7. *Budget.* Provide a thorough breakdown of costs and differentiate between direct and indirect costs. List any subcontractors and give their qualifications and costs. Describe the method of payment that will be followed and clearly state any penalties prescribed for late payment.
8. *Conclusion and Recommendations.* The conclusion is your last chance to sell your solution. Make it persuasive. Summarize the problem and your solution. Bring in key themes and strategies and highlight the strengths of your solution and your company. If the proposal would benefit from a recommendation, include it.
9. *Bibliography.* If you did research and want to project a scholarly or authoritative image, include your sources. Also, of course, avoid copyright infringement and plagiarism, which taking credit for other's work without attributing the source.
10. *Appendices.* Include résumés of key personnel, letters of reference, highly specific details of implementation that you summarized in the body of the proposal, and any other relevant material.

Finishing Touches

Flashy bells and whistles will not hide a vague, thin, or off-target proposal, but some finishing touches are essential. Spend time on appropriate packaging, evaluating, and delivering of the proposal.

Packaging

Does your proposal have a professional appearance? Type should be clean and easy to read. Avoid dot matrix printers for final drafts; the clean type of a laser printer is preferable. Print your proposal on white paper that is smooth, crisp, and heavy enough not to look cheap. Ensure that the type on one page does not show through on the previous page by using 25-percent cotton content (rag) bond, in 20-pound weight. If the paper has recycled content, which some businesses and agencies require, state this in a credit line. External proposals should always be enclosed in a binder. While bindings should be attractive, avoid obvious extravagances, such as submitting your proposal in a leather binder. You do not want to give the impression that you spend resources needlessly.

Evaluating the Proposal

After you have completed writing the proposal, evaluate it in light of the RFP or IFB to ensure that it is complete. Have you correctly identified the problem? Have you offered a solution that is feasible? Were you effective in selling your solution? Have you met all the requirements? Does the text flow smoothly? Read the proposal as if you were the evaluator; is it concise and competitive? Now read it from the viewpoint of the busy decision maker; is it a persuasive document if skimmed?

Delivering the Proposal

If you are rushed to complete the proposal, you are likely to overlook crucial last-minute details. Be sure that you are submitting the correct number of copies of your proposal. Is a transmittal letter enclosed? Is the proposal addressed properly? Are all the required forms enclosed? Careless omission of any one of these details could cost you the job.[12]

Often when a customer has narrowed the choice to two or three companies, the companies are asked to present their proposal orally. Be prepared to make an oral presentation by referring to Chapter 11 on effective presentations.

Thesis Proposals

As mentioned earlier in this chapter, some graduate students write a scholarly thesis or dissertation. These lengthy, complex, and challenging projects take an extended amount of time, effort, and planning—often several semesters' worth.

To ensure that a thesis project is well planned and its content valuable, often a thesis advisor requires a thesis proposal. With a well-thought-out plan approved, the student then has a plan of action and better understands the steps necessary for completion of the project.

A thesis proposal is a combination of planning steps and rationale for the study with a proposed outline of the final paper. Different universities have their own requirements regarding the outline of the thesis, and thesis advisors and the topics themselves also influence the content—and its organization. Here are common elements likely to be required in a thesis proposal:

1. *Problem Statement.* Establish the problem that the thesis will solve or investigate. The problem statement may well lead to the hypotheses or research questions. However, the hypotheses or questions should be a partial response to the ubiquitous question, "So what?" The essence of most problem statements should be captured in one to three paragraphs.
2. *Hypotheses or Research Questions.* Hypotheses are quite specific and able to be tested; research questions are more general and may or may not be tested by statistical means. In addition to stating the hypotheses or questions, include some dialogue that leads up to them: to why they are important, to why they need examination.
3. *Literature Review.* A literature review gives the background of the problem, connects it to a theoretical basis, discusses a void (that is at least partially answered by this thesis research), and leads to methodology. To merely reiterate what is in the literature is not especially valuable; to synthesize that information adds meaning. Connect information by comparison and contrast, show trends, and spot omissions. Draw your reader to the direction in which you are headed.
4. *Methodology.* Most theses involve some primary research; if so, it would be described here. If the thesis is a case study or other form of research, change the title of this section and include the information here.

5. *Anticipated Results.* Of course you cannot yet describe what results you will get, but discuss what you think you will find and why it is important.
6. *Statistical Analysis of Data.* Describe any statistical tests you expect to use. Perhaps you can even graph what you hope you will find. Often this will be compared to known data.
7. *Expected Value or Implementation.* Expand on your answer to "So what?" How do we benefit from this research? How might the results be used? Is the use theoretical or practical? Are there new research questions that might be raised by the research? What are they?

You may wish to include a discussion of anticipated appendices that would benefit the reader. Throughout the proposal, thorough attribution of sources is essential and leads to a complete bibliography.

While the student anticipating writing a thesis may consider the proposal a bothersome and unrewarding step, just the opposite is true. Once a thesis proposal is approved, the student has a plan of action and knows what will be necessary for accomplishment of the thesis project. Further, much of what is written in a thesis proposal carries over to the actual thesis.

Summary

A proposal is a persuasive document that makes an offer to provide goods or services to a potential or existing customer. The effective proposal convinces the customer that you are the best qualified to meet the customer's needs. Commercial proposals sell a specific product or solution. Qualification proposals sell skills, experience, knowledge, and creativity as the most capable in implementing an effective solution.

Proposals may be prepared for those inside your organization (internal) or outside (external). The writer initiates an unsolicited proposal. An entity that has need for goods or services may solicit proposals when it issues an Invitation for Bids (IFB) or a Request for Proposals (RFP). IFBs usually specify the solution the solicitor wants implemented. Negotiated proposals, on the other hand, allow the proposal writer to create a unique solution to the customer's need; RFPs are often of this type. Proposals take many forms including letter proposals, preliminary proposals, detailed or formal proposals, and oral presentations.

The planning stage of the proposal-preparation process is crucial. First, screen the RFP and decide whether to submit a proposal. Second, create a capture plan that analyzes the customer and the proposal situation. The customer analysis step evaluates the need (as stated in the RFP), the problem, the customer's buying behavior, and the proposal evaluator. The situational-analysis step examines the competition, your strengths and weaknesses, and major themes. Third, create a solution to the problem that consists of technical, management, and cost strategies.

When writing the proposal, be persuasive, write effectively, and make your proposal graphically appealing. Use appropriate content and format, depending on the type of proposal you write (sales, procurement, or grant proposal). All types of proposals should include the following: cover materials, executive summary, introduction, need or problem statement, a technical solution or methodology, management profiles, budget, conclusion, and appendices (if needed). Your proposal should have a professional appearance. Finally, evaluate the finished product carefully.

For those considering writing a thesis, careful planning of how the project will be approached and why it is valuable should be written in a thesis proposal.

Discussion Questions

1. When would you write an internal versus external proposal?
2. Why is planning so important in preparing a proposal?
3. What are the differences and similarities among an audience analysis, a customer analysis, and a situational analysis?
4. In what ways does writing a proposal differ from writing letters, reports, or e-mail messages?
5. What is the role of graphic appearance in a written proposal?
6. What should the technical solution or methodology section of the proposal accomplish?

Communication in Action

1. Discuss with your classmates how graphic appeal can be added to proposals. What are the limits—both minimum and maximum—of treatments? What part does visual good taste play?
2. What document-formatting applications are available for proposal writing, especially for lengthy and formal proposals? How would you set up your software *before* you started writing your proposal? For example, how would you set up templates? What considerations would you add for preparing multiple proposals to the same or different organizations over time? What common document design might be beneficial?
3. Most large, daily newspapers have a section for Announcements, Requests for Proposals, or Bids. Find the appropriate section and scan the RFPs. Based on the discussion of proposals presented in Chapter 8, what specific classification of proposals do you see? How specific are the requirements, such as length, headings, page limits, or deadlines?

Internet

4. Search the Internet for current, live Requests for Proposals, Requests for Bids, and Invitations for Bids. Limit your search to for-profit organizations seeking proposals that would resolve a problem by delivering technical training. How many hits did you get? Now search for organizations prepared to deliver technical training. What is their proportion to requests for proposals or bids for such training? Why do you think this occurs?
5. As part of an organization that is responding to a request for proposals from Philip Morris Corporation, your supervisor has asked for your help in conducting the customer analysis prior to writing the proposal. In addition to such obvious data as its annual report and its Web site, what more can you find out about Philip Morris? What are the major types of sources of this data, such as news stories or sales rankings? To get you started, visit the Dow Jones, D&B Million Dollar Database, Hoover's, or other databases identified in Chapter 9.

InfoTrac

6. Use InfoTrac to search for literature on how to be persuasive in your proposal writing. You may wish to start with persuasion in general, and attitude change, and then move on to applications related to proposal-writing. Do your sources recommend a certain type of persuasion for specific situations? Consider such key words as ***persuasion, business, proposals,*** and ***writing***.

Notes

1. Roetzheim, W. H. (1986). *Proposal writing for the data processing consultant.* Englewood Cliffs, NJ: Prentice-Hall.
2. Roetzheim, *Proposal writing*, chap. 3.
3. Bowman, J. P. & Branchaw, B. P. (1992). *How to write proposals that produce.* Phoenix, AZ: The Orynx Press, pp. 171–184.
4. Bowman & Branchaw, *How to write proposals*, p. 31.
5. Both of the above-mentioned books deal thoroughly with the planning process and strategic issues to consider when planning your proposal.
6. Wasson, C. R. (1969). *Understanding qualitative analysis.* East Norwalk, CT: Appleton-Century-Crofts.
7. Schell, J. & Stratton, J. (1984). *Writing on the job: A handbook for business and government.* New York: New American Library, p. 126.

8. Moffat, A. S. (1994). Grantsmanship: What makes proposals work? *Science, 265*, pp. 1911–1912.
9. Schell & Stratton, *Writing on the job*, chaps. 11, 12, 13.
10. Kiritz, N. J. (1987). Proposal planning and proposal writing. *Grantsmanship Center News*, Los Angeles, CA.
11. All of the above sources discuss proposal formats extensively, as well as Pfeiffer, W. S. & Keller, C. H., Jr. (2000). *Proposal writing: The art of friendly and winning persuasion*. Upper Saddle River, NJ: Prentice-Hall.
12. Roetzheim, *Proposal writing*, chap. 10.

Appendix

Sample RFPs and Proposals

This chapter concludes with an example of an unsolicited, brief, internal proposal for a new computer (Figure 8.2), and a Request for Proposals and the response to that RFP (Figures 8.3 and 8.4). You will find that the latter proposal follows most of the observations and suggestions presented earlier in this chapter. Keep in mind that there are many forms of proposals, that authors have their favorite writing styles, and that evaluators have differences in what they expect. These proposals, then, are just two of many alternatives that could have been prepared.

Figure 8.2 **Example of a Brief, Unsolicited Internal Proposal**

Small Products World
Yuma AZ 89947

INTEROFFICE MEMO

TO: Caroline de Rosa
FROM: Carmine Vasquez
SUBJECT: Proposal to purchase new computer
DATE: January 12, 200X

The purpose of the memo is to propose that we purchase a Delta 5000 computer server. The number of orders for our products has been increasing over the last four years, and the increase is dramatic for the last two quarters. This increased business has reached the point where our current computer is holding back the shipment of goods. The Delta 5000 would overcome these problems. Immediate approval of this proposal is requested.

The Current Situation

Our reputation for importing high-quality international goods and for having exceptional service and delivery systems has resulted in a positive growth pattern over the last four years. However, orders are pouring in so fast that we are unable to give customers our usual quality service or expected delivery times. Complaints are on the rise as well.

