BUSINESS REPORTS

Part 1

At some point during your academic or professional career, you may be required to write a report. Reports serve several functions. They may be used to communicate information within an organization upwards to senior management, downwards to staff, or externally to government regulators. They can also serve a persuasive role to get management motivated to take a desired action, support a project, or approve an investment decision. This handout will provide you with an outlined structure for writing reports. After reading this handout you should be able to

- Identify the purpose of a report and the needs of your audience
- Distinguish between informational and analytical reports
- Develop an effective report structure
- Decide on what language and level of detail is appropriate for your target audience
- Apply an appropriate degree of formality to your report
- Determine if the direct or indirect method is appropriate for your target audience
- Create headings, transitions, and graphics to enhance your report's readability

Preparing and Planning: the Audience and the Purpose

The first thing you must do when writing a report is determine why and for whom you are writing. You may be trying to relay requested information to your boss, or you may make an unsolicited proposal to a financial officer for an investment that will reduce cost. You may be asked to investigate an on-the-job accident, or you may have to explain why a project has fallen behind schedule. The purpose and audience of your report will determine the use of language, the degree of formality, the method of delivery, the structure, and the type of report.

For now, let's focus on the different types of reports. The most common types include

Periodic reports – communicate the activities of an ongoing operation at equal and regular intervals. For example, someone might write a quarterly sales report at a retail store.

Trip and conference reports – communicate experiences, details, and knowledge gained from attending activities outside of an organization. For example, an employee that spends a weekend attending a training seminar may be asked to communicate the experience to peers in an effort to share knowledge.

Progress reports - update management or a supervisor on the progress of a project or a process. Examples include reports that communicate the development of a building site or steps that are being taken to adhere to regulation.

Investigative reports – seek to find answers to predetermined questions. A sample report found in a separate handout, for example, answers the question "what is the relationship between the TSX Composite Index and the energy sector?"

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Recommendation reports – attempt to persuade an individual or a group of individuals to take a desired course of action. For example, someone might write a report that attempts to persuade management to upgrade its computer system.

Feasibility reports – communicate whether a decision to pursue an action or continue with an on-going action is feasible. These reports are often used in the field of finance, and in that context they may be called a cost-benefit analysis.

In general, all the different report types can be classified as either informational or analytical reports.

Telling or Selling: Informational vs. Analytical Reports

Before starting your report, ask yourself whether you are trying to lead your readers to a conclusion or merely convey information. If you are only trying to convey information, you will be writing an *informational report*. Your objective is to

answer your readers' questions or provide information necessary to make an informed decision. The periodic, trip and convention, and progress reports are all informational reports.

If you are trying to draw conclusions from information or persuade your readers to take a desired action, you will be writing an *analytical report*. Your objective is to use credible facts and research to support the implementation and highlight the benefits of a recommendation. The recommendation report may be an informational report if it only highlights the pros and cons of several actions with no inclination towards any particular one. However, if you want to contrast several options and guide your readers to choosing only one of them, you will be writing an analytical report. Similarly, the investigative report is an informational report if it merely conveys to its readers the findings of an investigation, but is an analytical report if it draws conclusions from the information. The recommendation report is always an analytical report.

Constructing the Message: the Report Structure

The overall structure used will be similar for both informational and analytical reports. In an informational report, begin with an introduction that states the topic, explains why it is important, and gives an overview of its contents. For an example, look at the introduction of this handout which does all three functions. After the introduction, proceed with a discussion of the facts and findings, and be sure to use an appropriate level of detail. Finish with a summary that highlights the key points in the facts and findings section.

An analytical report goes one step further than an informational report and includes a section that either draws a conclusion from an analysis or recommends a desired course of action. Either section may come right after the introduction. When this format is followed, the message is being delivered using the direct method. The indirect method, on the other hand, involves

putting the recommendations after the facts and findings section. You'll learn more about structure in the section on direct and indirect methods.

Caring For Your Reader: Empathetic vs. Selfish Writing

One quality that distinguishes excellent writers from average ones is the ability to   analyze the needs of readers and tailor a message accordingly. We can use the analogy of empathy versus selfishness to illustrate.

