

A STEP-BY-STEP GUIDE

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# PLANNING YOUR NONPROFIT'S NEXT ANNUAL REPORT

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From Marlene Oliveira and Julia Reich



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# INTRODUCTION

Annual reports are important! They can help you to:

- Highlight accomplishments made using funds that were contributed
- Reiterate your mission and the meaning behind the work you do every day
- Explain the difference you are making in your community
- Demonstrate your expertise
- Encourage donors to deepen their involvement

Hello!

Congratulations on downloading this guide to planning your nonprofit's next annual report. You've shown your commitment to improving both your annual report process and the final product.

We are Julia Reich of Stone Soup Creative and Marlene Oliveira of moflow. Julia's specialty is design and Marlene's is content. We decided to team up to make nonprofit annual report planning a little easier for you!

There's a lot at stake. You want to make your annual report good so people actually read it - while reflecting the awesomeness of your organization.

If you're planning your first annual report - or would like to improve the process you've used in the past, we're here for you. In the following pages, we'll share our thoughts and our processes for the early stages of annual report planning. If you follow our advice, your next annual report project will be more organized and the report you produce will be more interesting!

We hope you find the guide useful.

A handwritten signature in black ink, appearing to read "Julia Marlene". The signature is written in a cursive, flowing style.

Julia and Marlene

# DETERMINE THE FORMAT

You may be asking yourself if your annual report should be a print or online version. If it's printed, should it be long or short, in a traditional size, or something funky? Should it be a PDF that lives on the website? Or could it be a part of your existing website, or a new microsite? It could even be a long-form infographic or video... Soooo many options.

A lot has been said about whether print is dead. The printed annual report still has its place, but your decision to do an online vs. print format (vs. another medium) really depends on three factors:

## **1. AUDIENCE**

How does your audience prefer to receive and respond to communications from your organization? If they rely on e-mail, visit your website, live on Snapchat, and tweet constantly... then by all means consider an innovative way to engage them online.

On the other hand, if they enjoy seeing their name in ink as a donor and want a hold-in-hand, place-it-in-the-bathroom-for-leisurely-perusing, traditional publication – then print may be a better solution.

## **2. BUDGET**

There can be a lot of contributors to an annual report: writer, designer, web developer, photographer, printer,

mailhouse-er. How much money do you have allotted for each?

If you're on a budget – and who isn't – there are ways to still make a great annual report and save on costs.

A good, seasoned designer or developer should be able to provide options once you provide details from the *creative brief* (more details below).

Many nonprofit organizations still want a multi-page printed color report, and can save on costs by:

- Doing a low digital print run (say, under 500 copies)
- Sending to only the most “important” supporters
- Using a standard 8.5 x 11-in size (which saves paper costs)
- Making a PDF for other readers to download from the website

If the report is a success and more copies are needed, it's easy, quick and inexpensive to order a second digital print run.

Want to read more about ways to save time and money on your annual report? Check out Julia's post on the topic at <http://bit.ly/2dkMKFw>

### 3. CAPACITY

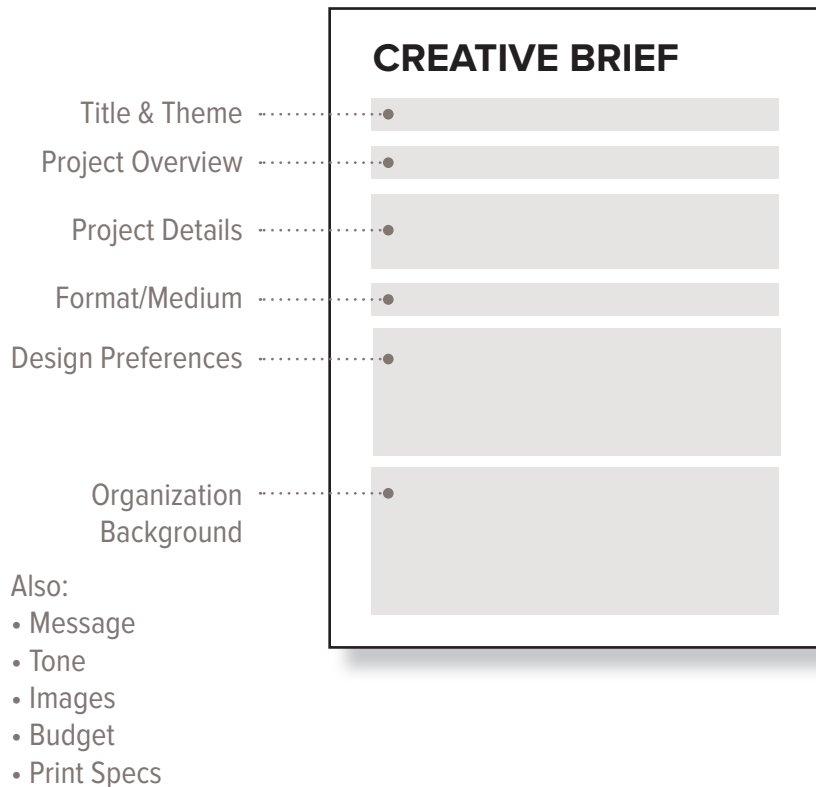
What staff resources are available to produce content or design? Do you have a board member with a specialty expertise – like videography? Or do they have contacts that do?

