

Checklist - Dealing with Shareholders and Investors

Preparing a User-Friendly Annual Report

Identifying Messages and Audiences

- Does your organization look to the annual report for the definitive company story?
- Is your CEO involved early in the process in identifying messages and themes for the report?
- Are other senior officers, *e.g.*, Chief Financial Officer, Sr. VP Marketing, also involved?
- Do you have corporate brand guidelines that are taken into consideration when developing the report?
- Do you use a strategic design partner to assist with the identification and interpretation of key messages?
- Do you understand your primary audiences and their needs/expectations for communication?
- Do you take into consideration the perception of investment analysts of your company and its prospects?
- Are there misperceptions that should be addressed?
- Are you using the report to help differentiate your company from competitors?
- Are there aspects of your disclosure that should be enhanced?
- In addition to discussing the events of the year, does the report messaging adequately communicate your company's strategic platform for value growth?
- Do you - or should you - discuss performance against specific, measurable objectives?
- Is the quality of your organization's products or services reflected in the quality of your report?
- Do you know and follow best practices for corporate responsibility in your industry?
- If your report is an important document for employees, have their needs for communication been addressed sufficiently?
- Are you prepared to celebrate their volunteer activities in your communities and their participation in your citizenship areas of interest by recognizing them in the annual report or corporate social responsibility report?
- With regard to issues of corporate social responsibility, does the report reflect your company's workplace diversity, your environmental performance in the communities in which you operate, and your company's total impact on the community - financial, environmental and social?
- Has your senior management group developed a point of view on corporate governance that they're willing to discuss in the report?
- Are you prepared to report on your company's progress on governance issues in the current and subsequent annual reports?
- Based on the message and design of your annual report alone, would you buy more of your company's stock?

Editorial Approach

- Did you identify a thematic storyline for the year to help organize the content of the report?

- Is there alignment between messages in the annual report and those communicated to the media and analysts?
- Do you discuss key messages with decision makers in marketing and human resources to ensure alignment with their audiences?
- Do you write the annual report internally or do you contract with a professional writer? Are you satisfied with your choice?
- What is your company's default manner of using language - "corporate lingo" or a more easygoing style? Does this detract from or enhance the messages you want to communicate?
- Is the language in your report plain and easy to understand?
- Do the sentences vary in length and complexity of ideas?
- Does the report tend to use the passive voice, weak verbs, lengthy strings of adjectives and nouns created from verbs, all of which decrease readability?
- Does the content of the operating review repeat many of the same messages of the Letter to Shareholders?
- Do you use a table of contents, qualitative subheads, bullet points and callouts to enhance the readability of the Management Discussion and Analysis?
- Do you find yourself actually reviewing content or merely checking for typos?
- Does your final draft copy fit the approved design layout?
- If applicable, is your process for handling translation efficient? Does the translated text cause design problems?

Design and Content Issues

- Does your report effectively communicate your corporate brand?
- Is there alignment of tone and voice with your corporate brand?
- Does the report engage the reader through the use of compelling visuals and/or graphics?
- Do the visuals inspire and reinforce the messages?
- Does the design accommodate different types of readership by using subheads, callouts, charts and graphs to communicate information easily and succinctly?
- Do you feel the design of your report sets your company apart from its competitors?
- Is the information in the report well organized and easy to access for each of your intended audiences?
- Does the design of the report transfer readily to an online format?
- Do you typically feel satisfied with the end product for the following 12 months?

Production Process

- When do you begin the annual report process? Based on experience, is this sufficient lead time?
- Does your company have a project leader for the report?
- Do you have a timetable for deliverables and critical dates that must be met?
- Does the project leader have the authority to demand on-time delivery of annual report content from internal business groups and/or functional areas?
- Does your report process stay on schedule or fly off the rails at every critical stage?
- Does everything seem to happen at the last minute?
- Does your design team manage all aspects of production for you?
- Does your design consultant offer in-house typesetting with a rigorous proofreading and quality control process?

- Does your design consultant keep you sufficiently informed with regard to press run variables and budget revisions?
- Does your designer have a direct relationship with paper merchants and mills that enable them to negotiate favorable terms for price and delivery on your behalf?
- Does your printer do whatever it takes to deliver your report on time and on budget?
- Does the print quality of your report exceed expectations?
- Does your designer coordinate the distribution and delivery of annual reports to the transfer agent, using the most favorable packing and transportation methods?
- Does your design consultant coordinate with your company's transfer agent on the legal timetable for the report as well as on packaging, weight and size issues?

The Online Version and Electronic Filing

- Do you feel your online report leverages the strengths of the electronic medium?
- Is your online report easy to navigate and read on screen?
- Do you know if it really meets users' needs?

Cost Analysis

- Is your annual report budget realistic year after year?
- Are you provided with reliable estimates, change orders and status reports for your report throughout the stages of its development, production and delivery?
- Are there frequently big surprises on your final invoice?