

SUCCESS

Seven Letters for
More Success in Business Communication



SUCCESS

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Does your Company Speak the Same Language?

Business communication is not in good shape. Executive managers struggle through overloaded reports, or they don't even bother studying the carefully prepared presentations or using the dashboards in the first place. Those creating the reports feel misunderstood and the recipients feel poorly served. What's going wrong?

The primary reason for such inefficiency is a lack of standards in visual communication. When the diagrams and tables all look different, readers cannot recognize patterns and are left to find their own way around each new report. This takes a lot of effort and may well lead to differing interpretations. Yet too many management decisions are still being made, and businesses managed, on this basis.

In more and more companies, the International Business Communication Standards (IBCS®) are the basis for clear and comprehensible reports and presentations.

With the International Business Communication Standards (IBCS®), a generally recognized set of rules for efficient business communication has been available to the business world since 2013. It forms the basis for creating clear and comprehensible presentations and management reports in more and more businesses. With these rules applied, senders and recipients finally speak the same language. Content can be reduced to the essentials, clear messages can be formulated, and reports can be produced flexibly to suit the needs of their users. Not only major corporations and multinational groups benefit from this; the SME sector is now increasingly doing so too.

If management reports and presentations are to meet the IBCS standards, they must follow the rules of the SUCCESS formula. The meaning behind this acronym for better business communication is the topic of this White Paper.

The Onward March of IBCS® SUCCESS

The International Business Communication Standards have their roots in the 1980s, when Dr Rolf Hichert worked as a consultant for McKinsey & Company and met several thought leaders in the conceptual and visual design of reports and presentations. His **idea for semantic notation** and the **drafting of fundamental rules for recipient-oriented reporting systems** paved the way for a uniform visual language for business communication.

SUCCESS: The formula underlying IBCS

An effective reporting system follows seven rules that form the acronym SUCCESS.

- **SAY:** Convey a message
- **UNIFY:** Apply notation standards
- **CONDENSE:** Increase information density
- **CHECK:** Ensure visual integrity
- **EXPRESS:** Choose proper visualization
- **SIMPLIFY:** Avoid clutter
- **STRUCTURE:** Organize content

The SUCCESS rules for clear and comprehensible business communication have made unprecedented progress in recent years. The rules are being applied by more and more companies around the world. More and more people are working on the development of the standards under the auspices of the not-for-profit IBCS Association. The project is promoted by the IBCS Institute. The company run by Dr Rolf Hichert and Dr Jürgen Faisst organizes training in the IBCS standards, carries out certifications and provides teaching materials.

IBCS combines established knowledge with new insights

The **seven rule areas** of the SUCCESS formula can be assigned to **three categories**. These together form the **pillars of the IBCS standards** (cf. fig. 1):

SAY and STRUCTURE cover conceptual rules for **creating an appropriate storyline**. They are based on work such as Barbara Minto's book *The Pyramid Principle*. The aim is to convey a clear message.

EXPRESS, SIMPLIFY, CONDENSE and CHECK contain rules concerning perception, which are based on work such as that of the statistician and data visualization pioneer Edward Tufte. The focus here is on **conveying the message by using an appropriate visual design**.

The rule areas of the SUCCESS formula form the pillars of the International Business Communication Standards

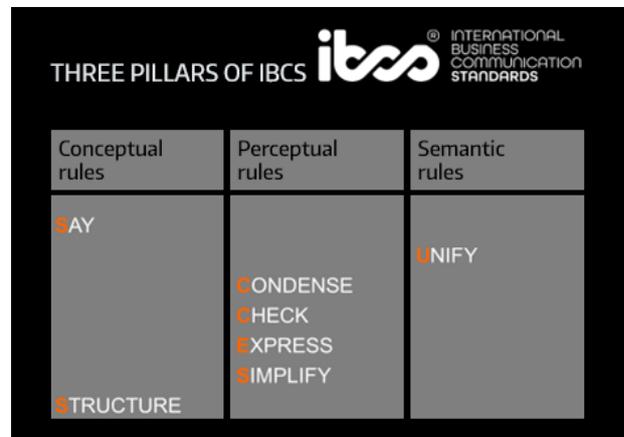


Fig. 1 (Source: Hichert+Faisst / ibcs.com)

UNIFY covers semantic rules for conveying a clear message by **using a uniform notation**. This topic area has been substantially shaped by Dr Rolf Hichert himself.

