

Assignment Types: Reports

Executive summaries (business reports)



An executive summary provides the essential information of the report as a whole. There are many types of report, so the following table describes the main features of the beginning, middle and end that would be included in an executive summary.

	Report/case study with recommendations	Report with no recommendations	Report showing primary empirical research
Beginning	Topic Purpose of report	Topic Purpose of report	Topic Purpose of report
Middle	Key issues or points of discussion	Key issues of points of discussion	Key points of methodology/results
End	Recommendations	Conclusions	Conclusions Limitations of research

You need to be aware of the type and purpose of your report, and which of these elements are relevant. Also, there may be other aspects that we have not included in our list, depending on the unique nature of your report. The point is that there is no single template for reports; the varying purposes of reports require different things. The one commonality is that an executive summary should provide the reader with a concise overview of the whole report, generally in less than a page.

On the next three pages are examples of an executive summary. Do each of these have the relevant elements of beginning-middle-end? Which ones are better, and why?

Example 1 (Accounting)

This report provides an analysis and evaluation of the current and prospective profitability, liquidity and financial stability of Outdoor Equipment Ltd. Methods of analysis include trend, horizontal and vertical analyses as well as ratios such as Debt, Current and Quick ratios. Other calculations include rates of return on Shareholders Equity and Total Assets and earnings per share to name a few. All calculations can be found in the appendices. Results of data analysed show that all ratios are below industry averages. In particular, comparative performance is poor in the areas of profit margins, liquidity, credit control, and inventory management.

The report finds the prospects of the company in its current position are not positive. The major areas of weakness require further investigation and remedial action by management. Recommendations discussed include

- improving the average collection period for accounts receivable
- improving/increasing inventory turnover
- reducing prepayments and perhaps increasing inventory levels

The analysis conducted has limitations, including

- forecasting figures are not provided
- nature and type of company is not known
- the current economic conditions
- there are data limitations as not enough information is provided or enough detail i.e. monthly details not known; results are based on past performances, not present.

SOURCE: Woodward-Kron, R. (1997) *Writing in Commerce: a guide to assist Commerce students with assignment writing* (Revised edition), Centre for the Advancement of Teaching and Learning, The University of Newcastle

Example 2 (Marketing)

This report was commissioned to examine why the sales volume of Choice Chocolate has dropped over the past two years since its peak in 1998 and to recommend ways of increasing the volume.

The research draws attention to the fact that in 1998, the market share of Choice Chocolate was 37%. The shares of their key competitors such as Venus and Bradbury were 22% and 18% respectively. The size of the chocolate market then was \$36 million. Over the next two years, although Choice Chocolate retained its market share the volume of sales in the whole market decreased to \$29 million. Further investigations reveal that this market shrinkage coincided with an increase in health awareness amongst consumers who regard the milk and sugar ingredients in chocolate as negative; moreover, since the second half of 1999, an increasing number of rival 'health candies' had appeared on the market. These claimed to offer the consumers a healthy alternative. These factors appear to be the major causes of the decreased sales volume of Choice Chocolate.

Slim Choice is the latest chocolate range put forward by the R&D Department of Choice Chocolate. The report evaluates this range and concludes that it would be an ideal candidate to meet the challenge presented by the market and could satisfy the new consumer demand since it uses significantly reduced milk and sugar ingredients and is endorsed by renowned health experts. According to 97% of the 2000 subjects tested recently, it also retains the same flavour as the original range.

It is recommended that

- Choice Chocolate take immediate measures to launch and promote Slim Choice alongside its existing product range;
- Slim Choice adopt a fresh and healthy image
- part of the launch campaign contains product endorsement statements by renowned health experts
- Slim Choice be available in health food shops as well as in traditional chocolate retail outlets

Example 3 (Marketing)

Every time a business or consumer purchases products or services they display forms of buyer behaviour that are influenced by many factors. The following report looks at the fast food industry and will analyse four McDonalds' key products and services. It highlights what type of consumer buying or business buying behaviours are displayed in the purchase of a product or service and explains why each behaviour may occur. This enables a conclusion to be drawn from applying theory to reality. Although a full comprehension of buying behaviour is impossible, since everyone is an individual, it is useful to reflect on common behaviours and attempt to divide behaviours in types and stages. Even McDonalds, a leader in marketing, cannot always predict consumer behaviour.

SOURCE: Unilearning. (2000). *Examples of good and poor executive summaries*. University of Wollongong. Accessed 5 March 2012 from <http://unilearning.uow.edu.au/report/4bi1.html>

These examples are analysed on the following pages.

