



## chapter seven

# Indirectness in Bad-News Messages

### LEARNING OBJECTIVES

Upon completing this chapter, you will be able to write indirect responses to convey bad news. To reach this goal, you should be able to

- 1 Determine which situations require using the indirect order for the most effective response.
- 2 Write indirect-order messages following the general plan.
- 3 Use tact and courtesy in refusals of requests.
- 4 Write adjustment refusals that minimize and overcome bad impressions.
- 5 Compose tactful, yet clear, credit refusals that foster goodwill.
- 6 Write negative announcements that maintain goodwill.

## SITUATIONS REQUIRING INDIRECTNESS

- Usually bad-news messages should be in the indirect order.
- There are exceptions, as when the bad news is routine or when the reader prefers frankness.
- Following is a general plan for bad-news messages and four applications.

As explained in Chapter 6, when a message is primarily bad news, you usually should write in the indirect order. The indirect order is especially effective when you must say no or convey other disappointing news. The main reason for this approach is that negative messages are received more positively when an explanation precedes them. An explanation may even convince the reader that the writer's position is correct. In addition, an explanation cushions the shock of bad news. Not cushioning the shock makes the message unnecessarily harsh, and harshness destroys goodwill.

You may want to use directness in some bad-news situations. If, for example, you think that your negative answer will be accepted routinely, you might choose directness. For example, in many buyer–seller relationships in business, both parties expect backorders and order errors to occur now and then. Thus messages reporting this negative information are considered routine and are written in direct order. You also might choose directness if you know your reader well and feel that he or she will appreciate frankness. And you might choose directness anytime you are not concerned about goodwill. But such instances are not the rule. Usually you would be wise to use indirectness in refusals.

As in the preceding chapter, we first describe a general plan. Then we adapt this plan to specific business situations—four in this case. First is the refusal of a request. We cover it in detail. Next we cover the refusal of a request for adjustment and refusals of credit. Since these last two situations are similar to the first one, we cover them briefly. The focus here is on special considerations involving each type. Finally, we cover negative announcements, which are a form of bad-news messages with unique characteristics.

## THE GENERAL INDIRECT PLAN

### Using a Strategic Buffer

- Use a buffer in indirect bad-news messages.
- Begin with a buffer that identifies the subject.
- Use a neutral or positive buffer without raising readers' hopes.
- Sometimes the direct approach is best, especially if ethical issues are involved.

Indirect messages presenting bad news often begin with a strategic buffer. By buffer we mean an opening that identifies the subject of the message but does not indicate overtly that negative news is coming. That is, it raises the topic of the message but does not indicate what the rest of the message will say about it.

A buffer can be neutral or positive. A neutral buffer might simply acknowledge your receipt of the reader's earlier message and indicate your awareness of what it said. A positive buffer might thank the reader for bringing a situation to your attention or for being a valued customer or employee. You do need to use care when opening on a positive note. You do not in any way want to raise the reader's hopes that you are about to deliver the news that he or she may be hoping for. That would only make your task of maintaining good relations more difficult.

Some may argue that not starting with the good news is, for savvy readers, a clear tip-off that bad news is coming. If this is the case, then why not just start with the bad news? True, for some readers in some situations, a direct approach may be the best. For example, if you are writing to tell customers that there is a defective part in a car they have purchased and that they should return the car to the dealership immediately for repairs, it would be almost unethical not to feature this important information in the opening paragraph. Most readers in most situations, however, appreciate a more gradual introduction to the message's main negative point. It gives them a chance to prepare for the news—and even if they suspect that it will be negative, the use of a buffer indicates consideration for their feelings.



### Setting Up the Negative News

- Follow the buffer with an explanatory strategy before presenting the negative news.

For each case, you will have thought through the facts involved and decided that, to some extent, you will have to say no or present some other kind of negative news. You then have to figure out how you will present your reasons in such a way that your reader will accept the news as positively as possible. Your strategy might be to explain the fairness of a certain action. It might be to present facts that clearly make the decision

necessary. Or you might cite the expert opinion of authorities whom both you and your reader respect. It might even be possible to show that your reasons for the negative decision actually will benefit the reader in the long run. Whatever explanatory strategy you have chosen, these reasons should follow your buffer and precede the negative news itself. In other words, the paragraph after the buffer should start explaining the situation in such a way that, by the time the negative news comes, the reader should be prepared to receive it in the most favorable light possible. Examples of how to accomplish this follow.

## Presenting the Bad News Positively

Next, you present the bad news. If you have developed your reasoning convincingly, this bad news should appear as a logical outcome. And you should present it as positively as the situation will permit. In doing so, you must make certain that the negative message is clear—that your positive approach has not given the wrong impression.

One useful technique is to present your reasoning in first and third person, avoiding second person. To illustrate, in a message refusing a request for money back and return of product, one could write these negative words: “Since you have broken the seal, state law prohibits us from returning the product to stock.” Or one could write these more positive words emphasizing first and third person: “State law prohibits us from returning to stock all such products with broken seals.”

