

Your Annual Report: George Clooney...or George Constanza?

How to create an annual report with appeal.

Many organizations believe that an annual report is no longer needed at all. That it's an unnecessary expense. Or that websites and social media have made the annual report obsolete.

Big mistake.

You, however, can capitalize on that error in judgment. As fewer organizations take the time to create an annual report, the reports that do go out make a big statement when they're printed and mailed. Delivery of your annual report is one of the benchmark moments at which you communicate with your stakeholders. It's one more time in the year when you get to reach out to donors in a high-impact way.

There are other opportunities, of course; direct mail solicitations, and newsletters, if you publish those. Creating these materials at the same time as your annual report can form an elegant, cohesive suite of communication materials that you can pace well throughout the year.

Your organization's annual report is perhaps the best opportunity you'll have all year to excite and re-engage your donors. So why do too many nonprofits that DO create them produce low-end, boring reports that no donor would want to read? At bare minimum, your annual report is a legal requirement. But what *should* it be?

The annual report is your yearly wake-up call to stakeholders and the public. It's:

1. An opportunity to tell—or update—your story
2. A reminder to donors of why they care
3. A fundraising tool for use throughout the year

This article shows you how to create an annual report that attracts attention and gets results. You'll learn the best practices of content development and photo selection, the value of working with a designer, and how to create a report that inspires donations.

START BY WRITING A CREATIVE BRIEF

Ask yourself these questions:

- Who is the audience?
- What is the most important message that needs to come through?
- What is your organization's tone and style?
- What will distinguish your organization from others?
- What is the story you're trying to tell?

Remember to focus; you can't cover everything in an annual report—and you shouldn't try. Zero in on the information likely to be most appealing to donors so that donating again becomes irresistible.

Community Initiatives is a fiscal sponsor of nonprofits in the San Francisco Bay Area. The organization had never produced an annual report; it was too busy launching its brand and serving its clients. Mission Minded persuaded Community Initiatives that a thoughtful, well-designed annual report could be an ideal forum to announce and strengthen its brand, highlight its successes, and express its needs to donors and other stakeholders.

The day its annual report delivered, Community Initiatives heard from board members, partners, clients, and major donors: Every recipient was ecstatic. Here was an engaging and attractive piece that told the organization's story. It could be popped in the mail, tossed in a briefcase, or uploaded to the website. It hit the marks important to the big funders and was lucid enough for the uninitiated. In other words, it was an unqualified success...and Community Initiatives now issues an annual report each year.

LINE UP THE COMPONENTS YOU'LL NEED

These are the elements of a strong annual report:

- Your logo
- An introductory letter from executive director or board chair
- An overview of your organization
- Irresistible photos
- High-impact stories about those you serve and the difference you've made in their lives
- A remittance device (a way for donors to give; a pre-addressed envelope in the brochure and/or a URL for online donations)
- Your organization's full contact information
- Financial report for the most recent year(s)
- Lists of donors (often categorized by type or size of gift)

WRITE A GREAT STORY

Your annual report may get only one chance to engage the audience. Make your story(ies) striking, tempting, and easy for readers to love.

- Don't assume the reader knows anything about you.
- Don't use jargon.
- Talk about impact, not process.
- Talk about benefits, not features.
- Feature individuals, not programs.
- Reinforce the reputation you want to have; what your brand stands for.

ADD GREAT IMAGES

Do Use:

- Photos of the people you help
- Close-ups and faces
- Dramatic images
- Attention-getting shots
- Cropping/repeating/juxtaposing

Don't use:

- Group photos
- Donors giving checks
- Speakers standing at a podium
- Fancy benefit balls and dinners



USE PRINCIPLES OF GOOD DESIGN

Whether you design your own annual report or employ a designer (which we highly recommend, for the best finished product), follow best design practices:

Make it pass the "I'm too busy to read" test.

Let photos and headlines tell the story; that's all most people will get through.

Be bold with use of white space.

Have the courage to leave plenty of room around text; don't cram every inch of space on the page.

USE PRINCIPLES OF GOOD DESIGN CONTINUED

Stick to two typefaces.

- One serif typeface (e.g., Times New Roman), for text and captions
- One sans-serif typeface (e.g., Arial), for headers and subheads

Use type consistently throughout.

This includes use of justification, capital letters, formats, and visual relationships.

Ensure visual consistency with other materials.

Be sure your annual report reflects the style and color palette of your other communications materials (stationery, brochures, website, etc.).

Choose colors and styles that reinforce the reputation you want.

- What message will your physical annual report send? Is sustainability an issue?
- Choose colors because they function, not because you like them.
- Sometimes less is more. Two-color printing can be stronger than full-color.
- Remember that you are solving a communication challenge. Creating a work of art is not your first priority.

HOW TO SELECT AND WORK WITH A DESIGNER

A good designer can help you think through your challenges, be an extension of your team, and bring expertise that you probably don't have in-house. (You wouldn't pull your own teeth, would you?) Here's how to make the most of a designer's participation:

- Set a budget for design, writing, photography, and printing.
- Create realistic deadlines (in the case of an annual report, allow three months).
- Ask for a written proposal.
- Ask to see design samples.
- Look for someone who will listen to you, not just try to convince you of his own creative ideas.
- Consider what you'll get for what you pay.

Mission Minded is a marketing communications consulting firm with a client list comprised exclusively of nonprofit organizations and foundations. We help organizations that serve the world create and execute the plans that ensure success.

Our team of experienced marketers is passionate about good communication for mission-driven organizations. Because of our commitment to improving the way nonprofits and foundations think and communicate about themselves, we keep our infrastructure low and our creativity high.

At Mission Minded, there are never any agency overhead costs; the result is consistent, agency-caliber services at independent consultant rates and quality. From high-level research and strategy to marketing-plan development and the writing and design of brochures, websites, fundraising materials, and annual reports, Mission Minded delivers effective solutions to the challenges nonprofits and foundations face. Contact us for a free consultation about how we can help your organization be better understood by more people.

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