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WHITEPAPER

Financial Editing

Five reasons why you
need an editing expert

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THE BIGGER PICTURE

A well-crafted piece of financial literature is the result of a lot of groundwork, ranging from research and number crunching to the application of formulae and theories, and then, of course, penning the research. Equally crucial is the next stage of the process, where a business/financial editor helps the writer make the draft clear, concise, unambiguous and devoid of sensitive content that could pose regulatory or reputational risks for the author and the firm.

When writing a report or preparing a presentation, authors need to keep in mind many dos and don'ts. However, overwhelmed by the task of conveying the message, they could overlook some of these rules.

Moreover, given the shift in the way readers consume information, the unlimited options available for accessing content and the highly regulated nature of the business environment, authors need to ensure their messages are concise, accurate and compliant. This is where the editor steps in.

In this paper, we talk about the significant role played by a professional editor in ensuring that all communication and content published by firms is concise, accurate and compliant.

Why is editing crucial?



Our own mistakes are more difficult to spot! When we read our own work, we know what we want to say, and this knowledge fills in any gaps in the writing, leaving them unnoticed. For example, if you meant to write “8.50” but instead wrote “85.0”, you may not catch it because your brain is programmed to read it how you intended to write it. **An editor has no prior knowledge of this and can easily spot the typo.**



First impressions count. Research indicates we have only three seconds or less to engage our reader. **Sloppy writing, data errors, grammar issues and spelling mistakes turn readers off**, making a company seem casual and careless in its work, and they are unlikely to come back later.



Editors help avoid content-related financial, reputational and regulatory risks. Issues such as data mismatches and factual errors can tarnish a company’s reputation. **Exaggerated or promissory language, circulation of rumours, and plagiarised or inaccurate sourcing of text are concerns** that could escalate to become significant issues if highlighted by readers, clients, the competition or regulatory authorities. Editors help weed these out.



A well-written and well-edited draft ensures professionalism and wins business. **Writers and clients could be individuals who are not native English speakers**, and editors can provide the much-needed language support here. In a professional setting, this could be critical for winning business.

What are the key focus areas for an editor?

Editors bridge the gap between writers and readers. Basic tasks such as reviewing the language and adhering to a style guide definitely need to be performed, but research editors add much more value. They eliminate repetition, ensure clarity of thought and a logical structure and flow, and highlight core arguments. In the next few pages, we look at some key factors that make editing an important aspect of the publishing process.



I. CLARITY OF THOUGHT

Writers often take a reader's understanding of the content for granted and leave complex business- or industry-related concepts and terms unexplained. They may also not provide sufficient background when explaining certain scenarios, making it difficult for the reader to follow the story.

In such instances, the editor functions as the first "reader", and as a friendly customer, can point out those areas that require further clarity. Because the editor takes a neutral point of view, it makes it easier to spot issues such as duplication and ambiguity.

These issues may seem simple to resolve; for example, the reader could just run a Google search to figure out what an abbreviation stands for or check the background to a story. However, we must minimise the need for such effort if we are to win our readers.



Example 1

FY20 started with difficulties for the company due to the macro picture among temporary effects. However, also Sweden weak management decisions from the past. Awaiting further news on A&B divestment, we believe that the company's share price performance is limited.



The company has had a slow start to FY20 due to the unfavourable macroeconomic environment, one-off events and a harsh winter. Sweden's 1Q20 results were significantly lower than expected, and the company announced management changes to improve operational efficiency. As we wait for further updates on A&B's divestment, we believe the company's share price will remain rangebound.

Example 2

Individual NBP for private insurers remained largely flat (2% decline) in Sep'20 and was lower than 28% YoY growth in Aug'20 due to high base in Aug'19 from the sudden surge in premiums due to IRDAI proposal.