The arrangement into three pillars clearly shows **how the SUCCESS rules are interrelated**. The message is: design your business communication according to the conceptual rules with due regard for the perceptual and semantic rules.

Quicker and Better Decisions

How many reports have you produced or received so far this year? And of how many can you be sure that the message really came across? The devil is often in the detail: in an excessive amount of design elements, in misleading scales, in an absence of key messages, or in a lack of succinctness. Wouldn't you like to have had a standard that relieved you of all these formal considerations? That's precisely what the SUCCESS rules, and the International Business Communication Standards on which they are based, are for. But do they actually work? Are the benefits of IBCS-compliant reports quantifiable? And what do the individual rules achieve?

These are precisely the questions that a team of four visual business communication experts asked themselves in 2019. In a **study at the Technical University Munich**, 90 subjects – all familiar with the analysis of diagrams and tables – were invited to attend a research laboratory where they were asked to complete a series of tasks using a variety of reports.

*Clearer, quicker
and easier to
understand: study
shows benefits of
IBCS-compliant
reports*

In addition to the **effect of the notation principles** and the implementation of their content, the authors of the study examined the impact of the individual SUCCESS rules. In a special experimental setup, the effectiveness of the various rules in isolation was put to the test. The application of EXPRESS alone was then found to bring about a 97% increase in performance. Of relevance here were the insights gained from the report for a question that was asked. The application of CONDENSE increased performance by 83%, while CHECK reduced the error rate by 73%. Where the UNIFY rules were applied, the participants gained 201% more insights from reports.

*The authors of the study concluded: "The IBCS deliver on their promise. (...) The SIMPLIFY and CONDENSE guidelines mainly affect processing time – and are thus **time savers**. UNIFY and CHECK are **quality managers** since they help readers to avoid errors."*

The study at the Technical University of Munich has thus shown that the SUCCESS rules improve and speed up the understanding of reports. The following sections will look at how you can implement the individual rules and benefit from the positive effects.

The Seven Letters of Success



The acronym SUCCESS speaks for itself. It's about creating a successful reporting system. But what part, exactly, do the different **areas with 98 rules in total** play in making sure that...

- ... recipients understand the content of reports quickly and correctly?
- ... senders create their reports more quickly and with less effort?
- ... senders and recipients refer to the same standard?

*98 rules for more
SUCCESS with
presentations and
reports*

SUCCESS delivers answers to the question of the correct **presentation**, provides a basis for comprehensible management reports, and establishes a **common language** that is spoken and understood by senders and recipients alike.

SAY | SUCCESS

A report differs from statistics and dashboards in that it has a **concrete message**. It conveys the key insights to the recipient straight away. SAY is comparable to newspaper headlines, which similarly place the key message at the top. The reader can then decide for himself whether to delve more deeply into the article or the visualization of the report.

A message can be divided into **three dimensions**: determination, explanation and recommendation. The relative importance of these varies according to the relationship between the sender and the recipient. A report intended for the CEO should contain all three dimensions and, in some circumstances, an assessment of alternatives as well. In communication between financial controllers and cost center managers, determinations such as "The sales are 20% over budget, and the profit margin is 10% over budget" are sufficient. The recipient already has the essential information in this message for deciding on appropriate measures without needing to delve into the finer details of a more or less clearly displayed report.

The **wording of the message** should be as short and precise as possible. Highlighting, such as circling, trend arrows or other graphic elements, helps the recipient to identify the reference point of the key message within the chart quickly (cf. fig. 2).

