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Format Wars:
5 Golden Rules for Adding Impact to Reports

White Paper

Welcome

Thank you for reading this invaluable white paper.

It summarises the many years of experience we've had in working with leading companies who continue to search for improvement in the relevance and quality of information they use to make decisions.

The principles outlined apply to almost any business department where information is collated, re-organised and presented to aid the decision making process.

In the pages that follow, you'll find details of 5 Golden Rules that should be considered when formatting your spreadsheets and reports.

We encourage you to share this white paper with your colleagues and pass it on to anyone you know who may benefit from understanding how their everyday tasks can be made easier.

By following a few guidelines and learning some simple techniques, the quality and impact of your reports will improve.

Give your work the presentation it deserves!

"A good decision is based on knowledge and not on numbers"

- Plato

"Our work is the presentation of our capabilities."

- Edward Gibbon

About the Author:

Wyn Hopkins is a Senior Business Analyst at Access Analytic.

Wyn gained his Chartered Accountant qualification at PricewaterhouseCoopers in the UK in 2000.

Wyn is a certified Excel Expert, skilled in financial analysis, strategic financial modelling, management reporting and forecasting

He has extensive Business Analyst experience in FTSE 100 financial services companies (HBOS and Barclays in the UK) as well as a range of industries in Perth and Sydney.

Contents

Substance over Form

Surely the data in a report is more important than how it's presented?

Not necessarily.

Communicating information from a screen or piece of paper easily and accurately often requires as much planning in the layout as it does in the collation / creation of results.

Even simple ad-hoc pieces of work and analysis will benefit from consistent and clear formatting.

What's the secret?

While there's no single "right" format, there are general principals and Excel shortcuts that can assist you.

Understanding how formatting can be done quickly and professionally can really make a difference to the impact your work has on the business.

Here are my 5 golden formatting rules for effectively communicating the key elements of your spreadsheet or report

1. Be consistent
2. Draw focus via sections
3. Present clear numbers
4. Use colour carefully
5. Be mindful of the black and white printout

- *Should your report tie in with other reports or company brand standards?*

- *A format that one person likes will not suit another. Knowing your audience is key.*

- *Seek feedback*

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The 5 Golden Rules

Rule 1: Be Consistent

The human mind has to take a lot of information in when it first sees something new, spreadsheets included.

Familiarity with an existing report layout allows the "regular" less important elements, such as headings, to be subconsciously ignored and only the key elements are focussed on.

Whatever format you choose, it needs to be applied consistently throughout the report and from one version to the next.

If the format changes then that needs to be for a reason, i.e. to draw the reader's attention to the fact that something is different.

- This is successfully used in building financial models, in order to highlight when a cell in a row or column of matching formulae is slightly different to the structure of the other formulae around it.

- With an interactive spreadsheet that requires user input, guiding them where they can and can't input data using colour coded cells helps to prevent unfortunate accidents from occurring.

A simple illustration of effective formatting

From

Quarterly Results	Q1	Q2	Q3	Q4	Total
Income 1	10000	12500	11000	10000	43500
Income 2	0	400	0	0	400
Income 3	0	0	0	0	0
Cost 1	-200	-200	-200	-200	-800
Cost 2	-1000	-1000	-1000	-1000	-4000
Cost 3	-4000	-4000	-4000	-4000	-16000
Cost 4	-300	-300	-300	-300	-1200
Total	4500	7400	5500	4500	21900

To

Quarterly Results

	Q1	Q2	Q3	Q4	Total
Income Heading					
Income sub 1	10,000	12,500	11,000	10,000	43,500
Income sub 2	-	400	-	-	400
Income sub 3	-	-	-	-	-
Income Total	10,000	12,900	11,000	10,000	43,900
Cost Heading					
Cost sub 1	(200)	(200)	(200)	(200)	(800)
Cost sub 2	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)
Cost sub 3	(4,000)	(4,000)	(4,000)	(4,000)	(16,000)
Cost sub 4	(300)	(300)	(300)	(300)	(1,200)
Cost Total	(5,500)	(5,500)	(5,500)	(5,500)	(22,000)
Net	4,500	7,400	5,500	4,500	21,900

The following techniques have been used in the table above:

- White borders (rather than inserting narrow columns)

- White headings on a dark background

- Negative numbers as (red) brackets

- Hiding grid lines

- Replace zeros with dashes

- Use of blank rows / white space to separate sections.