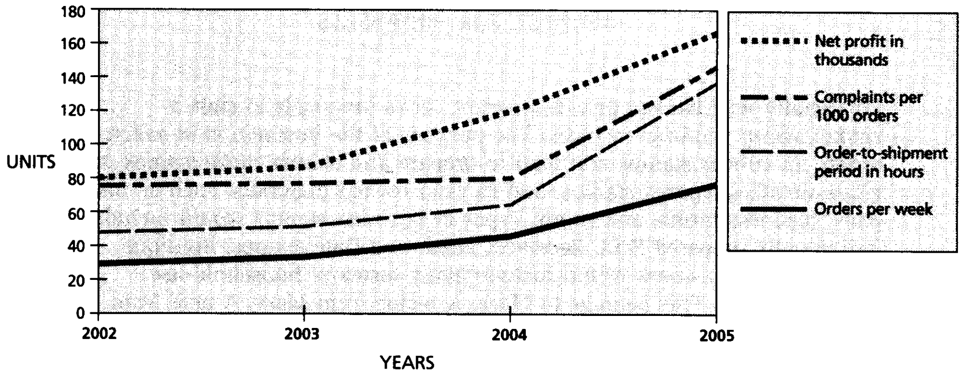
The Problem

The reason for our slow delivery times and most of the complaints lies with the overwhelmed, slow, outdated computer we use for our customer database, billing information, and shipping information. This computer has served us well, but now, because of the amount of data submitted, the ongoing process of backing up our hard disk, and new software we have installed, the computer can no longer keep up with our demands. Updating it is cost-prohibitive.

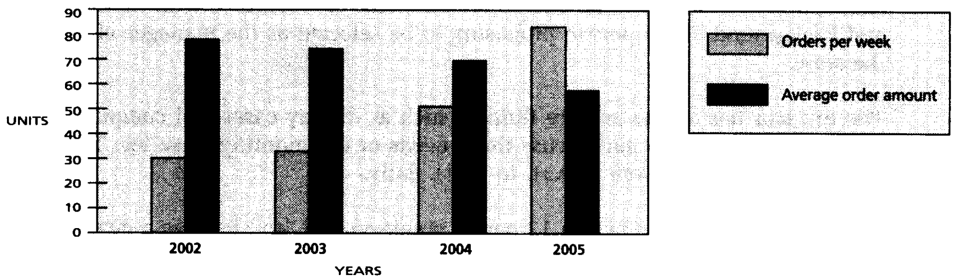
The Analysis

As you can see from the data illustrated on the next page, 2003 showed increased profit, but at a cost of dramatically increased complaints.

Figure 8.2 Example of a Brief, Unsolicited Internal Proposal (Concluded)



The trends of the last four years, and especially this last year, require increased computer use. Upon investigation of information in our database, I note the following inverse relationship between average order amount in dollars and number of orders per week. I believe our customers are spending less money per order because the quality of our service is slipping.



In sum, because of change in our business and because of the age of our current computer, we are offending more customers and flirting with losing some of them.

The Solution

We should purchase and install the Delta 5000 computer server (for $8,799) immediately. I forecast it will meet our needs well through this decade. I'll be pleased to meet with you if you have any questions.

Figure 8.3 **Sample Request for Proposals**

REQUEST FOR PROPOSALS

Financially well-backed private investor seeks proposals to start a rubber-stamp vending business. The purpose of the business is to solicit orders for rubber stamps and then to prepare and deliver those stamps, to retail already-prepared stamps, and to vend related materials, such as ink pads, business forms, and so on. Types of business stamps would include individually prepared Paid, Received, Filed, and Date stamps. Boutique aspects of the business would include many forms of household-use stamps, such as This belongs to Mary, A recipe from Mary, A note from Mary, animal and cartoon caricatures for children, and envelope return addresses.

Details: A storefront in Horton Plaza in downtown San Diego is under lease by the investor and is of adequate size for this business. A written business proposal should be delivered to Union-Tribune, P.O. Box 1234, no later than the 10th of next month. Proposals should address these issues: proposed vendors for prepared stamps and office materials, cost of equipment for preparation of stamps, anticipated profit margin for various products, further description of products to be offered for sale, size of workforce with salaries, and background of the person proposing to be selected as the manager of the store.

The investor has access to store fittings, such as display cases and computerized cash registers; do not discuss these needs or the monthly lease fee. The store would be open from 10 A.M. to 9 P.M. daily.

Proposals should be limited to 12 pages, single-spaced, and include a cover page as part of the 12 pages. An executive summary and table of contents are not needed. Content should reflect the degree of business opportunity available based on research or substantiated facts. A 50-percent interest in the business will be awarded to the winning proposal. The proposer may be, but is not required to be, the manager of the store.

Opportunity: For the right person, this is the opportunity to establish a financially rewarding business with no personal financial obligation and to become a store manager in a promising field.

Figure 8.4 **Sample Proposal**

PROPOSAL

A Business Opportunity:
Starting a Rubber Stamp Business

Prepared by:
Susan Jones
January 200X

Figure 8.4 **Sample Proposal (Continued)**

Proposal for a Rubber Stamp Business

Introduction

A financially well-backed private investor is planning to start a rubber-stamp vending business. The business would sell custom-made rubber stamps, traditional rubber stamps, and related supplies. The business would be located in Horton Plaza in downtown San Diego, in a storefront leased by the investor.

The investor has issued a Request for Proposals to provide an analysis of the business opportunity and an implementation plan.

Purpose

The purpose of the business is to sell rubber stamps and related office supplies to businesses, households, and tourists in the San Diego area. The business would actively solicit orders for custom-made rubber stamps and manufacture and deliver those stamps. The business would also sell traditional business and household stamps containing phrases such as "Paid," "Received," and "A note from Mary," as well as related supplies such as ink and ink pads.

This proposal presents a business overview, implementation strategy, and financial analysis. The implementation strategy includes the proposed rubber-stamp vendors, the cost of equipment for making rubber stamps, the anticipated profit margins by product type, the products to be offered for sale, the planned workforce, and the background of the proposed store managers.

This proposal demonstrates the viability of the rubber-stamp business and substantiates that we should be selected to initiate the business and bring it to profitability. We suggest the name "Stamp It Out" for the business.

Business Overview

Rubber stamps and associated supplies are used routinely by most businesses and many households. Businesses frequently stamp forms or checks as "Received," "Filed," "Processed," or "Paid." Households often stamp envelopes with return addresses and label personal property with name and date stamps. Rubber stamps can be customized with a company name or logo for business use or with a personal note for household use. Rubber stamps with attractive designs are often purchased as gifts.

San Diego's Horton Plaza is a particularly attractive location for a new rubber stamp business. San Diego is the sixth-largest city in the United States, with a population of 1.23 million as of the 2000 census (U.S. Census Bureau for 2000). According to the California State Board of Equalization (2002), there are approximately 80,000 businesses in San Diego County with a total taxable sales revenue of $36 billion per year. About half of this business occurs in the City of San Diego. Horton Plaza is located next to the historic Gaslamp Quarter in the center of downtown San Diego. Horton Plaza is a major shopping attraction in downtown San Diego and hosts 137 specialty stores (Westfield Shoppingtown Horton Plaza, 2002).

Horton Plaza is located a few blocks from the San Diego Convention Center, making it a prime attraction for convention attendees. San Diego's Convention Center was recently named one of the top three convention centers in the world by Europe's largest meetings industry trade publication (San Diego Convention Center Corporation, 2002). During fiscal year 2001, the convention center hosted 172 events, attracted 759,269 out-of-town attendees to San Diego, and contributed $544 million to the local economy. Conventions are a particularly attractive source of customers because convention organizers tend to give small gifts, coupons, and shopping recommendations to attendees as part of the conference registration process. Contracts with a few large conventions could provide significant revenue for this business.

To target convention attendees, we plan to work with the San Diego Convention Center Corporation to offer customized stamps, key chains, magnets, signs, and other personalized items to convention attendees. We also plan to target local businesses by attending trade shows and career fairs. Businesses at these events may have a particular need for rubber stamps to properly label the résumés and business cards they receive.

Implementation Strategy

This section includes the details of establishing the operation.

<u>Proposed Vendors for Prepared Stamps and Office Materials</u>

We propose two major vendors and other smaller niche vendors for the products.

Figure 8.4 **Sample Proposal (Continued)**

Simon's Stamps

Our primary vendor for prepared stamps, ink pads, ink, and related materials will be Simon's Stamps in Amherst, MA. Simon's Stamps has been in business since 1989 and has several hundred wholesale accounts (Simon's Stamps, 2002). Simon's sells self-inking push-down stamps, traditional wood-handle rubber stamps, and three types of metal frame self-inking date stamps. Simon's provides both custom-made stamps and off-the-shelf stamps. Orders can be placed online, and net 30-day credit terms are available. Online orders are shipped within 24 hours, including orders for custom-made stamps.

Simon's Stamps is our first choice because it focuses on rapid service and provides an attractive wholesale dealer discount program. This program provides a 40-percent discount off suggested retail prices for traditional wood-handle stamps, Kwik and Trodat brand stamps, and a 25-percent discount for ink pads, ink, date stamps, numbering stamps, and heavy-duty stamps.

JLS Rubber Stamp Co.

Our second major supplier will be JLS Rubber Stamp Co., Inc. of Redding, CA. JLS has been in the rubber stamp and office supply business for 35 years (JLS Rubber Stamp, 2002). JLS manufactures and sells several types of self-inking rubber stamps, embossers and seals, engraved signs, name badges, and stencils. JLS also sells a variety of gift products such as engraved luggage tags and key chains, custom metal license plate frames, and custom name stamps. JLS specializes in serving commercial and industrial accounts.

Other Stamp Vendors

Two other stamp vendors can bring a variety of stamps to our customers. Rubber Stamps of America features over 1,000 stamps designed by graphic artists; specialties include wildlife and exotic art (Rubber Stamps of America, 2002). The Doodle Art Rubber Stamp Company provides a variety of special occasion stamps. Their Christmas stamps include pictures of trees, snowmen, Santa Claus, reindeer, and many others (Doodle Art Rubber Stamp Company, 2002).

Backup Suppliers

AllMark Identification Systems can provide rubber stamps and ink pads, and FormsPlus can supply a wide array of business forms. Both companies are located in San Diego. While they cost more than the vendors we propose, we need backup suppliers in case of emergencies.

Cost of Equipment for Stamp Preparation

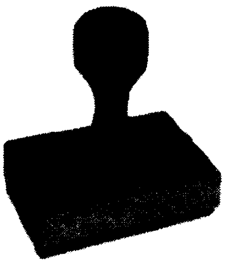
Rubber stamps can be produced at least six different ways (Tuffley Computer Services, 2002). The most-common and least-expensive method is to use a hand-set foundry. This process involves positioning individual letters of printer's type into a holder and then creating the rubber stamp with a heated press. For this process, the necessary equipment and supplies cost about $500. Because of the smell of heated rubber associated with this process, special city permits would be required or an alternative site needed.

The newest method of producing rubber stamps uses photographic processing (Tuffley Computer Services, 2002) to make stamps from laser-printed artwork. Prices for the photo processor vary by the manufacturer, but Grantham's Polly Stamp of East Grand Forks, Minnesota, sells one for $1,095 (Home Business Line, 2002).

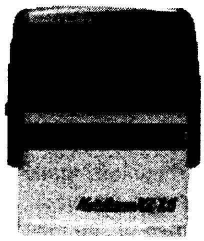
For this business, we recommend the photographic process because it can produce stamps from any picture or drawing, not just words and letters. This flexibility is particularly important in our proposed business because we plan to sell stamps with company logos, handwritten signatures, and personal photographs or drawings that would be difficult to produce with the foundry method. Permits would not be required.

Once the rubber portion of the stamp is completed, it must be attached to a stamp molding and handle, usually made of natural wood. A description of this process is given by rubber-stamp-making organizations (Rubber Stamp Club, 2002). Moldings and handles can be purchased cheaply in volume. Pictures of the major categories of stamps appear below.