It is sometimes possible to take the sting out of negative news by linking it to a reader benefit. For example, if you preface a company policy with “in the interest of fairness” or “for the safety of our guests,” you are indicating that all of your patrons, including the reader, get an important benefit from your policy.

Your efforts to present this part of the message positively should stress the positive word emphasis described in Chapter 4. In using positive words, however, you must make certain your words truthfully and accurately convey your message. Your goal is to present the facts in a positive way. In no way should your ethics be in question.

- Refuse as positively as the situation permits.
- Avoiding second person can reduce the negative impact.
- Linking negative news to a reader benefit can also lessen the sting.
- Be certain that you are honest and clear.



## Offering an Alternative Solution

For almost any negative-news situation that you can think of, there is something you can do to help the reader with his or her problem.

If someone seeks to hold an event on your company grounds and you must say no, you may be able to suggest other sites. If someone wants information that you cannot give, you might know of another way that he or she could get similar information. If you cannot volunteer your time and services, perhaps you know someone who might, or perhaps you could invite the reader to make the request again at a later, better time. If you have to announce a cutback on an employee benefit, you might be able to suggest ways that employees can supplement this benefit on their own. Taking the time to help the reader in this way is a sincere show of concern for the reader’s situation. For this reason, it is one of your most powerful strategies for maintaining goodwill.

- Help solve the reader’s problem.
- Showing concern maintains goodwill.

## Ending on a Positive Note

Since even a skillfully handled bad-news presentation can be disappointing to the reader, you should end the message on a forward-looking note. Your goal here is to shift the reader’s thoughts to happier things—perhaps what you would say if you were in face-to-face conversation with the person. Preferably your comments should fit the one case, and they should not recall the negative message to the reader’s mind. They should make clear that you value your relationship with the reader and still regard it as a positive one.

Following are adaptations of this general plan to four of the more common negative business message situations. From these applications you should be able to see how to adapt this general plan to almost any other negative message situation.

- End with specially adapted goodwill.

## REFUSED REQUESTS

### INTRODUCTORY SITUATION

#### Refused Requests

As in Chapter 6, assume again the role of assistant to the Pinnacle vice president. Today your boss assigned you the task of responding to a request from the local chapter of the National Association of Peace Officers. This worthy organization has asked Pinnacle to contribute to a scholarship fund for certain needy children.

The request is persuasive. It points out that the scholarship fund is terribly short. As a result, the association is not able to take care of all the needy children. Many of them are the children of officers who were killed in the line of duty. You have been moved by the persuasion, and you would like to comply, but you cannot.

You cannot contribute now because Pinnacle policy does not permit it. Even though you do not like the effects of the policy in this case, you think the policy is good. Each year Pinnacle earmarks a fixed amount—all it can afford—for contributions. Then it doles out this amount to the causes that a committee of its executives considers the most worthy. Unfortunately, all the money earmarked for this year has already been given away. You will have to say no to the request, at least for now. You can offer to consider the association's cause next year.

Your response must report the bad news, though it can hold out hope for the future. Because you like the association and because you want it to like Pinnacle, you will try to handle the situation delicately. The task will require your best strategy and your best writing skills.

- Refusing a request involves both saying no and maintaining goodwill.

The refusal of a request is definitely bad news. Your reader has asked for something, and you must say no. Your primary goal, of course, is to present this bad news. You could do this easily with a direct refusal. But as a courteous and caring businessperson, you have the secondary goal of maintaining goodwill. To achieve this second goal, you must convince your reader that the refusal is fair and reasonable.

- Think through the situation, looking for a good explanation.

#### Developing the Strategy

Finding a fair and reasonable explanation involves carefully thinking through the facts of the situation. First, consider why you are refusing. Then, assuming that your reasons are just, you should try to find the best way of explaining them to your reader. In doing this, you might well place yourself in your reader's shoes. Try to imagine how the explanation will be received. What comes out of this thinking is the strategy you should use in your message.

One often-used explanation is that company policy forbids compliance. This explanation may be valid, but only if this company policy is defensible. Justification of the policy may well be a part of the explanation. Often you must refuse simply because the facts of the case justify a refusal—that is, you are right and the reader is wrong. In such cases, your best course is to review the facts, taking care not to accuse or insult and to appeal to the reader's sense of fair play. There are other explanations, of course. You select the one that best fits your situation.

- Begin with words that set up the explanation.

#### Setting Up the Explanation in the Opening

Having determined the explanation, you begin the message with words that set up discussing it. For example, take the case described at the beginning of this discussion—refusing an association's request for a donation. The following opening meets this case's requirements well:

Your organization is doing a commendable job of educating its needy children. It deserves the help of those who are in a position to give it.