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Rule 2: Draw Focus via Sections

Good formatting conveys information quickly and easily.

It should help to highlight where information changes and to group information into manageable pieces

Emphasis can be placed in many ways other than just applying **BOLD**

It should draw the user to the key information while leaving supplementary information as something to discover later

Even in the simple example below, the use of background colours, column spacing, and bullet points helps to break down the list style into clearly defined sections.

- *Bullet points can be easily added in Excel by selecting Insert, Symbol*


From   **To**

Version 1		OR	Version 2				
Heading 1			**Heading1**				
Sub Heading 1			**Sub Heading 1**				
Content line 1				•	Content line 1		
Content line 2				•	Content line 2		
Content line 3				•	Content line 3		
Sub Heading 2			**Sub Heading 2**				
Content line 1				•	Content line 1		
Content line 2				•	Content line 2		
Content line 3				•	Content line 3		
Heading 2			**Heading2**				
Sub Heading 1			**Sub Heading 1**				
Content line 1				•	Content line 1		
Content line 2				•	Content line 2		
Content line 3				•	Content line 3		
Sub Heading 2			**Sub Heading 2**				
Content line 1				•	Content line 1		
Content line 2				•	Content line 2		
Content line 3				•	Content line 3		

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Rule 3: Present Clear Numbers

The numbers presented need to be quick to read, therefore rounding numbers and adding comma separators between thousands is essential:

$178,223 is a lot quicker to digest than say 178223.23, and $178k is even quicker.

With custom number formatting you don't have to go through all your calculations dividing them all by 1,000. Neither do you have to insert narrow columns to add the measure classification e.g. $, %, Kg, m, etc.
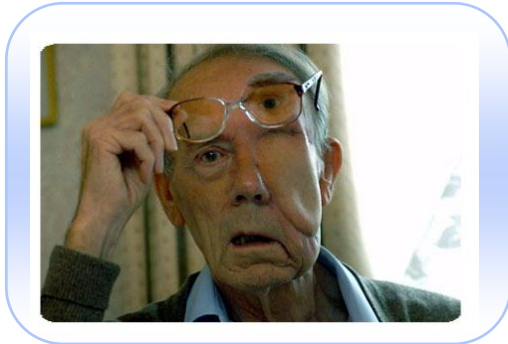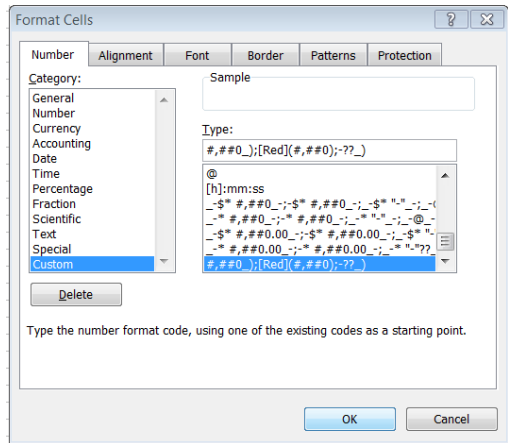
HOW?

Selecting ***Format, Cells, Custom***, allows you to provide the exact format you want for positive, negative and zero values in a cell.

Enter the formats in the "Type:" box in the

Positives**;**	Negatives**;**	Zeros

Note: the semi colons ";" are required.

Either # or 0 can be used to represent a number, and any "text" needs to be captured between double apostrophes.

Try the Ctrl + 1 shortcut

Examples:

|	Original	Format Type:	Result
Rounding and adding colour	123456.673	0,0.00	123,456.67
	-12345.67	0,0;[Red](0,0)	(12,346)
Adding text to numbers	123456789.87	$#.#,,"m"	$123.5m
	58.56	#,##.0" kg"	58.6 kg
	2	"End of Q"#	End of Q2
	6	#.0x	6.0x
Add wording to cells with zero values	0	#,##;(#,##);"Enter Data"	Enter Data
	-100	#,##;(#,##);"Enter Data"	(100)
Add $ and replace zeros with dashes	123456.56	$#,#;[Red]($#,#);-	$123,457
	-123456.56	$#,#;[Red]($#,#);-	($123,457)
	0	$#,#;[Red]($#,#);-	-
Line up numbers with brackets	123456.56	$#,##0_);[Red]($#,##0);-??_)	$123,457
	-123456.56	$#,##0_);[Red]($#,##0);-??_)	($123,457)
	0	$#,##0_);[Red]($#,##0);-??_)	-

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Rule 4: Use Colour Carefully

For a professional looking finish to reports and presentations try to limit yourself to 1 or 2 main colours, and then use different shades. To do this you will need to amend the woeful default colours provided by Excel.

