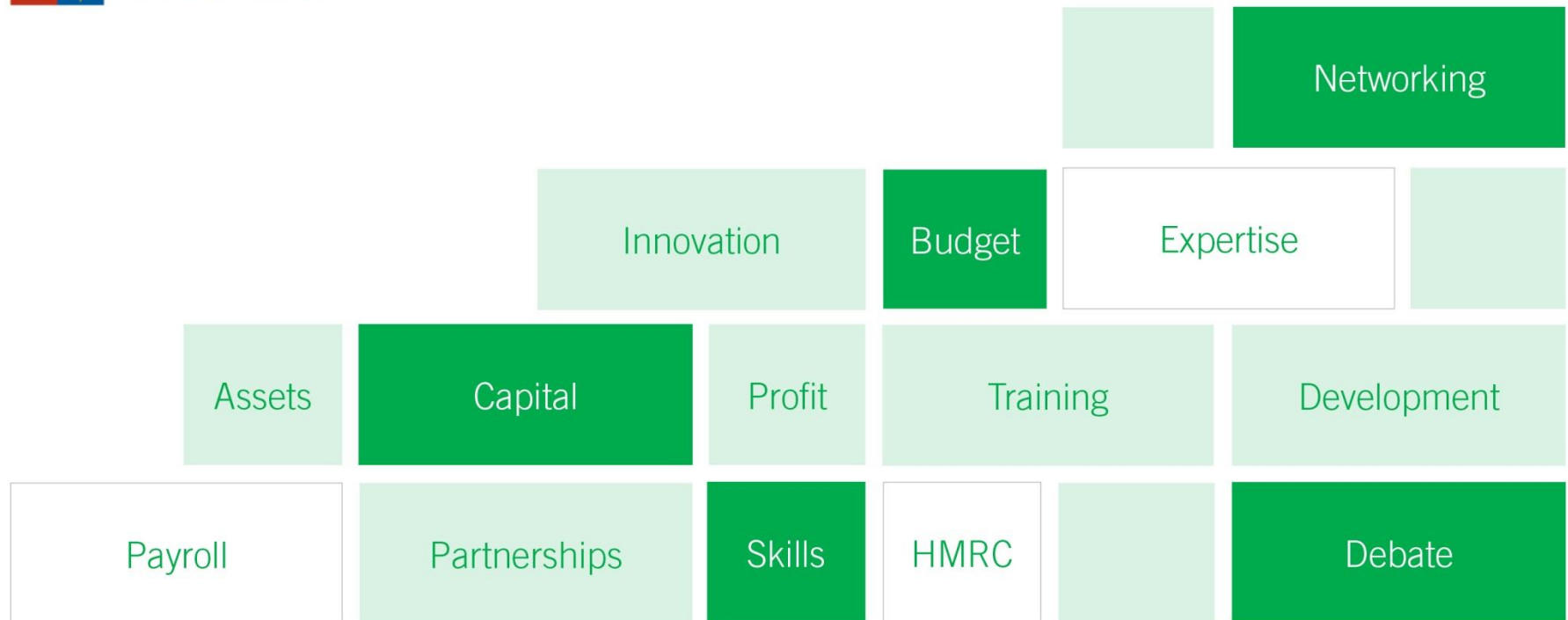


# Building for the future



AAT Weekender – 16-17 May 2014

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# Communicating financial information – with IMPACT!

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# Aims of this session

- Who, what, when, where, why and how of communicating financial information
- P.A.C.E. model:
  - Purpose and planning
  - Audience
  - Content and clarity
  - Engage your audience – tell the “story”
- How to communicate financial information with impact

# Before we start

- Score yourself on a scale of 1 – 10
- Ability to communicate financial information
- 1 = absolutely useless
- 10 = stunningly brilliant
- Aim: to improve this score by end of session!

# Meet Andi



- Fully qualified ACCA accountant (FCCA)
- Commercial Finance Director and Group Financial Controller roles for many years
- Chair of ACCA Yorkshire Women's Network
- Panel member of ACCA Corporate Sector Network
- Expert panellist at global conference advising FDs around the world on business growth in SMEs
- Articles published in Financial Director magazine, FT Adviser, Yorkshire Post and many others
- Run my own business finance training consultancy

# Communicating financial information

In your table groups, discuss:

- What financial information do we communicate?
- Who do we communicate it to?
- When do we communicate it and how often?
- How do we communicate it (written and verbal)
- Why do we think it's so important to communicate financial information well?

