



# thinking

## 2014 trends in corporate reporting

# 82%

of the *Fortune* 200 went beyond the 10-K, up from 77% in 2012.

We've been hearing about the imminent demise of the corporate report for years, but it isn't coming to pass. In 2013, 82% of the *Fortune* 200 chose to use an annual report as an opportunity to communicate beyond the minimum financial requirements. But, some approaches are favorites and others are waning.

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#### About the Author

Michelle Marks is a founding Principal of the New York City-based design firm, Ideas On Purpose, and has worked on the strategy and design of corporate reports for two decades.



# Executive Summary

Many trends are at play, some of them seemingly contradictory. New media, new rules, diverse solutions, but still the familiar challenge of how best to communicate the vision and value of your organization, in order to make a definite impression on people who matter. If you're looking for the right approach for your organization, you'll have to balance many competing factors, including budgets, what stakeholders expect, what you need to achieve, and where you wish to stand among your peer set.

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Read 4 Reasons  
Why Annual  
Reports Still Matter

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**Print is the predominant form.**

A 10-K wrap, full report or summary review are all options. Anecdotal evidence points to smaller print runs and fewer pages, though page counts seem to be stabilizing. We theorize that once committed to doing a report, you need a little bit of room to say something of value.

**Online reporting is here to stay.**

There was an uptick in the use of video and responsive design. **Apps** are not widely used; only a few companies continue the approach.

**Responsibility reporting is growing.**

Although some companies had not released reports as of publication, 108 had published reports, an increase of 12%. **Integrated reporting** has still not become mainstream, with just a few early adopters maintaining the approach. But, many are adding responsibility content to the annual report.



# Printed Reports

For the most part, even companies with sophisticated, media-rich online reports still issue a printed version, or at a minimum a PDF formatted for printing. Print has distinct advantages, beyond its familiarity, since it's something you give or send to people, thus providing some control in how you get your message out.

## The 10-K wrap

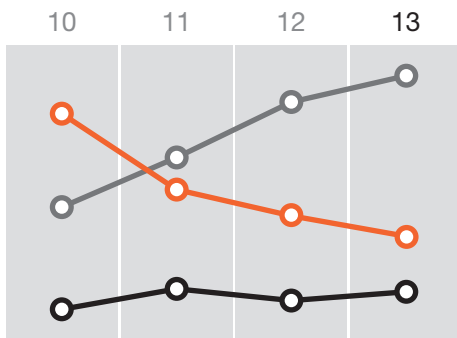
Still a relatively popular approach in print, 99 of the *Fortune* 200 used this format, with 46 including only a letter in addition to the 10-K.

## Traditional report with financials

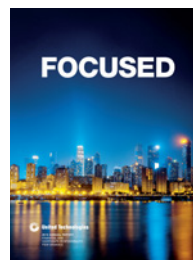
This format has not been abandoned, 38 companies produced traditional reports with financials.

## Summary report or year in review

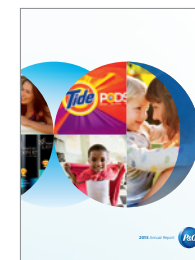
Select leading companies employ this type of report. Separating the narrative from the detailed financials creates numerous possibilities to connect with investors and other stakeholders and increases this essential communication vehicle. For some, it can function as a default corporate brochure, the only place where the company as a whole is discussed outside the corporate website.



— REPORT WITH FULL FINANCIALS  
— REVIEW/SUMMARY  
— REPORT WITH 10-K



**United Technologies** In 2013 UTC produced a full annual report with traditional financials and an online version to accompany it.



**Procter & Gamble** For fiscal 2014 P&G produced a simple 10-K wrap annual report.



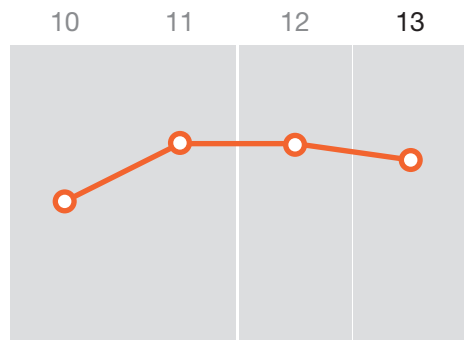
# Interactive Online Reports

52%

of the *Fortune* 200 online report sites incorporated video.

46%

of the *Fortune* 200 online report sites used responsive design.

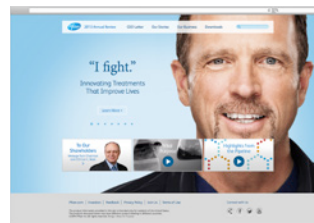


— INTERACTIVE ONLINE REPORT SITES

Online reporting\* among the *Fortune* 200 has leveled out. But those who invest in an online report seem to have a few things in common: big brands, a large shareholder base, a technology bent or some combination. These leading companies include many icons of the business world such as Coca-Cola, FedEx, Ford, GE, Goldman Sachs, GM, IBM, Johnson & Johnson, PepsiCo, Pfizer, United Technologies and Walmart. In total, 54 companies created online reports for 2013. Social media sharing was widely adopted as well.