*Determine, explain
and recommend
with short and
precise messages*

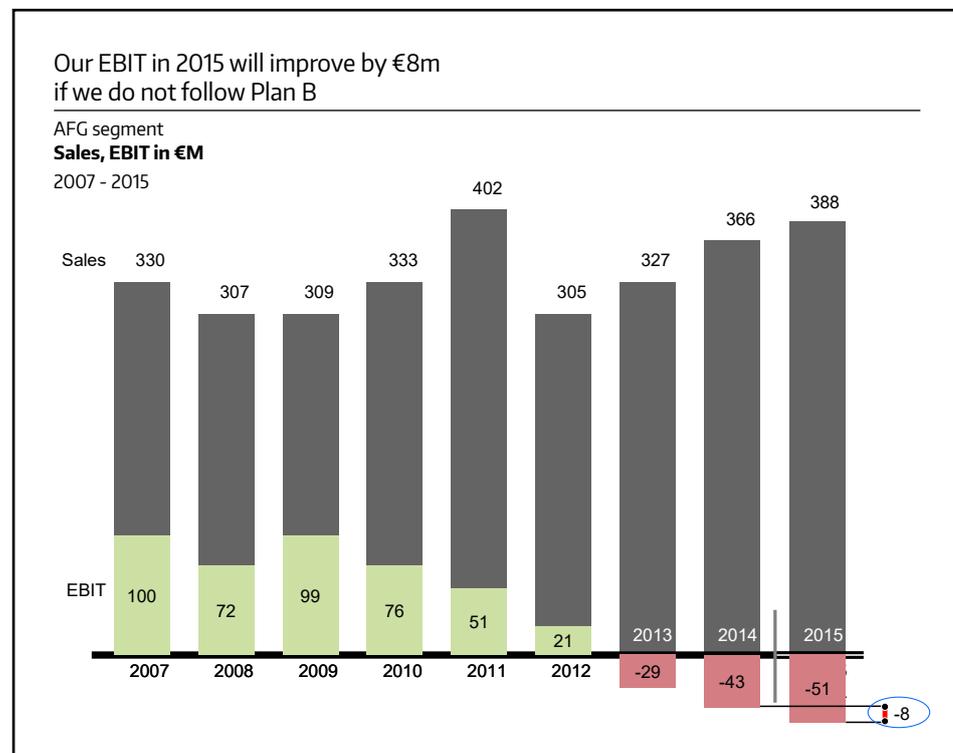


Fig. 2: Clear messages and appropriate highlighting lead the reader to the relevant graphic elements. (Source: Hichert+Faisst / ibcs.com)

UNIFY | SUCCESS

That which is the same looks the same. That which is not the same must not look the same.

Many companies are already using uniform standards to create their reports: their corporate identity guidelines (CI). In most cases, though, the CI only determines the „frame“ and not the presentation of content. However, content is precisely what the UNIFY group of rules focuses on: **a reduction of CI elements** is advisable, particularly for internal reports, to give the content as much space as possible. When designing management reports and presentations, UNIFY prescribes the following principle: that which is the same looks the same, and that which is not the same must not look the same.

For example, if you use columns to show sales over time, you should not use columns again to show staff numbers over time. Another form of visualization must be used instead.

Clear display conventions help the reader to understand. If one and the same fact from different authors is included in a report, this fact should always be displayed in the same way (cf. fig. 3a & 3b).

A set of notation standards such as IBCS promotes understanding, particularly when the reporting has to follow a dynamic market environment and more and more ad-hoc reports are being produced. In other areas of society, corresponding standards already exist – road signs, sheet music, technical drawings, maps and building plans are just some examples. The advantages are obvious: a uniform notation enables all users to understand the many applications of the standards once these have been learned.

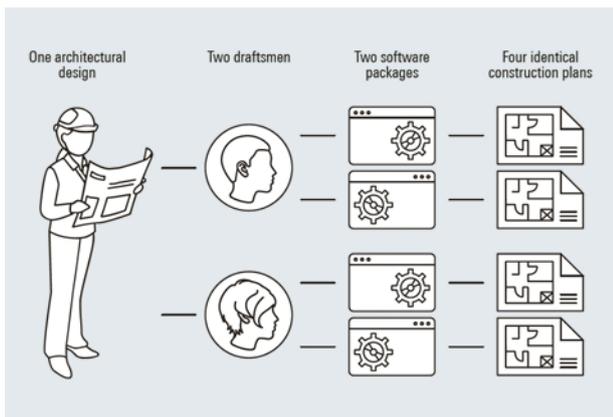


Fig. 3a: One design, one construction plan thanks to notation standards (Source: Hichert+Faisst / ibcs.com)