This beginning, on-subject comment clearly marks the message as a response to the inquiry. It implies neither a yes nor a no answer. The statement, "It deserves the help of those who are in a position to give it," sets up the explanation, which will point out

that the company is not in a position to give. Also, it puts the reader in an agreeable or open frame of mind—ready to accept the explanation that follows.

## Presenting the Explanation Convincingly

As with the general plan, you next present your reasoning. To do this you use your best persuasion techniques: positive wording, proper emphasis, convincing logic, and supporting detail. In general, you use all your presentation skills in your effort to convince your reader.

- Then present your explanation.

## Handling the Refusal Positively

Your handling of the refusal follows logically from your reasoning. If you have built the groundwork of explanation and fact convincingly, the refusal comes as a logical conclusion and as no surprise. If you have done your job well, your reader may even support the refusal. Even so, because the refusal is the most negative part of your message, you should not give it too much emphasis. You should state it quickly, clearly, and positively. You should keep it away from positions of emphasis, such as paragraph endings.

- The refusal should flow logically from the reasoning. Do not emphasize it.

To state the refusal quickly, you should use as few words as possible. Laboring the refusal for three or four sentences when a single clause would do gives it too much emphasis.

- State the refusal quickly,

Still, you should make certain that the reader has no doubt about your answer. In the effort to be positive, writers sometimes become evasive and unclear. Take, for example, a writer who attempts to show that the facts of the case justify the company policy on which a refusal is based. Such words as “these facts clearly support our policy of . . .” would not communicate a clear refusal to some people. Another example is that of a writer who follows justifying an explanation with a compromise offer. In this case, such words as “it would be better if . . .” would make for a vague refusal.

- clearly,



Telling people news they don't want to hear requires your most careful communication effort.

- and positively.

To state the refusal positively, you should study carefully the effects of your words. Such harsh words as *I refuse*, *will not*, and *cannot* stand out. So do such timeworn apologies as “I deeply regret to inform you . . .” and “I am sorry to say . . .” You can usually phrase your refusal in terms of a positive statement of policy. For example, instead of writing “your insurance does not cover damage to buildings not connected to the house,” write “your insurance covers damage to the house only.” Or instead of writing “We must refuse,” a wholesaler could deny a discount by writing “We can grant discounts only when . . .” In some cases, your job may be to educate the reader. Not only will this be your explanation for the refusal, but it also will build goodwill.

- If a compromise is practical, use it to imply what you cannot do.

### Using a Compromise When Practical

If the situation justifies a compromise, you can use it in making the refusal positive. More specifically, by saying what you can do (the compromise), you can clearly imply what you cannot do. For example, if you write “The best we can do is to (the compromise) . . . ,” you clearly imply that you cannot do what the reader requested. Such statements contain no negative words and usually are as positive as the situation will permit.

- End with a pleasant off-subject comment.

### Closing with Goodwill

Even a skillfully handled refusal is the most negative part of your message. Because the news is disappointing, it is likely to put your reader in an unhappy frame of mind. That frame of mind works against your goodwill goal. To leave your reader with a feeling of goodwill, you must shift his or her thoughts to more pleasant matters.

- Adapt the close to the one case.

The best closing subject matter depends on the facts of the case, but it should be positive talk that fits the one situation. For example, if your refusal involves a counterproposal, you could say more about the counterproposal. Or you could make some friendly remark about the subject of the request as long as it does not remind the reader of the bad news. In fact, your closing subject matter could be almost any friendly remark that would be appropriate if you were handling the case face to face. The major requirement is that your ending words have a goodwill effect.

- Avoid ending with the old, negative apologies.

Ruled out are the timeworn, negative apologies. “Again, may I say that I regret that we must refuse” is typical of these. Also ruled out are the equally timeworn appeals for understanding, such as “I sincerely hope that you understand why we must make this decision.” Such words emphasize the bad news.

### Fitting the General Plan to Refused Requests

Adapting the preceding analysis to the general plan, we arrive at the following outline for the refused request:

- Begin with words that indicate a response to the request, are neutral as to the answer, and set up the strategy.
- Present your justification or explanation, using positive language and you-viewpoint.
- Refuse clearly and positively, including a counterproposal or compromise when appropriate.
- End with an adapted goodwill comment.

### Contrasting Refusals

The advantage of the indirect order in refusal messages is evident from the following contrasting examples. Both refuse clearly. But only the one that uses the indirect order is likely to gain reader goodwill.

**Harshness in the Direct Refusal.** The first example states the bad news right away. This blunt treatment puts the reader in an unreceptive frame of mind. The result is that the reader is less likely to accept the explanation that follows. The explanation is clear, but note the unnecessary use of negative words (*exhausted*, *regret*, *cannot consider*). Note also how the closing words leave the reader with a strong reminder of the bad news.

Subject: Your request for donation  
Ms. Cangelosi:

We regret to inform you that we cannot grant your request for a donation to the association's scholarship fund.