# Impact on business

- Numerous benefits
  - Correct information facilitates stronger debate
  - Better business decisions result
  - Improved understanding of how decisions impact the bottom line
  - Ultimately, enhances financial health and performance of organisation



# Impact on career

- Numerous benefits
  - Become a trusted professional adviser
  - Approachable – important in business
  - More likely to elicit the result you need
  - Shortens meetings
  - Build key relationships





# Communicating finance

- How do you think accountants are perceived as communicators in general?!



# Effective communication

The meaning and quality of your communication is  
in the response that you get

# The response

- Ineffective communication  
“The managers just don’t ‘get’ the need for cost control, no matter how many times I tell them.”
- Effective communication  
“It’s great that the managers now completely understand the need for robust cost control. Our profits are sky-rocketing!”

# Communication

“Have a nice day”

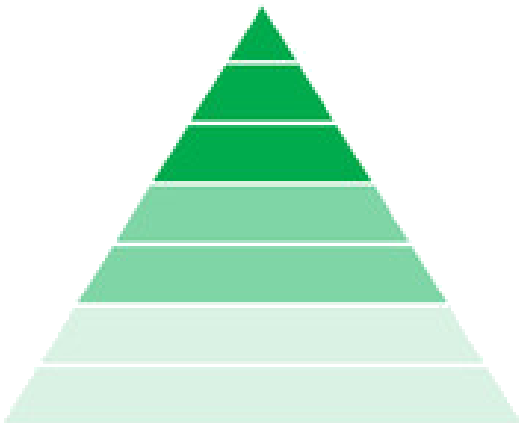
# Body language and tone

- It's not just what you say, it's how you say it
  - 7% - words
  - 38% - tonality
  - 55% - physiology
    - Posture
    - Breathing
    - Confidence
    - Smile!

# Interpret this body language!



# Communication structure



# Communication structure

## 1. What?

- What is it you want to communicate?

## 2. So what?

- Why is this important?
- Will someone die if they don't understand this information?

## 3. Now what?

- What action needs to happen next?



# Example:

## **1. What?**

We've overspent on the travel budget this month

## **2. So what?**

This means that we're now loss-making as a business

## **3. Now what?**

We've budgeted a profit and we need to take steps to clearly control all costs going forwards

# Useful phrase

**“....which means that....”**

Very useful phrase to explain complex information/  
jargon/ acronyms, etc.

Example:

- “We’ve had to impair goodwill on XYZ Ltd subsidiary, which means that there is a charge to the P&L this month of x%.”

# Have a go!

## **Scenario one**

- What: “We’ve not recruited as many marketing staff as budgeted.”
- So what?
- Now what?

## **Scenario two**

- What: “Costs for this new project could potentially spiral out of control.”
- So what?
- Now what?

# P.A.C.E. Model



# P.A.C.E. Model

- **P** – Purpose and planning your presentation
- **A** – Audience – who are they?
- **C** – Content and clarity
- **E** – Engagement – how will you engage your audience?



# P.A.C.E. Model

- The purpose and who your audience are should be your **compass**
- Knowing what your audience seeks from your communication determines the **direction** your communication should take



# P.A.C.E. Model

- **P – Purpose and planning your communication**
- A – Audience – who are they?
- C – Content and clarity
- E – Engagement – how will you engage your audience?



# P: Purpose and planning

- What is it you are wanting to communicate?
- What is the reason you want to communicate this?
  - Inform?
  - Persuade?
  - Motivate?
  - Entertain?!
  - Inspire?



# P: Purpose and planning

- “If you fail to plan, you are planning to fail!”  
– Benjamin Franklin
- Before any written or verbal communication, always, always, always consider:
- What is the purpose of this communication?

# P.A.C.E. Model

- P – Purpose and planning your communication
- **A – Audience – who are they?** ✓
- C – Content and clarity
- E – Engagement – how will you engage your audience?

# A: Audience

- It's now what you say, it's what **they** hear...
- It's all about **them**
- Always talk in terms of **their** interest and **their** point of view

# A: Audience

- Who is your audience?
- Internal/ external
- What information do they need from you?
- How do they need this information presenting?
- Are they finance professionals or non-finance professionals?

# A: Audience

## **Ask your audience!**

- What financial information will help them do their job better?
- How do they prefer to receive this information?

# P.A.C.E. Model

- P – Purpose and planning your communication
- A – Audience – who are they?
- **C – Content and clarity** ✓
- E – Engagement – how will you engage your audience?