Analysis of Example 1

<p>This report provides an analysis and evaluation of the current and prospective profitability, liquidity and financial stability of Outdoor Equipment Ltd. Methods of analysis include trend, horizontal and vertical analyses as well as ratios such as Debt, Current and Quick ratios. Other calculations include rates of return on Shareholders Equity and Total Assets and earnings per share to name a few. All calculations can be found in the appendices. Results of data analysed show that all ratios are below industry averages. In particular, comparative performance is poor in the areas of profit margins, liquidity, credit control, and inventory management.</p> <p>The report finds the prospects of the company in its current position are not positive. The major areas of weakness require further investigation and remedial action by management. Recommendations discussed include</p> <ul style="list-style-type: none"> • improving the average collection period for accounts receivable • improving/increasing inventory turnover • reducing prepayments and perhaps increasing inventory levels <p>The analysis conducted has limitations, including</p> <ul style="list-style-type: none"> • forecasting figures are not provided • nature and type of company is not known • the current economic conditions • there are data limitations as not enough information is provided or enough detail i.e. monthly details not known; results are based on past performances, not present. <p>(201 words)</p> 	<p>Subject matter</p> <p>Methods of analysis</p> <p>Findings</p> <p>Conclusions</p> <p>Recommendations (NB. conclusions and recommendations can be in bullet lists)</p> <p>Limitations of the report</p>
---	--

Original analysis by Learning Development, University of Newcastle

Analysis of Example 2

<p>This report was commissioned to examine why the sales volume of Choice Chocolate has dropped over the past two years since its peak in 1998 and to recommend ways of increasing the volume.</p> <p>The research draws attention to the fact that in 1998, the market share of Choice Chocolate was 37%. The shares of their key competitors such as Venus and Bradbury were 22% and 18% respectively. The size of the chocolate market then was \$36 million. Over the next two years, although Choice Chocolate retained its market share the volume of sales in the whole market decreased to \$29 million. Further investigations reveal that this market shrinkage coincided with an increase in health awareness amongst consumers who regard the milk and sugar ingredients in chocolate as negative; moreover, since the second half of 1999, an increasing number of rival 'health candies' had appeared on the market. These claimed to offer the consumers a healthy alternative. These factors appear to be the major causes of the decreased sales volume of Choice Chocolate.</p> <p>Slim Choice is the latest chocolate range put forward by the R&D Department of Choice Chocolate. The report evaluates this range and concludes that it would be an ideal candidate to meet the challenge presented by the market and could satisfy the new consumer demand since it uses significantly reduced milk and sugar ingredients and is endorsed by renowned health experts. According to 97% of the 2000 subjects tested recently, it also retains the same flavour as the original range.</p> <p>It is recommended that</p> <ul style="list-style-type: none">• Choice Chocolate take immediate measures to launch and promote Slim Choice alongside its existing product range• Slim Choice adopt a fresh and healthy image• part of the launch campaign contains product endorsement statements by renowned health experts• Slim Choice be available in health food shops as well as in traditional chocolate retail outlets <p>(314 words)</p>	<p>Uses formal language appropriate to report</p> <p>Summarises key findings</p> <p>Summarises solution to problem</p> <p>Summarises recommendations</p>
--	--

Analysis of Example 3

<p>Every time a business or consumer purchases products or services they display forms of buyer behaviour that are influenced by many factors. The following report looks at the fast food industry and will analyse four McDonalds' key products and services <to what end?>. It highlights what type of consumer buying or business buying behaviours are displayed in the purchase of a product or service <tell reader what types> and explains why each behaviour may occur <tell reader why>. This enables a conclusion to be drawn from applying theory to reality <tell reader the conclusion>. Although a full comprehension of buying behaviour is impossible, since everyone is an individual <put this in the body as detail qualifying research>, it is useful to reflect on common behaviours and attempt to divide behaviours in types and stages <why was it useful in this study?>. Even McDonalds, a leader in marketing, cannot always predict consumer behaviour.</p> <p>(122 words)</p>	<p>Methods of analysis (should go second) Report aims (should go first) Outlines what sort of information the report deals with but <u>fails</u> to summarise the results, conclusions and recommendations. These are an executive summary's purpose and are absent from this example. The information in this executive summary is vague and does not summarise what the report found.</p>
--	---

SOURCE: Unilearning. (2000). *Examples of good and poor executive summaries*. University of Wollongong. Accessed 5 March 2012 from <http://unilearning.uow.edu.au/report/4bi1.htm>