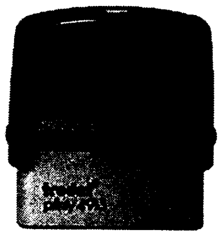
Traditional



Self-Inking



Pre-Inked



Source: http://www.simonstamp.com/cgi-bin/webshop.pl?config=stamp

Figure 8.4 **Sample Proposal (Continued)**

The equipment used for making rubber stamps can also produce a variety of other custom-made gifts. We plan to make key chains, refrigerator magnets, and name plates from the same material.

To provide the best service to Stamp It Out customers, we plan to have a computer at the store displaying a variety of possible stamp designs. Our employees would then be able to work with our customers to add names, logos, or other personal items to existing designs. The customer's modified stamp would then be printed on-site and used in the photographic process. Similarly, a customer would be able to bring in an existing design, scan it into the computer, and modify it as necessary. The proposed store manager for this business offers to donate a Dell computer and a Hewlett-Packard Printer/Scanner/Copier (PSC) for this purpose. If purchased new, the Dell computer would cost approximately $1,500 and the PSC would cost $400.

Anticipated Profit Margins

Industry data for office supply firms indicates an average gross margin of 30 percent (Market Guide, 2002). We anticipate that we will obtain a similar average margin on most previously prepared stamps, ink and ink pads, note-paper, and gift items. Based on discounts provided by Simon's Stamps, we anticipate a margin of 40 percent on traditional wood-handle stamps, Kwik stamps, and Trodat stamps, and a margin of 25 percent for ink pads, ink, date stamps, numbering stamps, and heavy-duty stamps.

Custom-made stamps can be ordered from Simon's Stamps or produced directly. If ordered from Simon's, we estimate a potential profit margin of 25 to 40 percent, based on the type of stamp ordered. Much higher margins are possible for stamps that we produce ourselves. Ignoring labor costs, we estimate that the stamps can be produced for $5 to $10 and sold for $12 to $30, implying a gross margin of about 60 percent. Based on our prior experience and unobtrusive observation of similar businesses in the Los Angeles area, we estimate that about half of our business will be custom-made stamps and the other half will be previously prepared stamps and supplies.

Further Description of Products

We plan to market a variety of custom-made and off-the-shelf stamps for business and household use. The custom-made stamps will be produced in the back of our store within 20 minutes of the customer's order. The customer may provide the design for the stamp or customize one displayed on our computer screen.

The computer can display thousands of images and designs for traditional business-use stamps as well as household-use stamps. The business-use designs will give the customer the opportunity to add a company name or logo to traditional stamps such as "Received" or "Paid." The household-use designs will allow the customer to add a name or slogan to stamps such as "A note from Mary" or "Property of John Smith." We can also easily create a rubber stamp of the customer's signature.

We plan to sell all six basic types of rubber stamps marketed by Simon's Stamps. The six types include both traditional stamps and self-inking stamps, as listed below:

- Trodat Self-Inking Printer. Push-down model. Efficient and convenient. Available in seven sizes. Suggested retail price: $12.50 (3/8″ × 11/32″) to $24.75 (11/2″ × 31/16″).
- Kwik Stamp Plus Self-Inking Stamp. Push-down model. Available in four sizes. Suggested retail price: $12.95 (5/8″ × 13/4″) to $19.95 (11/4″ x 3″).
- Traditional Wood-Handle Stamp. High-quality commercial-grade. Used with ink pad. Suggested retail price: $6.90 (1/2″ × 1″) to $27.00 (3″ × 5″).
- Metal Type-Band Die-Plate Dater. Changeable date stamp, custom text available. Used with ink pad. Suggested retail price: $29.75.
- Heavy Duty Self-Inking Dater. Super heavy-duty stamp. Durable, nickel-plated steel construction. Suggested retail price: $38.40 (1″ × 15/8″) to $69.95 (2″ × 23/4″).
- Metal Frame Self-Inkers. Super-heavy-duty stamp for bank tellers, tax collectors, and receiving clerks. Suggested retail price: $31.38 (1″ × 15/8″) to $56.45 (2″ × 23/4″).

These rubber stamps will include the words "Received," "Faxed," "Paid," "Billed," "Replied," and "Filed." We will also sell ink and ink pads, business forms, and notepads to go with these stamps. We will also provide customers with the opportunity to order custom-made embossers and seals from JLS Rubber Stamp Co.

For household use and for gifts, Stamp It Out will sell a variety of rubber stamps and other custom-designed products. These products are listed below:

- Custom-made name stamps, for both adults and children.
- Custom-made key chains, luggage tags, and refrigerator magnets.
- Customized license-plate holders from JLS Rubber Stamp Co.

Figure 8.4 **Sample Proposal (Continued)**

- Over 1,000 rubber stamps from Rubber Stamps of America (RSA), including wildlife, exotic art, and cartoons for children. We will purchase a sample of about 50 of these from RSA and provide the full catalog to customers for special orders.
- Several hundred stamp designs from Doodle Art Rubber Stamp company, including a variety of holiday and seasonal stamps. We will purchase seasonal stamps during the holiday shopping periods and provide the catalog to customers throughout the year.
- Other specialty stamps include alphabet, recipe, and hobby stamps.
- Books on stamping.
- Stamp ink (all colors, permanent and water-based).
- Embossers and desk plates.

Size of Workforce

The business will begin operations with four employees: the store manager, an assistant manager, and two sales clerks. We anticipate that the store will be open when Horton Plaza is open: 10:00 A.M. to 9:00 P.M. Monday through Friday, 10:00 A.M. to 7:00 P.M. on Saturday, and 11:00 A.M. to 6:00 P.M. on Sunday (Westfield Shoppingtown Horton Plaza, 2002). This is a total of 71 hours per week. We require that at least two employees be present in the store at any time, including the store manager or assistant manager and at least one sales clerk. We currently plan to hire two full-time (40 hours per week) cashiers but may choose to hire four half-time cashiers instead, based on labor availability. As the business grows, additional full-time or part-time sales clerks will be hired as necessary, particularly during peak hours.

The store manager will be responsible for overall store operations, including hiring of additional employees as necessary, ordering supplies, and marketing the company's products and services to convention planners. The assistant manager will be responsible for store operations when the store manager is not present and will assist in ordering supplies and training sales clerks. Sales clerks will be responsible for helping customers to find products, collecting orders and payments, and making custom stamps.

We propose an initial annual salary of $50,000 per year for the store manager and $40,000 per year for the assistant manager. Sales clerks will be paid around $7 per hour, or about $13,000 per year for full-time work. Thus, we anticipate total salary expenses of $116,000 per year. Adding an additional 20 percent of salary for benefits such as health insurance and workers' compensation insurance, we estimate initial total labor costs of $140,000 per year.

The main duties of the store manager would be inventory, bookkeeping, personnel management, and daily store operations. The assistant store manager will focus on customer service, new product selection, and marketing, and will assist with daily store operations.

Background of Store Managers

The store manager will be Susan Jones. Susan recently graduated from San Diego State University with an MBA, specializing in finance and entrepreneurship. Prior to getting her MBA, Susan worked for Staples for two years as a store manager and for Wal-Mart for three years as a department manager. During her two years at Staples, Susan initiated a marketing campaign with small businesses that increased sales by 30 percent.

The assistant store manager will be Sandra S. Davis. Sandra is currently the assistant manager of an arts supply store in Solana Beach, California, where she has been employed for the past three years. Her duties include ordering supplies, assisting customers with special orders, and training sales clerks. Sandra was previously self-employed creating arts and crafts and selling them at craft fairs. Forty percent of Sandra's craft business came from customizing existing items for individual customers by adding names or slogans. She has a bachelor's degree in business.

Financial Analysis

According to the California Board of Equalization (2002), total taxable sales of office supplies in San Diego in 2001 were approximately $1 billion for 1500 stores, or average sales of almost $666,000 per store. To confirm that this estimate applies to stores of our proposed size, we obtained annual revenue estimates for Staples and Office Depot stores and scaled these numbers downward. This calculation is shown in Table 1 and confirms that a $666,666 estimate is reasonable.

The annual revenue given in this table is taken from the firms' most recent financial statements (Staples, 2002; Office Depot, 2002). Revenue per store averages about $10 million for these large chains. To adjust the revenue to a store of our size, we computed the revenue per employee for these chains, and used this to estimate the revenue for a comparable four-person store. These values are given at the bottom of Table 1.

Table 1.
Sales for Office Supply Stores
(dollar values in thousands)

	Staples	Office Depot
Total annual revenue	$10,700,000	$10,028,200
Number of stores	1261	859
Revenue per store	$8,485	$11,674
Number of employees	21,580	45,000
Revenue per employee	$362	$259
Estimated Revenue for four-person store	**$1,449**	**$1,038**

Figure 8.4 **Sample Proposal (Continued)**

There is sufficient demand for rubber stamps, related office supplies, and related gift items in downtown San Diego to support these estimates. As mentioned earlier, San Diego Convention Center brings 760,000 people to San Diego every year. Based on our contacts with convention organizers, we believe we can sell a $20 rubber stamp, key chain, or other gift item to at least 5 percent of convention attendees. This alone would produce revenue of $760,000. In addition, as mentioned earlier, there are about 80,000 businesses in San Diego County. If we could generate sales of $100 per year from 5 percent of those businesses, we could produce additional revenue of $400,000. These two target markets combine to provide well over $1 million of revenue, before including sales to households for general use and for gifts. Thus, we believe that we can achieve $1 million of annual revenue within a year or two of starting this business and still have future growth prospects.

Based on an annual revenue of $1 million, the estimated profit for our proposed rubber stamp business is given in Table 2. We used a gross margin estimate of 45 percent in this analysis, assuming that half of our sales will be custom-made products at 60 percent margin and half will be off-the-shelf products averaging 30 percent margin. As shown in Table 2, we estimate a pretax profit of $310,000 per year based on this initial business size.

Table 2
Estimated Profit for Rubber Stamp Business
(dollar values in thousands)

Estimated Revenue	$1,000
Gross Margin	45%
Gross Profit	$ 450
Labor Costs	$ 140
Net Profit (before taxes)	$ 310

Conclusion and Recommendation

Horton Plaza provides an ideal location for a rubber-stamp business because it is close to downtown businesses and to San Diego's Convention Center. Estimated demand for rubber stamps and related materials in the downtown San Diego area indicates that we should be able to achieve sales of approximately $1 million per year. A small four-person store can generate pretax profits of approximately $310,000 and has the opportunity to expand into related office supplies and custom gifts. The proposed management team has significant experience and a track record of success in managing similar retail stores.

This proposal demonstrates that initiating a rubber-stamp business in downtown San Diego can be financially rewarding. We believe Stamp It Out can be operational with six week's notice. We encourage you to select us to bring this profitable venture to fruition.

