

SUBCOMMITTEE FINDINGS

Based upon the evidence before it, including over one million pages of subpoenaed documents, interviews of thirteen Enron Board members, and the Subcommittee hearing on May 7, 2002, the U.S. Senate Permanent Subcommittee on Investigations makes the following findings with respect to the role of the Enron Board of Directors in Enron's collapse and bankruptcy.

(1) **Fiduciary Failure.** The Enron Board of Directors failed to safeguard Enron shareholders and contributed to the collapse of the seventh largest public company in the United States, by allowing Enron to engage in high risk accounting, inappropriate conflict of interest transactions, extensive undisclosed off-the-books activities, and excessive executive compensation. The Board witnessed numerous indications of questionable practices by Enron management over several years, but chose to ignore them to the detriment of Enron shareholders, employees and business associates.

(2) **High Risk Accounting.** The Enron Board of Directors knowingly allowed Enron to engage in high risk accounting practices.

(3) **Inappropriate Conflicts of Interest.** Despite clear conflicts of interest, the Enron Board of Directors approved an unprecedented arrangement allowing Enron's Chief Financial Officer to establish and operate the LJM private equity funds which transacted business with Enron and profited at Enron's expense. The Board exercised inadequate oversight of LJM transaction and compensation controls and failed to protect Enron shareholders from unfair dealing.

(4) **Extensive Undisclosed Off-The-Books Activity.** The Enron Board of Directors knowingly allowed Enron to conduct billions of dollars in off-the-books activity to make its financial condition appear better than it was and failed to ensure adequate public disclosure of material off-the-books liabilities that contributed to Enron's collapse.

(5) **Excessive Compensation.** The Enron Board of Directors approved excessive compensation for company executives, failed to monitor the cumulative cash drain caused by Enron's 2000 annual bonus and performance unit plans, and failed to monitor or halt abuse by Board Chairman and Chief Executive Officer Kenneth Lay of a company-financed, multi-million dollar, personal credit line.

(6) **Lack of Independence.** The independence of the Enron Board of Directors was compromised by financial ties between the company and certain Board members. The Board also failed to ensure the independence of the company's auditor, allowing Andersen to provide internal audit and consulting services while serving as Enron's outside auditor.

Figure 9.10 Executive Summary Sample (Concluded)

SUBCOMMITTEE RECOMMENDATIONS

Based upon the evidence before it and the findings made in this report, the U.S. Senate Permanent Subcommittee on Investigations makes the following recommendations.

(1) **Strengthening Oversight.** Directors of publicly traded companies should take steps to:

(a) prohibit accounting practices and transactions that put the company at high risk of non-compliance with generally accepted accounting principles and result in misleading and inaccurate financial statements;

(b) prohibit conflict of interest arrangements that allow company transactions with a business owned or operated by senior company personnel;

(c) prohibit off-the-books activity used to make the company's financial condition appear better than it is, and require full public disclosure of all assets, liabilities and activities that materially affect the company's financial condition;

(d) prevent excessive executive compensation, including by —

(i) exercising ongoing oversight of compensation plans and payments;

(ii) barring the issuance of company-financed loans to directors and senior officers of the company; and

(iii) preventing stock-based compensation plans that encourage company personnel to use improper accounting or other measures to improperly increase the company stock price for personal gain; and

(e) prohibit the company's outside auditor from also providing internal auditing or consulting services to the company and from auditing its own work for the company.

(2) **Strengthening Independence.** The Securities and Exchange Commission and the self-regulatory organizations, including the national stock exchanges, should:

(a) strengthen requirements for Director independence at publicly traded companies, including by requiring a majority of the outside Directors to be free of material financial ties to the company other than through Director compensation;

(b) strengthen requirements for Audit Committees at publicly traded companies, including by requiring the Audit Committee Chair to possess financial management or accounting expertise, and by requiring a written Audit Committee charter that obligates the Committee to oversee the company's financial statements and accounting practices and to hire and fire the outside auditor; and

(c) strengthen requirements for auditor independence, including by prohibiting the company's outside auditor from simultaneously providing the company with internal auditing or consulting services and from auditing its own work for the company.

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

**Providence University
Graduate Research Council
Report Presentation of the Council's Yearly Work.**

May 25, 2003

EXECUTIVE SUMMARY

1. 2003 University Graduate Research Fund (UGRF)
 - a. The Research Office will notify applicants after the review of outcomes.
 - b. The Research Council has decided in principle that two UGRF reviews will be held in 2004.
 - c. The Research Council has decided a grant-writing seminar for potential UGRF applicants will be held before each review.
 - d. The Research Council has decided that, for future reviews, supervisors must certify a student's attendance at a grant-writing seminar, the suitability of a student's attendance at a conference, and the suitability of the application's budget.
2. 2003 Research Infrastructure Block Grants (RIBG)

The Research Office will notify applicants of outcomes after the Review.
3. Providence University External Collaborative Research Grants—2003—Round 2
 - a. The Research Office will notify applicants of outcomes from the review.
 - b. The question of in-kind contributions by industry partners will be discussed at the next meeting.
4. Dissemination of Research Council Policy

The Research Council asked that the Research Office prepare an executive summary of significant outcomes of each meeting and publish it on the Web. It is believed that Researcher's attention will be drawn to this report.

A stand-alone executive summary can take either the inductive or the deductive approach. The real purpose is to present the most information possible in an abbreviated and condensed fashion. Lengthy, detailed explanations are eliminated; only the main points are presented. When an executive report serves as a stand-alone report, and does not have a larger report that it summarizes, the material is created for a single reader. For this reason executive reports tend to grow in length unless the writer consciously strives to keep it short and concise.

Text

The formal report text is normally divided into three parts: the introduction, findings, and conclusion.

Introduction. The introduction of a report prepares the reader for the report by describing four parts of the project: purpose, problem statement, background, and research methods. The **purpose** encompasses both the thesis and the objective of the study. The **problem statement** condenses the purpose into a succinct description that gives a boundary to the scope of the research. The **background** helps orient the reader to any information needed to understand the investigation and analysis to follow. This area includes important definitions, qualifications, and assumptions. The research-methods section describes the process by which the author collected the report data and any analytical procedures that were used to show that the findings are significant. Research limitations are also important to note; they give the reader insight into how additional research might be conducted.

Findings. This is the core of the report. Within the findings section, all the report data is disclosed, discussed, and connected to the problem statement. Occasionally, statistics too detailed to be included in the body of the text are moved to charts or graphs in the appendices. To help the reader's understanding the material here is easily divided into headings and subheadings.

Conclusion. This final portion brings an end to the report by way of summary and any recommendations. A good **summary** highlights, in a logical sequence, the purpose of the study, problem statement, relevant background, research methodology, and findings. **Recommendations** direct the reader toward behavioral action. When the objective of a report is informative, recommendations are usually not given. Analytical reports, however, will present recommendations.

Appended Parts

The appended parts are often called the back matter. Four items commonly appear in the appended section: appendices, a bibliography, a glossary, and an index. The writer should continue the page numbering from the conclusion area of the report on through the appended parts.

Appendix. In an appendix an author can place a variety of supplemental material—charts, exhibits, letters, and other displays—that are too lengthy or inappropriate to include in the text. Each unique source of material should be presented as a separate appendix ordered by letter: Appendix A, Appendix B, and so on. For example,

a report at a university by the Faculty Teaching Effectiveness Conference contained the following four appendices:

- Appendix A: Agenda of the Conference
- Appendix B: Attendance by Academic School or Department
- Appendix C: List of Participant Workshops
- Appendix D: List of Participant Focus Groups

References, bibliography, or works cited. Here the works consulted by the writer are listed. Because research reports draw on a number of secondary sources, a bibliographical listing can be helpful in directing readers to places where additional information can be obtained.

Glossary. Technical reports frequently present terms with which a reader might be unfamiliar. The glossary lists those terms and their definitions.

Index. A report's index serves the same purpose as that of a book. It places all report subjects in alphabetical order, and often lists page numbers.

The Final Product

Formal reports generally are bound, expensive to produce, and attractive to view. They sometimes contain illustrations or photographs. While formal reports may never be read in their entirety (because of their length and formality), the information is usually important for both present and future readers. The primary reader often learns what is contained in the formal report through an oral briefing. The public is often secondary readers of the formal report.

Other Report Formats

Design Report

Technical professionals in disciplines such as engineering and science introduce and document their work with design reports. Design reports have two audiences: other professionals who are interested in the work, and managers who are concerned with the application and effectiveness of designs. The reports' purpose is to present information about some aspect of research. In this regard they borrow from the thesis proposal process discussed in Chapter 9. "In general, a thesis involves formulating an original idea or area of inquiry that is either quantitative (e.g., typically involves either an empirically based, provable hypothesis) or is qualitative (e.g., includes explorative outcomes, along with data collection and analysis)."⁹ Usually such reports contribute a new perspective or application, uncover new implications, or make fact-based predictions.

Design reports are usually semiformal or formal in nature. Their organizational layout has six parts: title page, executive summary, introduction, discussion, conclusion, and appendices. To show the intricate detail of a design, this report makes more use of tables, figures, and photographs.¹⁰

Title Page. This initial page carries the title of the report, authors, supporting organization, and date.

Executive Summary. The abstract or summary is written assuming that the reader has some familiarity with the topic but has not read the report. This part of the report will then provide enough background to give the reader an overview of the report.

Introduction. The design report “identifies the design problem, the objectives of the design, the assumptions for the design, the design alternatives, and the selection of the design being reported.”¹¹

Discussion. This part of the report contains any analysis of the design. Here the design is presented along with the theory behind it. Any problems encountered in the design creation, working process of the design, and test results are also presented. Headings and subheadings are critical in this part of the report. While other types of reports make extensive use of bullet points and white space, a design report relies heavily upon written narrative.

Conclusions. In this part of the report the reader will learn the success or failure of the design and how it can or will be changed or improved. Any recommendations will be laid out here.

Appendices. Because the design development often requires a variety of scientific experiments or empirical tests, appendices are a standard part of this report. Readers like to make use of this material to test their own hypotheses. While an appendix is the best place for material that is too detailed for the rest of the report, include only what is essential. An appendix is also the place for any references used in the work.

Figure 9.12 presents the introduction, discussion, and concluding portions of an interesting technical report, “SAFOD Pilot Hole Information: Scientific Drilling for Earthquake Research Now Underway at Parkfield.” The U.S. Geological Survey prepared the report. Because this report was designed for Internet readers it omitted the executive summary and appendices. For space reasons here we have omitted the graphics from the example. An in-depth review can be made at <http://quake.wr.usgs.gov/research/parkfield/index.html>.

Progress Report

Closely related to design reports are progress reports. Often a progress report will be the next necessary step that follows the acceptance of, or interest in, a project or product design. Likewise, progress reports are a necessary follow-up to accepted proposals such as those discussed in Chapter 8. After accepting a proposal, most organizations will want periodic updates on the progress of the work.

Progress reports present information on a subject and are common in daily business life. Management and even customers want to learn the progress being made on a project. Progress reports are used following “the design, construction, or repair of something, the study or research of a problem or question, or the gathering of information on a technical subject. You write progress reports when it takes well over three or four months to complete a project.”¹² Figure 9.13 displays a one-page progress report sent by a community service organization to its volunteers and supporters. This short report presents an overview of the activities performed by the organization within a six-month period.