Now that you've started thinking about the right format, it's time to start pulling together your creative brief. You can come back and finalize your format decision later! ■

# WRITE A CREATIVE BRIEF

A creative brief is a blueprint for the annual report, with a clear set of expectations and goals, preferences and background details. You're basically imagining anything and everything you may need to complete the project.

Get a copy of a creative brief template (as a Google doc) here: <http://bit.ly/2cE7nZ9>



This file should be shared with your designer or design team [whether outsourced or internal], your writer and possibly a developer too, if needed. If you can, provide it early on in the process so everyone can price out the project accurately.

A detailed and thoughtful creative brief establishes the scope of work and will lead to a successful annual report. If you've nailed your target audience, know your budget, have a comprehensive list of what's needed, know what your ultimate goal is, and know who will be responsible for doing what, you'll end up with a beautiful marketing piece that your colleagues and supporters will be thrilled to read and share. ■

# ESTABLISH RESPONSIBILITIES

Before you get too far into this project, it's important to get clear about responsibilities. Answer the following questions:

- **Who will be responsible for providing information, making decisions, and collecting and providing feedback?**
- **Who is providing copy?**
- **Who is taking photos?**
- **Who needs to make approvals, and who is the final decision-maker?**
- **Who will be responsible for collecting stories and photos?**

There may be many cooks in the kitchen, so for efficiency's sake there should be one point person within the organization collecting feedback on each round of revisions and disseminating it to your creative team. ■

Avoid a last minute scramble for annual report photos. Here's a useful post Seneca Garber wrote for the Nonprofit MarCommunity blog on how to capture annual report photos all year long: <http://bit.ly/ARphotos-1NfTpqO>

# DETERMINE THE PROCESS AND SCHEDULE

Give yourself three to four months for the entire annual report process. Here's an example of how it could play out, working backwards.

1. Let's say the report needs to hit mailboxes (or inboxes) in early December, right after Thanksgiving.
2. Mailing takes a few days, usually less than a week – that's the last week of November.
3. Printing will take about seven business days, give or take a couple of days for proofing; that's the third week of November. But let's allow a few extra days because of U.S. Thanksgiving, which put us in the second week of November – just to be on the safe side.
4. The designer will need at least three weeks of design time, but would probably appreciate more like four to six. To provide some wiggle room, let's push the design GO button when you hand her the final or near-final text draft around the second week of October. Within those three to six weeks, expect about three rounds of revisions, working iteratively with the designer, before achieving the final approved design.
5. If you're not ready with the final text but still want to get started, in early October the designer can begin