## Responsive design is here.

Nearly half of the online reports that were created were done as responsive sites, ones that conform seamlessly to whatever device the user is on (tablet, phone, laptop). We did not measure this in prior years. As corporate sites are redesigned responsively the trend is moving rapidly into the report space too.



**Pfizer** In 2013 Pfizer again produced an online-only integrated report, enhanced with video and animations. Financials were a simple 10-K.

## Increasing use of video.

More and more companies are incorporating video in online reports, whether it is something created for the report or repurposed. Video is a powerful storytelling medium and engages users in ways text and still photos just can't.

## Apps

Not widely used for reports, a few early adopters continue the approach.

## Challenges exist.

Digital media still relies on the reader to come to you, to visit your website. That means marketing of some kind to get full value from the effort, including social media, a teaser printed piece and other vehicles.



**The Home Depot** For 2013 Home Depot produced a dynamic, responsive online annual report, accompanied by a printed 10-K with a matching cover and letter only.

Read **6 Tips for Promoting Your Online Annual or Responsibility Report**



\* For the purposes of this paper an "online report" is defined as web-native pages/module or microsite. This does not include PDFs and PDF viewers, which are merely digital presentations of materials designed for print.



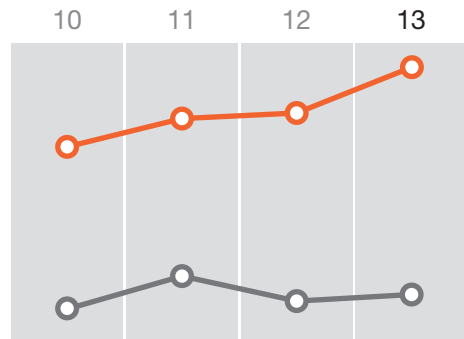
# Responsibility Reports

54%

of the *Fortune* 200 Online Responsibility Reports included video.

91%

of the *Fortune* 200 addressed responsibility topics either in a stand-alone report or within the corporate website.



— PRINT/PDF  
— ONLINE REPORT

Responsibility reporting is growing. It may be framed in different ways—as sustainability, corporate social responsibility (CSR), corporate citizenship, or environmental, social and governance (ESG). In 2013, 108 of the *Fortune* 200 issued formal, annual or biannual responsibility reports.

Understanding of responsibility reporting and its relationship to financial reporting is evolving. It has become fairly standard to include some responsibility content in a traditional annual report or review, even if no separate piece is produced. Leaders in responsibility reporting are using the web to its full advantage, creating deep sites that

support corporate strategies and goals. Often we see a summary or highlights piece in print, with far more robust content online. Some excellent examples include UPS, Allstate, Chevron, Coca-Cola and Target, among others.

## Integrated Reports

The early adopters continue. Companies still test the waters, but without clearer guidelines, this approach may not grow rapidly.

Read **Getting Your CSR Report Off the Ground**



**United Parcel Service** UPS produced a robust Corporate Sustainability Report suite of materials for 2013 including a full report interactive PDF and a print highlights document, as well as a separate G4 index.



**Coca-Cola** For the 2013/2014 reporting cycle Coca-Cola built a thorough interactive PDF including a full GRI Index.



There is no question, effective corporate reporting is a critical tool. Reaching shareholders and stakeholders is challenging as attention spans shrink and information outlets grow.

Looking at the spectrum of reporting, we see a great diversity of formats and channels and expect that to persist. Today, there are many ways of doing year-end reports, all of them legitimate, and to reach an ever-more-fractured audience many companies opt to pursue more than one strategy.

Each company's situation is unique. As a corporate communicator or investor relations leader, you need to determine what kind of reporting, in what mix of media, serves your company and stakeholders best. And, your distribution and promotion strategies should be part of your conversation.

## **Annual reporting remains what it has always been: a strategic communication opportunity to set the terms for the ongoing, necessary conversation with shareholders and stakeholders.**

The annual report or review—in print, online or both—offers a potent vehicle for your company to tell its story, clarify its point of view and purpose, engage your audiences, build trust and set your company apart—clarifying why people should invest in the stock, work at or with the company and believe in the brand.



**Ideas On Purpose** has deep expertise in corporate reports—annual reports, responsibility reports and integrated reports—both in print and online.



Pfizer



Stanley Black & Decker



Nielsen



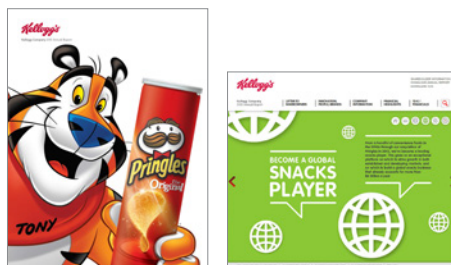
United Technologies



Zoetis



Memorial Sloan Kettering Cancer Center



Kellogg's



Simon



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