References

California State Board of Equalization. (2002). Taxable sales in California, second quarter, 2001. Retrieved July 12, 2002, from **http://www.boe.ca.gov/news/pdf/T1_2q01.pdf.**

Doodle Art Rubber Stamp Company (2002). Retrieved July 12, 2002, from **http://www.doodle-art.com.**

Happy Rubber Stamp Club. (2002). How to mount your rubber stamp. Retrieved July 12, 2002, from **http://www.rubberstampsclub.com/tips/mountingstamps.html.**

Home Business Line. (2002). Retrieved July 12, 2002, from **http://www.homebusinessonline.com/downloads/R21.txt.**

JLS Rubber Stamp Co., Inc. (2002). Retrieved July 12, 2002, from **http://www.jlsrubberstamp.com.**

Market Guide. (2002). Sales data for Staples and Office Depot. Retrieved July 12, 2002, from **http://www.marketguide.com/home.asp.**

Office Depot. (2002). 2001 annual report. Retrieved July 12, 2002, from **http://biz.yahoo.com/e/020319/odp.html.**

Rubber Stamps of America. (2002). Retrieved July 12, 2002, from **http://www.stampusa.com.**

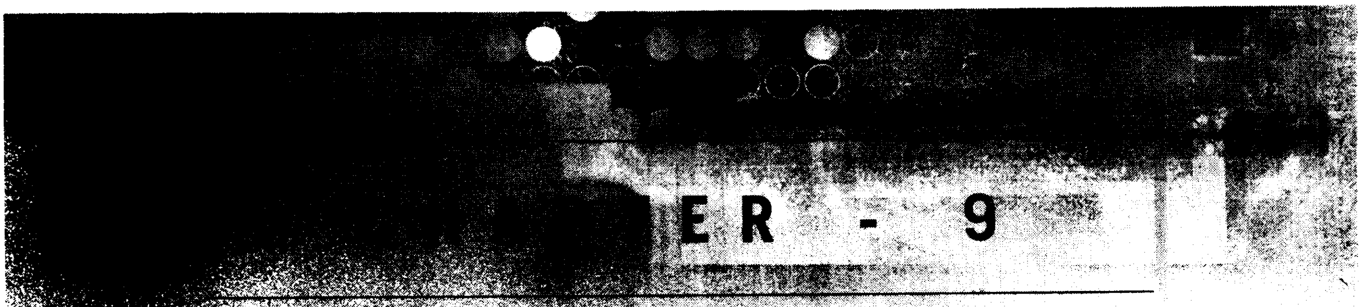
San Diego Convention Center Corporation. (2002). 2002 annual report. Retrieved July 12, 2002, from **http://www.sdccc.org/sdcccorp/impact/impact2.html.**

Simon's Stamps. (2002). Retrieved July 12, 2002, from **http://www.simonstamp.com.**

Staples, Inc. (2002). 2001 annual report. Retrieved July 12, 2002, from **http://ccbn8.mobular.net/ccbn/7/84/93/.**

Westfield Shoppingtown Horton Plaza. (2002). Retrieved July 12, 2002, from **http://www.westfield.com/us/centres/california/hortonplaza/.**

US Census Bureau. (2002). Census 2000. Retrieved July 12, 2002, from **http://factfinder.census.gov/servlet/QTTable?ds_name = D&geo_id = 05000US06073&qr_name = DEC_2000_SF1_U_DP1&lang = en.**



Report Writing: From Formal Documents to Short Summaries

In the business world, report writing is a common activity. Reports may cover short meetings, analyses of customers' relationships with your company, or problems your company may be facing with manufacturing, or they may summarize the work your company accomplished under a contract won by a proposal.

At first the job of writing a report may seem overwhelming. Like other types of writing, however, it becomes easier if it is broken into small parts. This chapter introduces you to report writing and discusses several report forms, ranging from formal documents to short executive memos. After reading the sections of this chapter on the preparation and writing of reports, you will find that the job of report writing will become much easier.

Understanding the Nature of a Report

What Is a Report?

A report is the compilation of information that has been sought out, collected, sifted, organized, and written to convey a specific message. The objective is generally either to present information or to research a particular situation. Consequently, reports can be broadly categorized into information reports and research reports.

The Information Report

An information report may present a record of previous events, or it may periodically cover past and new information that will allow readers to stay current on a topic, see progress on a project, or gain insight on product development. The purpose of the information report is to convey ideas and data as clearly, concisely, correctly, and quickly as possible. Sales reports and quarterly finance reports are informative.

The Research Report

A research report is concerned with analyzing info[illegible] of the research, and then offering possible recom[illegible] of the research report are to *analyze* and make [illegible] analyzes data the writer looks at a problem that needs to be solved, gathers the data, analyzes the available data, arrives at a decision, and then makes recommendations. Annual reports, audit reports, and payback reports are all analytical.

The research process is much like that described in Chapter 8 on proposal writing and Chapter 15 on the case study method. Research reports may solve merchandising or production problems, offer remedies for better ways of financing an organization, or give insight into anticipated acts by competitors. The writer hopes that the reader of a research report will desire to take some action as a result of the new information gained from the report. Reports that follow the recommendation process are feasibility reports, justification reports, and problem-solving reports.

What Initial Questions Should You Ask?

Five critical things to know before you write a report are the purpose of the report, who the readers will be, what information the readers will need, what resources are available, and how you should organize your research findings. Knowing this information will help you save time and energy, and will ensure that your report accomplishes your objective. With this information in mind you will be ready to develop your topic, find and organize your resources, and then write the report.

What Is the Purpose of the Report?

Before you invest time in writing a report you need to determine the reason for writing it. Have you been assigned a topic to explore? Do you have a client you are trying to convince to use a product or service? Are you a researcher who has invented a product or process and you want others to see the benefit of your effort? Your first task is to determine why a report is needed, and the objective of that report. Understanding the purpose will help you decide how to research, organize, and write the report.

Who Will Read the Report?

After determining the purpose of the report you should then determine who will read the finished product. Knowledge about your readership will help you find the right information, develop it to meet the reader's needs, and determine the type of report format to use. In addition to your primary readers, also consider any secondary readers to whom the report may be distributed.

Upward reports carry information such as progress on production facilities or product lines, status factors, anticipated problems, requests for personnel or budgetary support, financial data, and projected business conditions. Downward reports more often take the form of policy statements, procedures of action, and decisions of which employees need to be aware.

If you find that the primary readers are on your organizational level, the report is likely to contain information to be used by others in preparing additional reports. This situation often occurs in marketing and production realms. Some reports are often intended for other companies, competitors, and the public. As you consider your readers, develop answers to the following questions:

- Are my readers likely to be receptive, indifferent, or resistant?
- If there are several readers, will their reactions differ?
- How technical can I be?

What Information Does the Reader Need?

In Chapter 4 we discussed the importance of analyzing your audiences. As you prepare for report writing the necessity of knowing your audience becomes critical. Does your reader merely want some new information? What can you share with the reader that cannot be gotten elsewhere? Does your reader need to make major decisions about a product, service, or program? What information can you provide that will serve to persuade that reader? The clearer you are about the reader's needs, the more effective you can be in doing your research and in designing your findings to meet those needs. As you think about this area answer the following questions:

- What is the reader's role?
- What does the reader know about the subject?
- How will the reader react?
- What is my reader's style? Should I adjust to it?
- How will the reader use this document?
- If the reader were to forget everything else, what one key point do I want remembered?[1]

What Research Resources Are Available?

When you know your reader's needs, you must find a way of meeting those needs. Where will you find your information? From what sources can it be collected (public, employees, customers, files, experiments, documentation)? How can the information be collected in the easiest and most cost-effective manner? Start with your mission for meeting the reader's needs, your personal curiosity, and the tools, techniques, and resources you have obtained in school and from this book. In this chapter we will give you some additional ideas for successful researching.

How Should the Information Be Organized?

After the research has been conducted the hard part of assembling it together in written form must take place. How should you organize and format the material to ensure that your reader will understand and comprehend it? A large portion of this chapter is designed to give you ideas for organizing and writing your report.

Five critical things to know before you write a report are: the purpose of the report, who the readers will be, what information the readers will need, what resources are available, and how you should organize your research findings. Knowing this information will help you save time and energy, and will ensure that your report accomplishes your objective. With this information in mind you will be ready to develop your topic, find and organize your resources, and then write the report.

A review of Chapter 4 is in order at this point. It discusses the process that advanced writers go through in defining the problem, determining the audience, matching the message to the medium, doing the research, considering the layout, drafting the message, and editing and producing the final product. Refer to Chapter 4 as you research and write your report.

Organizing Your Ideas

Develop Your Purpose

By this time you should know the purpose of the report that you will write. In your classroom assignment, it may be the major issue presented in the assigned case. At work, it may be a new product on which you are seeking to eliminate the design problems. It may be key to the question your customer has asked regarding how your product or service is not only different, but also better than what he is currently using. Regardless of the situation, it is usually easy to start from a problem-solving mode. Most problems that we encounter can be solved with a five-step process: define the key problem, describe the main dimensions of the key problem, determine the causes of the problem, describe alternative ways of dealing with the causes of the problems, and determine the best action to solve the problem.

With this five-step process in mind develop a good problem statement. "A problem statement is a specific declaration that summarizes the point of view you will express in your paper. It is the basic stand you take, the opinion you express and the point you will make about your narrowed subject. It's your controlling idea, tying together and giving direction to all other elements in your paper. Your primary purpose is to convince the reader that your thesis is a valid one."[2]

A good problem statement will be specific and restrictive, and will unify and express one major idea about the specific subject. Problem statements are not the same as topics. The problem statement will likely appear in the final report, and if so, should be placed early in the report. It will demonstrate to the reader the rationale for the report, and the value in reading it.

For example, your topic may be job-sharing. Your general purpose may be to simply inform. Developed into a problem statement it becomes: "Teach employees how to share knowledge and skills by job-sharing." Your main idea when developed might be: "Efficient job-sharing by employees saves the company time and money."

Organize Your Scope

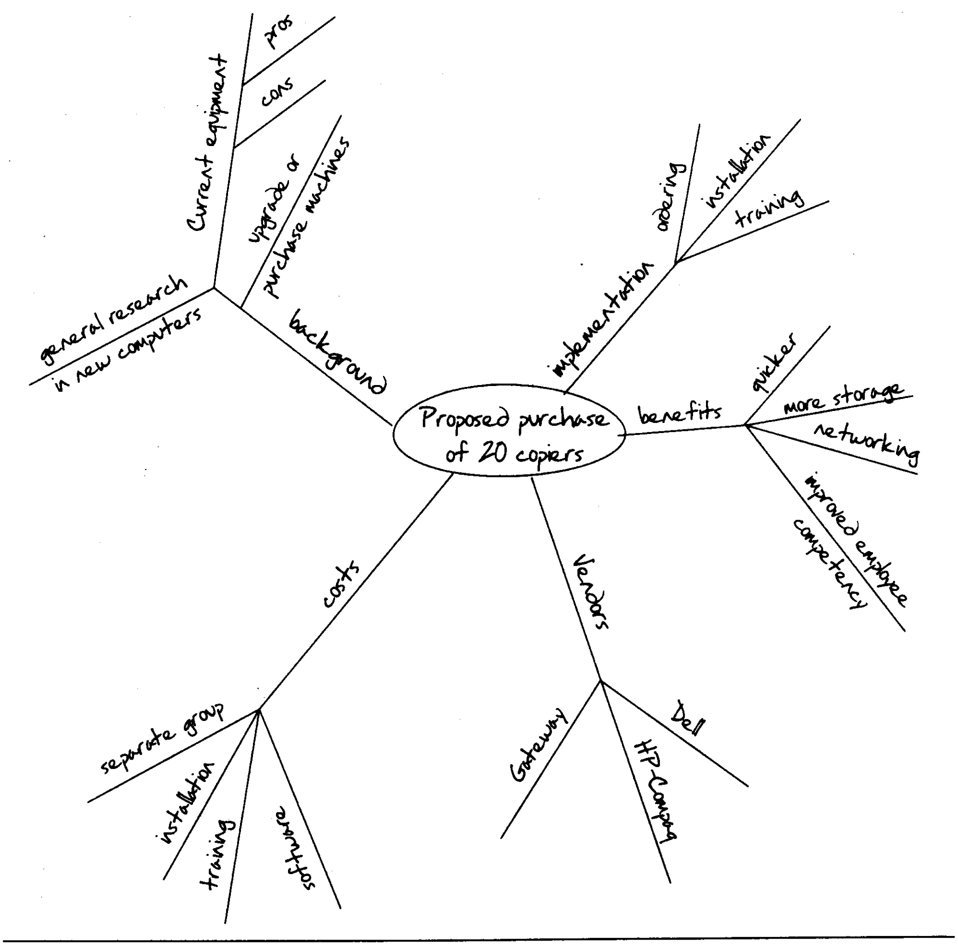
The overall scope of your writing should match your main idea and purpose. Your scope is determined by how much information your reader will need, how much information you are able to find, and the limitations of your report (time and space). While you may start with a general idea of all that you will cover, often you will make adjustments because of the amount of research data that you can uncover, or the time limits of preparing your report.

