IBCS WITH SUCCESS

INTERNATIONAL BUSINESS COMMUNICATION STANDARDS

Produce better business reports and presentations with these 98 rules.
Many examples refer to financial topics, but also apply to other business areas.

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Say
Convey a message

SA 1 Introduce message

SA 1.1 Map situation

1 **Situation** "Our goal is 20% profit on sales"

Why?
Reason A
Reason B
Reason C

SA 1.2 Explain problem

1 Situation "Our goal is 20% profit on sales"

2 **Problem** "The profit forecast is 3%"

Why?
Reason X
Reason Y
Reason Z

SA 1.3 Raise question

1 Situation "Our goal is 20% profit on sales"

2 Problem "The profit forecast is 3%"

3 **Question** "How can we achieve our goal?"

...and now the **message** is the answer to this question!

SA 2 Deliver message

SA 2.1 Avoid mundane messages

"Our project has four phases"

"We should invest in five more people in order to..."

"We had a peak in April"

"We can avoid the peak in April by using..."

SA 2.2 Detect, explain, or suggest

"Sales down"
"Prices up"
"Strategy change"

Detection
Sales **are** mEUR 5 below...

Explanation
...**because** of a 10% increase...

Suggestion
...**therefore** we should...

SA 2.3 First say the message, then explain it

The market for Project B is too small and we expect high competition. In addition, costs are above budget and desired quality is unattainable. Therefore, we should stop the project.

We should stop Project B
+Market is too small
+Competition is very high
+Costs are above plan
+Quality is unattainable

SA 3 Detail message

SA 3.1 Substantiate message

We offer interesting colors for all our models

These colors...
...are new on the market
...are very stylish
...improve visibility

We offer interesting colors for all our models

SA 3.2 Develop storyline

SA 4 Support message

SA 4.1 Speak with precise words

+Relevant cost cut
+Around 100 units
+Significant variance
+More than 5 tons
+Much better than plan

+Cost cut of 3.5 mEUR
+Between 98 and 102 units
+Variance of +9%
+6 or 7 tons
+3% above plan

SA 4.2 Visualize facts

Decisions product B

"After receiving the results of the market survey we have to look at the alternatives for this project. In the case of predicted good market chances we should launch the product. If only fair chances can be expected, ..."

Decisions product B

Market survey
Good chances?
Fair chances?
Poor chances?

SA 4.3 Highlight message

Sales decreased by 18%

Sales decreased by 18%

-18%

SA 4.4 Name sources and link comments

Ø Staff in FTE

1 Full-time employees
2 Including 4 externals

Comments

SA 5 Recapitulate message

SA 5.1 Repeat message

Thank you for your attention!

"...and I hope that I could get across, that we have to..."

...and then the audience says "Thank you".

SA 5.2 Explain consequences

...and now we should decide on the next steps:

a **Staff** Additional resources are needed...
b **Machines** Two more assembly lines must be...
c **Marketing** Our web shop features should...

Unify
Apply notation standards

UN 1 Unify terminology

UN 1.1 Unify terms and abbreviations

Term	Abbreviations short	long	Definition
+Return on investment	ROI	Ret. on inv.	ROI is defined as...
+Accounts receivable	AR	Acc. receiv.	AR...
+Profit before tax	PBT	Profit b. tax	PBT...
+Profit and loss	P&L	Profit & loss	P&L...
+Human resources	HR	Human res.	HR...
+Net sales per capita	NS/c	NS per cap.	NS/c...

UN 1.2 Unify numbers, units, and dates

23 mtr.	100.000.000	23 m	100 000 000
34 kg.	123456	34 kg	123 456
20 sec.	1234567 CHF	20 s	1.23 mCHF
22 tons	€	22 t	EUR
[kg]	US$	kg	USD
sqm	£	m²	GBP
1.5.2015	II/2015	2015-05-01	2015-Q2
01/05/15	W17-2015	2015-05-01	2015-W17
05/01/15	Jun/2015	2015-05-01	2015-Jun

UN 2 Unify descriptions

UN 2.1 Unify messages

The biggest variance...
Alpha Corporation **Sales** in EUR

PY	AC	ΔPY
2 316	2 435	+119
479	508	+29
312	420	+108

...because we have...
Alpha Corporation **Stock** in EUR
Jan Feb Mar

We should increase...
Alpha Corporation **Profit** in EUR
Berlin Paris Rome

UN 2.2 Unify titles and subtitles

Net Sales Development from January to July 2015
Alpha Corporation [mEUR]