Selfish writers hastily put down words with the assumption that whoever is reading the report will be able to understand their thoughts. The selfish writers use language that the reader is unfamiliar with and grammar that hinders rather than helps. When a reader is pressed for time, the selfish writer will make a report longer than necessary; when a reader needs precise details, the selfish writer will mention too few and the wrong ones.

Empathetic writers, however, are able to empathize with their readers. In empathetic writing, there is an active effort to understand the readers' needs, their likely reaction to the message and level of familiarity with the subject, and the type of language that will create a positive response.

Part 2

Using Effective Language: Formality, Jargon, and Details

There are three dimensions to consider when determining the type of language to include in your report: degree of formality, level of jargon, and extent of detail.

Formality refers to the distance writers maintain from their readers. The more formal a report is, the more it will use an impersonal tone. The most formal reports neither refer to the author in the first person nor the readers in the second person. To determine the degree of formality to include in your report, ask yourself these questions:

- Will the report be read by someone external to my organization?
- Is it a norm in my organization to use a formal tone?
- Does the purpose of the report demand that it seem objective and impartial?

The more you answered the above questions with yes, the more formal your report should be. This handout uses a friendly and somewhat informal tone. The reader is referred to in the second person; however, to add a degree of formality, the author is never referred to in the first person.

Jargon is technical language common to a particular group of professionals (i.e. accounting lingo). A common mistake is to use high levels of jargon for readers with elementary

understanding of a subject. Sometimes layman terms work best. To determine the appropriate level of jargon for your report, ask yourself how familiar the readers are with the subject matter.

Some reports require high levels of *detail,* whereas others need only to outline an issue. The level of detail to include in a report depends on the readers' needs. Less detailed language is needed if readers perceive the message to be only moderately significant, if readers only need a general understanding to make a decision, or if readers are receptive to new recommendations. Use more detailed language if a message is critical for decision making, if a full description is required to explain an issue, or if readers are not receptive and need details to be persuaded. In the event of unreceptive readers, the indirect style works best.

Delivering the Message to the Reader: The Indirect vs. the Direct Method

The *indirect method* begins with facts and research that build up to support a conclusion. The writers who use it assume that their readers are either unreceptive to their message or lacking knowledge and first need to be convinced with a logical argument. The trick to using the indirect method is not to reveal your conclusion until you have provided enough evidence to support it, so be careful when writing the introduction. Consequently, the indirect method may be called back-end loading. Because informational reports don't try to persuade the reader, the indirect method is never necessary.

The writers who use the *direct method* assume that their readers are receptive to their message. Therefore, the readers should respond positively to reading the conclusion and recommendations early on in the report. The readers can then decide if they wish to continue reading the details provided in the end. An effective strategy is to list your recommendations in the introduction section and expand on them in the following section.

Enhancing Readability: Using Headings, Transitions, and Graphics

Street signs in a city tell pedestrians what street they are on and whether it is a main street or a side street. *Headings* in a report perform a similar function. Main headings provide descriptions of large sections in a report, and subheadings describe the components of the larger sections. The longer your report is, the more sub-headings you will need to use. To indicate the level of a heading in a report, you can bold it, center it, or capitalize it. Notice how this handout uses three levels of headings. The main heading at the top of page one is capitalized and centered, the second level of headings throughout the handout are bolded and stand alone, and the third level of headings on page one and two are included in their paragraphs to indicate subordination.

Headings of the same level are most effective when written in parallel form to give equal grammatical rank to each one. Each subheading in this handout, for example, begins with a verb and introduces a statement using a colon. Headings can be functional heads or talking heads. Functional heads merely label their section content, whereas talking heads describe and provide hints. The headings used in this handout are a combination of both functional and talking heads.

To ensure that the sections in your report flow logically from one to another, make use of *transitions.* Transitions are sentences or phrases that smoothly conclude one thought while introducing another. Notice how the transition at the end of the previous page is used to introduce the discussion of the indirect method at the beginning of this page.

Use *graphics* to make large pieces of information easy to read. Graphics include charts, graphs, bulleted lists, and diagrams. Quantitative information is best communicated through diagrams and graphs. When you are contrasting many different elements or summarizing information, charts work well. For a good example of how graphics are used, make sure you come back to the Writing Center and pick up a copy of the handout of the sample technical report "The TSX vs. TD Energy Fund." The report is an example of an analytical investigative report, and it is available for you to show how the concepts of report writing can be applied practically.