Start by grouping your ideas around your main point. You can do this through a variety of methods. *Brainstorming* allows you to pour out as many ideas as possible without having any relative order to the flow. Your main idea may be "to propose the purchase of 20 new computers for the office." Figure 9.1 shows the result of brainstorming on a sheet of paper. This nonlinear method allows for a spontaneous way of thinking, free association of ideas, and ease in seeing relationships. This method can be as simple or as detailed as one desires to make it. Instead of the free-flow brainstorming process you might want to develop ideas on index cards, sticky notes, or a typed outline.

Categorize Your Initial Ideas

From the free-flow process of idea **generation** you need to move to idea **organization**. Grouping ideas into likeness by category is one of the easiest ways of doing

Figure 9.1 **Initial Idea Brainstorming**



that. Following the categorization you can prioritize the numerous categories. A few of the **generic** categories are: proposal, request for action, rationale for action, process explanation, situation description, sequence of events, analysis of findings, implementation plan, and recommendations. Depending upon your general purpose, the material within each category will be different. Here are two examples of how your free-flow information could be grouped into general categories:[3]

Meeting Announcement

- Meeting time and place
- Agenda: list of topics
- Speakers and topics
- Background information

Performance Analysis

- Background
- Task analysis
- Comparison with previous process
  - Similarities
  - Differences
- Problems detected
  - Problems description
- Possible cause of problems
  - Suggested solutions
  - People
  - Costs
- Time commitment
  - Necessary change needed
  - Date for change occurrence
  - Date of next evaluation

Put Ideas in Sequential Order

From your initial categorization you should now move to make sure your ideas are in an organized sequence to properly balance both the reader's need and your desired intention. From here you will move to research and gather your information and determine whether it will actually fit your initial idea outline. At this point it is a good idea to review the concept of classification in Chapter 4. The concept will be mentioned again in Chapter 10. Several of the more popular development areas are listed below.[4] It is always a good idea to tell your audience that you are following a classification process, unless it is obvious.

Inductive order. Start with examples, facts, or reasons. Use them to lead the reader to the conclusion they imply. This format is ideal for long segments of information. It is also ideal for readers who are uninformed on a topic, or when employees are resistant to a change idea. "For example, a report written to convince management to fund an employee fitness program might begin with the advantages of a fitness program: improved job satisfaction, reduced absenteeism and turnover, improved productivity, and lower health care costs. After describing the benefits, the report writer could draw the conclusion that a company-sponsored fitness program is a wise investment. Starting with the main idea first risks the chance that readers opposed to the idea will read no further."[5]

Deductive order. You will want to make use of this direct approach to grouping information when your readers are well informed about your topic. In the deductive sequence you get right to the point. You put the main idea first and follow it with examples, reasons, and clarification. Your ease in making use of this style in the organization stage will help you when you start writing. Good report writing requires following a deductive pattern, especially in the writing of the executive summary, because it presents information in a clear and open way. In the writing stage it is also referred to as a form of journalistic writing, where the main ideas are always put up front and any material that is potentially unnecessary is placed toward the end.

Order of location. Discussing a variety of different things, all connected, are what this sequence is about. For example, a report on employee policies might discuss how new policies will be introduced at each company location, in a particular sequence.

Order of increasing difficulty. Normally a sequence of tasks will start with the easiest step and then move on to the more difficult areas. Computer instruction manuals use this format.

Sequential order. This order is used when writing a set of instructions. Since equipment must be installed in a certain order, this is the best process to follow.

Beneficial order. Examining advantages and disadvantages is a common part of the manager's job. Likewise looking at a list of possible actions and grouping them from most important to least important, or least important to most important, or best to worst, is a common process. Discussing the pros and cons of software packages or the reasoned options for a training program all fall under this organization pattern.

Chronological order. When material is introduced there is a starting and ending point. This ordering records behavior or events in the order of occurrence. Histories, sales reports, installation stages, product time lines, and progress reports all use a method of describing a series of events by using this format.

Problem-Solution order. Here the writer states the problem and then discusses the seriousness of the problem, identifying the causes. Possible solutions are identified and analyzed from an advantage/disadvantage position. Eventually one best solution is selected and recommendations made. Case studies make use of this approach, as do production reports.

Traditional order. In this sequence the writer follows a line of reasoning that has been used by the organization for some period of time. The belief is "we just do it this way," and thus all reports will have a resemblance.

Cost order. The flow of information here follows from least expensive to most expensive, or from most to least.

Create an Outline

From the categorization and sequencing of ideas the writer needs to move to creating a working outline. The outline will serve as a framework with boundaries that will help you as you conduct your research and then write your report. The outline may change as you proceed with your research. The categorization process used above makes for an easy transition into a sequenced outline. Outlines allow you to separate material into major and minor areas and then put those areas into a logical sequence. Figure 9.2 displays two approaches to outlining: alphabetic and numeric. The former is used more in general managerial business reports, while the numeric tends to be favored by technical writers. While some reports may carry the actual alphabetic and numeric postings within the finished copy, most reports will substitute headings for those designations.

Use Headings and Subheadings

The use of headings and subheadings is preferred, over alphabetic and numeric listings, because the words used will actually describe the contents of the paragraphs that follow. There are several advantages to using headings.

- They help the reader get the intended message.
- They make information easier to find, especially when skimming or browsing.
- They tend to add creativity and take the boredom out of writing.

When you use headings in your reports keep some simple rules in mind. When using second-level headings make sure you never use only one. Have at least two subdivisions (A and B). Treat headings at each level in a consistent manner: Observe capitalization, underlining, boldface, and font-change style listings.

Figure 9.2 **Common Outline Forms**

ALPHABETIC OUTLINE	NUMERIC OUTLINE
I. First Major Point	1. First Major Point
A. First subpoint	1.1 First subpoint
B. Second subpoint	1.2 Second subpoint
1. Evidence	1.2.1 Evidence
2. Evidence	1.2.2 Evidence
a. Detail	1.2.2.1 Detail
b. Detail	1.2.2.2 Detail
3. Evidence	1.2.3 Evidence
C. Third subpoint	1.3 Third subpoint
II. Second Major Point	2. Second Major Point
A. First subpoint	2.1 First subpoint
1. Evidence	2.1.1 Evidence
2. Evidence	2.1.2 Evidence
B. Second subpoint	2.2 Second subpoint

Conduct Your Data Search

After you develop your topic and problem statement, and you have your initial outline, you should start your research. Think broadly at this point. As Wertheim suggests, "[I]t is best to *think inductively*. . . . Deductive logic involves starting with a conclusion or generalization and drawing particular implications from that generalization. Inductive reasoning follows the reverse order; it moves from the particular to the general. It leads to a conclusion rather than drawing from a conclusion."[6] Inductive research is where we start with most business problems; we analyze information and eventually reach a conclusion. That means we search for examples, facts, or reasons that will lead us to solid conclusions. With that in mind we begin our data-gathering.

Gathering the Data

Report writing often becomes time-consuming because of this particular step. Gathering sufficient data can take hours and even days. Thomas Edison once advised, "The first thing is to find out everything everybody else knows, and then begin where they left off." Your data may come from personal observations, experiments, books, questionnaires, interviews, financial records, or a variety of other sources.

The data may be primary—those generated by the researcher for the explicit purpose of the research—or secondary—any material already generated for another purpose but usable for the research. Discretionary readers are concerned about the sources that a writer uses. Primary documents can include items like surveys, questionnaires, observations, and scientific experimentations. All secondary sources—items like company records, current business survey conclusions, or census information—depend on the accuracy and validity of their sources for credibility. Always remember that the statements you make are only as strong as your source.

As you gather your data, constantly analyze and question the interpretations that you find. Question your material: Is it relevant? Is it accurate? Is it fairly representative? Is it timely? And most important: Is it necessary? Figure 9.3 presents an overview of some of the basic ways research information is collected. Before any of those methods are used most business researchers turn to electronic information sources. Again, Chapter 4 offers excellent information about electronic research. Review it for a better understanding of the following section.

Electronic Information Sources

As an advanced business student you have undoubtedly done abundant research on the Internet. There are two primary ways of conducting the research. The first is through excellent search engines such as Google or Lycos. This research can be done in your home as well as in a library. The second method is through the use of excellent electronic information databases that are primarily available in the libraries of most colleges, universities, and public libraries. Most of these resources allow for quick and extensive searches on a wide variety of topics.

Electronic resources change continually. Depending upon your institution, you may access the identical information using a Web browser, such as Internet Explorer or Netscape, or you may use an interface designed by the database producer or third-party database provider. A local or remote server may store the information.

Figure 9.3 Research Information Collection

Method	Overall Purpose	Advantages	Challenges
questionnaires, surveys, lists	• quick information gathered in non-threatening way	• complete anonymously • administer inexpensively • easy to compare/ analyze • administer to many • collect lots of data	• are impersonal • can get biased responses • additional information is not obtained
interviews	• first-hand report • goes beyond survey	• can develop relationship • can be flexible • gather wider/deeper information	• time-consuming • hard to analyze • costly • interviewer bias
documentation	• review applications, finances, memos, etc.	• comprehensive data • obtains history • information exists • few biases	• can be time-consuming • info may be incomplete • need clarity in search • inflexible data retrieval • existing-data restriction
observation	• gather accurate info about actual operation	• view actions as occur • adapt to events as occur	• can be difficult to interpret behavior • complex categorization • can influence behavior • can be expensive
focus groups	• explore topic via in-depth group discussion • reactions, suggestions • used in marketing	• quick, reliable • range/depth of info in short time	• can be hard to analyze • good facilitation needed • difficult to schedule 6–8 people
case studies	• gain broad understanding	• excellent coverage of experiences • powerful learning	• time-consuming to collect, organize, describe • depth of information, not breadth

Source: Adapted from: McNamara, C. (n.d.). Brief overview of basic methods to collect information. Retrieved July 15, 2002, from **http://www.mapnp.org/library/research/overview.htm**.

Database providers and your institution's library or information center will offer training sessions, either as workshops or in conjunction with your courses, to help you get your search started. By taking the time to participate in brief workshops, you will save hours of time in the future. You can devote that time you save to analyzing your data and developing your reports, papers, and presentations.

Be sure to use the InfoTrac source provided when you purchased your textbook. This resource offers hundreds of thousands of articles on numerous topics.

It is easy to learn and use. We include at least one InfoTrac assignment with each chapter in this book.

It is also helpful to realize that electronic information resources are similar. Before you begin using a new service or searching a new database, you need to ask these questions: What is the content of the resource? Does it provide full-text information or only references to resources? Is the full text only text or are materials such as tables, graphs, and illustrations also available online? If you need retrospective information, how many years of information are available? How do you narrow or broaden a search? Does the system support Boolean operators (AND, OR, NOT) and truncation? In what order do my search results display: relevance ranked, by date, alphabetical order?

The following list augments what was described in Chapter 4 on pages 98–102. This list serves only as a starting point for your next research project.

