

Five Tips for Slimming Down Your Annual Report

Interested in streamlining your annual report, but unable to afford a consultant to help? Diana Lillicrap and Wendy Ruyle, co-owners of 5 by 5 Design (Minneapolis, MN), share the following suggestions to get you started.

1. **Cut the narrative.** Your stakeholders know your backstory or can find it online in a flash. Reserve your annual report for quick details about the past year and specific plans for the coming year. Remember that sometimes a picture is worth a thousand words. And by cutting your word counts, you'll provide a stronger, more concise story that is more likely to be read.
2. **Paint a picture.** The SEC may not require in-depth financials, but stakeholders still want a quick look at the financial details. Consider using charts, factoids or even info-graphics to tell a complex story in a small space.
3. **Utilize the vehicle.** Take advantage of the fact that printed communications are less common today. Get more bang for your buck by using unique sizes, paper textures, printing techniques or even a hand-applied stamp to create intimacy and specialness for this important touch point.
4. **Handpick your audience.** Annuals of the past were mailed to thousands, mostly because the SEC required it. Today's annual report can be targeted to your most important stakeholders. Cutting your quantity will save trees and dollars.
5. **Supplement the tool.** A slimmed down report doesn't have to be the end-all, be-all communication it was in the past. Encourage readers to visit your site for the most up-to-date financials. Consider sending postcards to audiences that no longer get a printed version, directing them to the Web for a PDF. Or provide an online presentation of additional details that you decided to leave out.

Shorter Annual Reports Deliver More Impact

More and more organizations, both nonprofits and corporations alike, are shortening their annual report. Why does such an approach make sense? Diana Lillicrap and Wendy Ruyle, co-owners of communications consultancy 5 by 5 Design (Minneapolis, MN), share some of the strategic thinking behind this growing trend.

What's the case for a shorter annual report? Why are organizations moving in this direction?

Ruyle: "It's partly a reflection of the economy. Marketing budgets are being cut and people are needing to do more with less. They are also wanting to be respectful of resources, both environmental and financial."

Lillicrap: "They also want to respect people's time. You always want to be communicating in ways that are likely to be read, and shortening a report can bring real clarity about who you are and what you're about. It's a great way to better position your voice and image with readers."

Is there anything in particular that kicked off this trend?

Ruyle: "A 2009 change in SEC rules was critical. Previously, annual reports had to be sent to each shareholder in paper format. Now, that information can live on the Web, which offers a lot more flexibility in what a physical report does or doesn't have to be."

Lillicrap: "This has been a great opportunity for organizations to step back and put some thought into what they want their report to achieve. In the past, they were driven by a hard deadline for getting financials in the mail. Now they can be more strategic about the message they want to send."

Some of your nonprofit clients have shortened their annual report by dozens of pages. Where are these cuts coming from?

Lillicrap: "People are definitely cutting back on narrative portions. Backstory is important, but it can be put online or in an online version of the report. Organizations are also being more concise with what they say — a less-is-more kind of approach."

Ruyle: "Some organizations are thinking less about a self-contained annual report, and more about an overall communications strategy that uses supplemental tools like newsletters, websites and online versions of a report. Many of the traditional annual report details can live in a variety of other places."

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