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Business Report Writing Skill

HKICPA Accounting and Business Management Case Competition 2014-2015

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A Question to ask

Which of the following are required to join/win this competition?

- Ability of conducting primary or secondary research 資料搜集的能力
- Analytical ability 分析能力
- Ability of using accounting knowledge for business development 運用會計知識的能力
- Insights into the business world 對商業世界的認知
- Understanding of how to present information using a business plan 寫作商業計劃的能力
- Ability of presenting the findings and research orally 口頭闡述資料的能力
- All of the above 全部


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Objectives of this PowerPoint slides 簡報目的

You are expected to:

- understand what a business plan is about 了解甚麼是商務計劃
- find out the content, structure and language use of a business plan 了解商務計劃的內容、結構及用語
- better prepare for the competition 有效預備比賽



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What is a business plan 甚麼是高商務計劃?




- A detailed proposal for doing or achieving something
- A business plan should outline the business objectives (商業目標); how and when these will be achieved (如何及何時達成目標); resources required (所需資源) and the evidence that supports the assumptions (能支持假設的論據).
- We need a business plan for different stages of business development
 - **start-up (成立階段)**: mainly for survival (e.g. finding customers, retaining customers, making sure products/services keep up with changing customer needs)
 - **early years (初期階段)**: consolidating the business (e.g. controlling the business, staff recruitment and retention, management structure)
 - **growth and maturity years (增長及成熟階段)**: challenges of expansion (e.g. secure funding, moving premises, moving into new markets/new products, competing with bigger businesses, mergers/acquisitions)

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Benefits of Planning 計劃的好處




- Better prepare for uncertainties and be more confident about what lies ahead (為未來作好準備)
- Effective way to monitor and control your business (有效管理生意)
- Reliable in planning and working according to facts and market needs (就事實及市場需求作出可靠的計劃)
- Planning is a good communication means – it requires communication with different parties, ensuring that staff are clear about company mission, vision and objectives. (可作為溝通的橋樑)
- Identify weaknesses and improve the all-round efficiency of an organization (認清弱點及作出改善)

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Different needs for a business plan 應付不同的需要

- Raising money (集資)
- Obtaining approval for a course of action (要求獲准進行某些工作)
- Enhancing performance (改善表現)
- Enlisting external support (爭取外界支持)



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Key components of a business plan
 商務計劃的主要內容 (1)

- Cover page (封面) - This page identifies you and your business, and dates the plan.
- Table of Contents (目錄) - This is to make it easy for readers to locate and examine specific documents.
- Executive Summary (摘要) - This could be regarded as the most important part of a business plan. It summarizes the highlights of the plan and provides a snapshot of the business.

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Key components of a business plan
 商務計劃的主要內容 (2)

- **Business description (簡介):**
 - Company description (公司簡介): This section gives company-specific information, including the nature of the organization/business, ownership, mission, objectives or even location.
 - Product/Service Description (產品簡介) - This section describes the products or services offered by an organization.
- **Analysis (分析):**
 - This section outlines the analysis of the performance of the business, the industry, target market and competition the business faces. Strategic planning methods such as SWOT analysis may also be included.

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Key components of a business plan
 計劃書主要成分(3)


- **Conclusion (總結)** - This section summarizes the findings in the Analysis section and draws out the main points.
- **Strategy (建議策略)** - This section presents the strategies used to address the findings in the Analysis section. Details about implementation, schedule, personnel and budget required could also be included.
- **Management team (管理層)** - This is a section describing the management of the business. Some businesses will also include information about other staffing or the independent consultant they plan to use.

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Components of a business plan
 計劃書成分(4)

- **Appendix (附錄)** - This is for you to include supporting documents, statistical analysis, product marketing materials or resumes of key employees.
- **References (參考資料)** - This is to acknowledge the sources of information you have read.