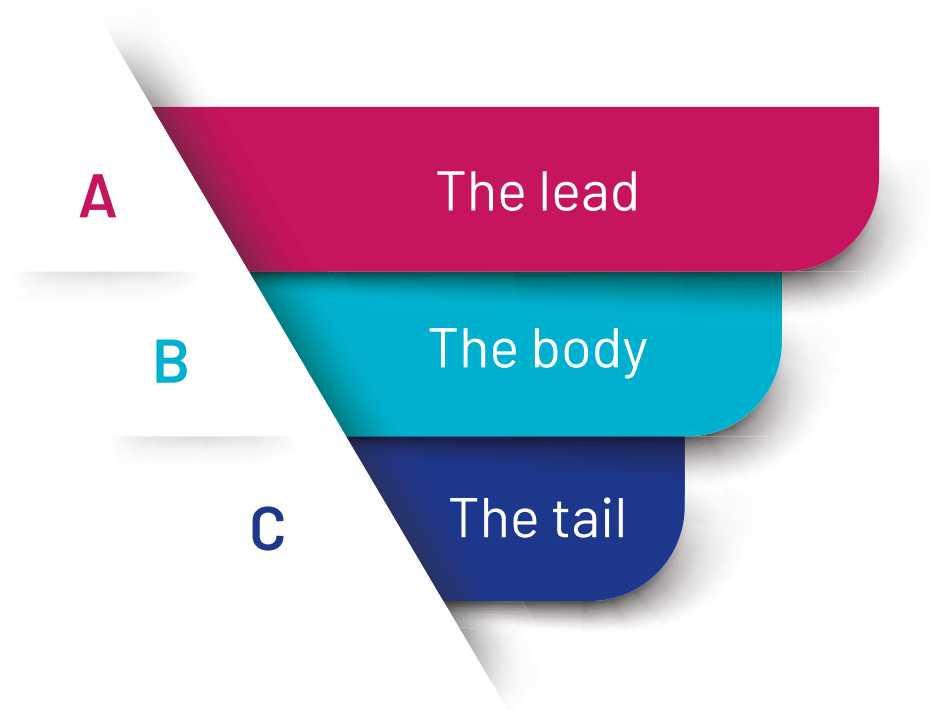
Individual new business profit (NBP) for private insurers remained largely flat (2% y/y decline) in September 2020. This was lower than August 2020's 28% y/y growth, as the base was high in September 2019. In September 2019, there was a sudden surge in premiums after the Insurance Regulatory and Development Authority of India (IRDAI) proposed to increase premiums by 15-20%.

II. STRUCTURE AND FLOW

The structure and flow of the argument are critical, and editors with knowledge of the subject matter can quickly spot gaps in them.

The inverted pyramid style of writing could be used to ensure a well-structured write-up, particularly in terms of blogs, business reports or news flow summaries. An editor ensures this rule is followed and would restructure the content to improve the flow, if required.

The inverted pyramid structure



This is a short paragraph introducing the most important information first to capture the reader's attention. It may include a call to action and a thought-provoking question.



Your argument.

This is the bulk of the content. It includes further details, quotations and graphics and supports, disputes or expands on the topic.



Less-essential information.

This could include related facts and additional comments.

The introductory paragraph of an initiation report is given below. The edited version follows the pyramid structure and the content flows in an orderly manner.



After suffering declining sales in 2019 and 2020 (total of -22%), ABC Limited has experienced strong revenue growth the past year (+15% in 2021). The management team has done a good job in developing its core business. The company was able to reverse its declining sales by winning new contracts and expanding its client base. The stock is already up c.30% so far this year and we expect the momentum to continue in 2021. We initiate coverage of ABC Limited with a Buy rating.



We initiate coverage of ABC Ltd with a Buy rating and a 12-month target price of USD15, implying potential upside of 22%. Our view is supported by (1) ABC's strong product pipeline and expanding client base, (2) compelling valuation, (3) solid management team, and (4) good earnings growth visibility. Although the stock is already up c.30% this year, we expect the momentum to continue in 2021 as well.

III. ACTION-ORIENTED CONTENT

The pandemic has increased the significance of content on products and services, and sales and marketing departments depend heavily on such content to sell their products and services. From a business perspective, therefore, one of an editor's most important tasks is helping the writer draft action-oriented content. A business editor can help guide readers to specific conclusions, outcomes and actions, such as subscribing to a business idea, purchasing a product or service or contacting the company for more information.