Note: Excel 2007 has significantly improved colour choices!

SETTING UP COLOURS

To set up your own colour palette go to *Tools, Options,* and select the *Color* tab.
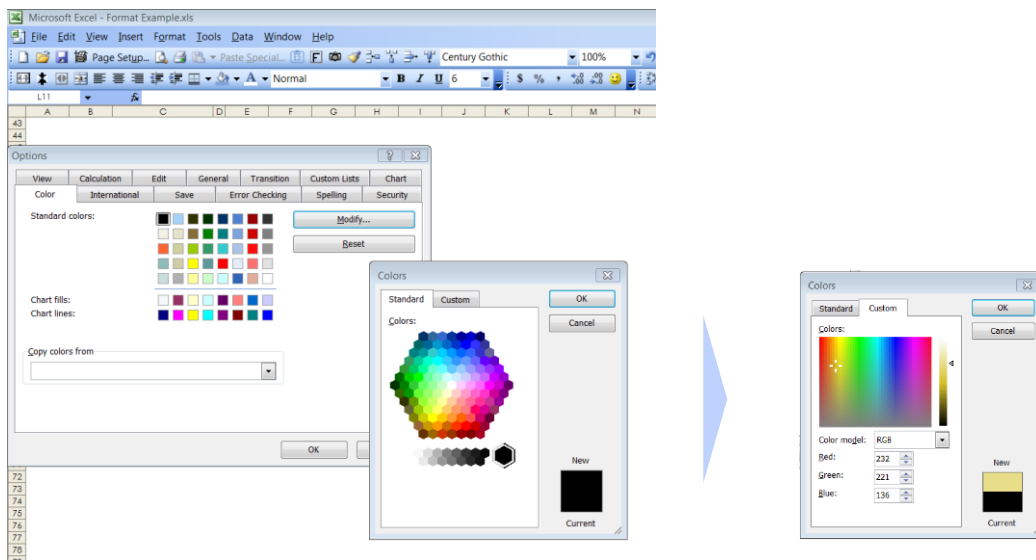
Select whichever colour you want to change and click Modify and select from more predefined shades

Modify your choice further using the Custom tab.

- You can change colour by clicking and / or dragging your mouse over the palette.

- The bar on the right can then be used to select a lighter or darker shade

Changing the colours can be quite time consuming, however once you've set it up for the first time the colours can be easily imported into other workbooks.

- *Colour palettes from other workbooks can be imported:*

  Tools, Options, Color tab, "Copy Colors from" Drop Down

  NB. The file you want to copy from must be open.

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Rule 5: How will a Black and White Printout Look?

While the paperless office still evades us you'll need to consider how your formatting will look on a black and white printout.

Some colour combinations may highlight things superbly on a colour screen, but can't be separated on a black and white print out.

Underlining inputs on a financial model or variable factors on a report can be a useful way to highlight them to the reader of a paper printout.

Ensuring that the layout fits easily page by page when printed, without requiring a magnifying glass to read, is also an important formatting consideration.

Some options to consider include:

- Formatting to remove decimals or round to thousands.
- Increasing row heights and centring data vertically
- Setting wider margins via page setup

ADVANCED FORMATTING

Once you master the basics then Excel offers a whole host of formatting option tricks that can significantly speed up the production of quality reports, these include:

- Styles
- Formula driven Conditional Formatting
- Customised formatting buttons
- Custom Cell formatting (get the exact cell format you want)
- Customised Charts and Graphs

- *Spreadsheet Model developers often set their spreadsheet backgrounds to grey (via Control Panel, Display, Appearance, Advanced)*

  This then allows white text to be entered on screen which will not show up on printouts