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Procedure of preparing for a business plan 撰寫商務計劃的步驟

- Step 1: Identify the needs to write the business plan by understanding the situation (了解現時情況及撰寫該商務計劃的原因)
 - read the annual reports of the company
 - conduct a relevant survey/an interview to find out more about the situation.
 - Interpret and analyze the data collected
- Step 2: Determine the purpose and rationale of the business plan (確定計劃書的用途及目的)
- Step 3: Brainstorm all the possible strategies/solutions and find out the most feasible ones (商討各種可行的策略並選出最有效的方案)
- Step 4: Draft a feasible schedule for implementing the measures and consider the budget (草擬實施計劃及所需預算)
- Step 5: Write up the business plan (撰寫商務計劃)
- Step 6: Revise, proofread and edit the business plan (改正、校對及編輯)
- Step 7: Submit the business plan for consideration (提交)



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Summary of the Adjudicators' comments 評判評語

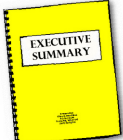
- **Content (內容):** Lack of solid data to support and justify recommendations (缺乏實質理據支持建議)
- **Structure (結構):** No Executive Summary, no Conclusion and recommendations, No referencing
- **Language (語言):** Poor presentation of data, hard to read, poor grammar, many typos

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Executive Summary 摘要

- It contains a complete overview of the business plan. (整份計劃書的摘要)
- Even though it is the first part of the business plan, it should be the last section that is written. (待完成商務計劃其它部份才開始撰寫)




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Executive Summary 摘要

The Executive Summary should comprise the summaries of the following information:

- Introduction/ intention of the business plan (商務計劃的動機)
- A brief description of the business (簡介業務)
- Description of the market, customer and competition (簡介市場、顧客及競爭者)
- Key historical and forecasted financial data (主要財務數據)
- A brief description of the recommended strategies (主要建議)
- An estimate of the amount of funds you need and a statement of how you will use the money (所需資金及運用方案)
- The projected return of the business plan (預期商務計劃所帶來的收益)

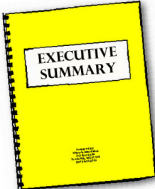


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Executive Summary 摘要

- Introduction
- Objectives
- Mission
- Keys to Success



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1. Executive Summary (Example)

1.1 Introduction

Jasmine Teahouse is a new tearoom in the quaint New England town of Simsbury, Connecticut. Jasmine Teahouse is a Limited Liability Corporation, managed by its owners, Earl and Lady Grey. Earl Grey has five years of experience managing a successful boutique coffeehouse in a similar locale in Maryland. His love and knowledge of teas will make the transition to owning and running a teahouse a natural step. Lady Grey has 3 years of training as an herbalist and worked for 4 years as a teatender in Boston. She is currently training to be a nutritionist; her knowledge of the health benefits of tea will help our marketing and sales efforts.

(Bplans website, 2012)



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1. Executive Summary (Example)

Jasmine Teahouse will offer a full range of teas (hot and iced), as well as pastries, premium chocolates, tea accessories, and loose teas for taking home or giving as gifts. Lady Grey is a master teatender, and Earl has been learning proper brewing techniques from her for the last four months. We will train all of our teatenders in the proper storage, brewing, and serving of each kind of tea.

(Bplans, 2012)

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1. Executive Summary (Example)

The American tea market is growing rapidly. Tea sales have increased 165% since 1990, with the number of tea rooms offering sit down service rising about 15% to about 1500 shops. American interest in tea certainly owes some of its increase to the proliferation of gourmet coffee shops around the country in this same period. Most of working America has accepted the idea of expensive hot beverages as affordable luxuries, thanks to the marketing efforts of Starbucks, Seattle's Best, and so on. At the same time, fashion is always on the move-now that fancy coffee drinks are so widely accepted, savvy consumers are looking for new, more unique treats to enjoy. Starbucks estimates that 7% of its \$12 billion annual sales currently come from tea.

(Bplans, 2012)

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1. Executive Summary (Example)

In Simsbury, our potential clientele is divided between local residents and tourists (roughly 100,000 per year, in all seasons). We expect to easily generate sales to existing committed tea drinkers, who will immediately recognize the quality of our products and services. Marketing to the much larger local groups who are not yet familiar with premium teas will emphasize our atmosphere (cozy, intimate, luxurious), our prestige-value (high prices, the sophistication of having a favourite "exotic" tea type), and our wide array of potential gifts (gift baskets, chocolates, loose teas and tea accessories). Sales to tourists depend on a highly-visible location, association with the quaint charm of our town, and promotional efforts in cooperation with other businesses.