For example, for an equity research report, an editor ensures that the report



delivers a clear investment idea,



has a well-structured argument,



and is concise,

which could lead to action on the part of an investor.

IV. NUMBER/FACT CHECKING

An editor experienced in reviewing financial content provides a second-layer check of sensitive financial data and facts presented in the report. This process includes validating source information; checking dates, designations and names of companies, executives and officials; and ensuring the content has not been plagiarised.

Example

Author's original text	Editing inputs
<p>We expect ABC Bank to overcome its recent struggle caused by an internal technical glitch and higher provisions reported in its Q3 FY22 earnings on a q/q basis. The bank is better placed cyclically, compared with peers. Its recent performance indicates a turning point, with collections jumping to 74% for its investment scheme portfolio in Q1. The bank will also benefit from an unlocking of shareholder value via listings of ABC Financial and XYZ Financial. Healthy high single-digit growth expectations for FY22 is driven by robust fee income and a strong pick-up in infra lending.</p>	<p>Editor check: The editor checked the IPO news and found that the companies had shelved the plan.</p> <p>Editor comment: The companies have shelved their IPO plans, according to an Economic Times report published last week.</p> <p>Please review the highlighted part.</p>

Sample of what editors check when reviewing data/estimates in an equity report



Check periods and estimates in tables and text



Ensure estimates in tables match those in the text



For long notes, run a "Find all" command to ensure the figures match in all instances the estimates are mentioned



For non-covered stocks, ensure the estimates mentioned are sourced to consensus; firm estimates for covered stocks should be sourced to the client



If the cover page does not have a blurb/table with the most important figures, ask the analyst to consider including one



Detailed actual and estimated earnings figures are provided at the end of the research report; ensure these figures match those in previous sections of the report



In case of number changes, please check the data against the database for tables not automatically generated by the publishing platform

V. CHECKING SENSITIVITIES

Company management, governments, political parties, religious groups and other communities could be sensitive about what is written, especially if the information is speculative and not adequately supported by appropriate sources or sound logic.

A lapse in the above could result in financial, reputational and regulatory risks; an editor, therefore, performs a crucial function, ensuring the content is factual, appropriately sourced and backed by logical reasoning. Editors are also mindful of biased or offensive language, false or misleading statements and misrepresentation of facts. They ensure the content is in line with the regulations and policies of the groups concerned and the compliance standards set by regulatory authorities and clients, rewriting it where necessary without distorting the message.

Examples

Author's original text	Editor's comments
The extension of the policy revival period, announced by regulator IRDAI, will infuse the much-needed confidence in the minds of customers and investors. Some of the other changes announced by the regulator include payment of premiums in one visit, stretching of the timeline for advance premium payment of premiums and payment of surrender value if the policy holder has paid the premium for even one year. This will, in our opinion, attract many customers to the insurance sector. We do not have any stock from the insurance stable from the primary coverage list. However, we are contemplating adding one of the three large-cap stocks.	An instance of front-running, where the author is hinting at future recommendations
We believe investors will be able to double their money over the next six months as we are confident that the company will win the legal battle.	Promissory language and prediction of legal proceedings without a basis
Since 2010-11, the government has taken away cash from the company on a quarterly basis for subsidising loss-making state-owned downstream companies.	Negative management commentary without a basis
Based on the rumour that ABC plans to acquire XYZ, we have conducted a sensitivity analysis to understand the impact of the deal on our fair value for ABC.	Could amount to circulating rumours

An editor is also responsible for the following basic functions –

proofreading, checking language and determining coherence, logic, reasoning and relevance of text in a document. An editor also ensures the prescribed style is followed.

Checking information sources is crucial when it comes to ensuring credibility and transparency in research. The editor ensures accuracy and that appropriate sources have been referred. Editors also check for plagiarism.

A good editor is a war half won



Content, if not treated properly, can be misleading, and the repercussions of a lapse can be significant. A badly written and inaccurate email, report, blog, social media post, or a business proposal can leave an irreversible negative impression on the reader. With diminishing attention spans, they are unlikely to come back.

