
BUSINESS PLANNING REPORTS

- **Introduction**

- What are reports?
 - Verbal statements or presentations of progress and results
 - Written statements of progress and results including letters, memos, problem-solving reports, business plans, resumes, manuals, procedures etc
- Reporting skills
 - It is a basic responsibility of every manager to record information and prepare and use reports
 - Managers must develop quality written and presentation skills
 - Many managers are critical of the quality of reports received

- **Management reports**

- Management information system reports
 - Routine organisation-wide flow of information required to fulfil accountability
 - Represent the results in critical performance areas related to objectives, programmes, schedules and budgets
 - Frequency and detail often varies with levels of accountability, increasing downwards through the organisation
- Individual performance reports
 - Initiated by a manager for superiors or requested by superiors
 - Often related to the plan, confirming what scheduled tasks have been completed and the reasons why others have not
 - Reporting essentials include accountability, timeliness and variances highlighted and explained

- **Problem-solving process**

The problem-solving (or opportunity appropriation) process is relevant to all reports as well as to planning and decision-making processes.

- Step 1 - Recognition of the problem (or opportunity)

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- A problem is a deviation from standard. This presupposes that a desired state (standard, target or objective) exists and therefore the actual state is at variance with this....hence the awareness of a problem.
 - The desired state in many cases relates to needs, eg consumer needs. Needs provide the rationale for objectives.
 - Look beyond symptoms for a cause.
 - Conduct a situation appreciation to become familiar with the facts about the environment, context and variables related to the problem. What happened? When and how? Who was involved? Why did it happen?
 - Step 2 - Definition of the problem (or opportunity)
 - Probe until real problem is exposed, question the evidence
 - Attempt alternative definitions
 - From the selected definition establish the objective(s), constraints and criteria for evaluating the alternatives and guiding the problem-solving process and the implementation.
 - **Class Exercise 5** (say 10 minutes). Distribute and discuss Handout 1.3a “The International Airline”.
 - Step 3 - Define the alternatives
 - Search using experience, consultation, historical records, competitive situations, etc.
 - Encourage creativity using lateral thinking including brainstorming group sessions.
 - Step 4 - Evaluate the alternatives
 - Make predictions about impacts, inputs and outcomes.
 - Quantify as much as possible.
 - Use the pre-determined criteria (see above) eg. Profitability, financial ratios, ROI, DCF.
 - Step 5 - Selection
 - Which alternative best meets the criteria.
 - Allow for judgment, acceptable risk and personal experience, etc.
 - Question the evidence.

- **Case analysis reports**

Very often learners engaged in training off and on the job are presented with case studies to analyse and discuss. Often these require written reports and presentations. The points to keep in mind for effective case analysis are:-

- Cases differ in size, complexity and focus, etc., and so there is no standard procedure that will apply in every situation.
- Most case-analysis (and indeed investigative management reports) will follow a problem-solving process and will involve.
 - Statement of basic problem in a simple, concise and unambiguous way. If there are several, list and rank them.
 - Background information, eg industry, stakeholders, markets. Do not regurgitate case material. State the essential facts.
 - List the necessary assumptions made and information desired due to absence of information.
 - Define solution alternatives and briefly explain why these were selected others discarded.
 - Evaluate each alternative (again explain why some were discarded after the evaluation process).support the alternative chosen. This is the main section of the written report.
 - List the logical steps for implementation.
- **Class Exercise 6** (say 10 minutes). Discuss the way that these steps have been followed in Handout 1.3b “Sample Management Report”.
- Comprehensive business planning/strategy cases will involve reporting on.
 - mission, objectives and strategy
 - externalities in the macro environment and industry
 - consideration of major trends, opportunities and threats
 - internalities of performance
 - consideration of capability strengths and weaknesses
 - aspects related to organisation, implementation and control
- When analysing cases (or indeed most real-life situations) be mindful that:
 - some assertions may not be established fact

