

# 5 Insights from the Geschäfts- berichte Symposium 2017

Summary of trends and recommendations

## 1.

### From the digital haystack to the ecosystem

Connectivity and digitalization are turning the world upside down. «The winner takes it all» is the governing principle according to Stefan Nünlist of Swisscom. Today a king, and tomorrow the crown is lost. Trust in corporate and society's leaders is waning. And with it, the influence of previously unscathed authorities. The increasing transparency in corporate reporting has not yet altered a thing. Opinions are more polarized, and target groups more heterogeneous. Who in the «crowd» influences whom is hard to distinguish, and even more difficult to describe, claims the futurologist at GDI, Karin Frick. «Data Mining» is in demand, even in reporting, as excellent communication requires empirical analysis according to Ansgar Zerfass, Professor of Strategic Communication at the University of Leipzig. You can only identify influencers and network connections of the target groups using large data volumes. So, whoever is looking for a successful communication template must take advantage of «Big Data» in future. Using this knowledge you can set up, develop and justify a specific ecosystem of influencers and interested parties. Despite technology, humans are still at the core – and are gaining in significance. Stephan Siegrist of Think Thank W.I.R.E emphasizes that this is because «peer» to «peer» understanding is becoming more important for building confidence and will complement traditional communication from top to bottom.

**Keep an eye out for the development of tools to interpret large data volumes. It is best to communicate on an equal footing in web networks.**

## 2.

### Simplification is the name of the game

Companies find themselves conflicted between increasing regulation of report content and the demand to reduce complexity. Even the expert reader welcomes brevity and simplicity in annual reports. «Cut the clutter» or «reduce to the max» are the latest buzzwords. This is the assertion of practitioners at Addison, Baloise and Georg Fischer. So for example, reiteration of the boilerplate and repetition of accounting standards that are better suited to appearing elsewhere can safely be dispensed with. Readers demand high-quality, transparent and comprehensible information as the studies carried out by Prof. Dr. Thomas Berndt, University of St. Gallen, and Dr. Anke Gerding, VAT Group demonstrate – both in integrated reporting and in the «notes» of financial reports. When constructed according to these criteria annual reports promise to have a positive impact on share liquidity, shareholder value and anticipated cash flow. To be relevant you need to set priorities to keep you on track, a mission that Nestlé is committed to. However, they do not readily answer specific questions like whether the annual report will be published in one, rather than three languages in future. It will be impossible to avoid tough choices in reporting going forward.

**Don't be afraid to omit things, set clear priorities and connect the dots for your readers. The coherent linking of financial and non-financial information helps companies appear credible.**

## 3.

### Listen first, then take action

Listen, think, report: Integrated Reporting not only leads to the often touted integrated thinking, but also to integrated listening. With a «materiality check» topics are categorized by importance for the company as well as for stakeholders. This way only the most relevant issues find their way into reporting. Back to basics is how the historian Tobias Straumann characterizes his aspiration for reporting of the future. But which topics belong on the agenda or on the materiality matrix? Ansgar Zerfass feels that by means of «integrated listening» questions, claims and criticisms can be filtered out of the various channels. And Karin Frick is convinced that going forward one can only find and understand target groups using digital data. Listening requires new forms of communication. So for example, Nestlé initiated the so-called Chairman's Roundtable that should unveil the needs of investors at regular intervals. At Zurich Insurance Company there is close collaboration between Communications and Finance to capture needs, take a variety of perspectives into consideration and develop formats for stakeholder dialog.

**Through listening your annual report will become more relevant and present a more coherent image of your company. Listening serves to foster relationships and assist risk management.**

# 4.

## Do it yourself!

Excellence in communication emanates from within. Competitive advantages do not lie in the choice of channel or in great-looking publications, but in the clarity of messages from the people and management behind them, explains Ansgar Zerfass. And for this a company must look inside. Delegation to externals is not an option. Reporting is only the tip of the iceberg, says weiss Estelle Aymard from Zurich. Consequently reporting is not an end in itself, but the result of an examination of company-internal values. Communication is not a voice, it is an «enabler» and «facilitator». It empowers all employees to convey the essence of the company authentically to the outside world, since corporate management lost ownership and control of its content long ago. Consequently, excellent communication means organizational development in the sense of investing in employees. This needs to be fostered as employees will become a decisive success factor. And all of this cries out for quality and consistency – and should also come from within, because clear communication necessitates explicit processes with strict quality control. And what does that mean for the future? Non-financial reporting will adapt itself more and more to the achievements of traditional financial reporting thereby establishing reliable reporting systems.

**It is not excellent external advice, it is your company's DNA and thoroughness that will form the basis of valuable future reporting.**

# 5.

## Back to the future

Economic historian Tobias Straumann recommends less hysteria in the face of the evident threat of digitalization and web networks because the structural transition dictated by technology has been going on for the last 200 years – since the very first annual reports were in their baby shoes. Since then the economy has been continuously growing. If you look at the GDP per capita over the last 1000 years, then the sudden steep and unstoppable rise after the Industrial Revolution catches your eye. In addition, the most important production centers back then, as today, are located in the the same banana shaped zone between northern Italy and southern England. Reporting is also developing steadily. Tradition and rituals have served as fertile ground for communities since time immemorial. Therefore reporting is not dead, according to Stephan Siegrist of W.I.R.E. Looking back once a year and «freezing» moments provides direction, confirms Kai Rolker of Clariant. A peek into the archives enables you to compare and start to make real progress.

**Take a look at your annual reports over the past few years before you embark on the new one – and enjoy the yearly ritual.**