



Mark Schwartz, president, and Joyce Nesnadny, vice president, of Nesnadny + Schwartz are known for the avante garde annual reports they produce.

## Design with a difference

### Firms expanding annual reports' creative limits

By PAUL SCHRIMPF

Bet you can't wait to read the latest batch of annual reports on your desk.

Or maybe you can, considering that most reports do the job they're supposed to do — meet SEC requirements by disclosing a company's yearly numbers — but don't exactly make for exciting reading.

People such as Mark Schwartz and

Gerhard Ade are on the front lines of trying to break that mold. They have produced some of the more unusual annual reports that Cleveland-area companies have seen in recent years.

Mr. Schwartz is a partner in the design firm of Nesnadny + Schwartz, while Mr. Ade is president of the strategic communications firm of Ade & Associates. Both have reaped a cornucopia of awards for the annual reports they've designed,

which may explain why the thought processes they go through in crafting these documents turn up a number of similarities.

For example, it's Mr. Schwartz's belief that annual reports that don't catch the eye and pull the reader in are nothing but a huge waste of time and money.

"More and more, with TV, interactive media, computers and all other forms of print, if you don't do something to

differentiate yourself, not just from the competition but the world of information, then the whole activity is fruitless," he said.

Mr. Ade (pronounced AH-dee) says the art of attracting the would-be reader begins with the cover.

"If the cover doesn't promise anything of interest, the less likely it is that anyone will even spend a minute with it," said Mr. Ade, whose company has won two dozen design awards over the last five years.

Mr. Schwartz and partner Joyce Nesnadny see the annual report as an opportunity to reflect the corporate culture and to provide insight into the direction of a company, instead of concentrating on its past.

Their ability to produce engaging, interesting books has won them nearly 200 awards locally and nationally for their annual report designs. The honors include 41 American Advertising Federation, or ADDY, awards since 1988. The firm also does other types of graphic design work.

Ms. Nesnadny and Mr. Schwartz say there's no big secret or magic formula to producing a good annual report — just lots of research, time and hard work, along with a good team of creative people and cooperation from the client.

With new clients, the production process ideally begins five to six months before publication and includes extensive research on the client and the industry.

"You need to find out what's going on in the industry, how the competition is trying to differentiate themselves from the client, what market forces are at work that affect business and what things are truly special about the client," Mr. Schwartz said.

When the research is complete and a concept is developed, senior management is called in for a formal presentation. In the best of all possible worlds, the client gets involved and the report becomes a collaboration rather than a one-sided production, Mr. Schwartz said.

"We do our best work when we're brought in to be part of the conceptual team," he said. "Clients coming in with preconceived notions about the report

generally do not allow us to do our strongest work."

At Ade & Associates, the firm typically sits down with a client company's communications officer, chief financial officer and chief executive officer not only to talk about the year that was, "but beyond that, to look ahead to tell a company's direction," Mr. Ade said.

"Our first job is to listen, and listen good," Mr. Ade said. "Then we come back to the client with something that shows we listened."

Mr. Ade said this first discussion with the client "is pivotal to the process" of creating an annual report that conveys the company's message to its shareholders and customers.

"Sometimes there is a seed of a concept that the client isn't even aware in what they've said," Mr. Ade said. "Our job is to grow the idea (for the annual report) from that seed."

Such was the case with the latest annual report Ade & Associates designed for Royal Appliance Manufacturing Co., maker of the Dirt Devil line of vacuum cleaners. Mr. Ade said Royal's management during its planning meeting with his company kept referring to 1993 as "a year of contrast" at the company, so Ade incorporated that theme in Royal's annual report.

In large block letters on facing pages of the annual report are contrasting words such as "ONE...MANY" "HOME...AWAY." Mr. Ade says the former pairing reflects Royal's transformation from a single-product company to a multi-product manufacturer, while the latter highlights its geographic expansion from domestic distribution to international sales.

Likewise, strong client collaboration and trust have been the keys to successful work Nesnadny + Schwartz has produced for its most visible customer, Progressive Corp. of Mayfield Heights.

Nesnadny + Schwartz recently completed its 11<sup>th</sup> annual report for Progressive, a high-risk auto insurer. This year's report was developed around a comment about redefining strategy was

made in a meeting with the company's president and chief executive officer, Peter Lewis, who talked about redefining the company's strategy.

The back cover of the 1993 report features the definition of the word progressive from Webster's Dictionary. Many of the inside printed pages use dictionary-style line drawings as a background to the text in an effort to subtly reinforce the idea of redefinition.

Other concepts for Progressive annual reports have come when least expected.

The 1989 report, which examined the issue of drunken driving, surfaced during a discussion between the partners after a meeting with another client.

"We had just finished a long meeting at the Federal Reserve Bank and we decided to go somewhere to get a drink," Mr. Schwartz said, "While we sat talking, we said, 'What about drinking and driving?'"

Progressive decided to make a theme of the idea: Its 1989 annual report announced its commitment to expand its effort to reduce car accidents.

While annual report production is still dominated by print, multi-media is slowly beginning to invade the industry. Nesnadny + Schwartz's latest client, Lincoln National Reinsurance Cos. of Fort Wayne, Ind., has challenged the firm to produce a CD-ROM disk that highlights the details of the printed report.

"The design opportunities on screen are tremendous," Mr. Schwartz said. "That whole concept of linear display, with pages and starts and stops is gone (with CD-ROM). People can just graze for information. It's really difficult, but difficult is fun."

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Gerhard Ade, president of Ade & Associates strategic communications firm, says the key to getting someone to read an annual report begins with an interesting cover.