



WHITE PAPER

Annual Reports: More Like Perennial Reports!

*How to make your Annual Report last all year long
while making the next one easy to create.*



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INTRODUCTION

When you think of an annual report, what comes to mind? For most, if it comes to mind at all, it's pages and pages of dense content covering financial statements, a year's worth of activity, and projections for the year ahead. There are profiles of all the organization's c-suite, its board of directors, and boring chart after chart after chart.

In other words, the perfect cure for those nights when sleep won't come.

For both non- and for-profit organizations, those annual reports are the fulfillment of a legal requirement. However, boring, numbers-based annual reports like these should be a thing of the past. Despite all the time and effort that goes into them, few organizations, if any, read and put them to good use. There's a better option.

Instead, a *digital* annual report has the potential to:

- ▶ Attract new stakeholders, retain existing stakeholders, and turn readers into donors and partners;
- ▶ Work for you throughout the year, not just at launch;
- ▶ Bring your story to life through different media;

- ▶ Showcase your work in a different context;
- ▶ Shape and promote the narrative of your story;
- ▶ Counter misconceptions;
- ▶ Serve as a benchmark that, over time, demonstrates your positive growth; and
- ▶ Tie your successes to the careful management of your bottom line.

The annual report should not be thought of as a separate exercise from the brand messaging strategy of an organization, according to award-winning annual report expert and Spencer Brenneman collaborator Katharine Ramsden.

“Annual reports shouldn’t be orphans, once-a-year exercises,” she says. “They should be part of the rhythm of an organization's operations and communication strategy.”

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There are other benefits to a digital annual report, such as:

- ▶ **Increased reach, visibility, and impact.** Many more people will see the impact of the stories in a digital annual report than in a print one, but it's also shareable. Whether you’re a nonprofit talking to donors, grant-making organizations or governmental agencies, or a for-profit talking to prospects and investors, sharing the content in a digital annual report is exceedingly simple with a digital annual report.
- ▶ **Sustainability.** Do we really need more printed paper in the world—especially paper that no one will read? With a digital annual report, there's no paper, there's no printing, there's no shipping.
- ▶ **Cost savings.** Not only are you not spending money on the expenses we just highlighted, but your initial investment in a digital annual report typically pays for itself by the second year.
- ▶ **Brand image.** Very few brands benefit from an association with the past. A digital annual report reinforces the message that your organization is on the leading edge of, well, everything!

This white paper will explore how to integrate a digital annual report into your operations, what your report should and shouldn’t contain, and the characteristics of a really strong one.

NO MORE FIRE DRILLS

Does this scenario sound familiar? It's the end of your fiscal year. Your heart sinks, knowing you will have to start on your annual report.

But here's a thought: The fiscal year's end should have nothing to do with your annual report. Surprising, no doubt, since the annual report is supposed to be all about the fiscal year. Of all the elements of a good annual report (which we will detail later in this white paper), the only one that is actually fiscal-year-dependent is the financials. Every other component can and should evolve throughout the entire year.

It's simple. Throughout the year, whenever you create content—promoting a program, beginning an initiative, or taking a stand on an issue, for example—ask yourself this question: “Could this content work in the next annual report?” You don't have to commit to it being in the annual report at that moment; just check it off as a potential.

This question is particularly important when it comes to digital content you may have. For example, footage from an event, podcast appearances, or television interviews is exactly the kind of digital content that will make your next annual report more compelling.

Then, when the fiscal year ends, look at your list of potential topics. Ask yourself:

- ▶ **Do these stories come together naturally to create a theme?** For example, for their **2022 annual report**, the Massachusetts Children's Alliance wrapped all the content around the theme of growth. If a theme isn't immediately apparent, that's fine. There are other ways to find one.
- ▶ **Which of these content types would people outside our organization find most compelling?** Your annual report's primary audience is those who are not thoroughly engaged in your work. The report is your opportunity to educate them on what you do, take control of the narrative that's out there, and counter misconceptions.
- ▶ **Is the information new and unusual?** For example, getting accreditation for another year is important, but does it help paint a more vibrant picture of what you do? Does it compel people to want to join you in your work?
- ▶ **Is it unique?** Is your competition talking about the same things? If they are, that doesn't mean the story isn't essential; it just means you may have to tell it from a different perspective.
- ▶ **Does it have a shelf-life?** Will the story be relevant in six months? If it won't, that doesn't necessarily mean it should be discarded. It just means that you must have more evergreen content to help balance it.

Repeat & Revisit

At the same time that you're considering new content for next year's annual report, you can easily integrate the last one into your current content calendar. Highlight an event a year later. Post an employee profile on their birthday or when they're promoted. Tout an infographic if it's relevant to a news item. There are many ways you can repurpose annual report content, especially during those slow news days we all get from time to time.