SAFOD Pilot Hole Information

Scientific Drilling for Earthquake Research Now Underway at Parkfield

The San Andreas Fault Observatory at Depth (SAFOD) is a comprehensive proposal to drill and instrument an inclined borehole across the San Andreas Fault Zone to a depth of 4 km. SAFOD is a component of the National Science Foundation's (NSF) EarthScope initiative, which is currently under consideration for funding by Congress. SAFOD is motivated by the need to answer fundamental questions about the physical and chemical processes controlling the initiation, propagation and arrest of earthquake ruptures within a major plate-bounding fault. To achieve this goal, SAFOD will penetrate through, or very close to, a cluster of repeating microearthquakes.

The SAFOD pilot hole is a separate, 2.2-km-deep scientific drilling experiment being carried out at the same surface location planned for SAFOD (Figure 1). This site is ~1.8 km SW of the San Andreas Fault near Parkfield, CA, on a segment of the fault that moves through a combination of aseismic creep and repeating microearthquakes. It lies just north of the rupture zone of the 1966, magnitude 6 Parkfield earthquake, the most recent in a series of events that have ruptured the fault five times since 1857. The Parkfield region is the most comprehensively instrumented section of a fault anywhere in the world, and has been the focus of intensive study for the past two decades as part of the Parkfield Earthquake Experiment. The pilot hole is a collaborative effort between the International Continental Drilling Program (ICDP), NSF and the U.S. Geological Survey (USGS).

There are many reasons for carrying out the pilot hole project:

- Seismic recording instrumentation deployed in the pilot hole will facilitate the determination of precise earthquake hypocenter locations that will guide subsequent SAFOD investigations in the active fault zone. These subsurface seismic receivers will also record surface seismic sources and provide depth control for several on-going and planned crustal imaging experiments, outlined below.
- Downhole measurements of physical properties, stress, fluid pressure and heat flow in the pilot hole will characterize the shallow crust adjacent to the fault zone. These measurements will be used to help calibrate physical properties inferred from surface-based geophysical surveys (e.g., seismic velocities, resistivity and density) and better constrain the thermomechanical setting of the San Andreas Fault Zone prior to SAFOD drilling.
- Long-term seismic, pore fluid pressure, strain and temperature monitoring in the pilot hole will make it possible to assess time-dependent changes in the physical properties and mechanical state of the crust adjacent to the fault zone for comparison with similar measurements to be recorded in the SAFOD hole.

Figure 9.12 Sample Design Report Content (Continued)

- Approximately 60 m of granite core will be extracted from the bottom of the pilot hole. The resulting open-hole section (or core hole) will then be used for downhole measurements of permeability and pore pressure and obtaining uncontaminated pore fluid samples. Laboratory studies of these rock and fluid samples will determine the nature and extent of fluid-rock interaction along the San Andreas Fault and the sources and transport paths for fault-zone fluids.
- Real-time seismic monitoring in the pilot hole (and at the surface) during SAFOD drilling using the drill bit as a seismic source will allow high-resolution imaging of the San Andreas Fault Zone at depth.

From a strictly technological point of view, the pilot hole will provide the opportunity to obtain information about drilling conditions that will be extremely valuable in designing and drilling the main SAFOD hole.

Overview of Operations and Science Plan

Nearly the entire length of the pilot hole will be rotary drilled. An initial casing will be set at 800 m, after penetrating the sedimentary section and the uppermost granitic basement. Because of budgetary constraints, no coring or logging will be done in this interval. After cementing the 9 5/8" casing, the hole will be rotary drilled vertically with a 8 3/4" bit to a depth of 2.1 km (7000'). Again, because of budgetary constraints, there will be no cores taken in this section of the hole. However, rock chips (i.e., cuttings) will be continuously collected, described and logged during rotary drilling.

After drilling to 2.1 km, a fairly complete suite of geophysical logs will be run, principally by a commercial wireline logging service. These logs will be supplemented by several geophysical logs collected by the science team.

All drilling and logging information will be kept in the Drilling Information System (DIS) data base developed by ICDP and posted regularly on the [SAFOD website](#).

After logging, the 2.1 km deep, 8 3/4" hole will be cased with 7" casing. After this casing has been cemented into place, we plan to collect ~60 m of "HQ" core (6.4 cm diameter) at the bottom of the pilot hole. A protocol is being developed for how the core samples will be handled at the site, distributed for study and archived. We will use the DOSECC top-drive coring system successfully used in Hawaii and Long Valley.

After coring, logging of the core hole will be carried out with an ultrasonic borehole televiewer. This will make it possible to magnetically orient fractures and faults observed in the core. The core hole will also be used for fluid sampling and measurements of permeability and the least principal stress.

Upon completion of these measurements, seismic, strain and pore fluid pressure instrumentation will be deployed in the hole for continuous monitoring of seismic activity occurring within and adjacent to the San Andreas Fault Zone.

Geophysical Studies of the Pilot Hole Site

Over the past several years, a wide variety of geophysical investigations have been carried out at and around the SAFOD site. These studies include:

- Magneto-telluric soundings (Unsworth et al., 2000).
- Gravity and magnetic profiles (Miller et al., 2000).
- High-resolution seismic reflection and refraction profiles (Rymer et al., 1999; Hole et al., 2000).
- A number of shallow exploration techniques run at the drill site as part of the NSF-sponsored Parkfield field camp. Information about the Parkfield field camp is available at www.eos.duke.edu/Research/seismo/parkfield.htm.
- Major microearthquake experiment—the Parkfield Area Seismic Observatory (PASO)—is now underway using portable seismic instruments deployed by Univ. Wisconsin and Rensselaer Polytechnic Institute, the permanent stations of the USGS Northern California Seismic Network, and the Parkfield High Resolution Seismic Network run by U.C. Berkeley. This experiment is described on the web at http://gretchen.geo.rpi.edu/roecker/paso_home.html.
- Monitoring of the Parkfield region by the USGS and U.C. Berkeley as part of the Parkfield Earthquake Experiment continues, with networks of borehole strainmeters, global positioning system (GPS) receivers, water wells, creepmeters, magnetometers, high-gain seismometers and strong motion accelerometers. Work is presently underway to expand the continuous GPS network. Information about deformation monitoring at Parkfield is available at <http://quake.usgs.gov/research/deformation/parkfield/index.html>.

The next phase of the geophysical exploration of the fault zone and surrounding crust is planned for the fall of 2002, after the completion of the pilot hole:

- John Hole (Virginia Tech) has been funded by NSF to shoot a 50-km-long reflection/wide-angle refraction profile at right angles to the fault through the SAFOD site. His plan is to use conventional and turning-ray reflection methods and refraction methods to image the P-velocity structure of the fault and nearby crust. Trond Ryberg (GFZ, Germany) and Claus Prodehl (U. Karlsruhe, Germany) will expand this active source experiment to image the S-wave velocity structure.
- Peter Malin (Duke) will instrument the pilot hole with a vertical array of 3-component geophones that will be used to record both the artificial sources and nearby earthquakes.
- Cliff Thurber (Univ. Wisconsin) and Steve Roecker (Rensselaer Polytechnic Institute) will set off a series of calibration shots at the sites of their surface stations to be recorded by the seismic receivers within the pilot hole in order to test and calibrate their 3-D seismic velocity model. By traveltimes reciprocity, this will create a “virtual earthquake” at the bottom of the pilot hole (Ellsworth, 1996) that will be used to refine double-difference and tomographic earthquake locations.

Figure 9.12 Sample Design Report Content (Continued)

This comprehensive suite of geophysical investigations in and around the pilot hole will achieve a number of critical milestones. These include determination of the absolute locations of the repeating microearthquakes we will target with the main SAFOD hole and better defining the overall structure and geophysical setting of the San Andreas Fault Zone at Parkfield.

Scientific Opportunities

The pilot hole project will present opportunities for research in three general areas:

Downhole Measurements—Due to budgetary constraints, only a modest number of downhole measurements are currently planned for the pilot hole.

A suite of open-hole geophysical logs will be conducted prior to setting the final casing string. This will include resistivity, density, porosity, dipole sonic and borehole imaging logs (both acoustic and electrical) and will provide the information needed to characterize variations in physical properties, fracture geometry and stress directions at depths of 0.8 to 2.1 km.

We welcome ideas by interested investigators for additional downhole measurements after the hole is completed and the drill rig moves off site, or to conduct detailed analyses of the geophysical logs that we already plan to collect in this hole. Other already planned downhole measurements include: 1) repeated temperature measurements (coupled with thermal conductivity measurements) for heat flow, 2) a vertical seismic profile (VSP) in the cased and cemented pilot hole to allow seismic properties measured during geophysical logging and on the core to be “scaled up” and extrapolated away from the borehole, and 3) permeability measurements and a single hydraulic fracturing stress test in the core hole.

Monitoring—The plan for completion of the pilot hole first calls for temporary installation of a 40-level 3-component array of high-frequency geophones (~ 8 Hz) that will be in place to record surface sources during the seismic surveys mentioned above. Similar arrays have been installed for use in the petroleum industry, and Peter Malin has been working closely with industrial partners to design and deploy such a system in the pilot hole.

After these surveys are completed, this seismic string will be temporarily removed and fitted with additional sensors, including:

- Pore pressure monitoring in the uncased core hole.
- Installation of strainmeters and/or tiltmeters.
- Installation of broad-band seismometers and accelerometers.

After reinstallation, this array will be permanently cemented in the pilot hole for long-term monitoring of nearby seismic activity and variations in fluid pressure and deformation adjacent to the San Andreas Fault Zone.

Analysis of Core, Cuttings and Fluids—Since the pilot hole will be drilled outside of the San Andreas fault zone, the opportunities for addressing many of the basic scientific questions pertaining to the mechanics of faulting and earthquake generation are relatively limited. However, we anticipate a few key areas in which important scientific progress can be made through analysis of core, cuttings, and fluids obtained from the pilot hole. These include:

- Mineralogical, geochemical and microstructural studies to determine the geometry, chemical zonation and timing of vein-filling episodes and their possible relation to the earthquake cycle.
- Geochemical and isotopic investigations of pore water and dissolved gasses—using either bulk water samples or fluid inclusions—to ascertain the origins, pathways and transport rates of fluids associated with the fault zone and the nature and extent of water-rock interactions in the country rock.
- Laboratory rock mechanics studies of the strength and transport properties of country rock, to help in the interpretation of stress-induced borehole failure and as “boundary conditions” to hydromechanical models for the San Andreas fault zone.
- Laboratory studies of P- and S-wave velocities, seismic anisotropy, mineral fabric and microcrack geometry for comparison with physical properties and stress directions inferred from downhole measurements and surface-based geophysical surveys.

Source: SAFOD pilot hole information: scientific drilling for earthquake research now underway at Parkfield San Andreas Fault observatory at depth. (n.d.). Retrieved July 8, 2002, from <http://www.icdp-online.de/html/sites/sanandreas/objectives/pilot.html>. This report is the combined effort of the U.S. Geological Survey, the National Science Foundation, and the International Continental Drilling Program.

COMMUNITY OUTREACH PARTNERSHIP

Progress Report
January 1, 2003, to June 30, 2003

The Community Outreach Partnership (COP) is made up of residential, business, health care, educational and religious groups and individuals who desire to see a revitalization of the Hazelwood and Northwood Terrace communities. This report highlights the COP efforts during the last six months.