So many requests for contributions are made of us that we have found it necessary to budget a definite amount each year for this purpose. Our budgeted funds for this year have been exhausted, so we simply cannot consider additional requests. However, we will be able to consider your request next year.

We deeply regret our inability to help you now and trust that you understand our position.

Mark Stephens

This bad email is harsh because of its directness.



**Tact and Courtesy in an Indirect Refusal.** The second example skillfully handles the negative message. Its opening words are on subject and neutral. They set up the explanation that follows. The clear and logical explanation ties in with the opening. Using no negative words, the explanation leads smoothly to the refusal. Note that the refusal also is handled without negative words and yet is clear. The friendly close fits the one case.

Subject: Your scholarship fund request

Ms. Cangelosi:

Your efforts to build the scholarship fund for the association's needy children are most commendable. We wish you good success in your efforts to further this worthy cause.

We at Pinnacle are always willing to assist worthy causes whenever we can. That is why every January we budget for the year the maximum amount we believe we are able to contribute to such causes. Then we distribute that amount among the various deserving groups as far as it will go. Since our budgeted contributions for this year have already been made, we are placing your organization on our list for consideration next year.

We wish you the best of luck in your efforts to help educate the deserving children of the association's members.

Mark Stephens

This email using the indirect approach is better.



## ADJUSTMENT REFUSALS

### INTRODUCTORY SITUATION

#### Adjustment Refusals

Sometimes your job at Pinnacle involves handling an unhappy person. Today you have to do that, for the morning email has brought a strong claim for adjustment on an order for Pinnacle's Do-Craft fabrics. The claim writer, Ms. Arlene Sanderson, explains that a Do-Craft fabric her upholstery company used on some outdoor furniture has faded badly in less than 10 months. She even includes photographs of the fabric to prove her point. She contends that the product is defective, and she wants her money back—all \$2,517 of it.

Inspection of the photographs reveals that the fabric has been subjected to strong sunlight for long periods. Do-Craft fabrics are for inside use only. Both the Pinnacle brochures on the product and the catalog description stress this point. In fact, you have difficulty understanding how Ms. Sanderson missed it when she ordered from the catalog. Anyway, as you see it, Pinnacle is not responsible and does not intend to refund the money. At the same time, it wants to keep Ms. Sanderson as a repeat customer. Now you must write the message that will do just that. The following discussion tells you how.

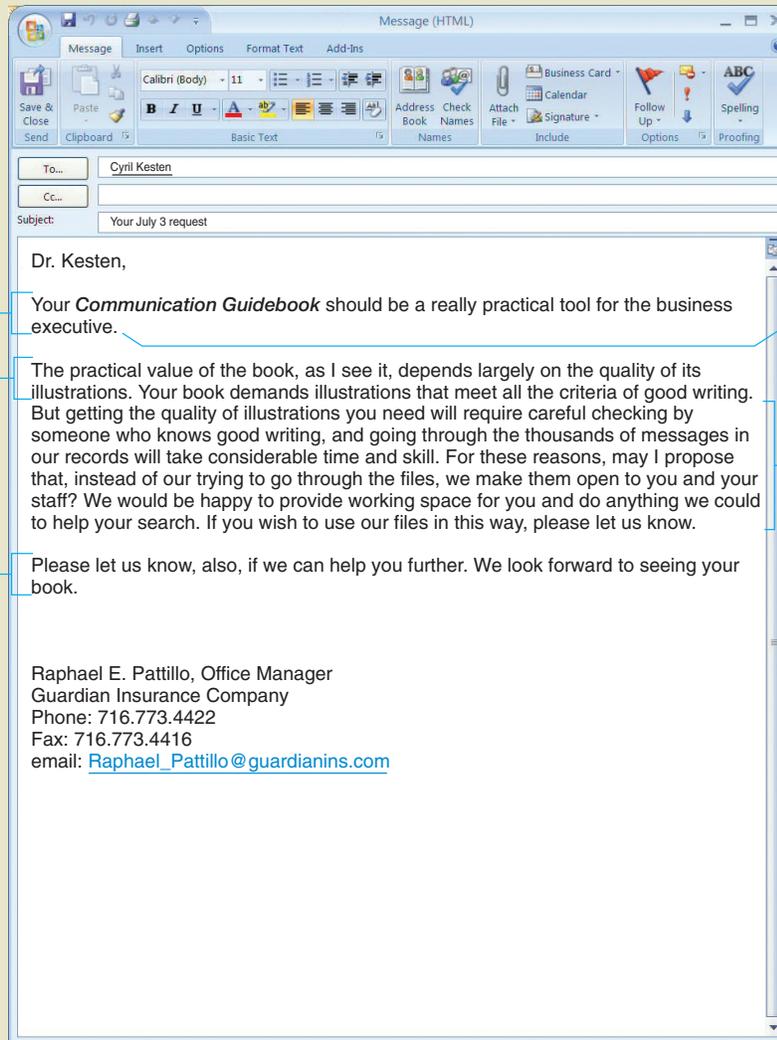
## CASE ILLUSTRATION

**Refused Request Message (Refusing a Request for Examples).** Tact and strategy mark this refusal in which an office manager turns down a textbook author's request. The author has asked for model email messages that can be used as examples in a communication guidebook. The office manager reasons that complying with this request would take more time than he is willing or able to give.