# C: Content

- Content and clarity
- Simple, clear, plain English
- How will it help your audience if you are communicating in technical financial jargon?
- How will you get your message across?

# C: Content

- K.I.S.S. (or KIS-AS)

**Keep it simple and straightforward**

- “If you can’t explain it simply, you don’t know it well enough.” – *Albert Einstein*



# C: Content

How to explain it simply:

- How would you explain what you're trying to say to your other half or a parent?
- Or whilst chatting with friends over coffee?

# C: Content

- What is the key point of what you are trying to communicate....
- .....in **one sentence**, please!

# C: Content

Activity: Gobbledegook vs Clarity

Vote on which of these sentences offers the most clarity

# C: Content

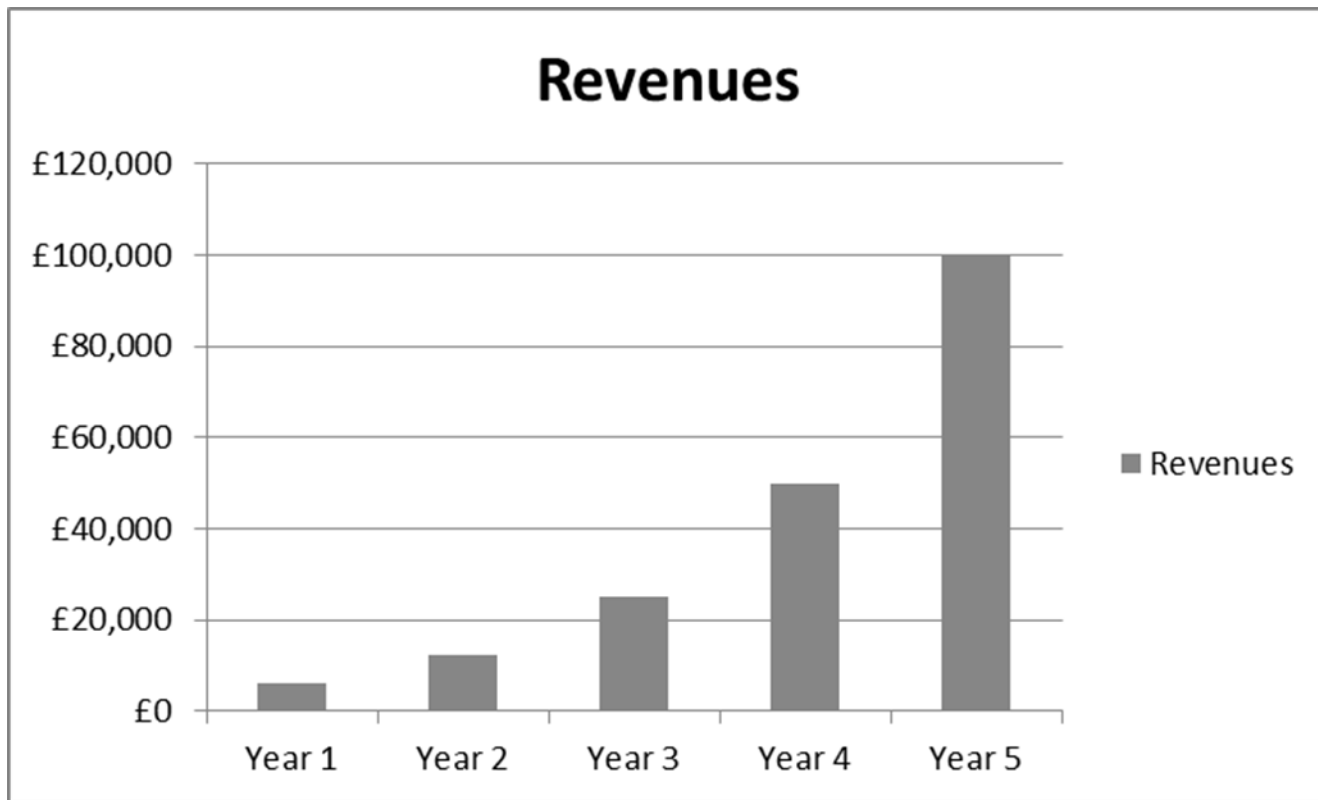
- Present numbers in tabular format, or.....

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Revenues	£6,250	£12,500	£25,000	£50,000	£100,000

Year 1	£6,250
Year 2	£12,500
Year 3	£25,000
Year 4	£50,000
Year 5	£100,000

# C: Content

- A picture speaks a thousand words!



