MASSEY UNIVERSITY
Centre for Teaching and Learning

# Business reports

Reports describe, analyse, and investigate a situation for a particular audience. They have a formal structure and common sub-sections.

Business reports are a type of assignment in which you analyse a situation or problem (either a real situation or a case study) and apply business theories to produce a range of suggestions for improvement.

Business reports are typically assigned to enable you to:

- Examine available and potential solutions to a problem, situation, or issue.
- Apply business and management theory to a practical situation.
- Demonstrate your analytical, reasoning, and evaluation skills in identifying and weighing-up possible solutions and outcomes.
- Reach conclusions about a problem or issue.
- Provide recommendations for future action.
- Show concise and clear communication skills.

Remember that with business reports, typically, there is no single correct answer but several solutions, each with their own costs and benefits to an organisation. It is these costs and benefits which you need to identify and weigh up in your report.

Further, when writing the report, you need to consider the **audience** you are writing for: is it the CEO or will the report be available to all staff concerned? It is vital that you ensure an appropriate level of formality, sensitivity, fairness, and objectivity. Also, be mindful of the audience when writing recommendations. For example, your manager may not be able to influence company policies.

## General format of a business report

Check your assignment instructions regarding which sections you need in your report. Also determine whether you are writing an inductive or deductive report (see page 3).

1 Letter or memo to the client
2 Title Page
3 Executive Summary
4 Table of Contents (if required by your lecturer)
5 Introduction
6 Discussion
7 Conclusions
8 Recommendations
8 References
10 Appendices (if required)

There are conventions relating to what goes into each section. The purpose of these conventions is to save the reader's time. If the reader just wants to know what your key findings are, they can turn immediately to the Executive Summary or the Conclusions section.

## Business report – middle sections

Business reports typically adopt the sections listed below.  The order of these sections varies depending on the subject and whether it is an inductive or deductive report. Business reports will also need a reference list, and sometimes a covering letter, covering memo, and / or Executive Summary section.

### Introduction

- State the purpose or aim of the report, which may include who has commissioned it.
- Provide background details relevant to the situation, such as a brief overview of historical developments, as well as definitions of any terms that are unlikely to be recognised by the audience.
- Summarise the problems and recommended solutions.
- Clarify any limitations, restrictions, and/or assumptions made in undertaking your investigation of the situation, such as restrictions on time, lack of money, limited access to information and people, and/or assumptions made about the organisation because of the lack of information available.

### Discussion

This section is traditionally allocated the most marks. It is generally the only section where you are able to support your analysis and reasoning with theoretical ideas, concepts, and models available within the course. Secondly, it is the only place where you can actually provide evidence to back up your conclusions and recommendations. Therefore, ensure that you draw on evidence from the literature, course materials, as well as your own observations from the actual case or organisation, where applicable.

A key task of the discussion is for you to be able to identify the problem(s) and then consider a range of possible solutions.

### Conclusions

- This is arranged as a numbered or bulleted-list.
- Match each point in sequence with the list of recommendations.
- Each point provides a brief summary of one of the problems outlined in detail in the report.
- Ensure each point links with the report's objectives.
- Write each conclusion in the present tense.
- Each point needs to be specific and clear.

### Recommendations

- This is also arranged as a numbered, bulleted-list.
- Each recommendation should appear in sequence with the order of points in the list of conclusions.
- Each recommendation should provide a response to each problem identified in the list of conclusions.
- Each recommendation should be action-oriented, concise, and clear.
- Each recommendation should also be realistic and feasible within the social, economic, and political climate.
- Write each recommendation in the future tense, as appropriate.

## Inductive vs. deductive reports

The order of the report sections will depend on whether you are required to write an inductive or deductive report. Most assignments at Massey are inductive. Check your assignment instructions.

**Inductive report**

Introduction → Discussion → Conclusions → Recommendations

**Deductive report**

Introduction → Conclusion → Recommendations → Discussion

**Inductive report**

Such reports go from the specific to the general and are ideal for an audience who has the time to read the report from cover to cover. They are also used in instances where the findings may be somewhat controversial, hence, the need to demonstrate your reasoning and evidence (as laid out in the discussion) for the recommendations decided upon.

**Deductive report**

In contrast, in a deductive report you move from the general to the specific. This type of order is effective when faced with an audience who does not have time to read the whole document, but can access the conclusions and recommendations. Consequently, such an order is also appropriate for reports which are not contentious or unexpected in their decision outcomes and recommendations.

## Executive Summary

Executive summaries are being used increasingly in reports. A useful summary condenses the essence of the report so that the reader can quickly grasp the report's aims, objectives and main findings (with key recommendations if the report is an action plan).

### Example Executive Summary

Agribus Consultants were commissioned by Mr and Mrs Stuart to prepare a financial management plan for the 1994/95 season for situations where the existing horticultural operation was maintained and where a neighbouring 10 ha property with 3-5 year old apple trees was purchased

The forecast cashflow budget for the existing and expanded orchard businesses were based on current levels of production and MAF Policy forecasted prices (May 1993) for various apple varieties and grades. Total production of apples would increase by 30,000 tray carton equivalents (100%) if the neighbouring orchard was acquired. These would be produced between March and May. The net cash surplus would increase by 120% to $60,000 with the expanded operation. Economics of scale for labour and machinery, and a better varietal mix (20% more Braeburn) would contribute to the proportionately greater returns.

It is recommended that arrangements to purchase the property proceed forthwith. It will be necessary to arrange a 10-year loan of $100,00 to purchase the land and buildings.

## Appendices

Material that is complex and/or detailed (sometimes raw data, or a copy of a questionnaire) is collected at the end of the report in the Appendices section (to not distract readers from the main theme). Appendices should always be given a number or letter, and title (e.g., Appendix A: Map of the Manawatu region).

## Example of a Memo

# MEMORANDUM

**TO:** J R Farron, Director Agriseeds

**FROM:** J M Clarke, Marketing Manager

**DATE:** 16 July 2011

**SUBJECT:** MARKETING PLAN 2011/12

Please find enclosed the report requested by you 14 July 2011. The purpose of the report was to quantify the physical and financial benefits of the new grass variety you plan to release next year.

The enclosed reports show that the new ryegrass cultivar should increase winter and early spring pasture dry matter production by 5 and 10% respectively. This could increase the gross margin for a bull beef policy by $2.00/su, providing 75-80% of the extra pasture grown is utilised.

I would like to thank the members of my division for the time and energy they put into this analysis.

Please contact me if you need further information.

## Example of a Covering Letter

AgriBus Consultants
P O Box 994
Palmerston North

16 July 2011

Mr and Mrs Stuart
"Takitaki" R D 3
Hawkes Bay

Dear Mr and Mrs Stuart

Please find enclosed the report you authorised on 14 July 2011. The purpose of the report was to present a financial plan for your estate for the 2012/13 period.

The main finding of the forecast budget was that a cash surplus of $25000 should be generated after tax, debt servicing and capital improvements have been paid. The analyses suggest that vehicle costs and accountancy fees are about 50% higher than for comparable farms in your district.

I would like to thank you and your staff for the help they have given me in providing information on which to base my analysis.

If you need any further information, please feel free to contact me. I would be happy to investigate whether the potential expenditure savings identified earlier can be realised.

Yours sincerely

[signature required]

J M Clarke
AgriBus Consultant