Inc.**

Fred Riger Advertising Agency, Inc.

53 Chenango Street • PO Box 1623 • Binghamton, NY 13902-1623 • Phone 607.723.7441 • Fax 607.723.7623 • E-Mail agency@riger.com • Web site www.riger.com