On-subject  
beginning-  
ties in with  
request

You-  
viewpoint  
explanation

Goodwill  
close-off  
subject  
and  
pleasant



Sets up  
explanation

Refusal  
logically  
flows from  
explanation

Note  
positive  
wording of  
refusal

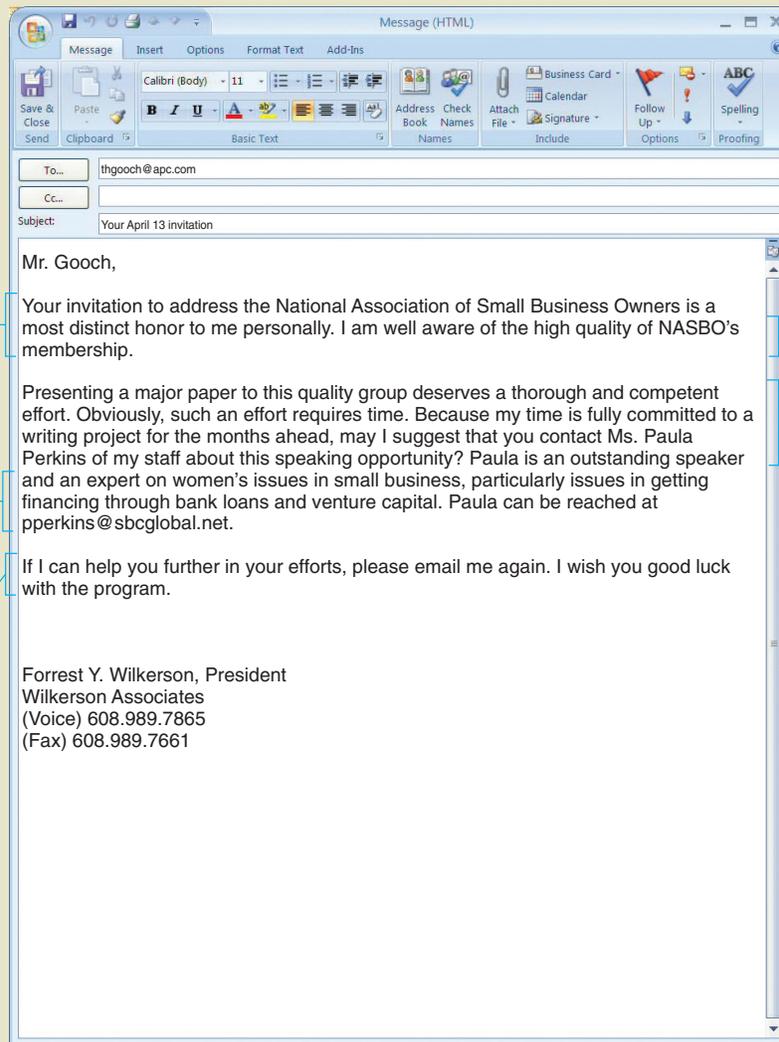
## CASE ILLUSTRATION

**Refused Request Message (Turning Down a Speaking Invitation).** This example shows good strategy in turning down a request to speak at a convention.

*On-subject  
beginning-  
compliment  
gains  
reader's  
favor*

*Offer of  
alternative  
shows  
concern-  
builds  
goodwill*

*Goodwill  
close-  
adapted  
to this  
one case*

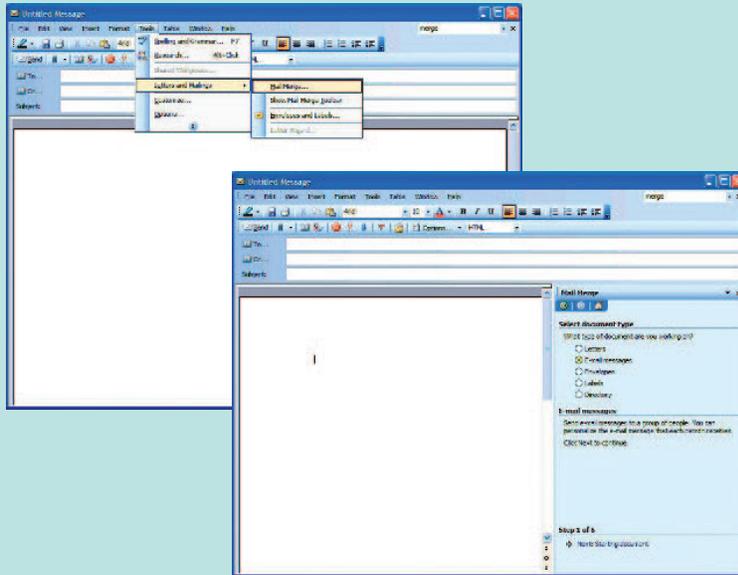


*Sets up  
explanation*

*Reasonable,  
convincing  
explanation*

## TECHNOLOGY IN BRIEF

### Email Merge Tool Allows Writers to Customize Frequent Messages



If you use Word as your editor in Outlook, you can use the merge tool to create form documents for those responses you send often. A writer simply creates the message first or uses an existing template or document. Saving it with a descriptive file name is important so that you can identify it easily the next time you need to send the same information. You can insert fields for information you know will be variable and modify other items as needed.