Databases

Online services that organize material into giant collections of information are called databases. They require special protocols that are different from ordinary Web search engines. They are designed to help researchers run searches and retrieve valuable information from a large variety of sources. Sites that aggregate content allow you to search hundreds of sources at once, through a single search. They require setting up an account with a user ID or password. While your university library usually pays the access fees, you may be required to pay for any articles that you download. Depending upon the amount of research that you have to do, this charge may well be worth the time it would take you to search all the individual publication sites.[7]

- **ABI/Inform.** This database, updated monthly, indexes over 2,000 worldwide business and management periodicals. Subject areas include accounting, banking, data processing, organizational behavior, management science, marketing, advertising, sales, real estate, public administration, new product development, and telecommunications. It is backfiled from 1971. Full citations and abstracts are available for all references. Full text articles are available for approximately 500 publications.
- **Bloomberg.** This provides live, around-the-clock coverage of the national and international governments, corporations, industries, and financial markets. Bloomberg transmits 3,000 news stories daily and appears in over 160 newspapers throughout the Americas, Europe, the Middle East, and the Pacific Rim. It is designed so that researchers can instantly access all news, research, securities, pricing, and research reports directly through a single source.
- **Business Dateline.** This product is updated monthly and provides access to hard-to-find, regional business information. It covers most of the same subject areas as ABI Inform from 535 local, state, and regional business publications. These articles are the full text of the publication. Press releases from Business Wire provide a corporate perspective on events and people. Back files to 1985 are available. Updated weekly.
- **Compustat PC Plus.** This source contains 20 years of annual, 12 years of quarterly, seven years of business and geographic segment, and 240

months of stock prices and dividend data for over 10,300 U.S. and Canadian companies. It also has data for over 7,600 inactive companies no longer filing with the SEC because of merger, liquidation, or bankruptcy.

- **Dialog.** This comprehensive information resource computer-based, online system contains over 450 separate databases. The databases contain more than 120 million records and provide information ranging from a directory-type listing of companies, associations, or famous people to in-depth financial statements on a particular company. Citations, abstracts, conference papers, and complete texts of journal articles are available. Tradeline is available through Dialog.
- **Dialog Business Connection.** This service allows access to more than 11 million U.S., Canadian, and European companies. About 40 of these databases have been pulled together to form the Dialog Business Connection. Financial profiles, late-breaking news stories, investment research reports, and more are brought together in a menu system. The information in this service can be accessed by industry, product, or company. There is no subject approach. On-screen instructions or a hard copy manual, usually available at the library, guide you through this database.
- **Disclosure SEC Database.** This product consists of business and financial information extracted from 10K reports, which public companies file with the SEC. It includes all financial statements (three to seven years for comparison purposes), subsidiaries, description of the business, officers and directors, stock information, president's letter, and management discussion for over 11,000 public companies. Financial data can be converted to files that can be imported as numbers directly into spreadsheets.
- **Factiva.** This service provides business and financial data on nearly 10 million U.S. and international companies in more than 80 industries. Researchers can review financial reports on public and private companies; research corporate families and ownership structures worldwide; access SEC filings, 10Ks, and 10Qs; track the activities of the major stock exchanges; and gain insight into emerging markets information. Dow Jones provides access to more than 6,000 business, trade, and general publications, including *The Wall Street Journal.*
- **Dun's Million Dollar Database.** This database provides comprehensive business information on 1,260,000 U.S. public and private companies. Lists are limited to companies with $25 million or more in sales, or 50 or more employees, or a net worth of $500,000 or more. File records can be searched by geographical area, primary and secondary SIC codes, annual sales, and number of employees. This is a useful tool for job searching.
- **FirstSearch.** This offers access to a number of business and economic databases useful to business researchers: Articles 1st, Contents 1st, ERIC, the GPO Monthly Catalog, and WorldCat, an electronic card catalog of 24 million bibliographic records representing the holdings of 13,000 libraries worldwide.
- **InfoTrac Business ASAP.** This product contains bibliographic references to and abstracts of articles from more than 400 business, management, and trade publications, including *The Wall Street Journal, The New York Times,*

Asian Wall Street Journal, and *Financial Times of Canada*. Full-text access is provided to approximately 50 percent of the periodicals indexed. It is updated monthly.

- **LEXIS-NEXIS.** This service provides accesses to over 22,000 business, legal, news, and reference resources. Most institutional subscriptions will provide full-text access to national and international newspapers; business periodicals, including magazines, regional business journals, trade publications, and newsletters; company and financial information; statistical sources, and business directories.
- **Hoover's Inc.** Hoover's offers basic directory information, public domain materials such as 10K reports, and in-depth analysis of over 16,000 worldwide public and private companies. A unique feature is the list of competitors accompanying each profile. Hoover's Online on the Internet provides direct links to company sites and recent newspaper and magazine articles about the company.
- **Million Dollar Database Premier.** This Internet subscription site is used to search public and private companies, specific companies, or specific industries. You can search by size or new markets by using multiple selection criteria. It will list potential prospects or prospective employers in a targeted market, identify key decision-makers so you can contact them directly, and search executive biographies for hard-to-find information.
- **Moody's Company Data Direct.** This link provides immediate access to fully searchable data on more than 10,000 NYSE, AMEX, NASDAQ, and other select regional exchange companies. All financials are "as reported," providing balance sheets, income statements, expenditures, assets, liabilities, and cash-flow performance trends.
- **Moody's Investors Services.** This service provides information on national and international companies. Information available may include company histories, products, income sheets, and balance statements. The breadth of resources available at a single location is subscription based.
- **Morningstar Mutual Funds Ondisc.** This product provides such items as description and analysis, basic operating facts, and several years of statistics for total return, income, capital gains, and performance/risk factors.
- **Standard & Poor's Stock Corp.** Nine popular publications are searchable: Stock Reports, Industry Surveys, Corporation Records, Register, Stock Guide, Bond Guide, Earnings Guide, The Outlook, and Dividend Record. The breadth of resources will vary with individual institution's subscriptions.
- **The Wall Street Journal.** This is a full-text product containing every article including daily stock market reports, finance, investment, and business-oriented news. Its coverage is from 1984 and is updated monthly.

Writers who frequently produce reports should be aware of one major problem with the use of secondary material, which arises frequently, particularly in management and engineering consulting firms. The problem is called "boilerplating." Boilerplating occurs when individuals do similar work for different clients. Once a report is produced for one client it is filed, only to be reviewed later and often borrowed from so heavily that the new product does not fully communicate the message the writer wants and needs to convey.

Today, managers no longer have to save the hard copies of memos and reports and labor over them, gleaning the data they need to make reports. With computers and central integrated databases, information can be stored in single files and used in numerous ways.

Gramma describes three basic types of reports that can be generated by a computer and by the use of a database: performance analysis reports, exception reports, and special analysis reports. Periodically scheduled performance reports for marketing, finance, and manufacturing can be automatically accessed, processed, printed, or electronically distributed to readers. With graphics software, the data can even be organized to show interrelationships.

Database analysis also makes it easy to pull out exceptional information that falls outside the norm of usual business activity. Exceptionally high or low performance by individuals, lack of inventory movement, and wide fluctuation of prices are a few examples of exceptional information. Computer programs can be written to automatically generate reports when exceptional information becomes available. Likewise, managers can use databases to create special analysis reports on a wide variety of subject areas.[8]

Report Format

After you have researched your topic and have gathered your data, it is time to consider the way your finished report will look. This section covers three different formats: informal, semiformal, and formal. Two things determine formality: wants and need of your readers, and the amount of information that you must present to meet those needs.

The Informal Report

The informal report is the type most frequently used in business. This report can extend from a one-page letter or memo to several typed pages that are produced inexpensively for distribution. The topics are usually less important business issues: for example, status reports, progress reports, laboratory reports, design reports, trip evaluations, training analysis, and minor requests. The author knows the reader and does not want the many formalities of a long, formal report to get in the way of presenting information quickly. The focus of the information is usually on the text material (problem, solutions, methods, findings, conclusions, and recommendations). The writing style can be informal, contractions are appropriate, and the entire report carries a more conversational tone than either the formal or semiformal reports. Informal reports, especially in memo and e-mail formats, generally stay within the organization.

Figure 9.4 presents an example of an informal report. The staff of the Defense Nuclear Facilities Safety Board (DNFSB) prepared the report after it reviewed safety management at the Los Alamos National Laboratory. The report is written in a formal governmental tone, and yet it is informally prepared as a memo to the Technical and Deputy Technical Directors of the Los Alamos National Laboratory.

Figure 9.4 **Informal Report Example**

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Staff Issue Report

April 15, 1999

MEMORANDUM FOR:	G. W. Cunningham, Technical Director J. K. Fortenberry, Deputy Technical Director
COPIES:	Board Members
FROM:	D. Burnfield
SUBJECT:	Review of Worker Protection Practices at Los Alamos National Laboratory

This report documents the results of reviews of the implementation of worker protection practices at the Los Alamos National Laboratory (LANL), and highlights noteworthy practices and specific areas in which improvements may be possible, based on the staff's observations during the reviews.

These reviews examined the implementation of activity-level worker protection practices in the work planning for research and development (R&D) and facility projects for defense activities at LANL. The reviews included discussions with representatives of the Department of Energy (DOE) Los Alamos Area Office (LAAO), presentations by and discussions with responsible LANL staff, and walk-throughs of several projects in TA-55. The most recent review was conducted during April 5–8, 1999, by members of the staff of the Defense Nuclear Facilities Safety Board (Board), D. Burnfield, A. Jordan, and M. Helfrich, assisted by outside expert D. Volgenau. A previous review was led by J. Troan in August 1998.

Implementation of Safe Work Practices for R&D. LANL management is vigorously pursuing the implementation of an Integrated Safety Management System (ISMS). LANL developed Laboratory Performance Requirements (LPRs) and Laboratory Implementing Requirements (LIRs) to implement contractual requirements. These documents are supplemented by Laboratory Implementing Guidance (LIG) documents. Deviation from the LPRs and LIRs is permitted, through a formal approval process. LANL management is working to ensure that the principal investigators for R&D projects recognize their responsibility to conduct work safely. This is a strong underlying theme of the Safe Work Practices (SWP) LIRs, which are intended to implement an ISMS for R&D work.

LANL Documentation—The SWP LIRs impose significant responsibilities on the workers but do not, in our view, contain sufficient guidance to enable them to meet those responsibilities. An objective of the SWP LIRs is to ensure that principal investigators and line managers/supervisors retain responsibility for the safety of R&D work. While this objective is commendable, the requirements must be carefully and completely stated to ensure that the desired results are achieved. The LIRs require that a Hazard Control Plan (HCP) be written whenever new controls are developed, existing controls are modified, or established documentation is not adequate to communicate the hazards posed by the work. The HCP documents the hazards control system for a particular work activity. Workers are to use it directly in the field. However, the LIRs do not adequately describe the purpose and intended use of the HCP. Upon examination of a number of sample HCPs, the staff noted that this lack of specificity resulted in inconsistent HCPs that provide insufficient documentation to ensure that the activity-level safety envelope can be maintained. Additional guidance (i.e, LIGs) and improved LIRs are needed to provide the necessary flexibility and yet document the hazards analysis and implementation of controls to ensure worker safety.

The LIRs contain a matrix designed to assist in estimating risk for an activity. The matrix requires the planner to estimate risk for each combination of severity and likelihood. The estimated risks are used to establish the levels of review and line management authorization. However, in order to allow the researcher to categorize activities or hazards consistently, additional guidance may be necessary in the LIRs. Guidance and examples for selecting the frequency category for the types of research tasks normally performed would be beneficial, as would guidance for determining consequences. For example, the guidance could define the risk category for potential scenarios such as a fall from a height of 6 feet, a radiation exposure of 50 rem, or work in a glovebox containing gram level quantities of plutonium.

The LIRs could benefit from more emphasis on the effective use of integrated teams to plan work. Planning is done routinely in a serial manner. The use of environment, safety, and health (ES&H) subject matter experts (SMEs) is mentioned as a mechanism for providing assistance rather than being integral to a team approach. Also, the LIRs do not identify that an SME in an area other than ES&H might be appropriate. An interdependent team relationship for all tasks (both R&D and Facility work) not within the well-defined skill of a researcher/worker has proven successful at other sites.

