

The importance of telling an authentic story

Q&A with Nick Sanderson,
FD of Great Portland Estates



Building Public Trust 2015

'Excellence in reporting' awards

2015 marked the 13th successive year in which PwC has presented these annual awards for outstanding corporate reporting in both the private and public sectors. Each of the hard-earned awards recognises the achievement of organisations that have differentiated themselves through the clarity and transparency of their reporting – in short, showing the way forward on the journey towards 'telling it how it is'. As well as applauding their efforts, we urge others to emulate them in striving for ever more open, accessible, honest and integrated disclosure of their objectives, actions and impact.

Strategic reporting in the FTSE 250

Great Portland Estates becomes the first winner of this new award with a highly detailed yet very readable strategic report that tells a compelling story about how the business creates value. The reporting is underpinned throughout with strong strategic themes, which are colour-coded to aid navigation and tie in the company's risks and KPIs with clear strategic priorities for the following year. The judges were especially impressed with the interesting insights about how the business adapts to the market cycle and the clear focus on leading indicators. One judge commented: 'While you could argue that Great Portland Estates is a relatively simple business, the fact is it has told its story superbly'. Another added: "This is coherent strategic reporting that hangs together and links through to KPIs and risks. A great job".

For more information on the award criteria, [click here](#).



As winners of last year's Strategic reporting in the FTSE 250 award and previous two-time winners of our Building Public Trust Award for Excellence in Reporting in the FTSE 250, we caught up with Nick Sanderson, Finance Director of Great Portland Estates ('GPE') to better understand why they think reporting matters and what they do to stand out with their annual report.

Q

What were the catalysts for producing a high quality strategic report?

Clear communication and transparency are core to how we operate with all our stakeholders. We communicate a lot to the market but the annual report is the only document of record we publish. And I strongly believe that if we are going to put all this effort into producing the document, we may as well do it well, make it as high quality as it can be, and take pride in the finished product.

Q

What are you most proud of?

I would say I am most proud of three things:

- The consistency of messaging across all of our external communication whether that is the annual report, investor relations material or our website.
- The accessibility of our reporting. We aim to write it in plain English, avoid jargon and clearly align our messages across the strategic, governance and financial reports so the whole thing hangs together.
- The case studies we use really bring the report to life, they are interesting, insightful and clear.



Nick joined the Group and was appointed to the Board in 2011. He was formerly Partner, Head of Real Estate Corporate Finance Advisory at Deloitte, and previously with Nomura, Lehman Brothers and UBS Investment Bank. He is a member of the Finance Committee of the British Property Federation and a Member of the Reporting and Accounting Committee of EPRA.

Q

What did it take, who was involved?

In terms of producing a transparent and integrated report, a clear strategy and good story are key. A story and strategy that are told consistently throughout the year whether we're engaging internally or communicating with investors or other key stakeholders.

In terms of process, planning early is essential and getting wider buy-in from internal and external stakeholders at that early stage is as well if we are to create a clear, consistent and coherent narrative. Early on in the process we sit down with the executive committee to discuss strategy and

the case studies we plan to use as these tend to be the main news stories of the year. Our plan is also discussed at the audit planning meeting including introducing the case studies and any changes we plan to make to the annual report compared to previous years.

Then in terms of who writes the document, we have a small authorship, only three people really put pen to paper to bring the document together. These are the same people writing our other publications as well making it easier to control the consistency of messages.

“In terms of producing a transparent and integrated report, a clear strategy and good story are key.”

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What's been the response from key stakeholders – internally/externally?