As you see here, once you select Mail Merge from the Tools/Letters and Mailings menus, you will be prompted through a series of steps to create documents that can be customized efficiently. By spending time creating well-written messages to start with, you can let the tool take care of repeated use of them.

Adjustment refusals are a special type of refused request. Your reader has made a claim asking for a remedy. Usually you grant claims. Most are legitimate, and you want to correct any error for which you are responsible. But such is not the case here. The facts do not justify correction. You must say no.

### Determining the Strategy

The primary difference between this and other refusal messages is that in these situations, as we are defining them, your company will probably have clear, reasonable guidelines for what should and should not be regarded as legitimate requests for adjustment. You will, therefore, not have to spend much time figuring out why you cannot grant the reader's request. You will have good reasons to refuse. The challenge will be to do so while still making possible an ongoing, positive relationship with the reader.

### Setting Up Your Reasoning

- Begin with words that set up your reasoning.
- A point of common agreement is one good possibility.

With your strategy in mind, you begin with words that set it up. Since this message is a response to one the reader has sent, you also acknowledge this message. You can do this by a date reference early in the message. Or you can do it with words that clearly show you are writing about the specific situation.

One good way of setting up your strategy is to begin on a point of common agreement and then to explain how the case at hand is an exception. To illustrate, a case involving a claim for adjustment for failure of an air conditioner to perform properly might begin thus:

You are correct in believing that an 18,000 BTU Whirlpool window unit should cool the ordinary three-room apartment.

The explanation that follows this sentence will show that the apartment in question is not an ordinary apartment.

Another strategy is to build the case that the claim for adjustment goes beyond what can reasonably be expected. A beginning such as this one sets it up:

Assisting families to enjoy beautifully decorated homes at budget prices is one of our most satisfying goals. We do all we reasonably can to reach it.

The explanation that follows this sentence will show that the requested adjustment goes beyond what can be reasonably expected.

- Another is to show that the claim goes beyond what is reasonable.

## Making Your Case

In presenting your reasons for refusal, explain your company’s relevant policy or practice. Without accusing the reader, call attention to facts that bear on the case—for example, that the item in question has been submerged in water, that the printed material warned against certain uses, or that the warranty has expired. Putting together the policy and the facts should lead logically to the conclusion that the adjustment cannot be granted.

- Explain your refusal by associating the facts of the case with a policy or practice.

## Refusing Positively and Closing Courteously

As in other refusal messages, your refusal derives from your explanation. It is the logical result. You word it clearly, and you make it as positive as the circumstances permit. For example, this one is clear, and it contains no negative words:

For these reasons, we can pay only when our employees pack the goods.

If a compromise is in order, you might present it in positive language like this:

In view of these facts, the best we can do is repair the equipment at cost.

As in all bad-news messages, you should end this one with some appropriate, positive comment. You could reinforce the message that you care about the reader’s business or the quality of your products. In cases where it would not seem selfish, you could write about new products or services, industry news, or such. Neither negative apologies nor words that recall the problem are appropriate here.

- Refuse positively and end with goodwill.

## Adapting the General Plan

When we apply these special considerations to the general plan, we come up with the following specific plan for adjustment refusals:

- Begin with words that are on subject, are neutral as to the decision, and set up your strategy.
- Present the strategy that explains or justifies, being factual and positive.
- Refuse clearly and positively, perhaps including a counterproposal.
- End with off-subject, positive, forward-looking, friendly words.

## Contrasting Adjustment Refusal Messages

Bad and good treatment of Pinnacle’s refusal to give money back for the faded fabric are illustrated by the following two messages. The bad one, which is blunt and insulting, destroys goodwill. The good one, which uses the techniques described in the preceding paragraphs, stands a fair chance of keeping goodwill.

**Bluntness in a Direct Refusal.** The bad email begins bluntly with a direct statement of the refusal. The language is negative (*regret, must reject, claim, refuse, damage,*

*inconvenience*). The explanation is equally blunt. In addition, it is insulting (“It is difficult to understand how you failed . . .”). It uses little tact, little you-viewpoint. Even the close is negative, for it recalls the bad news.



The bad email shows little concern for the reader’s feelings.

Subject: Your May 3 claim for damages

Ms. Sanderson,

I regret to report that we must reject your request for money back on the faded Do-Craft fabric.