Formatting Printouts Example

From

	Jan	Feb	Mar	Apr	May
Product 1	233382.9	210044.6	273058.0	191140.6	114684.4
Product 2	192821.0	173538.9	225600.6	157920.4	94752.3
Product 3	178411.7	160570.5	208741.7	146119.2	87671.5
Product 4	179908.5	161917.7	210493.0	147345.1	88407.0
Product 5	12998.1	11698.3	15207.8	10645.5	6387.3
Product 6	1085710.0	977139.0	1270280.7	889196.5	533517.9

To

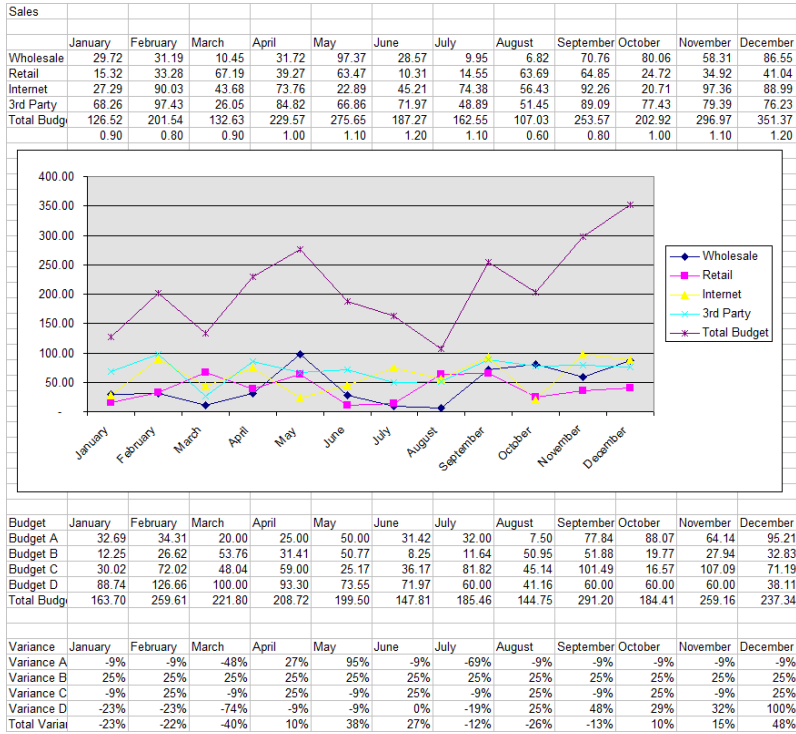| $'000	Jan	Feb	Mar	Apr	May
Product 1	233	210	273	191	115
Product 2	193	174	226	158	95
Product 3	178	161	209	146	88
Product 4	180	162	210	147	88
Product 5	13	12	15	11	6
Product 6	1,086	977	1,270	889	534

