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CAREER DEVELOPMENT

How to Write a Formal Business Report (With Examples)

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Formal business reports have important functions in helping managers and executives make decisions. These documents can have a variety of purposes depending on your needs and industry. Learning how to write a formal business report can help you develop as a professional. In this article, we explain what a formal business report is, how to write one and provide an example.

What is a formal business report?

A formal business is an official document that contains data, research, information and other necessary details to help decision makers form plans and objectives to help the company. Depending on the topic, a formal business report could be several pages long and include extensive data and information. Here are a few of the most common types of formal business reports, designated by purpose:

Justification/recommendation report

You can use this report to propose an idea to management. The body would include sections like risks, costs and benefits. An example of this type of report would be to propose buying a machine for your workplace. To convince the decision maker to buy the machine, you would create this report to make a convincing argument.

Investigative report

This report can present the potential risks of a specific opportunity. This report is helpful for business owners to anticipate any issues involved in making an investment or purchase. You could also create a formal business report to analyze a proposed merger.

Compliance report

Use this report when the organization wants to show accountability and create a compliance report. It is a report that allows an organization to prove that it is following regulations and that it is spending money properly. For example, an accountant could write a compliance report to show the company followed federal laws regarding spending.

Feasibility report

When you need to analyze the outcomes of a proposed idea, you can use this report. The report could cover potential problems, associated costs and the benefits of the idea. With this report, you can determine if the proposal will be profitable, if the deadline is feasible and if there's a chance it could exceed the budget.

Research studies report

This report helps you [analyze a problem](#). The report would include recommendations to resolve the problems.

A periodic report

This report helps an organization improve its products, services, processes or policies. The report can include things like profit and loss information or it may examine efficiency. For instance, a retail store would have a monthly report on its sales.

A situational report

To discuss a specific topic, such as information from a conference, use a situational report.

A yardstick report

You can use this report to present several solutions as options to a particular situation.

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How to write a formal business report

Follow this step-by-step guide to create a professional business report:

1. Plan before you write

Treat the formal business report as you would handle a project. Before you start compiling research and writing down sections, plan exactly what you want to achieve. In doing so, you will have a better chance of creating a report in a clear and simple style.

2. Check for an in-house format

The company you work for may already have an established format for formal business reports. Check your company handbook or ask the person who wants the report to see if there's a specific format you should use. Using an established format will help your report look more professional.

3. Add a title

You might get the title of the report with the brief or you may write it yourself. Make sure the title is clear and visible at the beginning of the report. You should also add your name and the names of others who have worked on the report and the date you wrote it.

4. Write a table of contents

The table of contents page should follow the title and authors. The table of contents page is essential for a formal report that is long and complex. Although this page comes at the start of the report, it should be written last when the report is finished. Write down the section headings exactly as they appear in each section of the report and make sure the page numbers match too.

5. Add a summary or abstract

The summary summarizes the main points of a formal business report. It can be beneficial for the reader to have this section, but it is not mandatory, especially if your report is short. It is best to ask the person who has requested the business report if they prefer a summary or abstract. Although the summary comes at the beginning of the report, you should write it last, along with the contents page, so that you can include notes from your conclusion and recommendations section.

The summary should tell the reader about your findings and even draw on points from your conclusion. A brief overview of what the reader will find in the report is also important. Your manager may only have time to read the summary of the report, so it must describe the major points found in the report.

Related: [5 Steps for Great Business Writing \(With Tips\)](#)

6. Write an introduction

This section will detail the reason why you are writing the report. The introduction should address the purpose of the report and background information on the subject you are writing about. Include any definitions and summarize the main argument.

7. Outline your methodology

The methodology section should explain to the reader the research methods you have chosen to create this report, such as using a qualitative method, a quantitative method or a combination of both. It should be a clear justification of why you chose to use certain methods.

8. Present your findings

This section is where you should present the outcome of your research. It is important to present your results logically and succinctly while making sure that you have included enough information to prove that you have researched the matter thoroughly.

One way of making the findings easier to read is by using headings, subheadings and numbered sections to organize everything. You can choose to present your findings in bullet points or with the help of a table. You might also choose to present your findings with illustrations and graphics—such as infographics—but be sure that these graphics are appropriate for the report.

9. Finish with a conclusion and recommendations

In this section, you would present your assessment from the findings, then make recommendations for action. If you add any goals, you should add measurable actions to them. Each goal, method or option suggested should tell the reader how it will affect the organization.

10. Add a bibliography and appendices

Include all of the sources you have used to write the report. These can include periodicals, online articles or books. List the sources in alphabetical order. You can also include all of the material to support the report. These may include questionnaires, maps, notes, summaries, charts, tables, illustrations and others. Label each note, map and other documents with a letter so that you can reference them clearly in the report.

12. Proofread

Once you're finished writing your report, proofread it to make sure it's free of any grammatical or spelling errors, which will make your report more credible. Moreover, be clear and concise when writing. Avoid complex words and slang. It is acceptable to use jargon and technical terms appropriate to the industry you are in, but avoid overusing them. Make sure that the writing flows from one section to another, especially if there was more than one author on the report.

Formal business report example

Here's a sample formal business report that you can review as a guide:

Report on Staff Turnover in GHS Corporation

Submitted Aug. 8, 2019

Introduction

The human resources manager requested this report to examine the high turnover rate of employees at GHS Corporation. The information in this report was gathered by members of the human resources department over three months. The five-member team analyzed administration records and working conditions, as well as interviewed staff. In this report, recommendations are made to minimize the high turnover rate among the staff working at GHS Corporation.

Background

GHS Corporation has been operating for 10 years. It employs 200 people, with most of the employees tasked with processing fees for insurance clients. Despite operating in a region with substantial unemployment, the annual turnover has been between 60 to 65% every year.

Findings

The most significant issue found by the HR team when interviewing staff was the lack of support to new mothers who require child care services to be able to come to work. Employees mentioned their frustration at not having an in-house child care system that could help them continue working.

Another issue mentioned by the staff was the lack of communication between employees and upper management. They expressed their concerns about receiving inconsistent and late instructions. They shared how they didn't know the main business objectives which led them to lose interest in the company and their jobs.

Conclusions

The main issues that we found were as follows:

- 1. Lack of support to new mothers in regards to childcare*
- 2. Lack of communication between the staff and upper management*

Recommendations

To address these two main issues, we recommend the following steps be taken:

- 1. An in-house childcare center can be established at minimal cost to GHS, encouraging mothers to return to work.*
- 2. Each department should choose an employee ambassador to represent the interests of staff in management meetings. This ambassador can express concerns and relay outcomes to their teams to increase engagement.*

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