Profit ratio: In thousand Euros per Employee in Division D
Actual and Budget in 2015

Alpha Corporation
Net sales in mEUR
Jan..Jul 2015

ABC Corporation, Division D
Profit per employee in kEUR
2015 AC, BU

UN 2.3 Unify the position of legends and labels

UN 3 Unify dimensions

UN 3.1 Unify measures

Sales
Berlin
Paris
Staff
Berlin
Paris
Sales per capita
Berlin
Paris

Sales (Value)
Berlin
Paris
Staff (Volume)
Berlin
Paris
Sales per capita (Ratio)
Berlin
Paris

UN 3.2 Unify scenarios

	AC '14	AC '15	FC '15	PL '16
	2316	2129	2435	2237
	439	488	508	522
	515	479	531	304

'14 AC '15 AC '15 FC '16 PL

UN 3.3 Unify time periods, use horizontal time direction

Years
Quarters
Months
Weeks
Days

Time
Years
Quarters
Months
Weeks
Days

UN 4 Unify analyses

UN 3.4 Unify structure dimensions, use vertical structure direction

Products
Companies
Countries
Customers

Products
Companies
Countries
Customers
Structure

UN 4.1 Unify scenario analyses

Comparisons
UK PY
USA AC
UK PL
USA FC

Abs. variances
ΔPY
ΔPL
ΔPL

Rel. variances
ΔPY%
ΔPL%
ΔPL%

UN 4.2 Unify time series analyses

Analyses	Symbol	Example
Difference	x-y	AC'15-AC'14
Time span	a..b	Feb..Jun'15
Year to date	_x	_Jun'15
Rolling	..x	..Jun'15
Average	Ø	Ø'15
First day	.x	.Aug'15
Last day	x.	Aug.'15

Application "Year to date"
_Jan _Feb _Mar
123 234 546
22 46 86

J F M A M

UN 5 Unify indicators

UN 5.1 Unify highlighting indicators

12% Highlighting ellipse
Warning dot
Trend arrows
Difference markers
100% 100% Reference
5 Comment reference

UN 5.2 Unify scaling indicators

UN 5.3 Unify outlier indicators

Material costs ΔPY%
A +8
B +10
C -16
D +17
E +98

Material costs ΔPY%
A +8
B +10
C -16
D +17
E +98

Condense
Increase information density

CO 1 Use small components

CO 1.1 Use small fonts

ABC Productions, Inc. London
Board
Log. Fin. Sales
IT AC Dir.
ES CO Ind.

ABC Productions, Inc. London
Board of Directors
Logistics Finance Sales
Italy Acc. Direct
Spain Contr. Indir.

CO 1.2 Use small elements

CO 1.3 Use small objects

7.4 +0.7 +1.5 -3.4 6.2

7.4 +0.7 +1.5 -3.4 6.2

CO 2 Utilize space

CO 2.1 Use narrow page margins

CO 2.2 Reduce empty space

CO 3 Add data

Sales in EUR	Jan	Feb	Mar
Germany	502	456	243
Austria	49	34	44
France	89	83	89
Italy	123	101	117
Sweden	77	88	8
Denmark	34	37	45

CO 3.1 Add data points

CO 3.2 Add dimensions

One dimension

Three and five dimensions

CO 4 Add elements

CO 4.1 Show overlay charts

CO 4.2 Show multi-tier charts

ΔPL +101 +79 -73
Oct Dec
AC 453 315 292
Oct Nov Dec

ΔPL +101 +79 -73
AC 453 315 292
Oct Nov Dec

CO 4.3 Show extended charts

CO 5 Add objects

CO 4.5 Integrate explanations

Shipments in t

Shipments in t

CO 5.1 Show small multiples

CO 5.2 Show related charts on one page

Check
Ensure visual integrity

CH 1 Avoid manipulated axes

CH 1.1 Avoid cut axes

80 70 60 50 40

66 76 45 76 56

CH 1.2 Avoid logarithmic axes

1000 (log) 100 10 1
5 10 20 100 30
Jan Feb Mar Apr May

100
5 10 20 30
Jan Feb Mar Apr May

CH 1.3 Avoid different class sizes

46_60	7	56_60	0
41_45	7	51_55	2
36_40	10	46_50	5
31_35	13	41_45	7
16_30	12	36_40	10
		31_35	13
		26_30	6
		21_25	4
		16_20	2