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Additional Note on Charts

Clearly charts are a great way of conveying the information from a set of data very quickly, and deserve their own paper so I won't be covering them here.
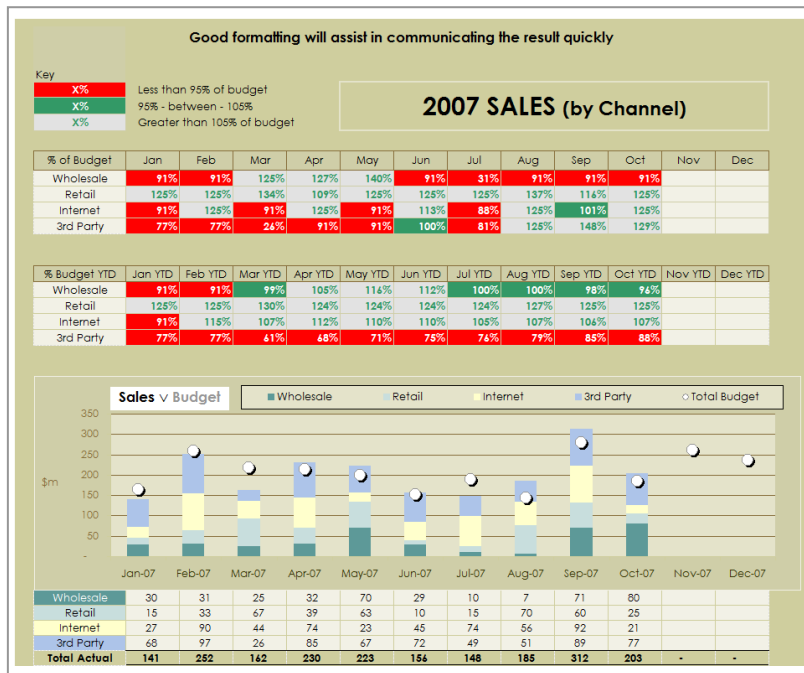
However, just to illustrate what's possible, here's a couple of "before and after" shots.
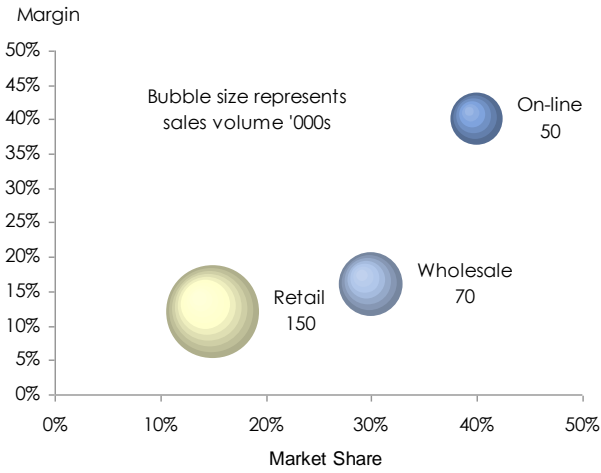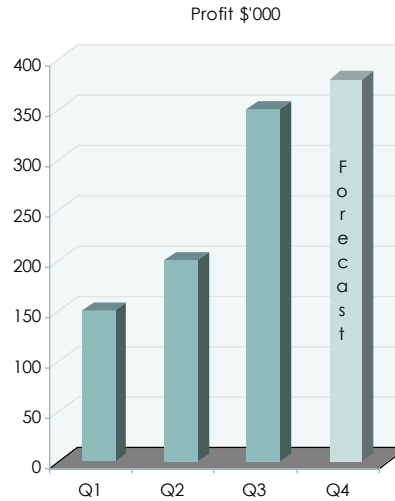
From

Sales	January	February	March	April	May	June	July	August	September	October	November	December
Wholesale	29.72	31.19	10.45	31.72	97.37	28.57	9.95	6.82	70.76	80.06	58.31	86.55
Retail	15.32	33.28	67.19	39.27	63.47	10.31	14.55	63.69	64.85	24.72	34.92	41.04
Internet	27.29	90.03	43.68	73.76	22.89	45.21	74.38	56.43	92.26	20.71	97.36	88.99
3rd Party	68.26	97.43	26.05	84.82	66.86	71.97	48.89	51.45	89.09	77.43	79.39	76.23
Total Budget	126.52	201.54	132.63	229.57	275.65	187.27	162.55	107.03	253.57	202.92	296.97	351.37
	0.90	0.80	0.90	1.00	1.10	1.20	1.10	0.60	0.80	1.00	1.10	1.20

Budget	January	February	March	April	May	June	July	August	September	October	November	December
Budget A	32.69	34.31	20.00	25.00	50.00	31.42	32.00	7.50	77.84	88.07	64.14	95.21
Budget B	12.25	26.62	53.76	31.41	50.77	8.25	11.64	50.95	51.88	19.77	27.94	32.83
Budget C	30.02	72.02	48.04	59.00	25.17	36.17	81.82	45.14	101.49	16.57	107.09	71.19
Budget D	88.74	126.66	100.00	93.30	73.55	71.97	60.00	41.16	60.00	60.00	60.00	38.11
Total Budget	163.70	259.61	221.80	208.72	199.50	147.81	185.46	144.75	291.20	184.41	259.16	237.34

Variance	January	February	March	April	May	June	July	August	September	October	November	December
Variance A	-9%	-9%	-48%	27%	95%	-9%	-69%	-9%	-9%	-9%	-9%	-9%
Variance B	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Variance C	-9%	25%	-9%	25%	25%	-9%	25%	-9%	25%	-9%	-9%	25%
Variance D	-23%	-23%	-74%	-9%	-9%	0%	-19%	25%	48%	29%	32%	100%
Total Variance	-23%	-22%	-40%	10%	38%	27%	-12%	-26%	-13%	10%	15%	48%

To

Example Charts Continued….