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- you must demonstrate that your assertions are reasonable and objective
 - try and follow normal problem-solving procedures
 - search for and delineate major alternatives
 - consider the advantages and disadvantages of each major alternative
 - be specific rather than stating broad generalisations eg. Rather than say the liquidity is bad say the current ratio fell from 2.2 in 1995 to 1.3 in 1996 representing a major weakness which must be resolved within 6 months through additional capital. Say what, when, why, how and where.
 - avoid essay formats. Have some structure to indicate logical flow
 - remember the reader and his needs. Develop a clear, concise interesting style. Make him want to turn the page.
 - where information is not available make (and state) reasonable assumptions
 - evaluate the values and attitudes of key managers
 - justify all recommendations
- **Research reports**
 - The role of business research is related to decision-making and is to provide the decision-maker with relevant and useful information with which to make decisions
 - Research is only one of four ways to gain information along with
 - authority ie. information from credible people with expertise
 - intuition ie. based on judgment, “gut-feel” or “sixth-sense” and occurring as quick flashes of insight
 - experience ie. where past situations appear similar to present problems
 - The research process starts with a translation of management problems which need decisions into research questions. Then the researcher and the manager agree the scope and outcomes for the research, the researcher designs the strategy (approach) and process for the study and presents a research report which answers the research questions and needs.
 - What research is not:
 - mere information gathering, eg. discovery of indexed information using referencing skills or a random search through files and records
 - fact transcription without interpretation

- What true research is:
 - originates with a question
 - demands a clear articulation of a goal
 - requires a specific plan of approach and process
 - usually divides the original problem into more manageable sub-problems
 - is tentatively guided by hypotheses
 - involves hard measurable data
 - is often a circular process as questions and processes are refined until answers are found
- In a more formal complex research project way this process might be described as follows:-
 - research proposal
 - problem specification
 - plan of action to solve problem
 - research design
 - structure of the study
 - measurement rationale
 - instrument design and scaling
 - sampling design
 - data collection
 - secondary data collection
 - primary data collection
 - model building
 - analytical procedures
 - data preparation and analytical techniques
 - hypothesis testing
 - analyses of variance

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- multiple regression
 - advanced multi-variate statistical techniques
 - research report
 - findings
 - means used to obtain these findings
 - report evaluation
 - A less complex market research project might contain the following steps (notice the similarity)
 - define the objective of the project
 - conduct a situation analysis
 - conduct an informal investigation
 - decide if further investigation is necessary
 - plan and conduct a formal investigation
 - select the sources of information
 - select the methods for gathering data
 - prepare data gathering forms
 - pre-test the questionnaire or other forms
 - plan the sample
 - collect the data
 - analyse and interpret the data
 - prepare a written management report
 - follow up the study
 - Sample structure for written research reports
 - title page
 - executive summary
 - contents

- introduction
- methodology (or approach)
- results
- limitations
- conclusions and recommendations
- appendices
- **Guidelines for report preparation**
 - written reports
 - Readers - know your audience
 - Content - organise the report logically
 - Style - watch your writing style (expression, grammar, colour, pace, detail, be succinct etc). Use visuals and graphics .
 - Oral presentations
 - same guidelines as above (readers, content and style)
 - be organised (plan the presentation)
 - use visual aids
 - do not read you report
 - practice
- **Report evaluation**
 - Simple report evaluation criteria
 - Is enough information available?
 - Has enough information been gathered?
 - Is the information gathered of reliable quality?
 - Does the information relate to our research needs?
 - Does the information fit our time-frame?
 - Does the report have a logical structure?

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- Is content of the report clear and concise?
 - Does the report suggest well reasoned courses of action?
 - Is the report suitable for the purpose?
 - Complex report evaluation criteria (use a rating system for each criterion)
 - Problem development
 - Was the background of the problem fully developed?
 - Was the research problem clearly stated?
 - Were the research objectives clearly stated?
 - Were important assumptions identified?
 - Research design
 - Was the research design succinctly described?
 - Was the research design appropriate for the problem?
 - Were the measurement instruments appropriate?
 - Was the sampling design appropriate for the stated problem?
 - Data collection
 - Were the collection procedures described?
 - Were the collection procedures appropriate to the stated problem?
 - Were the data collection procedures implemented according to the research design?
 - Analytical procedures
 - Were the procedures used to analyse the data appropriate?
 - Were the procedures to analyse the data used correctly?
 - Were the results of the analysis stated clearly?
 - Reporting
 - Are conclusions stated in an unambiguous way?
 - Does the data support the conclusions?

- Is the report written clearly?
- Is the report logically organised?
- Were the limitations of the study clearly stated?
- Does the report contain all the necessary data for evaluation purposes?