We must refuse because Do-Craft fabrics are not made for outside use. It is difficult for me to understand how you failed to notice this limitation. It was clearly stated in the catalog from which you ordered. It was even stamped on the back of every yard of fabric. Since we have been more than reasonable in trying to inform you, we cannot possibly be responsible.

We trust that you will understand our position. We regret very much the damage and inconvenience our product has caused you.

Marilyn Cox, Customer Relations

**Tact and Indirect Order in a Courteous Refusal.** The good message begins with friendly talk on a point of agreement that also sets up the explanation. Without accusations, anger, or negative words, it reviews the facts of the case, which free the company of blame. The refusal is clear, even though it is made by implication rather than by direct words. It is skillfully handled. It uses no negatives, and it does not receive undue emphasis. The close shifts to helpful suggestions that fit the one case—suggestions that may actually result in a future sale. Friendliness and resale are evident throughout the message, but especially in the close.



This better email is indirect, tactful, and helpful.

Subject: Your May 3 message about Do-Craft fabric

Ms. Sanderson,

Certainly, you have a right to expect the best possible service from Do-Craft fabrics. Every Do-Craft product is the result of years of experimentation. And we manufacture each yard under the most careful controls. We are determined that our products will do for you what we say they will do.

Because we do want our fabrics to please, we carefully inspected the photos of Do-Craft Fabric 103 you sent us. It is apparent that each sample has been subjected to long periods in extreme sunlight. Since we have known from the beginning that Do-Craft fabrics cannot withstand exposure to sunlight, we have clearly noted this in all our advertising, in the catalog from which you ordered, and in a stamped reminder on the back of every yard of the fabric. Under the circumstances, all we can do concerning your request is suggest that you change to one of our outdoor fabrics. As you can see from our catalog, all of the fabrics in the 200 series are recommended for outdoor use.

You may also be interested in the new Duck Back cotton fabrics listed in our 500 series. These plastic-coated cotton fabrics are most economical, and they resist sun and rain remarkably well. If we can help you further in your selection, please contact us at [service@pinnacle.com](mailto:service@pinnacle.com).

Marilyn Cox, Consumer Relations

## CASE ILLUSTRATION

**Adjustment Refusal Letter (Refusing a Refund for a Woman's Dress).** An out-of-town customer bought an expensive dress from the writer and mailed it back three weeks later, asking for a refund. The customer explained that the dress was not a good fit and that she really did not like it anymore. But perspiration stains on the dress proved that she had worn it. This letter skillfully presents the refusal.



103 BREAKER RD. HOUSTON, TX 77015 713-454-6778 Fax: 713-454-6771

*On-subject opening-neutral  
point from claim letter*

February 19, 2007

Ms. Maud E. Krumpleman  
117 Kyle Avenue E  
College Station, TX 77840-2415

Dear Ms. Krumpleman:

We understand your concern about the exclusive St. John's dress you returned February 15. As always, we are willing to do as much as we reasonably can to make things right.

*Review  
of facts  
supports  
writer's  
position*

What we can do in each instance is determined by the facts of the case. With returned clothing, we generally give refunds. Of course, to meet our obligations to our customers for quality merchandise, all returned clothing must be unquestionably new. As you know, our customers expect only the best from us, and we insist that they get it. Thus, because the perspiration stains on your dress would prevent its resale, we must consider the sale final. We are returning the dress to you. With it you will find a special alteration voucher that assures you of getting the best possible fit free of charge.

*Note  
positive  
language  
in refusal*

*Friendly  
goodwill  
close*

So, whenever it is convenient, please come by and let us alter this beautiful St. John's creation to your requirements. We look forward to serving you.

*Sets up  
explanation*

*Good  
restraint-no  
accusations,  
no anger*

*Emphasis  
on what  
store can  
do helps  
restore  
goodwill*

Sincerely,  
*Marie O. Mitchell*  
Marie O. Mitchell  
President

dm

## CREDIT REFUSALS

### INTRODUCTORY SITUATION

#### Credit Refusals

Although Chester Carter, your boss at Pinnacle, is in charge of the credit department, you do not normally get involved in credit work. But exceptions occur. Today, for example, the credit manager consulted with Chester about a request for credit from Bell Builders Supply Company, one of Pinnacle's longtime cash customers. The financial information Bell submitted with the request does not justify credit. Bell has more debt than it can afford, and still more debt would only make matters worse.

Because a refusal appears to be best for all concerned, Pinnacle will turn down Bell's request. The decision is fair, but it will not be good news to Bell. In fact, it might even end this firm's cash business with Pinnacle. Handling the situation is obviously a delicate task.

The importance of the case prompts Chester to ask you to write the refusal for his signature. A refusal from a top executive, Chester thinks, just might be effective. Now you are faced with the task of writing the message that will refuse the request yet keep the reader as a cash customer.

- Because credit is personal, use tact in refusing it.