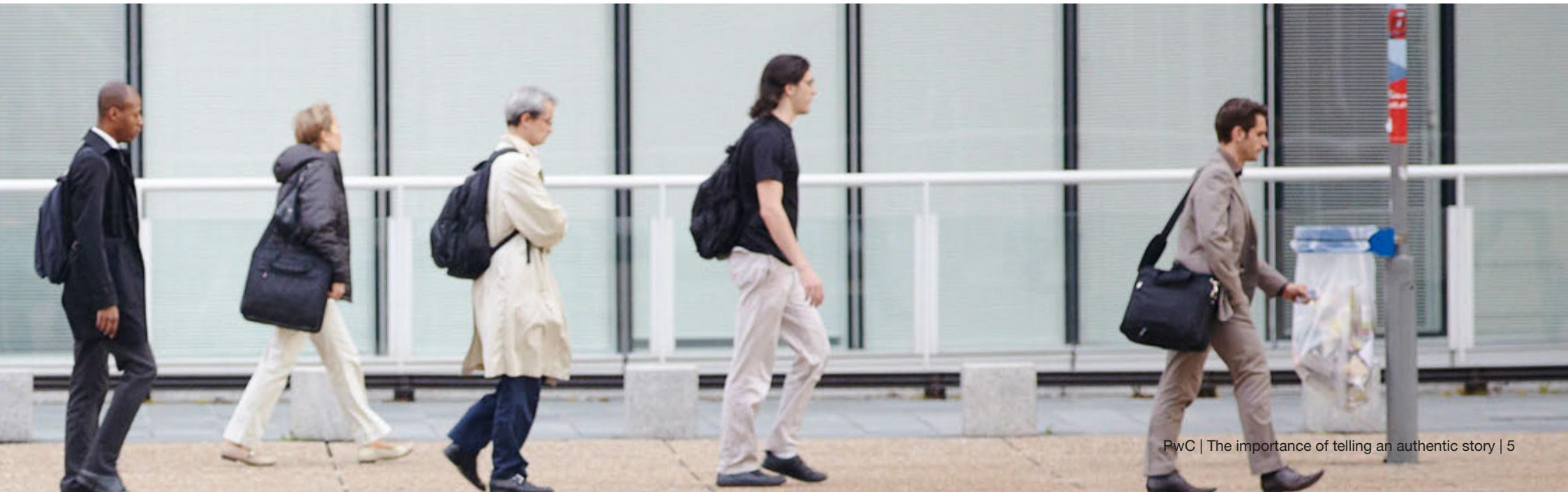
Positive! Investors, particularly new to the group, find it very easy to read and a clear introduction to what we do. It really captures GPE and its culture which they really like. It is also nice after all our hard work to be recognised for the quality of our reporting by ICSA and PwC and other bodies.

Q

What were the challenges?

Choosing case studies is difficult as we have to distil down our messages to those that were really key for us in the year. Case studies can often come across as an exercise in marketing but we are very conscious that we want our case studies to bring to life our strategic story and reflect the progress we have made in the year.

Perfecting the business model has also been a challenge. Often it is easy to explain to someone in words what you do but bringing that to life in a diagram and making it simple for readers to understand can be more difficult.



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One theme emerging from our research has been around KPIs and measuring what really matters, is this something you face?

We strongly believe that the more KPIs you have the less relevant they become. As a result we aim to have, and present, fewer to ensure we are more focused and targeted in what we look at and report. Shareholders are also keen for KPIs to link to how we are paid, and I find a smaller number of KPIs make it cleaner and simpler to understand the metrics that really drive business performance and support incentive schemes.

That is not to say that throughout our report we don't have a lot of other data, maybe more than others in the market, but we label these 'operational measures' that we use internally and which support our overall strategic themes and KPIs. It's a real balance between transparency and open disclosure but also simplicity.

Q

What advice would you give to others?

Plan early and keep it simple.

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Q

What have been the benefits?

This process is a really good opportunity to focus on the business and think through the story you want to tell. It's a significant investment of effort but the rewards can be felt in the way we communicate to each other, with key stakeholders and through our various reporting channels. The awards we receive are also a great recognition of the hard work we put in!

Q

What do you have planned next?

That would be telling ...



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For more on how you can tell an authentic story in your reporting, download our corporate reporting survey below or visit our website

Searching for buried treasure

A review of 2015 strategic reporting practices in the FTSE 350



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