(Bplans, 2012)

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1. Executive Summary (Example)

We have no direct competitors in our area. Dunkins Donuts and a local cafe cannot compete with our upscale approach, and the nearest Starbucks is 5 miles away. Simsbury's growing affluence and gentrification work in our favour, as our upper-middle class customer seeks out new status makers and mini-luxury experiences in a convenient, nearby location.

Our well-researched and conservative sales forecasts project sales over \$190,000 in the first year, with continued moderate increases through year 3. We project a net profit in the first year of over \$13,000, with steadily increasing net worth for the foreseeable future.

The owners are investing \$10,330 of their own money into the business. Jasmine Teahouse is seeking an additional 6 year loan of \$53,633 to fund out startup costs. We plan to open our doors in June of 2004.

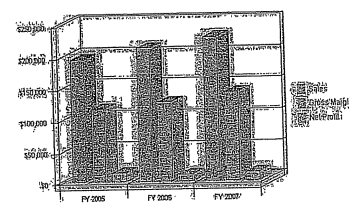
(Bplans, 2012)

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1. Executive Summary (Example)

Highlights



(Bplans, 2012)

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1. Executive Summary (Example)

1.2 Objectives

- To operate a successful tea and chocolate store in Simsbury, employing one to two employees the first year
- To obtain a minimum of 200 regular customers in the Simsbury market the first year of operation
- Achieve first year sales of \$190,000
- Maintain an average gross margin of 58 percent
- To produce a reasonable net profit by the end of the third year of operation

(Bplans, 2012)

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1. Executive Summary (Example)

1.3 Mission

- Our goal is to provide the finest premium teas and chocolates to residents of the Simsbury, CT area in a relaxed and fun atmosphere.

1.4 Keys to Success

- **Experienced Owners/Managers.** Earl and Lady Grey have years of experience in this and related industries.
- **Product Quality.** We sell only the finest whole-leaf loose teas, pastries, and chocolates.
- **Excellent Customer Service.** Each customer will be treated as would an honoured guest in our homes.
- **No direct competition.** In addition to hot teas, we offer iced teas, chocolates, and gift baskets to cover seasonal variations in customer demand.

(Bplans, 2012)


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2. Business Description

This is a section for you to describe your business clearly and briefly. Briefly tell whether you are starting up a new business venture, expanding your existing business or acquiring an existing business. Explain the products or services the business provides/will provide. Note the following:

- We need to focus on the factors that make the offering unique and desirable to customers (having a competitive comparisons comparing your offering to similar products or services offered by others).
- Sourcing
- Future Products or Services



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2. Business Description (Example)

2.1 Products and Services

Jasmine Teahouse will specialize in premium teas, fine chocolates, and gift baskets. Our full "teahouse" experience is complemented by an assortment of loose teas, premium chocolates, tea accessories and gift baskets, all suitable as souvenirs and gifts for our tourist customers. Our goal is to be a destination store for visitors, and a resource for locals seeking gifts, new experiences and knowledge of tea.

- 2.1.1 52 kinds of tea
- 2.1.2 Pastries
- 2.1.3 Chocolates
- 2.1.4 Tea paraphernalia
- 2.1.5 Gift baskets

(Bplans, 2012)



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3. Analysis

The Analysis Section gives evidence that the market has a niche for the company to exploit. It consists of the following:

- 3.1 A business operation and financial analysis (營運及財務狀況分析)
- 3.2 An industry analysis (行業分析)
- 3.3 A target market analysis (目標市場分析)
- 3.4 A competitive analysis (競爭對手分析)

Methods of analysis: SWOT analysis (強弱危機分析), Situation Analysis, Five Forces Analysis



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3.1 Business operation and financial analysis 營運及財務狀況分析

- Analyze the business performance, operation efficiency and the financial situation of the company. 分析公司業績、營運效率及財務狀況
- It is an important part of the process of developing a business plan, and then for monitoring the success of that plan. 可作為監測計劃成效的依據




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3.2 Industry Analysis 行業分析

Industry analysis part is for you to demonstrate your knowledge about the features/characteristics of the type of business you are in (行業的特性).