Housing

- Community Partners established a "Housing Review" group focusing on code enforcement, absentee landlords, and fair housing issues.
- Community focus groups are being conducted to surface local needs.
- Volunteers distributed 3,000 information packets in the neighborhood providing info on tenant rights, trash, fire and safety, and other community resources.
- COP Outreach office for housing resources established in storefront next to county library.

Neighborhood Revitalization

- Tenant Council Food Pantry is moving toward self-sufficiency.
- Northwood Terrace Residents Council hired part-time business manager.
- Hazelwood Initiative hired part-time business manager.
- Catalyst for Community Builders Project launched a 10-week grassroots leadership and certificate program linked with COP and collaborations with United Way and the State Community Health organizations.
- Reform University Ministries is providing funding for summer youth programs.

Economic Development

- First neighborhood entrepreneur class completed training.
- Retired Executive Club holds weekly meetings discussing business plans.

Job Training

- New University-Community Career Development Partnership director on board.
- COP has obtained a \$10,000 federal grant to develop a job training program.

Education

- The Community College "Project" Tutor Program is seeking student volunteers for outreach in Northwood Terrace and Hazelwood.
- ESL classes are taught weekly at Parkwood Presbyterian Church.

Health and Wellness

- Community Health Partnerships obtained \$100,000 in welfare funding secured for community health outreach in Hazelwood and Northwood Terrace.
- Community Health officials are staging inoculation services twice monthly.

Progress reports can take the form of a letter, memo, short report, or long formal report. Information in the report will be organized into the following categories.

Project background. Because managers and funding agencies have many projects that they supervise, it is best to present a brief statement at the beginning of the report that describes the project, its objectives, and the status at the last time of reporting.

Current progress. This area brings the reader up to date on the current status of the report. This is done by showing a time line or by discussing the various parts of the project and what has been accomplished to date.

Problems experienced. Readers are interested in knowing how successful you have been and what problems you have experienced. Such disclosure might help them prevent similar problems and can even help you if they have answers for what you have encountered.

Work that remains. Detail the work that is left on the project along with speculation on when you will meet the deadlines. This step follows closely the scheduling process found in the proposal plan of Chapter 8 and often employs the use of Gantt charts discussed in Chapter 3. Figure 9.14 shows a report that is typically required by instructors regarding the progress of a term project. While this report took the form of a memo, it could have been sent in a letter or e-mailed.

The Consultant's Project Report

This style of report can take either the formal or informal format. It is presented here because many advanced business students become consultants, and because the internal design of this report differs from both the formal and informal reports.

Consultants are professional people who give expert advice. As Peter Block says in *Flawless Consulting*, they are in a position to have influence on individuals, groups, or organizations, but they have no direct power to make changes or to implement programs. The consultant's job is to identify client problems, determine reasons for the problems, decide the affect that the problems are having on the client's organization, create a vision for what the organization's future will look like without the problems, decide upon possible solutions, determine the value of the solutions, develop and refine recommendations for solving the problems, and finally, prepare and present the deliverables to the client.¹³

A consultant's deliverables consist of a final report and an executive presentation. The written report contains significant details. The presentation that accompanies it is oral, more graphical, sequenced differently from the report, and designed to stress such areas of importance as findings, recommendations, value statements, and priorities. Figure 9.15 compares the parts of the project report with those of the executive presentation.

The Consultant's Project Report Contents. The project report starts with a **cover page** like that of the formal report. An **executive summary** then gives an overview of the report along with conclusions and recommendations. Next is the list of **team members** who were responsible for researching the project. The **table of contents** lists every part of the report, along with page numbers. The **scope definition** states exactly what the client and consultant agreed upon at the start of the engagement. It identifies what is and is not included within the project boundaries.

Figure 9.14 **Example of E-Mail Progress Report**

TO: Professor Smart
FROM: Excellent Student
SUBJECT: Semester Project Progress Report #2
DATE: March 13, XXXX

Dear Professor Smart,

My Wal-Mart Corporation report and presentation are progressing successfully. The syllabus for your course listed the following requirements for our final project:

- A minimum of one personal interview,
- Application of at least six textbook chapters to the organization,
- Review of company Website,
- Review of company documents,
- A minimum of 20 secondary research items,
- A formal report, and
- A Power Point presentation.

In my first progress report on February 15, I indicated I had completed:

- A phone interview with Ms. June Hunt, the Wal-Mart Corporate College Relations Representative,
- A review of the company Website and the printing of company documents, and
- The acquiring of 10 quality articles on Wal-Mart's culture, organizational design, management training program, strategic planning process, and diversity effort.

As of March 13, I have completed the following:

- An additional personal interview with Mr. Petar Kljaic, a Wal-Mart store manager,
- Completion of all 20 secondary articles, and
- Organization of data into five major areas: corporate culture, organizational design, employee and customer diversity plan, managerial hiring and training process, and corporate strategic planning process.

Between now and April 15, when the third progress report is due, I will complete the writing of the formal report. In addition I will have a rough-draft of my Power Point presentation completed.

The project has progressed very smoothly. I appreciate the guidance you gave me on Internet search engines. I was able to immediately find the information that I was seeking.

The only problems I have experienced have been in the topic area of ethics. The Wal-Mart company representatives have talked to me about how the organization stresses ethical conduct, yet the company does not share its corporate code of ethics. If you have any ideas on how I might obtain a copy, please let me know.

Figure 9.15

Format Comparison Between the Consultant's Final Report and the Executive Presentation

The Final Report	The Executive Presentation
Cover page	Title slide
Executive summary	Team introduction
List of team members	Session agenda
Table of contents	Project scope definition
Project scope definition	Project objectives
Methodology	Approach or methodology
Findings	Recommendations
Recommendations	Business impact
Business impact	Implementation considerations
Implementation considerations	Next steps
Next steps	Wrap-up
Conclusions	Support documentation
Appendices	

The **objectives** state why the project was conducted. The **methodology** identifies how the project was done. The **findings** indicate what the project team identified as problems and/or opportunities for improvement. The **recommendations** indicate what needs to be done. The **business impact** describes the value to the organization if the recommendations are implemented. This usually includes benefits to be derived and costs to be implemented. The **implementation considerations** describe what the requirements or barriers to implementation are and what dependencies upon other projects may be evident. The **next steps** list things such as the recommended priorities, sequences, and funding requirements for implementation. This usually includes a proposed schedule that shows things like time frames and dependencies. The **conclusion** brings the entire report together. The **appendices** give all supporting documentation and other appropriate materials.¹⁴

Feasibility and Recommendation Reports

Research shows a loosely defined category of highly technical reports, referred to with a variety of names: feasibility, recommendation, evaluation, and assessment. The job of all these different types of reports is basically the same: The reports take situations, plans, or opportunities, and after a careful analysis of the data, provide guidance in the form of options and recommendations.

Feasibility Report. This report studies a situation, problem, or opportunity, and a plan for doing something about it. It then determines whether that plan is feasible, according to such factors as technical, economical, desired, or preferred. The report's conclusion provides the answer: yes, no, or maybe. In the process of reaching the decision a feasibility report rejects alternatives and shows how to implement the selection.¹⁵

Feasibility Report Contents. This report starts with a **title page** that gives the report title, author, and date. Next an **introduction** defines the problem, states why it is important, and describes the information that will be provided.

The **executive summary** follows. According to Hucklin and Olsen the summary does the following:

- Details the project's cost;
- Discusses any problems to be encountered;
- Details human, facility, and equipment resources;
- Shows project time schedules and deadlines;
- Discusses important recommendations for future action;
- Narrows the problem by describing what is being done and by whom;
- Suggests a feasible solution;
- Describes the specific equipment that is needed;
- Details the risks and benefits;
- Gives an estimated life of the project;
- Details all cost factors;
- Describes where the resources are located; and
- Defines any tests that need to be carried out.

Following the executive summary are the **details**. Here the facts and policies are presented, and an explanation of the preferred method is given along with criteria for judgment (effectiveness, feasibility, desirability, affordability, and preferability). As alternatives are considered, certain ones are rejected, a solution is recommended, implementation steps are explained, and the cost and time schedule is then described. The report ends with a **conclusion** and any necessary **appendices**.¹⁶

Figure 8.1 showed a brief proposal that makes a recommendation. Figure 9.16 presents the conclusion of a comprehensive analysis for the I-69 Evansville to Indianapolis [Indiana] transportation needs. The study examined three issues: Evansville to Indianapolis Interstate highway connection, regional accessibility, and travel efficiency and congestion. While the study shows that major problems exist in each of the issue areas, the final conclusion and recommendation could have been presented more strongly.

Recommendation Report. This approach starts with a stated need or a selection of choices and ends by making a recommendation for action. For example, you might examine different brands of automobiles comparing them by cost, quality, and features. After a careful analysis you offer a recommendation on the one that is best to buy. Basically this report answers the question, Which option should be chosen? The recommendation report provides the selection.¹⁷

Recommendation Report Contents. Following a **cover page** an **introduction** section is found. Here the specific audience is addressed and the specific type of report (feasibility, evaluation, or other) is indicated according to purpose. In addition, the introduction provides a substantial overview of the report's contents.

A **background** section then covers the problem, need, or opportunity that merits the report's writing. If the information here is short, it can be included in the introduction. Technical information is often needed here in preparation for the

*The I-69 Evansville-to-Indianapolis Study
Tier 1 Environmental Impact Statement*

5.0 Conclusion

The Regional Transportation Needs Analysis Summarizes the major findings of the transportation needs analysis, conducted as part of the Purpose and Need Analysis for the I-69, Evansville to Indianapolis Study. The major conclusions reached include the following:

- The connection which Evansville has to Indianapolis is the worst of any major city in Indiana. The quality of its connection, as measured by comparing a straight line connection with the actual quickest route, shows that the existing connection which Evansville has to Indianapolis is significantly worse than that enjoyed by any other major city in Indiana.
- By nearly all measures examined, the Study Area has statistically poorer accessibility than the rest of Indiana. It has poorer accessibility to population, employment, urban areas, and airports. The portions of the Study Area which are more than 50 miles from Indianapolis have poorer accessibility to Indianapolis than similarly situated areas elsewhere in the state.
- There is a demonstrable, though not overpowering, relationship throughout Indiana between accessibility and median household income. A region's accessibility, or lack thereof, partially explains the income level of its residents. The greater a region's accessibility, the greater its median household income tends to be.
- While congested conditions are not forecasted to be a major problem throughout the Study Area, some areas are forecasted to be highly congested by 2025. While congestion relief does not need to be a primary focus of this project, it would be prudent to evaluate alternative routes as to whether they would address any of these forecasted congestion problems noted above.

This analysis suggests that major issues to be addressed by the proposed project should include improving the connection of Evansville to Indianapolis, as well as improving accessibility throughout the region. Addressing congestion is a secondary issue, although it will be useful to determine whether routes would help alleviate certain localized congestion which has been forecasted. Regional safety issues, the other part of the Regional Transportation Needs Analysis, have been addressed in a separate report, *Task 3.3.4.1 Technical Report, Regional Safety Analysis*.

*Regional Transportation Needs Analysis
Technical Report 3.3.4*

*Page 21
September 26, 2001*

Source: Indiana Department of Transportation. (2001, September 26). The I-69 Evansville-to-Indianapolis study: Tier 1 environmental impact statement; Task 3.3.4: Technical report: Regional transportation needs analysis, p. 21.

comparison process that will follow in the analysis. If technical information is added, this section will lengthen substantially; therefore, avoid an analysis of the data in this section.