Don't miss the opportunity to use and reuse annual report content across all your channels throughout the year. Rather than thinking of it as a one-and-done, think about opportunities to create content that can go the distance for you. It's more efficient, it's less expensive, and it's way more effective.

The Annual Report is your opportunity to educate them on what you do, take control of the narrative that's out there, and counter misconceptions.

WHAT'S IN AND WHAT'S OUT

Before thinking about what your digital annual report should and shouldn't have from both a content and technology perspective, here are a few basic, universal questions:

- ▶ Who is your ideal audience?
- ▶ Do they want to see themselves in the report, the people you serve, or both?
- ▶ What do they want to know, and what do you want them to know?
- ▶ What do you want them to feel after reading your report? Excitement? Pride? Urgency? There's no right or wrong answer; however, it's an important consideration.

Think carefully about your audience and create an experience that addresses their needs and yours.

Content

Deciding what's in your annual report doesn't have to be challenging. It should be a blend of content that highlights your:

- ▶ **Health:** A letter from your executive director/CEO/president and your board chair;

- ▶ **Impact:** Real stories that show the people impacted or involved in the work;
- ▶ **Overall focus:** What you do and—more importantly—how you do it differently and better than anyone else;
- ▶ **Major initiatives:** Events, partnerships, or new offerings;
- ▶ **People:** Profiles on one or two front-line staff members, partners, or donors; and
- ▶ **Financials.**

For nonprofits, it's essential to highlight why individual financial support is critical. Profile a donor and have them talk about why they give and why they think others should, too.

For any organization, the annual report is a wonderful tool to show—not just talk about—your organization's commitment to diversity, equity, and inclusion. Are your images representative of the diverse world in which we live? Is your language free from unconscious bias and outmoded, inappropriate language? Are multiple voices heard?

Media Formats

Here's where the beauty of digital annual reports comes to life. You are no longer limited to just words and images. You can have music, movement, and emotion! Here are the types of interactive media your digital annual report could have:

- ▶ Color images, professionally shot when at all possible;
- ▶ Video;
- ▶ Infographics, especially interactive ones, if possible; and
- ▶ Links that open up in a new tab or window to content on your website (preferred) or another website.

The annual report should be separate from your main website because it needs to offer a different user experience than your day-to-day site. Note that by “user experience,” we mean how one navigates through the site, not what they see. All content within your annual report must align rigidly with your brand guidelines. No exceptions.

Each piece of content should have a discrete URL so you can easily link to it from other work throughout the year. (More on that in a second.)

SIMPLY THE BEST

Now that you have Tina Turner in your head let her provide the background music for the next section of our white paper. The best digital annual reports have a number of common characteristics, according to Ramsden.

In her career producing annual reports and serving as an award competition judge, Ramsden identifies these six characteristics shared by annuals, which were simply the best.

- ▶ **Less is more.** Our collective attention span has shrunk. We need to get people to the point, or else they won't get anywhere. Keep the copy concise, well-written, and divided by engaging headlines.
- ▶ **Stay on brand.** This rule should go without saying once, let alone twice, but we'll do it anyway. Think of your annual report as an extension of your wardrobe. If you attended a gala, you wouldn't wear the same clothes you'd wear to the office. However, you also wouldn't wear something completely out of character for you either.
- ▶ **Custom photography.** Stock imagery has its place, especially for budget-conscious organizations. However, custom imagery paints a more compelling, engaging, and branded experience. If you're going to spend money on anything, Ramsden recommends you spend it on that. Remember, you can use it in more than just the annual report!
- ▶ **More emphasis on the team than the leaders.** There can be a listing of your leadership and your board. However, the focus should be on the people doing or benefitting from the work.
- ▶ **Find your uniqueness.** If others are doing digital annual reports, make sure there's something different about yours. Of course, make certain it's authentic to your brand.
- ▶ **Intentionality.** Be intentional with the layout, content, rhythm, photography, and branded illustrations. Think carefully about how the end-user will navigate through the content.

Think of your Annual Report as a matching accessory to your website—neither identical nor completely different.

TIMING

Your organization does have a legal responsibility to file its fiscal annual report with the appropriate authorities by a specific time. However, that doesn't mean that an expanded annual report must come out simultaneously. Feel free to align your digital annual report with your calendar. If your organization's fiscal year runs from July to June, there's

no reason why you cannot release one in January or February for the previous calendar year. Just make it clear that the financials apply to the appropriate fiscal year.