CH 2 Avoid manipulated visualization elements

CH 2.1 Avoid clipped visualization elements

CH 2.2 Use creative solutions for challenging scaling issues

CH 3 Avoid misleading representations

35 30 73 18

35 34 33 73 18

CH 3.1 Use correct area comparisons, prefer linear comparisons

171 261 395
2005 2010 2015

CH 3.1 Use correct volume comparisons, prefer linear comparisons

100 202 399 801
'00 '05 '10 '15

CH 3.3 Avoid misleading colored areas in maps

Market share
>30%
>20%
>10%
<10%

Market share and market size

CH 4 Use the same scales

CH 4.1 Use identical scale for the same unit

Sales in mUSD 55 52
Profit in mUSD 10 8
Sales in mUSD 55 52
Profit in mUSD 10

CH 4.2 Size charts to given data

Express
Choose proper visualization

EX 1 Use correct object type

EX 1.1 Use correct chart type

Time
Specialties
Structure

EX 1.2 Use correct table type

Time table

	'14	'15
Italy		
Austria		
UK		
France		
Rest		
Europe		

Variance table

	PL	FC	ΔPL
Italy			
Austria			
UK			
France			
Rest			
Europe			

Cross table

	Sales	Profit
Italy		
Austria		
UK		
France		
Rest		
Europe		

EX 2 Replace inappropriate visualizations

EX 2.1 Replace pie, ring, and torus charts

EX 2.2 Replace gauges, speedometers

Berlin Paris Vienna Bern

Berlin Paris Vienna Bern

EX 2.3 Replace radar, funnel, sphere, and spider charts

EX 2.4 Replace spaghetti charts

A B C D

A B C D

EX 2.5 Replace traffic lights

	ΔPY
Net sales	
COGS	
Contribution	
Fixed costs	
Profit before tax	
Tax	
Profit after tax	

	ΔPY
Net sales	-2
COGS	-3
Contribution	+1
Fixed costs	+2
Profit before tax	-1
Tax	-0.5
Profit after tax	-0.5

EX 3 Replace inappropriate representations

EX 3.1 Prefer quantitative rather than conceptual representations

EX 3.2 Avoid textual representations

Text slide
Bullet slide

+Show texts on the projector screen only if you plan on discussing them

+Put texts in your handouts instead, so that your audience can read them later

EX 4 Add comparisons

EX 4.1 Add scenarios

Profit on sales in %
6.5
AC FC
Jan Feb Mar

Profit on sales in %
6.5
PY AC FC PL
Jan Feb Mar

EX 4.2 Add variances

	AC	PL
NY	59	
CA	79	
TX	62	

	AC	ΔPL
NY	59	+14
CA	79	+11
TX	62	-3

EX 5 Explain causes

EX 5.1 Show tree structures

Profit -2
Profit -2
Sales 20
Costs 22

EX 5.2 Show clusters

EX 5.3 Show correlations

Net sales Profit in %
F B G E D A

Net sales Profit in %
A F B D G E C

Simplify
Avoid clutter

SI 1 Avoid unnecessary components

SI 1.1 Avoid cluttered layouts

SI 1.2 Avoid colored or filled backgrounds

Sales	Profit
34 567	321
22 343	-1 122
1 231	34
32 557	-234
8 990	2 289
11 887	199

Sales	Profit
34 567	321
22 343	-1 122
1 231	34
32 557	-234
8 990	2 289
11 887	199

SI 1.3 Avoid animation and transition effects

100 87 78 95 82 Austria
79 71 84 71 France

SI 2 Avoid decorative components

SI 2.1 Avoid frames, shades, and pseudo-3D

SI 2.2 Avoid decorative colors

SI 2.3 Avoid decorative fonts

SUCCESS

SI 3 Replace with cleaner layout

SI 3.1 Replace grid lines and value axes with data labels

6 5 4 3 2 1 0
3.9 5.1 2.8 4.1 6.2

SI 3.2 Replace vertical lines in tables with right-aligned data

Right-align column headers and numbers

SI 4 Avoid redundancies

SI 4.1 Avoid redundant terms

Alpha Corporation statistics
Sales development in EUR

	2014	2015
Germany	802	788
Austria	49	34
Switzerland	128	122
Rest	256	345
Total **Europe**	1 235	1 289