Also, we at Acuity know how to handle sensitive content that could offend readers, businesses or governments if not written with care. On the flip side, a well-crafted and well-expressed written material without any ambiguities can help seal the deal for the sender. It serves the purpose. **It is a war half won.**

How Acuity Knowledge Partners can help

Acuity Knowledge Partners, with a strong editorial department, can help you publish your content in good time and get you the early mover advantage in today's high-volume, ultra-competitive content landscape. Our editorial team, comprising highly experienced editors who joined us from global news and research organisations and financial institutions, has the ability to meet tough deadlines in a fast-paced work environment and amid a heavy flow of work on a daily basis. This is really important because a short delay in submitting a business proposal or publishing a press release or thought-leadership content could provide an unassailable advantage to your competition, and editors at Acuity very well understand this.

Our Research Publishing team has been providing editorial support, supervisory analyst (series-16 certified) review and approval, and formatting, publishing and design services to a number of global financial services firms for over 15 years. The team is well versed in editing work ranging from daily stock reports to in-depth analytical pieces on macroeconomics. The company provides regular training to financial editors and writers to ensure quality and competency in its editorial services.

Acuity's Research Publishing team supports clients across the value chain

Investment research reports



- » Research reports
- » Company earnings reports
- » Stock reports
- » News flow
- » Passive reports
- » Case studies
- » Company profiles

Thought-leadership offerings



- » Whitepapers
- » Blogs
- » Analysis
- » Articles
- » Reports
- » Opinion pieces
- » Feature stories

Marketing materials



- » Brochures
- » Social media posts
- » Newsletters
- » Emails
- » Press releases
- » Power point presentations
- » Scripts

Bespoke services



- » Proposals and tenders
- » Requests for proposal
- » Business documents/plans
- » Policy and process documents
- » Product description documents
- » Staff and employee handbooks
- » Training materials

Author



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Bijoy is a senior editor at Acuity Knowledge Partners (Acuity) and has been with the firm for more than 5 years. Besides supporting a marquee sell-side client, he also edits content generated by Acuity's internal divisions and the marketing team.

Bijoy has around 18 years of experience in business and financial journalism. Prior to Acuity, he worked as a journalist and then as a news editor for Thomson Reuters for over 9 years. He also worked as a senior editor at financial news startup AlphaStreet.

Bijoy holds an MA in English Language and Literature and a PG diploma in Public Relations and Journalism.

About Acuity Knowledge Partners

Acuity Knowledge Partners (Acuity), formerly part of Moody's Corporation, is a leading provider of bespoke research, analytics, staffing and technology solutions to the financial services sector.

Headquartered in London, Acuity Knowledge Partners has nearly two decades of experience in servicing over 400 clients by deploying its 4,000 specialist workforce of analysts and delivery experts across its global delivery network. We provide our clients with unique assistance to innovate, implement transformation programmes, increase operational efficiency, and manage costs and improve their top lines.

Our expertise includes the following:

- » Investment Banking: origination and trading support
- » Investment Research support: covering all asset classes in terms of ideation, data science, and research support across the buy side and sell side
- » Commercial Lending support: across origination, credit assessment, underwriting, and covenant and portfolio risk for all lending types
- » Private Equity: origination, valuation and portfolio monitoring support
- » Asset Management services support: across marketing, investment research, portfolio management/optimisation, risk and compliance
- » Corporate and Consulting services: market and strategic research; survey work; treasury and counterparty risk support; and CEO office support, including M&A, FP&A and investor relations support
- » Compliance support: AML analytics, KYC, counterparty credit risk modelling and servicing across banks, asset managers and corporates
- » Data Science: delivering AI/ML-driven unique insights from acquisition, preparation and analysis of traditional and alternative datasets

These services are supported by our proprietary suite of Business Excellence and Automation Tools (BEAT) that offer domain-specific contextual technology.

Acuity Knowledge Partners is backed by Equistone Partners Europe, a leading private equity organisation that backs specialist growth businesses and management teams.



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