Figure 9.4 **Informal Report Example (Continued)**

The LIRs could benefit from additional guidance on how to select and document the methodologies to be used for hazards analysis. If the researchers are tasked to make these decisions, they need to be provided the necessary tools. In order to assist the researchers, an annotated list of acceptable hazard analysis techniques (such as can be found in the Center for Chemical Process Safety Guidelines for Hazard Evaluation Procedures) could be developed to provide flexibility and assist the workers to choose the technique best suited for the activity. Given appropriate guidance, the researchers could develop and use their own techniques, provided they retained the documentation of the methodology. Presently, however, formal activity level hazards analyses are not routinely being conducted for R&D work activities.

The LIRs require that each organization inventory its work activities. However, the LIRs do not specify the purpose and intended use of these inventories. Review of completed work activity inventories by various groups has revealed a lack of completeness, detail, and consistency.

Performance of Hazards Analysis—TSA-11, the LANL Probabilistic Risk and Analysis Group, does qualitative as well as quantitative hazards analysis in support of DOE and LANL missions. The group has a wide range of analysis capabilities and is staffed by experienced people. However, the group participates in activity-level hazards analyses only when specifically requested. The Lab might benefit from enlarging its role and assignments. For example, this organization could serve as mentors and help develop hazards analysis tools and techniques for use by researchers on R&D projects.

Feedback and Improvement—The process for capturing lessons learned from R&D work activities is not yet mature. Although LANL personnel share information internally from such sources as periodic management walkarounds, occurrences, and new directives, there is no program for capturing the lessons learned from individual work activities.

ISMS Training—Safe Work Practices training was to be provided to personnel likely to be assigned responsibility for developing or modifying controls to mitigate R&D work hazards, as well as to line managers who might authorize work once controls are in place. More than 2000 people have been trained, yet no evaluation was performed to determine whether all appropriate personnel have been trained; and there is no plan to conduct continuing training or training for new hires. Review of the training plan indicated many strengths. A significant strong point was the use of varied analysis techniques beyond job hazards analysis to analyze workplace hazards, together with examples of their use.

Implementation of SWP by Nuclear Materials Technology (NMT). The NMT Division requested and was granted a variance from the requirements of the SWP LIRs. As justification, NMT stated that the Division's existing activity level work control processes met or exceeded the major implementing criteria of the LIRs. For the conduct of R&D work, the NMT Division uses a combination of documents mandated by recently issued internal divisional procedures. These documents, which include safe operating procedures (SOPs), experimental plans, and special work permits, provide for written work authorization and are intended for field use. They are used to identify the hazards and controls associated with potentially hazardous R&D-related activities.

The Board's staff reviewed the NMT procedures and a sample of the documents associated with work in TA-55. The following observations resulted from this review:

- NMT requires process hazards analysis for all R&D activities. Although aspects of the associated process hazards analysis did flow down to the controls section of the SOP, there was no indication that specific activity level hazards analyses were routinely conducted to ensure that proper controls were developed and implemented. In addition, the SOPs reviewed did not always have a one-to-one correlation between controls identified in the hazards identification section of the procedure and those in the body of the procedure.
- Each SOP contained a training lesson plan. However, it appeared that individuals were not trained on all the hazards identified in the hazards identification and controls implementation sections in the procedure. Nor is there currently a provision for determining whether the knowledge, skills, and abilities associated with an SOP activity have been retained when the workforce has not performed the activity for an extended period of time.
- The recently issued requirements permit review and updating of SOPs within 2 years or by the next scheduled review date, whichever occurs first. A review of three SOPs revealed that allowing these procedures to stand until the regularly scheduled update will not adequately ensure protection of the workforce. At least a cursory review of the SOPs is needed to reveal those that do not provide adequate protection.

Figure 9.4 **Informal Report Example (Concluded)**

The Board's staff review of the implementation of safe work practices in NMT resulted in the following observations:

- TA-55 operators and principle investigators were interviewed regarding their responsibilities and knowledge of the processes. They were knowledgeable and appeared well qualified to execute their assigned responsibilities.
- In accordance with the ATLAS SOP, the operator uses data sheets containing abbreviated procedural steps to perform process operations. For each step on the data sheets a small space is provided in which the operator can make a comment or observation. The use of data sheets, without having the procedures readily available, is typical for most NMT operations. These data sheets do not stipulate the hazards or controls for the various operations. In addition, their use requires a detailed understanding of the procedure by the operator.
- Weaknesses in the manuals and codes of practice for hazard task-level screening, identification, and analysis for facility work in TA-55 were also noted during the August 1998 review. These documents could be improved in a manner similar to the LIRs and LPRs discussed above.

Conclusion. The staff considers that correction of the above will better ensure that hazards can be properly identified and analyzed, and adequate controls can be implemented. This will enable R&D and facility work to be conducted safely at the activity level with a higher degree of assurance.

Source: Burnfield, D. (n.d.). Defense nuclear facilities safety board: Staff issue report. Retrieved July 6, 2002, from **http://www.deprep.org/1999/fb99126a.htm**.

Copies of the memo were also sent to DNFSB members. The report highlights improvements the Board observed in its review, and practices it believed could be improved. While the concluding remarks call for improvements to be made, no timetable or deadline is made for such improvements.

The Semiformal Report

The semiformal report is longer than an informal one, yet shorter than the formal. It is typed and stapled together, although it can be informally bound. The readership for this form of report can be either small or large and is usually very targeted, as in the case of the numerous government reports completed daily. The report has a highly organized structure, is outlined, and uses major headings like those found in a formal report. However, this report carries a more informal tone and look. This report style is commonly used in daily business settings. Examples include task force reports, employee policy manuals, and regular research topics that do not include all the resource materials found in formal reports.

The Formal Report

Formal reports are usually long; they can contain all or several of the traditional elements listed in Figure 9.5. While the parts in that exhibit are listed in the customary order, few formal reports contain every part named there. Different organizations also take great liberty in rearranging report parts in different order, even deleting some parts and adding others, and in changing the names of the different parts. The report formalities and the appended parts contain material that supports the text, or body, of the report. The text portion introduces the report topic, displays the research approach, discloses the research findings, and then presents any recommendations.

Report Formalities

The various elements listed below all serve a distinct purpose for the formal report. This material introduces the reader to the report and gives an overview of what will be contained within the report content. The report formalities include: a cover page, a title page, an authorization page, the letter of transmittal, the table of contents, graphic and figures pages, and finally an executive summary. All the front-matter material found in the "formalities" section, with the exception of the cover page, should be numbered with lowercase Roman numerals.

Cover page. This lists the report title, name of the producer, and date of production. This information is usually typed to achieve a balance on the cover. The title uses a larger font than that used for the author's name and the date. Since the cover is the first thing that a reader will see, you should make it attractive. The use of color, visuals, and printing on quality card stock adds a special touch. Not every formal report will have a cover page; some start with the title page.

Figure 9.5 **Parts of a Traditional Formal Report**

- FORMALITIES
  - Cover Page
  - Title Page
  - Authorization Letter
  - Letter of Transmittal
  - Table of Contents
  - List of Figures
  - List of Tables
  - Executive Summary
- TEXT
  - Introduction
    - Purpose
    - Problem Statement
    - Background or Overview
    - Research Methods
  - Findings (Data)
  - Conclusion
    - Summary
    - Recommendations
- APPENDED PARTS
  - Glossary
  - Appendix
  - References
  - Index

Title page. The title page gives the full report title, the names of the authors, the name of the company or person for whom the report was prepared, the date of transmission, and any related information. Figure 9.6 displays an example of a highly sought-after report from the Committee on Governmental Affairs concerning the behavior of the Enron Board of Directors.

Authorization letter. If included, this is a copy of the letter that shows that the report was originally requested. It serves as an authorization document to any secondary readers. Government organizations, consulting companies, and organizations that have been given grants to conduct research and then write a report will include such a letter in the final report. Figure 9.7 displays an authorization letter from the Chairman of the U.S. Defense Nuclear Facilities Safety Board (DNFSB) to the Deputy Secretary of the U.S. Department of Energy (DOE). This letter accompanies a report that the DNFSB has conducted on deficiencies in the software used at the DOE. The letter requests that the DOE conduct its own report into the software issue within 60 days.

Figure 9.6 **Title Page for a Formal Report**

107th Congress
2d Session

COMMITTEE

Report
107-70

THE ROLE OF
THE BOARD OF DIRECTORS IN
ENRON'S COLLAPSE

REPORT

PREPARED BY THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

JULY 8, 2002

Source: U.S. Senate Permanent Subcommittee on Investigation, Committee on Government Affairs. (2002, July 8). The role of the board of directors in Enron's collapse. Retrieved July 7, 2002, from **http://govt-aff.senate.gov/psi.htm**.

Figure 9.7 **Authorization Letter for a Formal Report**

Defense Nuclear Facilities Safety Board

January 20, 2000

The Honorable T. J. Glauthier
Deputy Secretary of Energy
1000 Independence Avenue, SW
Washington, DC 20585-1000

Dear Mr. Glauthier:

Software quality assurance (SQA) is a process for the systematic development, testing, documentation, maintenance, and execution of software. The staff of the Defense Nuclear Facilities Safety Board (Board) has reviewed the status of SQA for software used to make safety-related design decisions and to control safety-related systems. The enclosed report, Quality Assurance for Safety-Related Software at Department of Energy Defense Nuclear Facilities, identifies deficiencies in SQA for both types of software. The report also describes problems with code execution resulting from a lack of guidance and training. The Board believes these problems are symptomatic of underlying deficiencies in the infrastructure supporting SQA at the Department of Energy (DOE), and they have a direct debilitating effect on safety activities in DOE.

The Board has been informed by its staff that the Quality Assurance Working Group within DOE has been aware of some of these issues since February, but that little progress has been made toward addressing these problems because no senior DOE leader has actively accepted responsibility for the function of SQA. The Board believes this to be precisely the type of important cross-cutting safety issue that could be resolved through actions by the DOE Safety Council.

Accordingly, pursuant to 42 U.S.C. § 2286b(d) the Board requests a report from DOE within 60 days of receipt of this letter that describes the actions that are needed to address the deficiencies and potential improvements identified in the enclosed report and the schedule for completing these actions.

If you have any questions on this matter, please do not hesitate to call me.

Sincerely,

John T. Conway
Chairman

c: Mr. Mark B. Whitaker, Jr.

Enclosure

Source: Letter covering Technical Report 25, Quality Assurance for Safety-Related Software at Department of Energy Defense Nuclear Facilities. (2000, January). Retrieved July 6, 2002, from **http://www.deprep.org/2000/fb00j20a.htm**.

Transmittal letter. This letter, often called a cover letter, officially sends the report to the person who requested it. If the report is mailed to the reader this letter will probably be attached to the outside of the cover page. If the report is sent internally within an organization, a memo will most likely be used instead of a letter. The letter has several purposes: to create a good initial impression of the sending organization, to briefly summarize the report and its conclusion and recommendations, to point out any interesting elements, and to describe any problems encountered. Since an individual personally writes the letter it usually carries a more informal tone.

Figure 9.8 shows a form letter used by the Farm Credit Administration (FCA) each time it issues a Report of Examination to one of its member banks. The FCA is an independent agency in the executive branch of the U.S. government. It is responsible for the regulation and examination of the banks that comprise the Farm Credit System. This generic letter, along with a report, goes to each bank that has been examined. The tone of the letter is formal. Each letter lists the component ratings that the receiving bank has been given. While a word of caution follows the ratings, placing such sensitive information bluntly in a transmittal written letter does not appear businesslike.

Contents page. The table of contents outlines, using headings and subheadings, the ordering of the parts of the report. It shows page numbers on which each part begins. This not only aids the reader in finding any desired parts, the outline serves as an analytical overview. The only items not included in the table of contents are the cover, title, and contents pages. Short reports normally list all levels of headings. Longer reports list only major headings.