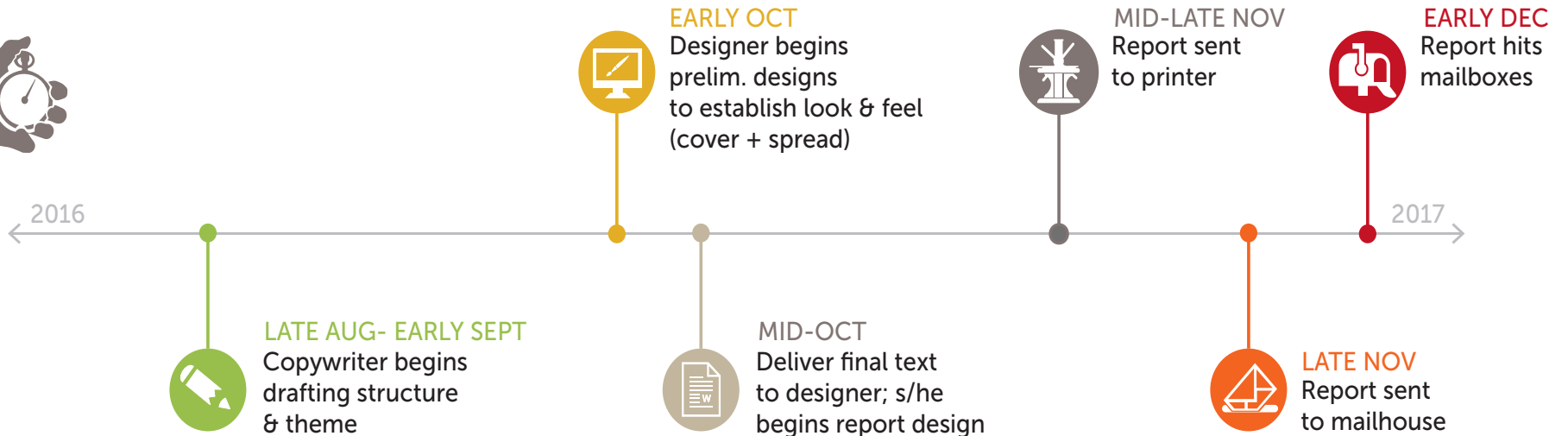
establishing the look and feel of the report by presenting some preliminary concepts, usually starting with the front cover and a sample inside spread, that you can circulate internally. Then once the final text is complete, the s/he can work on the full annual report, based on everyone's feedback.

**Tip:** Find out from your designer and writer if additional costs will be incurred if you go beyond three rounds – because surprises at invoice time are no fun!

**Tip:** For an online annual report, be prepared for the possibility of a longer development cycle.

If you are working with a writer, expect a similar process of rounds of revisions prior to handing the text file off to the designer, making sure to figure this into the schedule. Depending on the size and complexity of the piece, give your writer about four to six weeks, putting us at late August/early September. ■

## Ready, set, GO! ANNUAL REPORT TIMELINE



# INTERVIEW INTERNAL STAKEHOLDERS

To start shaping your annual report content, set aside time to speak with internal players. Make sure you're speaking with your organization's President & CEO or Executive Director during this stage, and limit the interviews to a few key leaders – preferably those who are used to representing the organization.

Set up a short conversation to ask a few key questions (see below). The answers will give you language to draw from to write a creative and engaging nonprofit annual report instead of a stiff and dull data dump.

Ask these six questions to write a better nonprofit annual report:

**1. Can you please tell me about your program/service/work as if describing it at a dinner party?**

What this question does: It cuts through the internal jargon and gives you an accurate, plain language description of the activity.

**2. Why does your program/service/work matter?**

Alternative wording: Why is this program/service/work important?

What this questions does: It reveals why the organization is engaged in this particular work. It's important to include why each activity matters in annual report con-

tent, even if it's just through few words or sentences.

### **3. What gap did (or will) your program/service/work fill?**

Alternative wording: Where would the sector, community or issue be without this program/service/work?

What this question does: It starts to uncover more plain language explanations of the impact of the activity as well as reasons why its important that your organization, in particular, is doing this work.

### **4. What did this program/service/work achieve in the year or reporting period?**

Alternative wording: What difference did this program make in the last year?

What this question does: It gets to the main meat of your content – the report back on what you have achieved. You aren't asking your interviewees to spit out a pile of output data; you're getting them talking about the actual results and how they relate to achieving your organization's goals.

### **5. What positive things are people saying about your efforts and achievements?**

What this question does: It provides you with language that you can use directly in your report to keep descriptions fresh. Bonus: if your interviewees have collected

actual testimonials, you can insert them directly into the body of your report.

### **6. How do participants in your program see or describe the organization?**

What this question does: It's similar to the last question, but is reflective of perceptions of the organization in general, versus a specific program or initiative. While you likely have an existing brand identity that you want to reflect in the report, the responses to this question can help you to shape the theme of the reporting year in particular.

Of course, if you're an in-house communications team member, the assumption might be that you already know many of these answers. Ask your colleagues to humour you and treat you as someone new to the organization, for the sake of unearthing insights and nuances that only they can offer.