Alpha Corporation
Sales in EUR

	2014	2015
Germany	802	788
Austria	49	34
Switzerland	128	122
Rest	256	345
Europe	1 235	1 289

SI 4.2 Avoid redundant text

Production costs
R&D costs
Sales costs
Marketing costs
Administration costs
Total costs

Production
R&D
Sales
Marketing
Administration
Costs

SI 4.3 Avoid redundant legends and axis labels

Sales
Division Alpha
Division Beta
Q1 Q2 Q3 Q4
2015 2015 2015 2015

Sales by division 2015
Alpha
Beta
Q1 Q2 Q3 Q4

SI 5 Avoid distracting details

SI 5.1 Avoid labels of small values

	'12	'13	'14	'15
Berlin	36	30	23	24
Zurich	22	14	23	10
Vienna	22	14	7	30
	60	47	53	64

SI 5.2 Avoid long numbers

Costs in kUSD
52.231 39.459 27.896

Costs in mUSD
52.2 39.5 27.9

a 366 123
b 237 418
c 16 689
d 6 148
e 211 332
f 4 567

a 366.1
b 237.4
c 16.7
d 6.1
e 211.3
f 4.6

SI 5.3 Avoid unnecessary labels

Structure
Organize content

ST 1 Use homogeneous elements

ST 1.1 Use homogeneous items

ST 1.2 Use homogeneous statements

Objectives
+Improve quality
+Reduce costs
+Many delays
+Reduce price

Objectives
+Improve quality
+Reduce costs
+Avoid delays
+Reduce price

ST 1.3 Use homogeneous wording

Activities
+Sell division A
+Restructuring of division B
+Split division C
+Improve division D

Activities
+Sell division A
+Restructuring division B
+Split division C
+Improve division D

ST 1.4 Use homogeneous symbols and pictures

Sunny
Rainy
Windy
Snow
Storm

Sun
Rain
Wind
Snow
Storm

ST 2 Build non-overlapping elements

ST 2.1 Build non-overlapping report structures

Project Beta
+Name
+Objective
+Manager
+Team
+Results
+Expenses
+Steps
+Schedule
+Costs
+Milestones
+Calendar
+Achievements

Project Beta
+Name
+Manager
+Team
+Results
+Schedule
+Costs

ST 2.2 Build non-overlapping business measures

Calculation
+Sales
+Costs of goods sold
+Material costs
+Contribution
+Fixed costs
+Depreciation
+Profit

Calculation
+Sales
+Costs of goods sold
+Contribution
+Fixed costs
+Profit

ST 2.3 Build non-overlapping structure dimensions

Export countries
+Austria
+Germany
+Switzerland
+Norway
+Sweden
+Scandinavia
+Denmark
+Finland

Export countries
+Austria
+Germany
+Switzerland
+Norway
+Sweden
+Denmark
+Finland

ST 3 Build collectively exhaustive elements

ST 3.1 Build exhaustive arguments

We think of all options
+New products, old location
+Old products, old location
+New products, new location

We think of all options
+New products, old location
+Old products, old location
+New products, new location
+Old products, new location

ST 3.2 Build exhaustive structures in charts and tables

America
Europe
Asia
World

America
Europe
Asia
Africa
Rest of World

ST 4 Build hierarchical structures

ST 4.1 Use deductive reasoning

Message
Statement
Comment
Conclusion

ST 4.2 Use inductive reasoning

Message
Statement
Statement
...
Statement

ST 5 Show logical structure

ST 5.1 Show structure in reports

ST 5.2 Show structure in tables

	J	F	M	Q1
Hamburg	12	11	9	32
Berlin	19	16	14	49
North	31	27	23	81
Munich	16	14	15	45
Stuttgart	23	20	21	64
South	39	34	36	109
Germany	70	61	49	190

	J	F	M	Q1
Hamburg	12	11	9	32
Berlin	19	16	14	49
North	31	27	23	81
Munich	16	14	15	45
Stuttgart	23	20	21	64
South	39	34	36	109
Germany	70	61	49	190

ST 5.3 Show structure in notes