Figure 9.9 presents an example of a table of contents. This was for an analysis conducted to determine the feasibility of developing and operating a technological center business incubation program in Kokomo, Indiana.

Tables, figures, illustrations, and photograph contents. Lists of this type are used in formal reports when numerous graphics are included. All nontext items within the body of the report are either tables or figures, unless they are combined and called illustrations. The format follows that of the contents page and lists the numbered items along with titles and page numbers.

The writer should refer to each table, figure, illustration, and photo in context in the report. When discussing it, first reference its name and then complete the paragraph. If space permits, insert the item; if not, start a new paragraph and then insert the item after that paragraph. A full-page item would be inserted on the page closest to its mention in the text. Insert the table or figure on the next page and continue the text on the page that follows.

When the reader must see the table or figure to understand the context, place it in the text. If not all readers need to see the items, or if they may be only a convenience to readers, place them in an appendix at the end of the report. Sometimes the appendix items will not be listed in the content page.

Tables are numbered sequentially with Arabic numbers, as are figures. Even if, say, a table appears between two figures, they would be called Table 1, Figure 1, and Figure 2. Figures and tables should be assigned a clear four- to eight-word title.

Figure 9.8 **Model Transmittal Letter for Formal Report**

Date

Mr. ____________________ , Chairman
Board of Directors
(Institution)
Street Address
City, State ZIP

Mr. ____________________ , Chief Executive Officer
(Institution)
Street Address
City, State ZIP

Dear Mr./Ms. __(Chairman's name)__ and Mr./Ms. __(CEO's name)__ :

This letter contains the Farm Credit Administration's (FCA) composite and component CAMEL ratings for the ________________ Association/Bank based on the Report of Examination as of (date). These ratings are strictly for the confidential use of the board of directors and the chief executive officer. **Under no circumstances shall any person associated with the institution make public the composite or individual component ratings.**

The purpose of the FCA Rating System is to provide a uniform evaluation of the main characteristics of all Farm Credit System institutions and ensure a consistent examination and regulatory approach to institutions with similar risk. The FCA's composite rating definitions, factors considered in assigning component ratings, and other information pertaining to the FCA Rating System may be found in the FCA Examination Manual.

The ____________________ Association's/Bank's composite rating is "________ ."
The individual CAMEL component ratings are:

____ Capital ____ Assets ____ Management ____ Earnings ____ Liquidity ____ Sensitivity

While these ratings provide some insight as to the overall condition of your institution, we urge the board of directors to address the conditions identified in the Report of Examination rather than focus on the ratings.

Representatives from our office will be available during the __(date)__ board meeting to discuss your institution's condition and the Report of Examination. We will discuss any questions you may have regarding the above ratings at that meeting. Should you have any questions regarding the contents of this letter or other matters pertinent to the examination prior to the scheduled meeting date, please contact me at __(phone number)__ .

Sincerely,

________________ , Director

________________ Field Office
Office of Examination

Source: Farm Credit Administration. (n.d.). FCA exam manual EM-199 Supplement 4, "Example ratings transmittal letter. Retrieved July 6, 2002, from **http://www.fca.gov/examman.nsf/d1df4b2d1f2289dc85256bea004af854/6fbda97edd332d54852561cd004d77bd?OpenDocument**.

Figure 9.9 **Table of Contents of Formal Report**

The Kokomo Technology Center Business Incubation Program
Feasibility Analysis: April 2002

Table of Contents

Section	Contents	Page
	Executive Summary	3
I.	Background	6
II.	Cluster Focus	7
	Electronics	7
	Strengths of Kokomo Region	
	Microelectronic Cluster	8
	Delphi	8
	Purdue—Nanofab	8
	DuPont	9
	BTI	9
	CSL	10
	Purdue U. & Indiana U. at Kokomo	10
III.	Role of Private Corporations in Business Incubation	12
	Monsanto	12
	Lucent	12
	Coca-Cola	13
	Panasonic	13
IV.	Demonstration Projects	15
	Delphi	15
	Assemble mentor team	16
	Accelerate CSL Development	16
	Grants Center for SBIR Research	16
	Incubator Service Package	17
V.	Demonstration Steps	18
	Step 1—Pre-Planning Activities	18
	Step 2—Implement Full Program Funding	19
	Step 3—Implementation of Business Assistance	19
	Step 4—Decision to Establish a Facility	21
	Step 5—Development Contingencies	21
VI.	Description of the Kokomo Incubation Service Program	22
	Office Practice Services	22
	Administrative Fulfillment Services	23
	Assembly Fulfillment Services	24
	Management Assistance Services	24
VII.	Impact of Work to Be Done	24
	Attachments:	27
	Consultant Qualification	27
	Feasibility Study RFP	36

Source: Pittsburgh Gateways Corporation. (2002, April). Feasibility analysis report to Kokomo Technology Center, An analysis to determine the feasibility of developing and operating the Kokomo technology center business incubation program. Retrieved June 5, 2002, from **http://www.ktconline.org/.**

Executive Summary. This part of the report formalities tells the reader what the textual document is about. It is a miniature version of what the reader will read. This summary is called several things: abstract, synopsis, overview, or précis. When the word *abstract* is used, it usually indicates a technical audience. Abstracts are typically limited to a half-page. The term *executive summary* has come to be identified with managerial audiences. This summary differs from one found at the very end of a report. The executive summary is usually longer than one page but less than 10 percent of the overall report. Because this serves as an overview and not the overall report, the writer (or editor) must limit what goes in the executive summary.

There are two approaches to writing an executive summary. In the first approach, which is most widely used, the writer prepares a miniature edition of the body of the report. Concepts reviewed appear in the same order and in the same relative proportion as in the body. The second approach is interpretative. The writer might point out strengths, flaws, new information, or important implications of the report and may connect to other issues outside the report.

Figure 9.10 presents the executive summary of the U.S. Senate Subcommittee Report on the Enron Corporation Board of Directors. For a long, formal report, this summary is relatively short and encompasses only three areas: the background of the subcommittee investigation, the subcommittee's findings, and its recommendations.

An executive summary can stand alone as a short report. In fact, such a summary is the only thing some individuals in the intended audience will read. Because it presents the main points discussed in the report, it often communicates succinctly all the information a reader needs or wants. Any recommendations made in the report will be stated here. Because an executive might read only the summary and then make decisions, accuracy of information is essential. Illustrations and footnotes are generally not used. As an abstract this part of the report can serve as an enticement for what will follow.

Because of the concise way in which the executive summary presents a complete overview of the main report, it has come to serve as a stand-alone report, preferred by many executives to other types of reports. It is used between managers and subordinates, between sales personnel and customers, by consultants, and as a short report sent to the public. It can be created in memo, letter, informal, or semiformal style. There are two factors that make it an executive summary. The first is the typing of "Executive Summary" at the top of the report. The second is deductively moving the conclusions and recommendations to the front of the summary and placing a discussion of the analysis later into the report, often as appendix matter. Figure 9.11 gives an example of a stand-alone executive summary that is in outline form and takes an informal style. While at first this appears to be the minutes of a meeting, you will see the committee produced a report of its yearly work, and this was the executive summary of the report.

Long, formal reports use the inductive process that many refer to as suspense-oriented. Starting with an introduction, it weaves through a purpose statement, methodology description, data findings, conclusions, and recommendations. The real news of the report arrives for the reader in the conclusion and recommendation stages. In some reports, this may not happen until page 200 or 300. Because most managers are burdened with too much to read, they need a method of receiving information quickly. The deductive method is preferred. It starts with placing the real news first and then giving general information that is needed.

Figure 9.10 **Executive Summary Sample**

THE ROLE OF
THE BOARD OF DIRECTORS IN ENRON'S COLLAPSE

SUBCOMMITTEE INVESTIGATION

On December 2, 2001, Enron Corporation, then the seventh largest publicly traded corporation in the United States, declared bankruptcy. That bankruptcy sent shock waves throughout the country, both on Wall Street and Main Street where over half of American families now invest directly or indirectly in the stock market. Thousands of Enron employees lost not only their jobs but a significant part of their retirement savings; Enron shareholders saw the value of their investments plummet; and hundreds, if not thousands of businesses around the world, were turned into Enron creditors in bankruptcy court likely to receive only pennies on the dollars owed to them.

On January 2, 2002, Senator Carl Levin, Chairman of the Permanent Subcommittee on Investigations and Senator Susan M. Collins, the Ranking Minority Member, announced that the Subcommittee would conduct an in-depth investigation into the collapse of the Enron Corporation. The following month the Subcommittee issued over 50 subpoenas to Enron Board members, Enron officers, the Enron Corporation and the Arthur Andersen accounting firm. Over the next few months, additional subpoenas and document requests were directed to other accounting firms and financial institutions. By May 2002, the Subcommittee staff had reviewed over 350 boxes of documents, including the available meeting minutes, presentations and attachments for the full Board and its Finance and Audit Committees. The Subcommittee staff also spoke with representatives of Enron Corporation and Andersen, as well as numerous financial institutions and experts in corporate governance and accounting.

During April 2002, the Subcommittee staff interviewed thirteen past and present Enron Board members, none of whom had previously been interviewed by the U.S. Department of Justice, Federal Bureau of Investigation, or the Securities and Exchange Commission. These lengthy interviews, lasting between three and eight hours, were conducted with the following Enron Board members: Robert A. Belfer; Norman P. Blake, Jr.; Ronnie C. Chan; John H. Duncan; Dr. Wendy L. Gramm; Dr. Robert K. Jaedicke; Dr. Charles A. LeMaistre; Dr. John Mendelsohn; Paulo Ferraz Pereira; Frank Savage; Lord John Wakeham; Charls Walker; and Herbert S. Winokur, Jr.

All Board members appeared voluntarily, and all were represented by the same legal counsel.

Figure 9.10 **Executive Summary Sample (Continued)**

On May 7, 2002, the Subcommittee held a hearing on the role and responsibility of the Enron Board of Directors to safeguard shareholder interests and on its role in Enron's collapse and bankruptcy. Two panels of witnesses testified under oath. The first panel consisted of five past and present Enron Board members, including the current Board Chairman and the past Chairmen of the key Board Committees. The witnesses were as follows:

Norman P. Blake, Jr. (1994–2002), Interim Chairman of the Enron Board and former member of the Enron Finance and Compensation Committees, has extensive corporate, Board and investment experience, including past service on the Board of General Electric and current service as Audit Committee Chairman of the Board of Owens Corning;

John H. Duncan (1985–2001), former Chairman of the Enron Executive Committee, has extensive corporate and Board experience, including helping to found and manage Gulf and Western Industries;

Herbert S. Winokur, Jr. (1985–2002), current Board member, former Chairman of the Finance Committee, and former member of the Powers Special Committee, holds two advanced degrees from Harvard University and has extensive corporate, Board and investment experience;

Dr. Robert K. Jaedicke (1985–2001), former Chairman of the Enron Audit and Compliance Committee, is Dean Emeritus of the Stanford Business School and a former accounting professor; and

Dr. Charles A. LeMaistre (1985–2001), former Chairman of the Enron Compensation Committee, is former President of the M.D. Anderson Cancer Center, a large, well-respected and complex medical facility in Texas.[1]

The second panel consisted of three experts in corporate governance and accounting:

Robert H. Campbell is former Chairman of the Board and Chief Executive Officer of Sunoco, Inc., and current Board member at Hershey Foods, CIGNA, and the Pew Charitable Trusts;

Charles M. Elson is Director of the Center for Corporate Governance, University of Delaware and a former member of the Board of Sunbeam Corporation; and

Michael H. Sutton is the former Chief Accountant of the Securities and Exchange Commission from 1995 to 1998.

1. Two Enron Directors, Mr. Blake and Mr. Winokur, who were members of the Board at the time of the May 7 hearing, resigned from the Enron Board on June 6, 2002.