- size of the industry (市場)
- growth rate (增長)
- trend of development (發展趨勢)
- reasons for the trend (趨勢背後的原因)
- market share (市場佔有率)
- Factors affecting the industry (正影响行業的因素)



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3.3 Target Market Analysis 目標市場/客戶分析

This is to analyze the target market to find out who precisely your target customers are and their preference. It includes the following information:

- demographic information (人口特質)
- size of the target market (目標市場的大小)
- lifestyle factors (生活方式)



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3.4 Competitors Analysis 競爭者分析

It is important for you to identify your competitors, and the details of your competitors' businesses. You may have to do some research; study their ads, brochures and promotional materials. You also have to find out more about their location, customers and investigate their pricing. Both primary and secondary information is needed.

- your competitors' size and market share, as compared to yours (競爭者的大小、市場佔有率)
- how target customers perceive your competitors' products and services (你的目標顧客對競爭者的看法)
- your competitors' financial condition (競爭者的財務狀況)
- their ability and speed of innovation for developing new products/services (競爭者能創新的潛力及速度)



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SWOT analysis (強弱機危分析)

In SWOT, strengths and weaknesses are **internal factors**.
 For example, **strengths** could be:

- Your specialist marketing expertise
- A new, innovative product or service
- Location of your business
- Quality processes or procedures
- Any other aspects of your business that adds value to your product or service

Weaknesses could be:

- Lack of marketing expertise
- Undifferentiated products or services
- Location of your business
- Poor quality of goods or services
- Damaged Reputation



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SWOT analysis (強弱機危分析)

Opportunities and threats are **external factors**. For example, **opportunities** could be:

- A developing market such as the Internet
- Mergers, joint ventures or strategic alliances
- Moving into new market segments that offer improved profits
- A new international market
- A market vacated by an ineffective competitor

Threats could be:


- A new competitor in your home market
- Price wars with competitors
- A competitor has a new, innovative product or service
- Competitors have superior access to channels of distribution
- Taxation is introduced on your product or service

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SWOT analysis (強弱機危分析)

SWOT analysis can be very subjective. Do not rely on SWOT too much. It is rare for two people to come up with the same final version of SWOT. So use SWOT as a guide and not a prescription.



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Market Analysis (Example)

3.1 Industry Analysis

- 3.1.1 Tea Market
- 3.1.1 Chocolate Market

3.2. Target Market Analysis

- 3.2.1 Market Size
- 3.2.2 Market Segmentation
 - 3.2.2.1 Locals
 - 3.2.2.2 Tourists

3.3 Competitors Analysis

3.4 SWOT Analysis

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4. Strategy策略

Marketing strategies市場策略

- This section explains how you plan to reach your targeted customers and how you will effectively market your product or service. It addresses the analysis you have done in the Market Analysis section.

You could consider 4 Ps:

- Product產品
- Pricing價格
- Place地點
- Promotion宣傳



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4. Strategy策略



Operation strategies營運策略

- Implementation plan
- Resources required
- etc.....

**Projected outcomes and financial forecast
 預期效果及財務預算**

- It indicates whether your business can make a profit and/or generate positive impact on the business.

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4. Strategy 策略 (Example)

4.1 Strategy and Implementation summary

e.g. We will combine heavy print advertising with special events and targeted promotions to introduce Simsbury's residents and tourists to Jasmine Teahouse, and to premium teas in general. Repeat sales depend on consistently high quality products and service. We will thus train every part-time tea tender in the proper storage, brewing, and serving of our 52 kinds of tea.

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(Bplans, 2012)

4. Strategy 策略 (Example)

4.1 Strategy and Implementation summary

Our tea and chocolates are offered at a price premium that discourages customers seeking cheap, low-quality goods. This not only enhances the feeling of prestige customers get when patronizing our teahouse, but also ensures that customers will have similar expectations of service and quality, based on their socio-economic class. The status and sophistication indicated by suggesting an outing to Jasmine, or a gift basket with our logo on it, will soon become valuable in themselves.