Next, a **requirements** section lists the standards or requirements to which you are comparing the problem. Those factors will influence the final decision, so it is necessary to state how important one requirement is compared to another. Quality definitions and descriptions are often necessary. Telling how to use secondary factors should also be considered in case no option ends up with a clear advantage.

An **options** discussion follows the requirements section because you often have to describe the process used in narrowing the number of options being considered. Options are briefly described. One of the critical parts of a feasibility or recommendation report is a discussion of the **option comparisons**. Instead of comparing option to option, use a category-by-category approach. For instance, if you were reviewing the automobile selection you would examine each brand by the specific categories of cost, quality, and features. Each category will be assigned a “best choice.” A summary table, in which all key data are summarized, is an excellent way to present this report.¹⁸

In the feasibility or recommendation report the **conclusion** serves as a summary of the conclusions previously reached in the comparison section. For example, which automobile had the best price, the best features, or the best quality? In highly controversial cases with different comparison factors outweighing each other, secondary factors have to be considered in order to form a conclusion. For example, in the case of the automobile, cost might win out over features and quality for the college student. A final, specific conclusion must be stated here.

The final phase is the making of **recommendations**. While this may seem as obviously following a lengthy comparison process, a report often recommends several options based on different possibilities. Key factors that influenced the decision must be described.

Writing the Report

After you have analyzed and ordered your data and identified your solutions and recommendations, you are ready to write the report. Writing a report is very similar to writing a proposal (Chapter 8) and case analyses (Chapter 15). Consider the particular format you want to follow in regard to formality, and then condense your information into the necessary parts of the report.

You should produce both an initial draft and an edited version. Strive to make your writing complete, concise, and clear, using many of the tips outlined in Chapters 4 through 6.

Reports employ a variety of graphic materials, including bar graphs (segmented, group information, simple listings), line graphs, and pie charts. Graphics are used to help present information for quick comprehension and to clarify ideas that are difficult to convey with words alone. As you read in Chapter 3, with the use of computers, databases, and numerous software packages, a writer’s job in seeking and presenting graphical information has been made easier.

Summary

Report writing can be frustrating and time-consuming unless it is approached in a systematic way. Reports come in several types, ranging from formal documents to short executive memos. Various exhibits were displayed to show examples of reports.

As a report writer, begin by asking these questions: What is the purpose of my report? Who will read my report? What information will my readers need? What research resources are available for me? How should I organize my information?

Several steps are involved in the organizational process of report writing. First, develop the purpose of the report. From there the scope of the writing must be clarified and the various ideas categorized. This development occurs through inductive order, deductive order, order of location, order of increasing difficulty, sequential order, beneficial order, chronological order, and problem-solving order. After the ordering is done, an outline with headings is developed.

After you organize and design your research ideas you need to gather and analyze your data. Primary research methods such as interviews, questionnaires, and examination are preferred. A variety of easy-to-use electronic sources are also available to most advanced business students.

Formatting the material occurs both during and after the data search. Reports have one of three levels of formality: the formal, semiformal, and the informal report. While there is a boilerplate format that exists, the purpose of the report and needs of the readers often dictate a change of format. A variety of different kinds of reports can be produced, such as design reports, progress reports, the consultant's progress report, and feasibility and recommendation reports.

Discussion Questions

1. The basic objective of report writing is to either present information or to present the analysis and recommendations of research. What is the difference between the two objectives? Do most reports follow one objective or the other, or both?
2. As a report writer there are things you should know before you start your research and then writing. What are the questions you should ask in the preparatory stages?
3. The best writing comes from well-organized ideas. What are the organizational steps that a wise writer takes in preparation, prior to actually researching data?
4. Ideas and information fall easily into a variety of sequential orders. Name and describe some of those orders, and the type of material in use with each.
5. For student researchers a majority of research material is obtained from the Internet. Describe the concept of electronic information sources and databases. Check the availability of such sources at your university library, and describe which sources listed in the text are available online.

6. A formal report is divided into three primary parts: formalities, text, and appended parts. While a writer is free to use or not use the various parts, knowing what each part is used for is important. Name and describe the various subparts and how they might be used or why they might not be used.
7. This chapter described a variety of different reports used in business and technical fields. Describe some of those reports, their various parts, and why each is used to present information to different readers.

Communication in Action

1. Your manager just returned from a Rotary Club luncheon where she heard a speaker claiming tremendously increased sales for firms who have outfitted their sales personnel with cellular phones. Your manager has had a company cell phone for a couple of years, and knows how convenient they are to use. She also has been convinced that sales personnel can use such a tool in numerous ways that will benefit the company.

Your Assignment: Your manager asks you to look into how much it would cost to equip the ten salespeople in your department with cellular phones. She desires to purchase contracts with a minimum number of hours for the first year, research the effectiveness of the use, and then decide whether the contract minutes need to be increased. Your assignment is to find the top three cellular phone companies in your area and then determine cost figures for the ten salespeople. You decide to look at contracts with between 500 and 2,500 minutes per month. Compare the costs for different time limits among the three companies. Assume that most of the minutes will be used during peak times. Also calculate the cost structure for additional minutes with each company.

After you have done your research prepare an informal report (memo or letter form) for your manager. As an addition you decide to give your boss some usage recommendations that could save the company money.

2. Your information technology instructor made comments recently in class about the increasing cases of carpal tunnel syndrome for employees who use computers multiple hours a day. He attributed the problem more to a lack of proper usage instructions than to equipment and other causes.

You decide to research the topic for your end-of-course assignment. Collect data and prepare an informal report for your instructor. Be sure to include both primary and secondary resources for your research.



Internet

3. Recently you read an article in the newspaper entitled "Philip Morris Profits Take Breath Away." At first the article confused you because it talked about the company's "immense cost/benefit contribution to humanity." You thought the author was probably referring to how the organization had increased its philanthropic activities since the numerous

tobacco court cases. But as you read on you became disturbed. According to an Associated Press story the company distributed an interesting report in the Czech Republic. The report said that cigarettes are a boon to the Czech Republic economy since the early deaths of smokers help offset medical expenses. According to the report, the Czech government saved \$146 million a year because of cigarette smoking. You decide to read the report for yourself. Use a search engine to search under the words *Philip Morris Czech Report*. This will lead you to a variety of analyses of the report, in addition to finding the full report itself. (If you cannot find the report go to: <http://www.infact.org/71601czh.html>; <http://www.no-smoking.org/july01/07-17-01-4.html>; or <http://tobaccofreekids.org/reports/philipmorris/>.)

Your Assignment: Read the entire report. How does the report compare to the textbook description of what is contained in a formal report? What is included? What is not included? If you were required to write recommendations for this report what would you say?

After reading critiques about this report, write your own response.

Be sure to discuss the ethical and social responsibility factors mentioned in Chapter 1. Put your critique in memo form and send it to your instructor.

4. Your instructor wants to expose the class to different cultures and has decided to do it through a report-writing assignment. Your task, as a small group, is to decide upon a specific country that you would like to research. You must develop a plan for marketing a specific consumer product to that country. Try to select a country that has students enrolled at your university. Through the student affairs office or international students' office, obtain names and telephone numbers of the on-campus clubs for specific countries. As a group, interview several students from the country you have selected. During the interview ask questions about their country's customs, product preferences, buying habits, prices, disposable income, competitors, and types of retail outlets.

In addition to using the information learned from the interviews, your research on the country should also inform you about the country. Look for information like: country economic profile, business customs, consumer behavior, business relationships with the United States, and export and import prospects and restrictions for that country. You should also examine customs regulations that would apply to the country. The following Web sites might be of help: <http://www.sba.gov/oit/statereports/> or <http://www.odci.gov/cia/publications/factbook/index.html>. The latter URL is the CIA factbook site, which provides valuable information.

Your research results should be assembled into a formal report. Your instructor will specify length and other report requirements.¹⁹

5. To better learn how the various parts of a formal report fit together, prepare a Table of Contents using a research report outline. Go to <http://www.mintel.com/>. Mintel produces market research and analysis reports for businesses. While you have to pay for the full reports, the outlines for several of their recent research projects are available.²⁰ Go to the Web site, find a topic that is interesting, and do the following: First,

decide the best way to reorganize the material that you will find in the outline. Go through the process of reordering the outline. Next, put the outline into a Table of Contents format. Turn all of your work in to your instructor.



InfoTrac

6. Formal reports often contain graphical materials—especially company annual reports. For this assignment look up the following article on InfoTrac: “The Incidence and Quality of Graphics in Annual Reports: An International Comparison.” Read the article and with the knowledge you gleaned, apply it to several annual reports. You can find the annual reports through a search on the Internet, or at <http://www.reportgallery.com/>.

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CHAPTER - 10

Writing Instructions, Documentation, Policies, and Procedures

“Pardon me, I’m new here and I’m trying to get to the mailroom and I’m lost. Which way is it?”

“Yes, you are lost. No problem. Take the elevator to the basement, G-2, go left down a long hallway until you get to a door with a funny poster on it, then take the next right, go until you hear the noise from the envelope-sorting machine, and you’re there.”

“Thanks, I think I can find it now.”

You did find the mailroom—but only after being lost and frustrated for 25 minutes by the instructions you just received. As a new employee, how were you supposed to know that not all the elevators went to the basement? And what did she mean by a “funny” poster? There were several posters and some were humorous and others strange. And then there’s the fact that you had never heard an envelope-sorting machine before. If only she had given you good instructions.

As this vignette illustrates, anyone who has been frustrated by ambiguous instructions recognizes the importance of clearly conveying them. On the job, instructions may be delivered orally from a superior on how to do a task, presented in a manual on how to use computer software, or given formally in a Policies and Procedures booklet that details operations procedures. Whether written or oral, formal or informal, good instructions have common characteristics. This chapter discusses these characteristics and then relates them to three main applications: (1) instructions, (2) documentation, and (3) policies and procedures.

Writing Instructions

Instructions are written or oral guidance that are often a one-time occurrence (such as directions to someone’s office) and are likely to be given from one person to another. Documentation usually carries a degree of formality and often occurs in a form that is retrievable, such as hard copy. Often documentation is prepared by one person for many people. An example of documentation is the “wizard” help function in your word-processing utility that guides you through multiple steps,

such as changing the formatting of a memorandum. Policies and Procedures are formal statements that guide employees of an organization to apply standard processes in the accomplishment of their duties.

Determining a Need for Written Instructions

Think of an organization for whom you currently work or formerly worked. Did that organization have adequate written documentation? Most do not. Use the checklist in Figure 10.1 to determine an organization's needs for written instructions.

Guidelines for Written Instructions

Good instructions are unambiguous, understandable, complete, consistent, and efficient. Each of these characteristics is a guideline.

Guideline 1: Avoid Ambiguity

The more concrete your instructions, the better. Rather than saying, "Turn at the big tree," say, "Turn left at the large oak tree between the sidewalk and the street that has a 'House for Sale' sign on it." Writing with clarity avoids words that have multiple meanings or little meaning. Precision is an important aspect of clarity.

Guideline 2: Be Understandable

Instructions should relate to the receiver. Target your audience with your message. Even though you are likely to be talking or writing to a single individual, you need to decide upon your audience's level of familiarity with the system. Jargon and acronyms may be appropriate with some audiences and inappropriate for others. Instructions can also be made more understandable with short sentences, familiar words, and good transitions.