Use these interviews to help you focus in on what was accomplished and what mattered in the reporting period, as well as to pick up on some of the language that might suggest a theme for the year. ■

# DEVELOP A THEME AND STRUCTURE

If you're thinking about skipping this step and forgoing a theme, we urge you to think again. In fact, here are seven reasons your annual report should have a theme.

- 1. An annual report theme highlights the significance of the year**
- 2. A theme will help you decide which updates to include**
- 3. Copywriting is easier when you have a theme**
- 4. A theme can give you ideas for your report's format**
- 5. A theme will inspire your annual report design**
- 6. An annual report theme can communicate current and future objectives**
- 7. A theme gives people an incentive to read your report**

Want to know more about these reasons? Check out Marlene's post *Seven reasons your nonprofit's next annual report should have a theme* at: <http://bit.ly/29Q5YC4>

Convinced? Great, then read on...

## HOW TO DEVELOP A NONPROFIT ANNUAL REPORT THEME AND STRUCTURE

### 1. Review available background documents

Instead of asking around for updates, seek out sources of content that are already available to you. Look for reports to the board or funders, reports compiled in preparation for leadership meetings or retreats, etc. I know; this doesn't sound like a fun step. But it allows you to quietly conduct an initial review of the year and what was accomplished.

*Note: Don't ask each department for their 'annual report updates'. This will lead to writing the most boring annual report ever. I'll get back to this in a moment.*

### 2. Look for nuggets in the background documents and in your stakeholder interview notes

Review your interview notes, and start to highlight words that embody the spirit of the year.

Any time someone used an analogy, highlight it. If particularly interesting descriptive language comes up, highlight that too. Make a list of the words or analogies you've highlighted.

### 3. Conduct an annual report theme brainstorming meeting

Gather a small number of key people together for a brainstorming session; include someone responsible for the design/layout and someone who will eventually be signing off on the copy. Bring your list of highlighted words and phrases and use them as a launching point. Brainstorm together on how each potential theme might play out as an analogy and visual treatment in your report. You should walk away from this session with at least 3-4 potential nonprofit annual report theme ideas that align well with your organization's brand.

### 4. Look for potential report structures

To figure out how you might structure your annual report, look to the assets you already have.

Can you follow the shape of your organization's strategic plan; did you make significant strides against it in the year? Look at your communications plan: presumably, your key campaigns related to organizational priorities, so can you structure your report accordingly?

Could either of these provide a starting point, if not work directly in the report? Where else can you look for a structure that makes sense?

*Note: do NOT organize your report by functional areas/departments. This will take you right back to a*

*boring 'everyone weighs in equally' report, whereas you should only be highlighting the year's key achievements.*

## 5. Create a draft structure

Now that you've considered potential models, draft a structure for your report that focuses your writing on two to four main accomplishments or areas that made significant progress in the year.

## 6. Cross-check your themes and structures

What combinations work well together? You're looking for a theme that lends itself effortlessly to supporting your structure. Do potential themes offer language and analogies that can be written elegantly into your report sections or subheadings?

Refer back to your brainstorming notes for ideas. Play around to find a combination of theme and structure that will support both your writing and the graphic design.

## 7. Google your potential themes

When you're getting close to narrowing down an annual report theme, search for it alongside "annual report". If you've come up with the same old theme everyone else is using, you'll find it and know you need to move on to another option.

## 8. Make a decision; pick an annual report theme that says something

Make your final selection (pending approval, of course) and have fun with this. Don't be afraid to say something and pique curiosity through your annual report theme. You want to entice readers to open up your report and read it, after all.

Have fun with this and remember; you only have to live with the current theme until next year's report! ■

# START WRITING & DESIGNING!

## Still not feeling ready to start?

What did we miss? How can we help you more? Send either one of us an email with your suggestions so we can improve next year's version of the guide.



moflow

## You're ready to start writing and designing your nonprofit's next annual report!

If you follow the steps we've outlined in this guide, you'll have a:

- Project plan
- Creative brief
- Timeline
- Theme
- Structure

Having all of these in place will make the writing and design process easier and more powerful.

Now it's over to you: it's time to really start working on the report content and design. ■

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Do you need copywriting or design support to get your annual report done? Contact us:

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