



David Fine

Chart a clear course for better financial graphics

David Fine is founder of Fine Communications Inc., an investor relations firm specializing in high-quality multimedia laptop presentations for use in all types of business settings. He is also the co-author of Point, Click and Wow! A Quick Guide to Brilliant Laptop Presentations. Contact him at 416.489.6110, finecom@interlog.com.

David shares the "Before and After" writing duties with his Point, Click and Wow! co-author, Claudyne Wilder. Contact her at Wilder Presentations, 617.524.7172, claudyne@quik.com, or www.wilderpresentations.com.

Creating charts is an essential part of most presentation design. But all too often, rather than highlighting key points clearly, charts are unclear and end up needing a lengthy explanation to be understood.

A chart is created for a reason. The most common mistake is to simply put a chart showing sales or earnings into a presentation without identifying the reason for its existence. One of our clients recently insisted that we include a summary of the company's balance sheet in their presentation. The financial analysts were complaining that the company had not discussed its debt-to-equity ratio, because the information was buried in the balance sheet but not readily apparent. A simple debt-to-equity pie chart did the trick.

Grasping the point with a chart

In this example, we take a table of data that breaks virtually every presentation rule and move it up, step by step, to become an effective chart.

1996 Financial Results (in millions)		
	1995	1996
Gross sales	436.1	413.1
Net income (loss)	(30.1)	26.6
Earnings Per Share	(1.03)	1.12

BEFORE:

The rule-breaker table

This table contains a summarized income statement for the company. The point is not clear. Is it to show improved efficiency — higher earnings on lower sales — or is it simply to show a turnaround in the bottom-line earnings? Also, using red is a no-no in financial presentations. A chart would help significantly.

Some handy rules of thumb for charts

1 Guide the eye to the main point: The key point should jump out at the audience. Use arrows, animation or a different color to guide the eye to the main point.

2 The fewer lines the better: A chart should be clear and simple. One powerful data series (line or row of bars) per chart is preferable. Using too many lines, or using different axes for multiple lines, is confusing.

3 Use an axis scale or data points — but not both: If you are putting data points on the actual line or bar, there is no need to clutter the axis with a scale. It is redundant.

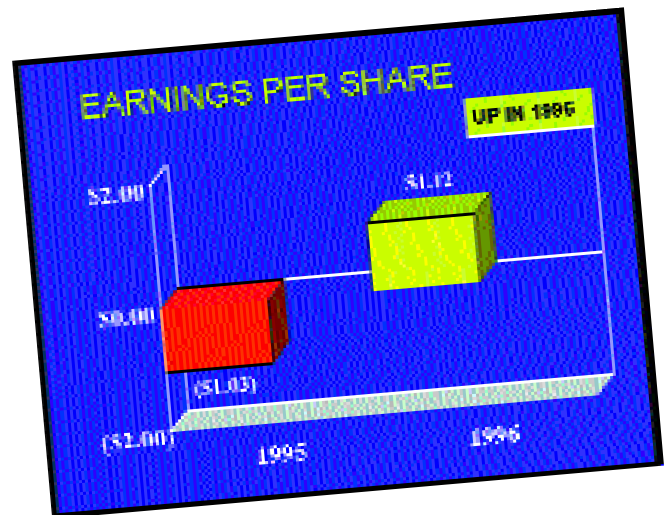
Get your presentation critiqued free!

Do you have a presentation that falls flat or blends into the crowd? It may simply need an injection of energy, organization or individuality.

To have your material considered for a Before & After redesign, send your presentation on a Windows-compatible floppy disk to Claudyne Wilder, Wilder Presentations, 57A Robinwood Ave., Boston, MA 02130; 617.524.7172; claudyne@quik.com. Only presentations selected for redesign will be returned to the sender.

AFTER: Step 1 — The rule-breaker bar chart

Having decided that the key point is to show the improvement in earnings per share, the presenter created a chart. But the chart breaks most of our rules. The bright red loss in 1995 draws the eye to that bar rather than pointing it toward the improvement in 1996. Because the bars show the values on top, the data on the y-axis is redundant and therefore unnecessary clutter. The lines around the chart are also unnecessary. Also, 3D bar charts are notoriously confusing — it's difficult to see exactly where the top is. A simple, elegant 2D bar chart would work better.



AFTER: Step 2 — The basic bar chart

Making the improvements above gives us a basic bar chart. Note its simplicity. The arrow guides the eye to the 1996 bar and highlights the improvement. The words "Up in 1996" have been replaced with more meaningful information — "New strategic alliance" — which helps explain the reason for the turnaround. A few basic design effects such as shadows and shaded fills have been added to enhance the visual appeal. While greatly improved, we can still do more with this chart. Any ideas?



AFTER: Step 3 — The high-impact chart

The content remains the same but we now add animation effects and further upgrade the visual appearance. The chart now builds. First the 1995 bar appears (a "wipe up" animation) as the speaker explains the loss. To highlight the improvement, the arrow appears, followed by the 1996 bar. As the new strategic alliance is explained, the words appear. To further enhance the overall appearance of the presentation and the image of the company, a custom-design look was created for the background. The result is a strong overall message with the audience quickly grasping the improved earnings per share derived from a new strategic alliance. ■



- 4 Remove details: Grid lines, footnotes and other details detract from the key point. Remove them whenever possible.