Figure 10.1 Checklist: Written Instructions Needs Assessment

Does your organization:

1. Have frequent personnel changes between jobs?
2. Have high turnover of employees?
3. Realize that people have memory limitations?
4. Have complex and often-repeated activities?
5. Tend to formalize communication by "writing things down"?
6. Have supervisors or trainers who have to repeat instructions?
7. Have employees who forget important steps in complex tasks?
8. Have employees who complain that they did not know certain steps were required as part of a procedure?

If you answered "Yes" to many of these questions, then your organization would benefit from documentation.

Guideline 3: Be Complete

Instructions can be clear and understandable but still fail because they were incomplete. Leaving out an important step in a task procedure may result in failure to complete the task. In addition to identifying all central steps or elements in your instructions, anticipate possible problems or questions that may arise.

The next time you read a newspaper or news magazine, note that most stories begin by answering these basic questions: Who? What? When? Where? How? Why? Here is an example:

[American] Scientists announced yesterday that they have synthesized a virus from scratch for the first time, raising the possibility that terrorists could create biological killers once thought beyond their reach.¹

The author tells us who (scientists), what (announced and synthesized), when (yesterday), where (American), and how (from scratch), and indirectly answers why (terrorist concerns). As a partial test of the completeness of your instructions, check them to see if you answered these six questions.

Guideline 4: Be Consistent

Much as parallel sentence structure improves understanding, so does consistency in giving instructions. Know the different levels of your instructions and make those levels obvious to your receiver. For example, in written instructions, treat each major step similarly, each substep in a consistent fashion, and so on. Each major step might start a new page, have the same typeface treatment and white space, and start with an overview.

When presenting lists, use bullets in front of nonsequential items, and numbers or letters in front of sequential items. Employ this concept consistently, and use parallel structure in delivering your lists.

Guideline 5: Be Efficient

Efficiency here means to achieve the other four guidelines while holding the length of the instructions to an absolute minimum. Efficiency can be difficult because clear, unambiguous, understandable, consistent instructions are likely to be lengthy. Nevertheless, seek ways to minimize your instructions. For example, rather than starting each of seven steps with the phrase, “Your next step in accomplishing your task is to . . . ,” place a similar phrase at the top of the list once, end with a colon, and then list the steps in sequential order.

Efficiency can often be achieved using overviews that give the parameters of the instructions, such as, “Installing this software involves three main steps and takes about eight minutes. Before you can install the software, however, you must know your serial number and the amount of RAM available in your computer.” Overviews avoid the inefficiency of getting part-way through a set of instructions only to learn you do not have the necessary equipment or information to complete the task.

Documentation

Documentation is establishing proof, information, evidence, or sequence, usually in written form. After a business trip, you will be asked to document your travel

expenses, perhaps on an expense voucher, before you can be reimbursed. You may decide to protect yourself from challenges in the future by documenting in writing your request to your superior for a quieter office because your clients cannot hear you on the phone, thus reducing your effectiveness.

Another form of documentation—the form is what is of importance here—combines instructions with documentation. Instructional documentation may provide guidance on how to construct a barbecue grill, share job or specific task instructions, or give the information needed to set up a software program. The main purpose of instructional documentation is teaching a sequence of activities or serving as a reference for instructions. Software manuals, either hard-copy or built into the software, are typically divided into at least these two parts, often called “User’s Manual” and “Reference Manual.” This dichotomy reflects the learning process of typically examining user information only once or twice, and then longer-term, frequent use of reference information.

As you organize your documentation assignment, in addition to applying the five guidelines, also consider how the information will be used by your audience. An airplane pilot refers to a list of necessary behaviors and conditions each time before takeoff. A word-processing specialist refers to a “Help” guide to refresh the memory of a seldom-used keystroke command. A new employee follows a tutorial prepared by her predecessor to learn a complicated task. A job applicant examines a job description to evaluate interest in the position. Each of these documents has a different, focused goal based on anticipated audience use.

In preparing documentation, refer to this list of questions:

- What is the goal of the documentation?
- Am I writing to a single user or a group of users?
- Will the user refer to this documentation more than once?
- How long should this version of the documentation be used? (What is its life span?)
- Would a glossary be helpful?
- Should I pilot-test the documentation on a naive user?
- Is the writing level appropriate for the lowest-level user?
- Should I include an index?

The organization of written documentation can influence its success. For documentation that is lengthy, complex, or especially important, have a clear opening, an organized body, and a closing. Your opening may include a greeting (“Thank you for buying our product.”); the purpose (“This manual will show you how to assemble your new grill.”); an overview (“There are five main steps in putting together your new barbecue.”); cautions, warnings, conventions, or specific language (“Whenever you see this symbol, be sure the unit is NOT plugged into an electrical outlet.”); or tools or equipment needed (“You will need a Phillips screwdriver and a pair of pliers for assembly.”).

For the body—especially when you have multiple steps and substeps—consider employing the concept of classification discussed in Chapter 4. Employ such comments as “You may accomplish the following four items in any order you wish,” or “Follow these three steps exactly in the order presented or the product will not function.”

The closing may include indication of success (“If your computer monitor shows the message, ‘Do you wish to register your software now?’ you have successfully installed the software.”) or offer troubleshooting advice (“Check that you have adequate RAM installed by following these steps.”).

The Nature of Mission Statements, Policies, and Procedures

Mission Statements

In the last decade many companies have prepared mission statements and vision statements and shared them with the public. Internal policies and procedures have been an important part of organizations for many years. However, there is little consistent use of these terms and even when the terms are used consistently, they may not be understood by all viewers.

At the highest, most general level within an organization is the mission statement, objectives, or goals: these terms are synonymous. Vision statements are sometimes part of the mission statement. They are the generalized purposes toward which the entire organization strives. Here are some examples:

- Maximizing net profits
- Keeping employees satisfied
- Keeping customers loyal
- Maximizing market share
- Being a good corporate citizen

Advantages of Mission Statements

Mission statements vary considerably in specificity across organizations and may vary from one organization to another in terms of stability, constancy, and how well-known they are. Mission statements perform five critical functions for the organization:

1. They provide orientation by depicting a desired state of affairs.
2. They set down guidelines.
3. They constitute a source of legitimacy that justifies the organization’s activities and its existence.
4. They serve as standards by which success can be measured.
5. They represent a sought-after state, not one that is already available.

Figure 10.2 shows Microsoft’s mission statement,² which includes its vision and how Microsoft seeks to deliver on its mission. For comparison, how does it stack up against Staples’s brief mission statement: Great service every day in every way?³

Although mission statements change from time to time, they are intended to channel the efforts of all employees toward similar ends. Yet because they are so generally worded, mission statements do not provide much guidance to employees in terms of exactly how to meet them. There are many different means to one end: Policies and procedures must be written.

Microsoft's Mission

To enable people and businesses throughout the world to realize their full potential

Microsoft's Vision

Empowering people through great software – any time, any place and on any device

Delivering on Our Mission

The tenets central to accomplishing our mission include:

Great People with Great Values

Delivering on our mission requires great people who are bright, creative and energetic, and who share the following values:

- Integrity and honesty
- Passion for customers, partners, and technology
- Open and respectful with others and dedicated to making them better
- Willingness to take on big challenges and see them through
- Self critical, questioning and committed to personal excellence and self improvement
- Accountable for commitments, results, and quality to customers, shareholders, partners and employees

Excellence

In everything we do.

Trustworthy Computing

Deepening customer trust through the quality of our products and services, our responsiveness and accountability, and our predictability in everything we do.

Broad Customer Connection

Connecting with customers, understanding their needs and how they use technology, and providing value through information and support to help them realize their potential.

Innovative and Responsible Platform Leadership

Expanding platform innovation, benefits, and opportunities for customers and partners; openness in discussing our future directions; getting feedback; and working with others to ensure that their products and our platforms work well together.

Enabling People to Do New Things

Broadening choices for customers by identifying new areas of business; incubating new products; integrating new customer scenarios into existing businesses; exploring acquisitions of key talent and experience; and integrating more deeply with new and existing partners.

A Global, Inclusive Approach

Thinking and acting globally, enabling a multicultural workforce that generates innovative decision-making for a diverse universe of customers and partners, innovating to lower the costs of technology, and showing leadership in supporting the communities in which we work and live.

Source: Microsoft. (2002, July 1). Retrieved July 15, 2002, from <http://www.microsoft.com/mscorp/>. Reprinted with permission from Microsoft Corporation.

Policies

As opposed to a mission statement, a policy is a general guide to decision making and reflects the organization's attempts to achieve its goals. Policies are the framework, consistent with organizational objectives, that help managers make decisions. Yet a policy is only a guideline, as it usually gives the manager some degree of discretion in making decisions. Figure 10.3 shows some examples of policies and how they relate to mission statements.

Notice how the policy statements provide for discretion or flexibility in decision making. For example, the community-service policy does not tell the manager which or how many community organizations to join, nor does it specify how extensively the manager should be involved in any one organization.

The higher you move in a business, the more discretion you probably will have. Policy statements for top-level management are usually worded more generally than those that are used at lower levels. Figure 10.4 shows the amount of discretion given management levels in a small manufacturing plant.

Staples, an office-supply company, has a policy that it will match competitors' prices; that policy appears in Figure 10.5.

Advantages of Policies

Policies help to implement mission statements. There are other advantages, especially when they are in written form. First, policies enhance consistency in decision making. Second, conflict among employees may be prevented. Finally, policies can save time. Policies keep managers from having to make the same decision over and over.

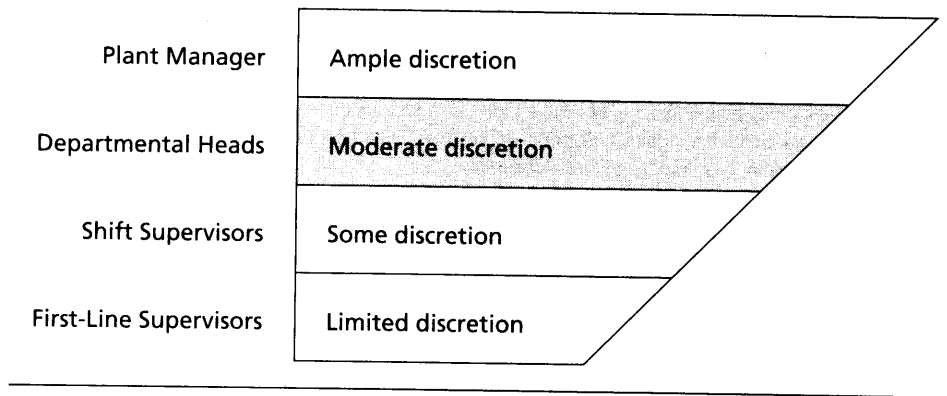
Disadvantages of Policies

Despite the advantages of policies, they are usually not created for every decision. First, it is almost impossible to write a policy applicable to every set of circumstances. To do so would require amazing foresight and would probably result in a policy manual hundreds of pages long (which many managers would not read). Second, although policies promote consistency in decision making, at the same time they reduce the amount of flexibility decision makers have. Exceptions to nearly every policy exist, and their existence often creates frustrated reactions.

Figure 10.3 Policies Related to Mission Statements

Mission Statement	Policy
Keeping customers loyal	If any customer is dissatisfied with a purchase, then his or her money will be refunded.
Being a good corporate citizen	Managers will use every opportunity to become involved in community services, such as the United Way, the Heart Fund, and the American Red Cross.
Keeping employees satisfied	All promotions to managerial positions will be from within the company.

