

Tomorrow's Business Success

Using Integrated Reporting to help create value and effectively tell the full story

Introduction

This 'tool-kit' accompanies the guide "Tomorrow's Business Success: Using Integrated Reporting to help create value and effectively tell the full story".

It draws on the insights from the experience of those we have consulted as part of the research undertaken and presented in the guide. It provides some questions to help you as a chairman, CEO or CFO lead a discussion with your colleagues so that together you can judge how <IR> can help the future success of your business.

A section on 'responses to often asked questions' is also provided based on some of the most often heard concerns about <IR>.

This 'tool-kit' is structured around the two main ways in which <IR> can help your company:

- **how <IR> helps a company create value** – by better understanding and connecting the disparate sources and drivers of long-term value to enable better strategy formulation, decision making and implementation through their business model
- **how <IR> helps companies tell their story** – of how value is created more effectively both internally and externally, to win trust, secure reputation by encouraging better relationships with investors, employees and other stakeholders.

The contents of this 'tool-kit' are by no means prescriptive or exhaustive. <IR> is a journey. The companies that have started on this journey, and that are already seeing the benefits, are still finding their way.

The 'tool-kit' is therefore designed so that you can add your own thoughts, questions and answers that arise as part of your discussions.

How <IR> helps a company create value

What is our definition of value?

What is our business model?

How does our business model create value? How often do we discuss this?

To what extent do we have a shared understanding of our business model and how we create value?

What is special and distinctive about what we do as an organisation?

What are the circumstances under which the company is operating and how might these change?

How well will our business model stand up to changes in our operating environment?

What opportunities are we trying to exploit and what are the attendant risks?

Do we understand the connection between different value-adding activities and the decisions made?

Are our existing KPIs aligned to our view of how we create value?

Notes/Additional Questions

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How <IR> helps a company tell its story

To what extent are we trusted as an organisation?

How does this differ by stakeholder group, if at all?

To what extent does our current reporting adequately describe our business model and how we create value?

Do all our stakeholders fully understand our business model and how we create value for them?

What different functions are involved in reporting and to what extent do they work together effectively?

How complete is the information on which we base our decisions and assess our performance?

What if any are the gaps or difficulties in obtaining the information we need?

Notes/Additional Questions

Responses to often asked questions

Possible concerns:	Response:
We already use a number of reporting frameworks – is this different?	There is no other framework which operates across the breadth of the activities within a business and its external context. It provides an umbrella framework under which other reporting requirements are encompassed and may help accelerate other innovations in reporting.
We already produce extensive reports – will this just not add to what we are producing?	The <IR> Framework advocates disclosure of information about matters that substantively affect the organisation's ability to create value over the short, medium and long term in a concise and succinct manner.
The <IR> Framework suggests that we should provide forward looking information but won't this lead to loss of competitive advantage and aren't we prevented from doing this?	This issue may already be of concern in respect of other reporting frameworks and needs to be considered based on the guidelines within particular national jurisdictions across the world.
Can't <IR> get exploited for marketing and communications purposes only?	So can existing reporting frameworks. However by bringing together all relevant factors into a cohesive and coherent picture of how the company creates value, a more thorough and robust story is told. There is, therefore, less room for exploitation.
Won't this place an extra burden on internal resources?	One of the existing challenges for companies is the ability to connect information and bring together value adding activities across functional silos. <IR> can help address this and make internal communication and decision-making more effective.