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4. Strategy 策略 (Example)

4.2 Competitive Edge

4.3 Marketing Strategy

4.3.1 Tea drinkers

4.3.2 Socializers

4.3.3 Gift Buyers

4.3.4 Tourists

4.4 Sales Strategy

4.5 Sales Forecast

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5. Conclusion 結論

The main purpose of the conclusion is to summarise and highlight the significance of your main findings (總結各種分析的結果). Do not introduce any new material (e.g. results, analyses) in this section. If you want to draw a clear conclusion about your findings, you can use these expressions:

- It can be concluded that ...
- The findings clearly indicate that ...
- It is clear that ...
- This study has found / demonstrated / revealed / shown that ...
- If you want to express caution when drawing conclusions, you can use these expressions:
 - The findings seem / appear to indicate that ...
 - The results suggest that ...
 - The evidence points to ...

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5. Conclusion 結論

Conclusions often contain expressions of generality such as:

In the main ...

In general ...

Overall ...

Taken as a whole ...

On the whole ...

Generally speaking ...



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Use of Language: Strategy

In the strategy section when you have to give suggestions or recommendations, you will often want to demonstrate how your recommendation is derived from a particular conclusion. You can use these expressions to indicate the connection between your conclusion and recommendations:

- Given ...
- In view of ...
- In the light of ...
- Taking into account / consideration ...
- Considering ...

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Use of Language: Strategy

Making recommendations is an important element in reports written in order to solve problems.

Note the structures that are used with the following verbs, which are frequently used in recommendation sections.

- recommend
- suggest
- propose

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Use of Language: Strategy

When you make a recommendation, suggestion or proposal you can use a 'that' clause with a modal (typically should).

Examples:
 It is recommended that the institute should form a working party to investigate the problem.

It is recommended that a working party should be formed to investigate the problem.

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Use of Language: Strategy

It is quite common to omit the modal, particularly in formal writing. If you leave out the modal, you should use the base form of the verb (i.e. as if the modal were present).

Examples:

- It is recommended that the institute form a working party to investigate the problem.
- It is recommended that a working party be formed to investigate the problem.
- I suggest that the Director of Finance examine the records. It was proposed that Sally convene a meeting to review procedures.


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Use of Language: Strategy

Here are other ways of putting forward and evaluating solutions to problems in recommendation sections:

- I think / believe that the rent should be maintained at the present rate.
- The company should consider engaging a team of consultants.
- We could (introduce) ...
- One way of addressing the problem would be to (introduce) ...
 - dealing with
 - tackling
 - approaching
 - solving
 - alleviating
 - reducing
 - minimizing
 - limiting

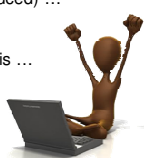


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Use of Language: Strategy

- One possible solution would be to (introduce) ...
- What we should do is (introduce) ...
- To solve the problem of ... we should (introduce) ...
- A short-term solution would be to (introduce) ...
- In the long term, we should (introduce) ...
- The problem of ... could be alleviated if we (introduced) ...
- The main benefit / advantage of ... is ...
- One of the main disadvantages / drawbacks of ... is ...




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Formal Writing


In formal English:

- Sentences tend to be long and complex
- Grammar rules are followed strictly
- Contracted and abbreviated forms of words are usually avoided



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Phrasal Verbs

i. ask for	i. request
ii. come up with	ii. suggest
iii. set up	iii. establish
iv. go up and down	iv. fluctuate
v. cut down	v. reduce
vi. put forward	vi. propose/ suggest

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Avoid simple everyday words like *good, bad, small, get, thing*

1. I (got) obtained the data between 2 May and 30 June 2009.
2. Ada has now (got over) overcome the shock of losing her job.
3. The economic outlook is expected to (get better) improve in the coming months.
4. The government hopes to (get rid of) solve the problem by the end of the year.
5. Our company (got) received many orders in the second half of the year.
6. Candy hopes to (get) receive/be granted/be approved a loan from the bank.
7. The company's financial position (got worse) worsened last year.
8. The Chair tried to (get across) convey/communicate her ideas as clearly and simply as possible, but some of the students still couldn't understand.

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Suggested Video

Visit the website (<http://www.sba.gov>)
 Click *Learning Center*; and then *Online Training for Media Type*
 And watch the video 'How to Write a Business Plan'.

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THANK YOU!



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