Figure 10.4 Amount of Discretion Allowed



Policies, then, are general guides to decision making. They are created to help a business accomplish its mission. If more specific decision-making guidelines are needed, then procedures are written.

Procedures

A procedure is a specific guide to decision making, a tool for implementing a policy. While the general wording of a policy allows discretion in making decisions, procedures offer little or no discretion. When procedures give discretion, they are called guides. When procedures allow no discretion, they are called a rule. The example below shows this distinction.

<i>Mission</i>	<i>Policy</i>	<i>Procedure (guide)</i>	<i>Policy (rule)</i>
Keeping Customers Loyal	If any customer is dissatisfied with a purchase, then his or her money will be refunded.	Check the returned merchandise carefully to see if it has been misused.	The customer must sign the refund slip.

For just this one objective we could develop a long list of both guides and rules. However, notice first that the guide listed gives the employee discretion, whereas the rule does not. Second, notice how the chart moves from the general (the mission) to the specific (the rule). The farther we go toward the right, the more control we exert over the behavior of the employees.

You many have worked for a company that had no written policies or procedures. Many businesses do not. The larger a firm is, the more written policies and procedures (sometimes called standard operating procedures, or SOPs) the firm usually will have. If the business has unionized employees, no matter how large or small it is, most policies and procedures will be contained in what is called the labor agreement or contract.

If you find a lower price, anywhere else, on a new identical item, just show us the lower price when you buy the item at Staples or within 14 days after your Staples purchase—and we'll give you 110% of the difference.

Our 14-day price-match guarantee is good on everything from office supplies to the latest technology. The item must be in-stock and available for purchase at that price from a company located in the U.S.

- If you find a lower price in a Staples store, Staples catalog, or on our website, www.Staples.com, we will match the lower price. The additional 10% of the price difference does not apply.
- The item must be identical. For example, it must have the same U.S. manufacturer's warranty. It must also have the same model number and contain the same components. As another example, for pagers and wireless phones, the service plan, service provider, and other terms must be the same.
- Staples reserves the right to verify another company's product availability and price before issuing a price match guarantee.
- Available coupons and rebates will be deducted from the Staples price to come up with a net Staples price when calculating the price match. For example, if you buy an item from us for \$100, and we offer a \$20 rebate, the net price is \$80. If the item is available from another company for \$80 or more, there will be no price match. Another example would be if you buy an item from us for \$159 and you have a \$30 coupon the net price is \$129. If the item is available from another company for \$125, the price match will be for \$4.40 (110% of the difference).
- Shipping and handling charges are included. When comparing our price to another company's delivery price, the equivalent shipping and handling charges will be included. If proof of the other company's shipping and handling charges are not supplied, then \$5 will be added to the other company's price. (For example, if you buy an item from us for \$100, with free delivery, and the item is available from another company for \$90, with overnight shipping and handling charges of \$7, then the difference is \$3. You receive 110% of \$3, which is \$3.30.)
- If another company offers a product that comes with a free or discounted item and Staples does not carry the free or discounted item, there will be no price match. For example, if another company offers a free product with the purchase of a printer, and Staples' price for the printer is equal to the other company's price for the printer, there will be no price match if Staples does not carry the free product being offered.

- We may limit the quantity of an item that may be price-matched. For example, if the other company limits the number you may buy, we may also limit the number. In addition, Staples reserves the right to limit quantities sold to a Customer.
- We price match almost everything. We don't price match Sprint long distance service, third party providers' products and services sold through our Business Services website or through third party representatives in our stores (for example, tax preparation, payroll services and corporate logos), and items sold at local or special events (e.g., grand opening, anniversary, or liquidation sales) or on Internet auction sites. We also don't price match taxes and typographical errors.
- For more information, or a price match, see customer service, call 1-800-STAPLES or click for [customer service](#).
- This policy is subject to change without notice.

Source: Staples 110% price-match guarantee. (n.d.) Retrieved October 2, 2002, from <http://www.staples.com/help/default.asp?area=protection>.

Writing Policies and Procedures Statements

As you pursue your career in business, you will most likely be involved in writing policies and procedures statements in one of three instances: (1) when a new business is formed; (2) when a new policy or procedure is needed; or (3) when old policies or procedures are being rewritten. You will probably have a chance to write policies and procedures on a variety of topics, including promotion and pay policies, actual work procedures for performing a task, and employee grievances and discipline.

Many organizations have policies and procedures for hiring new employees, ensuring employee safety, disciplining employees, hearing employee grievances, handling customers, dealing with employee absences, and evaluating employees. Although they may not be referred to as policies or procedures, companies are likely also to have government regulations imposed upon them by such organizations as the Environmental Protection Agency (EPA) or the Occupational Safety and Health Administration (OSHA), or by government standards, such as Equal Employment Opportunity Commission (EEOC) standards. In some cases, the government regulations or standards *are* the policies or procedures; in other cases, the organization writes its own policies and procedures on how to respond to the government. Yet another set of policies and procedures active in many organizations is a code of ethics. It may be called a code, but is a policy and procedure document.

You can see from this list that most policies and procedures affect the internal operation of a company. As you write your policies and procedures, apply the five

guidelines presented early in this chapter in the discussion of instructions. Note how the following partial policy/procedure is concrete, understandable, complete, consistent, and efficient.

Sick leave policy. As an employee of Burns Chemical company, you are allowed time off with pay when you are unable to work because of illness. Pay for sick leave is for the sole purpose of protecting you against loss of income when you are ill.

Procedures.

1. If you are sick and unable to work, you should call your supervisor no later than one hour before your shift begins.
2. If you are unable to work for three or more days in a row, then you must bring a note from your doctor on the day you return to work. This note should be given to you supervisor.

Although this example is only part of a sick leave policy and procedure, it clearly tells the employee *who* is involved (the employee, the supervisor, and possibly a doctor). The *what* is a telephone call and bringing a physician's note. Two *whens* are in the procedure: no later than one hour before the shift begins and the day the employee returns to work. The *how* is implicit in this procedure because it links the answers to the first three questions. *Why* is answered in the policy statement: Note that the statement is consistent.

The two characteristics of a policy and procedures statement are (1) policies appear first, and (2) procedures are listed step by step. As you write policy and procedures statements, you will often find that more than one policy is covered by a given procedure. If this is the case, you will want to list all those policies first, then follow them with the procedures. The following example expands the sick leave policy we used earlier.

Sick leave policy. As an employee of Burns Chemical company, you are allowed time off with pay when you are unable to work because of illness. Pay for sick leave is for the sole purpose of protecting you against loss of income when you are ill.

1. You are allowed 8 paid sick days per calendar year.
2. If you do not need all of your sick days during a year, then you may add the days you don't use to your next year's total. A maximum of 90 paid sick leave days can be accrued.

Procedures.

1. If you are sick and unable to work, you should call your supervisor no later than one hour before your shift begins.
2. If you are unable to work for three or more days in a row, then you must bring a note from your doctor on the day you return to work. This note should be given to your supervisor.

In this example the first policy may seem to be a procedure because it appears to be a rule. However, remember that procedures are specific guides to decision making. They tell us how to take action to implement a policy. When writing procedures, you should organize them step by step. Often, following procedures results

in an end product of some kind. Therefore, to be sure that the product is correct, you should organize and label the steps clearly. Here is an example:

Customer Refunds Policy. If any customer is dissatisfied with a purchase, then his or her money will be refunded.

Procedures.

1. Check the customer's sales slip. Only the store manager may authorize returns on merchandise the customer has had for more than 30 days.
2. Fill out the customer refund slip, making sure that you enter:
 - Customer's name and address
 - Date of purchase
 - Stock number and description of the merchandise
 - Sales number of salesperson who sold the merchandise
 - Your sales number
 - Reason for the return
3. Take the customer refund slip to your immediate supervisor, who will approve the refund.
4. Have the customer sign the refund slip.
5. Refund the customer's money:
 - a. If the purchase was by credit card, tell the customer his or her account will be credited for the amount of purchase. Do not make cash refunds on credit card purchases.
 - b. If the purchase was by cash, then refund the customer's money from your cash drawer. Place the audit copy of the credit refund slip in the drawer.
6. Take the remaining copies of the credit refund slip and returned merchandise to the customer service department.

Each step in the procedure requires a different action. Ideally, no two acts (unless they are closely connected, as in 5b) should be described in one step.

Summary

Giving good written and oral instructions in business is crucial. These instructions should achieve the guidelines of avoiding abstract language, being understandable, being complete, achieving consistency, and being efficient. Business instructions can be divided into three main categories: instructions, documentation, and policies and procedures.

Instructions are often one-on-one and may not be formalized through hard copy or other relatively permanent delivery. Documentation, on the other hand, is likely to be prepared for many users and through a medium that is likely to be available over an extended time.

An organization of more size and longevity is likely to have a mission statement, policies, and procedures. Mission statements are objectives toward which the organization moves but can never fully accomplish. Policies are general guides that help

members of the organization move toward its mission statement. Procedures are specific guides for implementing policies, and they allow for some discretion (guides) or little discretion (rules).

Many of us assume we are able to give good instructions in any of their forms, but writing clear, complete, and still brief instructions is challenging, yet rewarding to the organization.

Discussion Questions

1. What is the overlap between instructions and documentation? Where does one end and the other begin?
2. What are the differences between mission statements and objectives? How firmly established are the definitions for these terms?
3. What are the two types of procedures? Who, within an organization, is likely to implement each of them? Is one likely to be more difficult to write than the other?
4. Distinguish between policies and procedures. How do they differ? At what level in a typical organization does a certain hierarchical level prepare each?
5. Compare policies and procedures issued at your organization to those of other students in the class. What similarities and differences do you note?

Communication in Action

1. Locate some software instruction manuals that are five or more years old. Compare them to some recent software that includes its documentation within the program, such as a Help file from a pull-down menu. What differences are there? Has documentation improved over time? How?
2. Analyze the Help support for some software programs that are available as part of the program. How is the documentation organized? How friendly is it? Would most users prefer documentation that is (1) delivered through a Wizard or tutorial, (2) given in an index format, (3) accessed as a formal manual in a PDF file, or (4) connected to a Web page through a link? Do you think most users prefer electronic or hard-copy support? Why?



Internet

3. As a staff member of a relatively young and small organization, you have been charged by your supervisor with scanning the Internet for suggestions on how to prepare effective documentation. See what you can find that pertains to length, language, and delivery media. You may wish to try using such key words as “writing and documentation,” “written and

documentation,” “effective documentation,” or “preparing effective and documentation.”

4. For the same organization as question 1 above, now assist the Human Resources department by seeking out effective examples of employee leave policies and procedures in other organizations. Include profit and nonprofit organizations, and small, medium, and large organizations. Consider using such key words as “employee and procedure and policy” in your search.
5. Use the Internet to find five substantially different organizations. Now, find their mission statements. What were their differences? Do certain types of organizations tend to adopt or write similar types of mission statements?
6. Because of the important role of e-mail in carrying messages within and between organizations, many organizations have a policy regarding how employees may and may not use e-mail. Use the Internet to locate a variety of e-mail policies. Include at least one university, one nonprofit organization, and one government organization.