Look at your organization's calendar. When are the important events? Could they benefit from some hype that an annual report could provide? Or would its release compete with it? Perhaps you're starting a capital campaign or a new marketing initiative. The annual report release could provide the perfect prelude.

The point is to think about releasing the annual report based on the organization's calendar, not the fiscal one.

TECH TIME

As we've mentioned, your digital annual report should look different than your existing website, but not too different. Think of it as a matching accessory to your website—neither identical nor completely different.

Nathan Botelho, owner of **Temper and Forge** web development agency (and another trusted collaborator with Spencer Brennenman), says there are other important technical considerations when creating a digital annual report.

“At the very least, your report should have the functionality to share links and host content,” he says. “In addition, pay attention to standard best practices around such things as page speed and ADA compliance.”

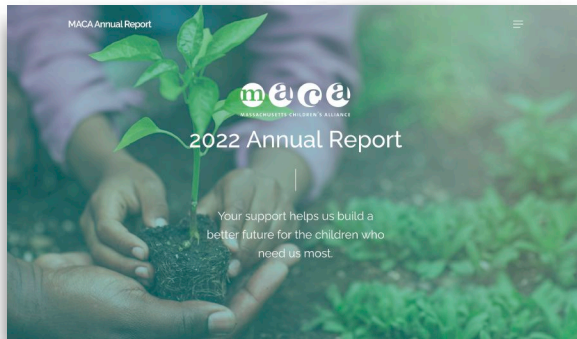
If you use the same site template year after year—a time- and resource-saver, we highly recommend—build it with conditional navigation.

CONCLUSION

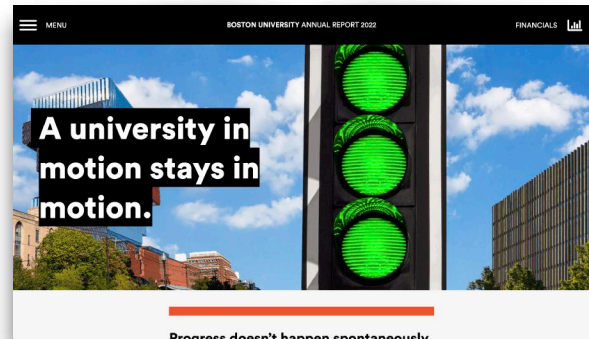
There are so many reasons to embrace the once-dreaded Annual Report as your communications plan's new best friend. Creating a digital version doesn't have to be a burden, and repeating its rewards can last all year long. They should be part of the rhythm of an organization's operations and communication strategy.

ADDENDUM: Annual Reports We Like

Here are a few digital annual reports we like. Other than one for the **Massachusetts Children's Alliance**, we cannot take credit for any of them.



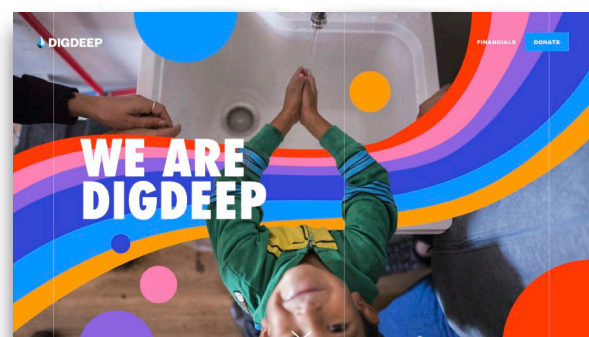
Massachusetts Children's Alliance



Boston University



Girls Who Code



Dig Deep



Dig Deep

About Spencer Brenneman, LLC

Spencer Brenneman helps leaders of mission-driven organizations reevaluate their focus and reframe their message. The result? Strengthened supporter loyalty and a renewed focus on what their organization does best and is needed most.

For more than 25 years, Spencer Brenneman President Douglas Spencer has been refocusing visions, simplifying complex ideas, and crafting compelling stories for organizations large and small. From his experience working in healthcare, not-for-profit, media, and financial and professional services, he has developed a proven way to help organizations refocus their vision, identify what makes them essential, and move people with their message.

Before starting Spencer Brenneman, LLC, he was Vice President, Global Head of Brand for Thomson Reuters, a leading data provider with offices in more than 100 countries worldwide. In that role, he guided the migration of the multiple Thomson and Reuters businesses to form the then-new Thomson Reuters brand, which consistently ranked within the top 50 of Interbrand's Best Global Brands survey.

Douglas is a frequent speaker on how organizations can change the world when they change their message.

Spencer Brenneman, LLC is certified LGBTQ-owned business by both the Massachusetts and National LGBT Chambers of Commerce.

Learn more at spencerbrenneman.com.