# P.A.C.E. Model

- P – Purpose and planning your communication
- A – Audience – who are they?
- C – Content and clarity
- **E – Engagement – how will you engage your audience?**



# E: Engage audience

- Tell the “story” behind the numbers



# E: Engage audience

## Example 1:

- “This month, revenues were slightly behind budget but up on last year.”
- What have we gleaned about this company?  
What “story” is there here?



# E: Engage audience

## Example 2:

- “This month, we achieved revenues of £247,692 against a budget of £254,174 and this compares with last year figures of £235,708.”
- What more have we learned?
- How easy was that to listen to?
- Is this a helpful story?

# E: Engage Audience

## Example 3:

- “This month, revenues were slightly behind budget by 2%. As a result of the unexpected hot weather recently, this meant fewer umbrellas were sold. However, it should be recognised that sales are still ahead of last year by 10% thanks to our new product range.”
- What sort of picture do we have about this company’s results now?
- Is this a better story?

# E: Engage audience

## Example 3 addresses the:

- “So what?”
  - **So what** that revenues were behind budget?
  - **Why** were revenues behind budget?
  - What does that **mean** for the entity?

# E: Engage audience

## Now what?

- Next steps
- What action do you need someone to take as a result of your financial information?



# E: Engage audience

## Now what?

Going back to our umbrella company:

- “We need to discuss diversifying our product range to ensure we are less dependent on the weather and agree on the next steps.”

# E: Engage audience

## Consequences for your audience

- What do the results mean for your audience?
  - Do they still have jobs?
  - Will there be a pay increase this year?
  - Can they invest in that big project they like?
  - Will the business continue as a going concern?
  - What action do they need to take?

# E: Engage Audience

How does your financial information and communication help your audience:

- Run their department better?
- Run their business better?
- Understand what decisions they need to take?

## Bonus tips

# Communicating Financial Information with IMPACT



# Positive attitude

This is surprisingly powerful – have a go!

- Decide your audience are going to LOVE your finance report!
- And you are going to enjoy every single second of delivering it!

# Get “in state”

- What if a rock star ambled onto stage with head low feeling (and looking!) nervous and lacking in confidence?
- What if a sports star did the same at the start of their race?
- Would we feel nervous for them?
- YES! Therefore need to **ACT CONFIDENT.**

# Get “in state”

- How to act confident?
- **Fake it ‘til you make it!**
- No one can see your knees knocking!
- People want to listen and learn from you – your financial communication helps them
- Visualise it going really well!
- Posture – breathing – smile!

# Get “in state”

- Think of a time you felt completely confident, happy and at ease
- Use this feeling – take it into your presentation
- Feel on top of the world!
- **“If you can dream it, you can do it.”**

# Practise, practise, practise!

- How did Jonny Wilkinson score the perfect drop goal in the 2009 rugby world cup?
- How did Jessica Ennis become an Olympic gold medallist?
- How did Michael Jackson become such an extraordinary dancer?
- How does anyone get better at anything?

# Practise, practise, practise!

- Only way to improve!
- Find every opportunity to practise
- In the car, to the dog, whilst washing up, in the shower...
- “It takes three weeks to prepare a great impromptu speech.” – Mark Twain

# Recommendation

- Choose at least one thing you would like to improve
- Implement immediately back in workplace!
- Choose your favourite – quick win!
- Build confidence
- Then choose the next improvement!

# Courage

- “Life begins at the end of your comfort zone.”  
- Neale Donald Walsch
- Takes real courage to make these changes
- Take heart: skills can be learnt and practised
- You can do it!
- “Whether you think you can or you think you can’t, you’re right” – Henry Ford



# Quick quiz!

- What do all the letters stand for in the P.A.C.E model?
- P = ?
- A = ?
- C = ?
- E = ?

# ...with IMPACT!

- If you:
  - Consider the purpose of your communication
  - Plan accordingly
  - Know your audience
  - Communicate appropriate content
  - Engage the audience in your communication
  - Especially in rapport
- You will be **communicating financial information with impact** – well done!

# What we've covered:

- Who, what, when, where, why and how of communicating financial information
- P.A.C.E. model:
  - Purpose and planning
  - Audience
  - Content and clarity
  - Engage your Audience – tell the “story”
- How to communicate financial information with impact

# Score out of ten now?

- Think back to your score at the start of this session
- What is your score out of ten now?
- 1 = absolutely useless
- 10 = stunningly brilliant
- Have you shown improvement?



Thank you  
Any questions?

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