InfoTrac

7. Within the management discipline, the human resources area often examines, prepares, and oversees policies and procedures related to managing employees. Use InfoTrac to identify as many human resources-oriented periodicals as you can. Prepare a list of those periodicals. Now, use the Internet to go to the Web sites of many of them. Find the mission or objective of each periodical. Attach them to the list of periodicals.
8. Use InfoTrac to locate literature that gives guidance on the preparation of mission statements. What is the current state of the literature on the topic?
9. Find an article from 1994 in *Planning Review* entitled “Rethinking Vision and Mission.” Read the article. On what issues do the contributors agree and disagree? Whose opinion do you feel is most reasonable? Why?
10. User documentation for Information Systems (IS) may be directed solely to the IS group, such as how to program changes to automatically upgrade the firewall that protects the organization’s server. However, the IS group often also needs to share documentation with its organization’s users, who may not be savvy with the intricacies of computers and programming, such as when users are asked to upgrade their version of the company’s e-mail program.
Find an article by Kieran Mathieson entitled “Effective User Documentation: Focusing on Tasks Instead of Systems.” What does she have to say about the purposes documentation serves?
11. Much of how an organization’s corporate identity is formed grows from its written documents, including its mission statements. Locate Lance Leuthesser’s article “Corporate Identity: The Role of Mission Statements” in *Business Horizons*, 1997. What does the article state about the role of mission statements? What does it say about their shortcomings?

CHAPTER - 11

The Business Presentation

In this chapter, we will consider business communication situations in which you must make a presentation before an audience—usually a small group of decision makers.

Types of Presentations

While some presentations can be classified as primarily informative, most presentations are persuasive in nature. They seek agreement with a position on an issue or approval for an action proposal. Common presentations within the organization include briefings, status reports, and budget or project proposals. Outside the organization, presentations are typically occasions for selling to groups of clients or customers.

To highlight the diversity of presentations made in a typical large organization, managers attending training sessions conducted by one of the authors suggested the following as examples of presentations in their organization:

- Briefing for Press on Company Plans to Handle a Crisis
- Briefing for Managers on New Compensation System
for Senior Managers
- Status Report on Affirmative Action Program
- Budget Proposal
- Forecast Projection
- Systems Demonstration for Upper Management
- Briefings for Vendors
- Briefings for Senior Executives on Community Issues
- Orientation for New Employees
- Quality Assurance Orientation
- Company Position at Arbitration Hearing
- Recruitment Talk at a College Career Day
- Briefings for Senior Executives on Labor Relations
- User Briefing on New Computer System
- Talk at Company Training Seminar
- Contract Award Recommendations
- Briefings on Technical Subjects for Nontechnical Audience

This list reflects the range of presentations made by middle managers in most companies.

Six Propositions About Presentations

Despite the obvious differences among specific types of presentations, six propositions apply to all types.

1. Presentations are made before small audiences, which are often composed of decision makers. By decision makers, we mean people such as your boss and other senior executives who might be considering your budget proposal or status report. Or the decision makers might be your clients and customers considering your pitch on behalf of the services or products of your firm.

Even when a presentation appears to be informative rather than persuasive (a briefing or an employee orientation talk), your audience will also be making an evaluation—an evaluation about your competence and, frankly, your future prospects with the firm.

2. Presentations are usually delivered extemporaneously. By extemporaneous, we mean that the presentation is prepared and delivered from an outline. While some executives like to deliver memorized presentations (without an outline), reading the complete text of your presentation to a small group is almost always viewed as inappropriate. The balance of this chapter presents detailed guidelines for preparing and delivering the extemporaneous presentation.
3. Presentations usually complement some type of written communication. Oral presentations rarely assume the full burden of communication on the subject. The typical oral report complements and reinforces a longer, more detailed written report. The same can be said for proposal presentations, budget presentations, project presentations, or sales presentations.
4. Presentations usually employ some type of visual aid, typically computer-generated presentation graphics (PowerPoint, for example), overhead transparencies, or slides. (See Chapter 3 for a detailed discussion of these visuals and others.)

Although visuals serve the important purposes of highlighting main points or conclusions and clarifying statistics and financial information, they also make the presentation more interesting for the audience. Later in this chapter, we will consider some guidelines for using visuals in presentations.

5. Presentations usually have question-and-answer sessions. You rarely escape a presentation without some questions from members of the audience. This is to be expected. After all, whether you are sharing important information, seeking approval for your pet project, or selling the services of your firm, the decision makers sitting before you will probably need some clarification or elaboration of points you have made in your presentation.
6. Presentations may also involve a team of presenters. Team presentations require careful planning and coordination to ensure successful outcomes. Such presentations are increasingly common in business and industry.

Types of Delivery

As we noted in the second proposition, business presentations are nearly always delivered in an extemporaneous style. Before describing the extemporaneous style in some detail, let us consider the three other types of delivery: manuscript, memorized, and impromptu.

The Manuscript Delivery

A manuscript presentation is delivered from a full text. It is read word-for-word from a typed manuscript or from a TelePrompTer. There are occasions when a manuscript delivery is appropriate, such as when presenting testimony at a hearing, delivering a major policy statement before a large public audience, or taping a message for broadcast. Manuscript delivery offers precision and control over content.

The cost of these two benefits may be high, though. First, most managers read manuscripts poorly (without sufficient vocal expressiveness and emphasis). Second, because they are busy reading their manuscripts, they eliminate virtually all eye contact with their audiences. Third, a manuscript presentation is relatively inflexible: It is difficult to adapt to a speaking situation and depart from the prepared text. Most importantly, reading from a text is considered inappropriate for most presentations in business, especially those before small groups. Thus, the manuscript presentation is not a serious option for most presenters.

The Memorized Presentation

The memorized presentation also requires that the presenter write out the content word for word, but rather than reading it to the audience, the presenter memorizes the presentation in advance and then recites it. Naturally, some managers make brief or recurring talks that are suitable for memorization, but too many managers create unnecessary problems for themselves by memorizing long presentations.

First, as a method of delivering presentations, memorization places considerable pressure on those giving the presentation because they fear that they will forget their lines. They worry what will happen if their minds suddenly go blank, or if they lose their chain of thought. Frankly, they are in big trouble. Consider this hypothetical situation: You memorize your presentation. Midway through the presentation, you are interrupted by a question. Startled by the interruption, you momentarily forget where you are in the presentation. Unfortunately, when you resume, you skip over an important point. This creates confusion for your audience—and more questions, too.

Second, memorization of a presentation is time-consuming. Along with the time it takes to plan, compose, and practice a presentation is the time spent memorizing it. Although we recommend, below, that presenters do some memory work when preparing an extemporaneous presentation, we do not feel that the time required to memorize a full presentation is justified, especially in light of the other problems associated with this style of delivery.

Third, memorized presentations tend to *sound* memorized. There is a canned, mechanical, self-conscious quality to many memorized presentations. In fact, some

speakers, eager to get through the presentation before they forget something, resemble Las Vegas slot machines, with words instead of coins spilling out of their mouths.

Fourth, the memorized presentation is as inflexible as the manuscript delivery. Speaking from a script, albeit memorized, the presenter will find it difficult to respond to the audience and the occasion.

The Impromptu Presentation

The impromptu presentation is unprepared, spontaneous, off-the-cuff. Although there will be situations in business when you will have to speak in an impromptu manner, you place your professional reputation at risk if you fail to prepare for those situations you can foresee. Unlike carefully prepared presentations, impromptu speaking tends to be relatively disorganized, imprecise, and repetitive. It is not the stuff of which successful careers are made.

Impromptu presentations, therefore, are justified only by necessity. For example, you are asked unexpectedly by your boss at a meeting to give a briefing on some problem or a status report on some project; you are asked at a presentation before some prospective clients to address an issue that you had not planned to talk about; or you are asked a rather sophisticated and unexpected open question on an employment interview—one that requires a response of several minutes.

Try to minimize these situations by anticipating them. For example, if you plan to attend a meeting, prepare for the possibility that you might be asked to speak. Then, if you are asked, what you say will be cogent. That is the stuff of which successful careers are made.

Extemporaneous Speaking

An extemporaneous presentation is carefully prepared and delivered from notes or an outline. Although the method is not without disadvantages, it is clearly superior to the manuscript, memorized, or impromptu deliveries. Once mastered, the extemporaneous method of speaking will serve you well any time you make a business presentation.

The goal of extemporaneous speaking, as a style of delivery, is to be conversational. You appear to be conversing with the audience in a natural and spontaneous manner. Although you consult your notes occasionally, you spend most of your time looking at the audience. Your voice is expressive and emphatic.

Most audience members prefer this style of communicating because you appear to be conversing with them rather than talking at them. Your image is enhanced as well. Unlike the case in a manuscript presentation, you are relatively free of written material, suggesting that you have a greater command over the content of your presentation.

Furthermore, the extemporaneous delivery provides flexibility. Given that you are speaking from an outline, it is relatively easy to adapt and modify your presentation as the occasion and audience may demand. Content may be added, deleted, expanded, or reduced without the audience becoming aware of any changes. This is much harder to do with a manuscript or memorized presentation, for reasons discussed above.

The audience-pleasing style of delivery, the flexibility it offers, and the enhanced credibility it confers on the presenter are the major advantages of the extemporaneous method of delivery. Even so, a few disadvantages do arise from the nature of the extemporaneous method, which asks you to look at your outline, construct the message in your mind, and speak to the audience.

First, there is a degree of stress associated with the process. Because you are not working from a complete text, you may worry that you will misspeak or leave something out of your presentation. These are well-founded concerns.

Second, the method sacrifices a degree of precision and conciseness compared to the manuscript presentation. Over the course of the presentation, you may make minor errors in grammar or diction, leave out an important detail, or make an error in fact. This is in the nature of the method of delivery.

Third, the extemporaneous method may be too flexible for a presentation giver. You may find it difficult to resist the opportunity to digress, to ad-lib, or to exceed the time limit assigned to the presentation. Here again, the manuscript and memorized presentations offer an advantage.

Still, the advantages of the extemporaneous method, when compared to the other three methods of delivery, outweigh its disadvantages. In the next section, as we describe the process of preparing and delivering the extemporaneous presentation, we will suggest a number of devices that will minimize those disadvantages.

The Seven-Step Process of Preparing and Delivering Extemporaneous Presentations

Step One: Plan and Organize the Presentation

You may recall from your basic undergraduate speech course that a speech consisted of three parts: an introduction, a body, and a conclusion. The introduction was said to have three primary functions: to gain the attention of the audience, to state a thesis or purpose, and to offer a preview of the main points to be covered. The body of a speech was the presentation of the main points backed by supporting material. The conclusion was said to be the obverse of the introduction: first, it reviews the main points of the speech; and then it closes with another attention-getting device. This basic plan applies to presentations in business with a few modifications.

Plan and Organize the Introduction of the Presentation

Obviously, in most cases you will plan and organize the introduction last—that is, after you have prepared the body of the presentation. Otherwise, how will you know what you are introducing? But for the purposes of this discussion, we will first consider how to plan an introduction.

As we noted above, a presenter needs to accomplish three major goals in the introduction: get the attention of the audience, state the thesis or purpose of the presentation, and preview the main points.

Attention. A number of techniques may be employed to secure the attention of an audience. Common attention-getting devices are a startling statement or statistic,

an anecdote or story, a rhetorical question, a quotation, and humor. Such attention-getters must be related, of course, to the thesis or purpose of the presentation.