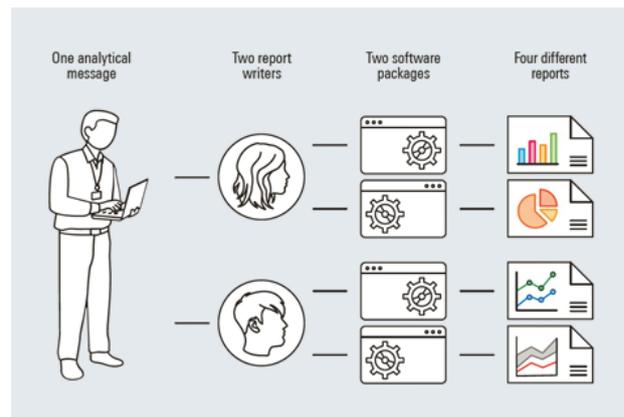


Fig. 3b: One analysis, four different reports because no standards exist (Source: Hichert+Faisst / ibcs.com)

CONDENSE |

Many reports display complex and related facts sequentially. A company's different locations, for instance, often appear one after the other on different slides. Such a presentation makes a **comparison** of all locations at a glance impossible. Neither relationships nor dependencies between KPIs can be shown like this. There's no way of **seeing the whole picture**.

*More transparency
by concentrating
information*

The CONDENSE rule group concerns itself with the transparent display of complex facts with **high information density on a single report page**. Diagrams and complete reports are easier to understand when relationships and dependencies are made clear and comparisons made possible. The more information is concentrated in the presentation, the quicker complex topics can be covered – provided, of course, that the facts can be clearly identified.

CHECK |

Visual integrity in the display of information is the core topic of CHECK. Different scales, in particular, often distort perception leading to recipients interpreting reports incorrectly. To prevent this, all charts on the same page should always use the same scale.

If it is necessary to point out specific details, a **magnifying glass function** or a **different scale** may be used. Such highlighting must be clearly marked (*cf. p.8*).

Alternatively, the specific facts can be presented again in isolation on the following page of the report using a different scale. In a dynamic reporting system, a drill-down may also be used.

EXPRESS |

Which display format is suitable for which statement? EXPRESS gives you the answers. The aim of this rule area is the **selection of suitable charts** with which the desired message, including the underlying facts, can be conveyed as quickly as possible.

*The display format
supports the
message.*

When **choosing a display format**, it is a good idea to **keep to existing conventions**. As a rule, time series run from left to right as columns or line graphs. Structural comparisons, such as those between different regions, are shown as bar charts from bottom to top.

The benefit becomes particularly clear when, for example, looking at regions over time. For this, EXPRESS recommends three different display formats from which the authors of reports can choose, depending on the key message to be conveyed:

- column diagrams for comparing locations over time
- bar charts for comparing all locations at one point in time
- stacked columns for the total of all locations over time

In each case, the figures used are from the same underlying data. The choice of visualization depends on the message to be communicated to the recipient.

SIMPLIFY |

The SIMPLIFY group of rules checks the content of tables and reports for noise and redundancies and eliminates these. The aim is to **keep the display as simple as possible**.

Everything that has no relevance should disappear. Examples:

- borders
- shading
- 3D effects
- unnecessary use of colors
- repeated mention of the same unit (euros, employees, customers, etc.)

*More information,
less decoration*

Unnecessary styling distracts from the content and creates noise. The solution: less decoration, more information.

The aim of SIMPLIFY is to **keep diagrams plain and simple**. The displays are monochrome (black and white); loud colors are only to be used according to a clearly defined convention. Variances, for instance, may be shown in green (positive) and red (negative). Where there are several charts on one page to show, say, the sales figures for different branches, it's sufficient to give the scale (e.g. €m) once in the title.

At this point it becomes clear how the **SUCCESS rules reinforce one another**. Since the CHECK rules (cf. p.9) require all charts on a page to have the same scale, the scale need only be specified once.

STRUCTURE | S U C C E S S

When defining the structure of reports, the focus should be on the **recipients and their interests**. It may make sense to have different structures for different addressees. The reporting requirements for the Sales department, for instance, will be different from those of the Logistics department.

The SURE acronym summarizes the key recommendations of STRUCTURE:

No gaps, no overlaps, and always geared to the recipient.