Bubble Chart

Column Chart

Profit $'000

Waterfall Chart

From

	Forecast	Actual		
	2007	2007	Variance	% Variance
Profit Comparison				
Revenue	300	360	60	20%
Operating Cost	-70	-100	-30	43%
Staff Cost	-70	-80	-10	14%
Bad Debt	-60	-30	30	-50%
Exceptional Item	0	-20	-20	#DIV/0!
Total	**100**	**130**	**30**	**30%**

To

Profit Bridge	$m	
2007 Forecast	100	
Margin Increase	20	
Volume Increase	40	
Cost Growth	(30)	
Staff Costs	(10)	
Bad Debt	30	
Exceptional Item	(20)	
2007 Actual	130	
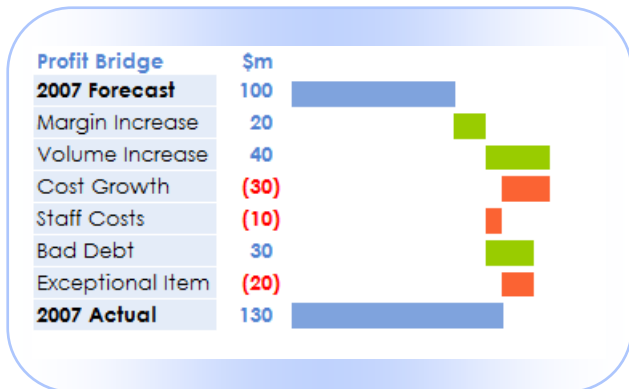
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Contact Access Analytic

Consulting

If you're considering the advantages of using independent, experienced Consultants to assist you improve your reporting and analysis capabilities, contact Wyn Hopkins at Access Analytic.

We have many years of experience in providing independent help and objective advice about financial modelling, reporting, and spreadsheet development to businesses of all sizes and industries.

So why not use our expertise and leverage our Consultants' experience to ensure you are getting the best information for your business.

Contact Wyn Hopkins to arrange a confidential discussion of your needs and transform your reporting process!

Training

We provide a range of training courses specifically for accounting and finance staff.

Courses include Advanced Excel, VBA programming and Financial Modelling.

Details at www.accessanalytic.com.au/training

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About Access Analytic

Access Analytic provides financial modelling, management reporting, and business analysis for companies that need to make decisions with confidence.

Our key skill is the ability to bridge the gap between business and information technology, thereby providing value through our understanding of both areas.

We add value by translating complex business issues into Excel-based models, systems, procedures, and processes.

Key Staff

Jeff Robson, Principal Business Analyst
BCom (Accounting & Information Systems), CISA, AIMM, A Fin, Masters (Applied Finance) - Current, MS Excel Expert

Jeff holds a Certified Information Systems Auditor from the Information Systems Audit and Control Association.

He has 10 years experience with Microsoft Excel, 6 years experience in Information Systems Audit, and worked for 4 years in external audit at a Chartered Accounting firm.

He has been involved in many Excel development projects for clients around the world including sophisticated spreadsheet modelling, spreadsheet auditing and review, and advanced macro programming.

Jeff holds a Bachelor of Commerce degree from Curtin University with a double major in Accounting and Information Systems, and he is a Microsoft Certified Excel Expert.

Additional Resources

Area	Resources
Financial Modelling and Management Reporting	We provide Excel-based financial modelling, management reporting, and business analysis services to help businesses make decisions with confidence. To see how we could help your business, call us on +61 8 6210 8500 or visit http://www.accessanalytic.com.au
Excel Mentoring	Personalised mentoring in your office, using your files, solving your issues. http://www.accessanalytic.com.au/services_mentor.php
Training Courses	We provide high-powered training in Financial Modelling, VBA and advanced Excel for accounting and finance professionals throughout the Asia-Pacific region. For more information, visit http://www.accessanalytic.com.au/training

Shortcut	Action
Control+Z	Undo
Control+Y (or F4)	Redo / Repeat
Control+Shift+8	Select Data Region
Control+Arrow	Next/End of Series
Ctrl+Page Up/Down	Move through tabs
F4 (while editing a cell)	Toggle $ Ref
Alt+Enter (while entering text)	Starts text on new line within a cell
F3	Paste Range Name
Control+F3	Name Cell Range
F5	Go To (Range)
Alt+F11	Visual Basic
Shift+F3	Insert Function
Ctrl+Shift+F3	Define Range Name

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