Be careful here: Many of these devices may be inappropriate to presentations made to decision makers. First, you usually have the attention of such an audience—your problem will be to keep it! Second, attempts at storytelling or humor may seem frivolous and a waste of time to an audience of senior executives or even to a group of important clients. Humor is highly subjective: What is funny to you may not be funny to your audience. It is a lonely feeling to be in front of an audience when your attempt at humor falls flat. A third reason to avoid an attention getter when presenting to decision makers is that the device may backfire. Suppose you pose this rhetorical question to a group of senior executives: “Why have benefits risen 20 percent this year?” You risk the following response from a crusty senior executive: “Why the hell are you asking us? You’re here to answer questions, not ask them. C’mon, get to the point.”

Often the best way to begin a presentation before decision makers is to skip the attention-getting device and move directly to a statement of thesis or purpose, followed by a preview of the main points of the presentation. Often the thesis will be sufficient to elicit the attention of an internal audience of decision makers: “Over this year and next, the cost of our benefit program will increase 50 percent.” If that does not get their attention, check for pulses! See Figure 11.1 for a good organization for an in-house speech by a benefits manager.

Still, some presentations may benefit from a clever attention-getting device. Typically, such presentations will be before somewhat larger groups of peers and subordinates or before public audiences outside the company. See Figure 11.2 for such a use of an attention getter.

Thesis or Purpose. A presenter may or may not choose to state a thesis or main point in the introduction. If a direct plan is chosen, then the thesis will be stated in the introduction; if an indirect plan is chosen, the thesis will not be stated there. As you have read in earlier chapters, the direct plan is commonly employed when presenting information that does not evoke a strong negative response from the audience, whereas the indirect plan is used to present negative information and in cases where persuasion is necessary. The outlines in Figures 11.1 and 11.2, both of which follow the direct plan, include a clear thesis statement.

Preview. The preview prepares the listeners to consider the main points to be covered in your presentation. A preview is especially useful to an audience listening to an oral presentation, because they usually do not have a text to follow. The outline in Figure 11.2, however, shows that a preview can be omitted when the main points are easy to follow and recall.

Plan and Organize the Body of the Presentation

Conventional wisdom among speechwriters says you should plan to cover no more than three main points in an oral presentation. We agree. Most listeners find it difficult to juggle more than three main ideas in the air over the course of a presentation. If you can limit the main ideas to two, especially when speaking to non-professional audiences, consider doing so.

If the presentation is informative, the information in the body of the presentation may be organized as suggested in Chapter 2. Topical, chronological, cause-to-effect,

Introduction

Attention-getting device: None

Thesis: Over this year and next, the cost of our benefit plan will increase by 65 percent.

Preview: I'll proceed by addressing the projected cost of benefits for 2003 and then offer a projection of costs for 2004.

Body

- I. The projected cost of the benefit plan in 2003 is 25 percent over costs for 2002 because of increase in employees and premiums.
 - A. Ten-percent increase in employees
 - B. Increased premiums for medical/dental plan
- II. The projected cost for benefit plan for 2004 is likely to be an additional 30 percent over costs for 2003 because of further increases in employees and premiums.
 - A. Projected 20-percent increase in employees
 - B. Projected increase in premiums for medical/dental plan

Conclusion

Review: Actual and projected increases in both the number of employees and the medical/dental insurance premiums for 2003 and 2004 will likely increase the cost of our benefit plan by 65 percent over 2002 costs.

Attention-getting device: None

effect-to-cause, and spatial organizations are most common. (Analyze the plan of organization used in Figures 11.1 and 11.2.)

If the presentation is an oral report, you may choose to follow a specific report format, especially if the oral version is based on a written one. For example, an oral progress report may organize the body of the presentation as follows:

- I. Progress to date
- II. Problems encountered to date
- III. Projected completion date

An oral presentation of a proposal might follow the format described in Chapter 8.

If the presentation is persuasive, the problem-solution plan works well, along with an approach similar to the one described in Chapter 6. Known as the motivated sequence (an approach introduced in 1935 by the late Alan Monroe), the presentation is organized in terms of these five steps:

1. An attention-getting step—Secure the attention of the listeners.
2. A need step—Show the audience that there is a need to be satisfied.

Introduction

Attention-getting device: You'll read tomorrow in the *Wall Street Journal* that J.D. Power & Associates has ranked our firm first in customer satisfaction among all firms in the computer industry based on their survey of mail-order customers.

Thesis: We've topped \$3 billion in sales because our technology is superior, our prices are competitive, and customer service is superior.

Preview: None

Body

- I. Our technology is superior.
 - A. We install Intel microprocessors.
 - B. We have state-of-the-art assembly plants.
- II. Our prices are competitive.
 - A. We're able to bypass the high-cost dealers and deal directly with the customer through the Internet or mail.
 - B. We're able to pass on our lower costs in the form of lower prices to our customers.
- III. Our customer service is better and faster.
 - A. We customize and ship an order in five days.
 - B. We guarantee next-day, on-site service.
 - C. We provide replacement machines by overnight delivery.

Conclusion

Review: We offer competitive prices and superior service.

Attention-getting device: Let me leave with a statistic that I'm most proud of: 70 percent of our buyers are repeat customers.

3. A satisfaction step—Propose a way that the previously identified need may be satisfied; offer a plan of action.
4. A visualization step—Assist your audience to visualize the results of satisfying the need.
5. An action step—Tell your audience what action they must take to put in place the plan you have proposed.¹

When you organize a persuasive presentation using the motivated sequence, place the attention step in the introduction; the need, satisfaction, and visualization steps in the body of the presentation; and the action step in the conclusion of the presentation. See Figure 11.3 for an outline that follows this approach. It is taken from a sales talk to prospective buyers of condominiums.

Figure 11.3 Outline of a Persuasive Presentation Employing the Motivated Sequence

Attention-Getting Device:	What if you could sell your home in New York, buy a condo with half the proceeds, invest the balance, and soak up the sun 12 months a year while living in a secure and elegant retirement community?
Need:	While you sit on the equity of your home, your taxes keep climbing, the winters get colder, and life in the big city seems more threatening.
Satisfaction:	Buying a condo at The Vineyard, Florida's newest retirement community, will fortify your financial position, allow you to escape the harsh Northeast winters, and live the good life.
Visualization:	Just think of it: Sun warming your shoulders in January, an elegant condo in a secure community, low taxes, and your money invested and working for you.
Action:	Accept our offer to fly down as our guest and visit Florida's newest retirement community: The Vineyard.

Plan and Organize the Conclusion

Do not neglect the conclusion of your presentation. It is the last thing the audience will hear; it is the last impression you will make. Ensure that the conclusion leaves your audience with a positive impression. Use the conclusion to review and restate the main points of your presentation when presenting information. Use it to call for action when you are making a persuasive presentation. (See Figures 11.1 and 11.2.)

Finally, if appropriate and necessary, end your presentation with another attention-getter. For many presentations before decision makers, a summary or restatement may be sufficient to conclude the presentation. For other types of presentations, a concluding attention-getter will have some impact. Use any of the devices described in the discussion of introductions. (See Figure 11.2.)

Step Two: Compose the Content of Your Presentation Word for Word

Once you have decided on the essential content of your presentation, compose your oral presentation word for word as though you were preparing a manuscript speech to read.

Executives who are skillful and experienced speakers may wish to skip this step and simply prepare an outline. This may work well for some executives, but inexperienced and nervous speakers will find this extra step well worth the effort. Here is why.

When you actually make the presentation, you are likely to find that the pressure of the moment will make the process of speaking from an outline more difficult than you anticipated. As we noted before, there is likely to be a loss of precision and conciseness as you extemporize from your outline. If you have previously prepared the full text of the presentation, looking down at the outline will trigger in your mind many of the carefully chosen words and well-crafted phrases that you had composed earlier. You will sound more articulate.

As you compose the content of your presentation, because it will be an oral presentation you should bear these four suggestions in mind regarding style and organization:

1. Use relatively short sentences and avoid overly complex sentence constructions.
2. Be especially careful not to use technical expressions or acronyms unfamiliar to your audience.
3. Employ such techniques as summarization, restatement, enumeration, and transitions to help your audience follow your presentation.
4. Round off numbers and statistics, and avoid throwing too many figures at your audience. (Use handouts and other visuals to present complex quantitative data.)

In short, edit for the ear.

Finally, if you plan to speak to an international business audience composed mostly of nonnative speakers, consider these four suggestions from Patricia L. Kurtz as you word your presentation.²

1. Consider using more repetition (identical words) than restatement (use of synonyms) as you summarize and recapitulate main points of your presentation to avoid confusion and compensate for the relatively less-rich vocabulary of a nonnative-speaking audience.
2. Avoid English idioms and slang or explain what they mean (for example, “the ‘fast-food’ market—that is, food such as hamburgers cooked rapidly and uniformly . . .”).
3. Avoid Anglo-Saxon phrasal verbs (a verb used with an adverb particle). This type of verb is difficult for nonnative speakers to understand because the meaning of the phrasal verb is often different from the meaning of the words considered separately (for example, *make up*, *bring up*, *stick to*, and so forth) and will change meaning depending on the context in which it is used. (Kurtz relates the anecdote of a presentation to an international audience in which the American speaker referred often to “sticking to the plan.” During a break in the meeting the host, a nonnative speaker of English, arranged to have the conference table wiped clean, fearing that food or drink had made the “plan” (document) “stick” to the table).
4. Use examples and analogies that are indigenous to the audience; an analogy to baseball may be appropriate to the United States or Japan, while an analogy to soccer is more appropriate to a European audience.

Step Three: Construct Your Presentation Outline

Your outline should serve as an aid to effective delivery. Therefore, after you are satisfied with the content of the presentation in manuscript form, you should reduce the manuscript to an outline.

Outlines may be alphanumeric or decimal; outlines may be full-sentence, key-phrase, or key-word. (Figure 11.4 offers examples of the various types of outlines.) We recommend full-sentence outlines and key-phrase outlines. The key word is a bit risky because it leaves out so much information.

After you have developed your outline, you should prepare the materials in a form suitable for delivery. First, type the outline on either 8½-by-11-inch paper (20-pound) or index cards, using a large type size—for example, 18-point Times Roman. (If you plan to speak from a lectern, either the paper or the index cards will work well. If you must speak without a lectern, the index cards will be easier to handle.) Double-space between lines, allowing for 1½- to 2-inch margins at the top, bottom, left, and right of each page, and number the pages. If (when) the pages or cards fall to the floor, you will find the numbers a blessing as you hurry to reassemble the sheets in their proper sequence.

Figure 11.4 Types of Outlines

FULL-SENTENCE OUTLINE (partial)

- 1.0 The cost of benefits has increased by 25 percent in 2003.
 - 1.1 The primary reason is the new employee dental plan.
 - 1.2 Another reason is the 5-percent increase in employees.
- 2.0 The cost of benefits will increase by 30 percent in 2004.
 - 2.1 The new employee medical plan will increase costs by about 20 percent.
 - 2.2 We estimate a 10-percent increase in employees.

KEY-PHRASE OUTLINE (partial)

- I. Benefits increased by 25 percent in 2003.
 - A. New employee dental plan
 - B. 5-percent increase in employees
- II. Benefits will increase by 30 percent in 2004.
 - A. 20-percent increase for new medical plan
 - B. 10-percent increase in employees

KEY WORD OUTLINE (partial)

- I. Increased
Dental
Employees
- II. Increase
Medical
Employees