- **Similar:** Lists and structures should be similar in content as well as form on every level. For instance, in a structure containing Turnover, Costs and Profit, the Sales department would be out of place.
- **Unique:** Structures lose comprehensibility when individual elements overlap. This is the case, for example, with "Project goals" and "Project requirements".
- **Relevant:** Structures should suit the facts and align themselves with the message and thus with the SAY rules (*cf. p.8*)
- **Exhaustive:** A structure can only be said to be exhaustive, and therefore complete, when all aspects of a higher-level topic are included. A division of Central Europe into Germany, Austria, Switzerland and Belgium would thus not be exhaustive because there are other countries in Central Europe.

In a nutshell: the SURE criteria stand for "no gaps, no overlaps".

Tips for Tables

The SURE criteria of STRUCTURE are particularly useful when creating tables. If aggregate terms, such as "Total", "Sum" or "Cumulative", are used on their own or in combination, the structure may not fulfil the SURE criteria.

For a table with "Europe", "Asia", "America", "Africa" and „Rest of the World", there can only be one summary row: "World". Terms such as "Sum" would not be relevant here.

To comply with the SURE criteria, you should bear in mind that if you're having trouble deciding what to call the summary cells in your table, the problem lies in your data structure.

From Theory to Practice

Many companies already have a reporting system up and running. Most of those who think that they can simply redesign their reporting system according to the semantic rule UNIFY quickly come to realize that this is not sufficient in itself, as the following **real-life example** shows.

From theory to practice: step by step to more efficiency

In a major corporation, almost 40% of the existing reporting system was eliminated or created anew as part of a project on the basis of the conceptual rules. This was prompted by the realization that the existing structures were not geared to the recipients and the reports were lacking in concrete messages and therefore not a suitable basis for making targeted decisions. The business communication was designed just as it always had been, regardless of whether it was still meaningful.

Considering the three pillars of the International Business Communication Standards, it is advisable to **design your internal business communication according to the conceptual rules with due regard the perceptual and semantic rules.**

Conclusion

Increasingly dynamic markets and the rapid rate of digitization mean that data-driven decision-making processes are becoming more and more important. We are in an ongoing process that has no beginning and no end. The tremendous pace of development and the pressure from technological pioneers are moving new technologies and strategies into focus.

No questions, no interpretation: make better decisions with clear and comprehensible reports.

Against this backdrop, report design quickly becomes a side issue and is easily forgotten. While interactive dashboards enable decision-makers to access data, reports deliver preselected information as a basis for evaluating strategies and defining measures. They serve as unidirectional communication from sender to recipient and, in the presentation of KPIs, may neither raise questions nor allow any room for interpretation.

The **SUCCESS rules** and the **International Business Communication Standards** provide everyone involved with a **common basis for clear and comprehensible communication and better decisions**. However, they also present a challenge. Those wishing to implement the 98 IBCS rules, or even just a fraction of them, will need to discard their old habits and subject themselves to an unfamiliar reporting regime.

If you wish to take your entire workforce with you on this journey and establish IBCS throughout your company, you will need to lower the bar for the new standards to be accepted. The **success of IBCS as a company-wide reporting standard** stands or falls with the level of **automation and usability of an IBCS-compliant reporting solution**. If the application of the International Business Communication Standards and their 98 rules is just a few mouse-clicks away, the future of reporting can start today.

Find out more in our free webinar **SUCCESS: The Success Story for Your Reporting**

Get to know the SUCCESS rules and how they are interlinked by looking at specific before-and-after examples.

Find out more about the application of SUCCESS in tables.

Apply EXPRESS to a data record: when do you use which display format?

Put yourself in the position of a report user and see how SUCCESS leads to quicker and better decisions.

Register at www.mehr-success-mit-ibcs.de

We're looking forward to seeing you.

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Hi-Chart has been developing software for the creation of powerful business graphics and tables according to the notation standards of the IBCS Association for ten years. In 2020, the company based in Berlin became a subsidiary of CP Corporate Planning AG, one of the leading vendors of software for business management in Germany, Austria and Switzerland. The solutions for operational planning, integrated financial planning and consolidation run on a common technological platform and enable automated planning approaches for forecasting, meaningful ad-hoc analyses and real-time IBCS reporting at the touch of a button.

Imprint

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