- Some think tact is not necessary.

- But treating people tactfully pleases us personally.



- It also gains future customers for your business.

- Begin by working out the refusal strategy. You can imply the reason with bad character risks.

- But some authorities favor offering an explanation.

Messages that refuse credit are more negative than most refusals. The very nature of credit makes them so. Credit is tied to personal characteristics, such as industriousness, stability, and trustworthiness. So, unless skillfully handled, a credit refusal can be viewed as a personal insult. For the most positive results, such a refusal requires the indirect order and a strategy that demonstrates careful courtesy.

Some will argue that you need not be concerned about the reader's reactions in this situation. Since you are turning down the reader's business, why spend time trying to be tactful? Why not just say no quickly and let it go at that? If you will study the situation, the answer will become obvious.

In the first place, being kind to people is personally pleasing to all of us. At least, it should be. The rewards in business are not all measured in dollars and cents. Other rewards exist, such as the good feelings that come from treating people with courtesy and respect.

In the second place, being kind to people is profitable in the long run. People who are refused credit still have needs. They are likely to satisfy those needs somewhere. They may have to buy for cash. If you are friendly to them, they just might buy from you. In addition, the fact that people are bad credit risks now does not mean that they will never be good credit risks. Many people who are good credit accounts today were bad risks at some time in the past. By not offending bad risks now, you may keep them as friends of your company until they become good risks.

### Selecting the Strategy

As in the other bad-news situations, your first step is to work out your strategy—in this case, your reason for refusing credit. If you are refusing because the applicant is a bad character risk (one who pays slowly or not at all), you have a very difficult assignment. You cannot just say bluntly that you are refusing because of bad character. Anyone would bristle at this approach. In such cases, you might choose a roundabout approach. For example, you might imply the reason. Since the applicant knows his or her credit reputation, a mere hint should indicate that you also know it.

Some credit authorities in the United States prefer a more direct approach for bad character risks, citing the Equal Credit Opportunity Act of 1975 as support. This act states that applicants refused credit are entitled to written explanation of the reasons for the refusal. One way of implementing this approach is to follow the refusal with an invitation to come in (or telephone) to discuss the reasons. This discussion could be followed by a written explanation, if the applicant wants it. Opponents of this approach argue that the applicants already know the facts—that very few of them would pursue the matter further.

## COMMUNICATION MATTERS

### A Not-So-Successful Refusal

Trusty old Mr. Whiffle bought an umbrella from a mail-order company. When the umbrella did not function to his requirements, Mr. Whiffle wrote the company a letter asking for his money back.

The mail-order company answered with a well-written letter of refusal.

Again Mr. Whiffle wrote, and again the company replied with a nicely written refusal.

Mr. Whiffle wrote a third time. The mail-order company refused a third time.

So angry was Mr. Whiffle that he boarded a bus, traveled to the home office of the mail-order company, and paid a visit to the company's adjustment correspondent. After a quick explanation of his purpose, Mr. Whiffle broke the umbrella over the adjustment correspondent's head. The correspondent then gave Mr. Whiffle his money.

"Now why didn't you do this before?" Mr. Whiffle asked. "You had all the evidence."

Replied the correspondent, "But you never explained it so clearly before."

If you are refusing because your applicant's financial condition is weak, your task is easier. Weak finances are not necessarily a reflection on character, for instead of being related to personal qualities, they can be related to such factors as illness, unemployment, and bad luck. Thus, with applicants whose finances are weak, you can talk about the subject more directly. You also can talk more hopefully about granting credit in the future. In actual practice, credit-refusal cases do not fit neatly into these two groups. But you should be able to adapt the suggestions that follow to the facts of each case.

- Frank discussion is effective with weak financial risks.



**Auto crashes such as this are bitter disappointments to those involved. Messages about the matter should not unnecessarily recall this scene.**

## Adapting the General Plan

The credit-refusal message clearly follows the general plan for bad-news messages. The opening sets up your strategy, and it is neutral as to the decision. It might well refer to the order or credit application involved, as in this example:

Your January 22 order for Rock-Ware roofing shows good planning for the rush months ahead. As you will agree, it is good planning that marks the path of business success.

The strategy this opening sets up is to explain that well-managed businesses hold down indebtedness—something the reader needs to do.

- A thank-you for the request is an appropriate and popular strategy.

A popular and appropriate strategy is to begin with a simple expression of gratitude for the credit application and then lead into a courteous explanation and refusal. Although it is usually effective, the timeworn “Thank you for your application” variety is better replaced with different wording, such as this:

We are sincerely grateful for your credit application and will do all that we reasonably can to help you get your business started.

The following explanation will show that the facts of this case make granting credit something beyond what the writer can reasonably do.

- Explanations to bad character risks can be vague.

The explanation set up by the opening can be an additional point of difference. If you are refusing because of the reader’s bad credit character, you need to say little. Bad character risks know their records. You need only to imply that you also know. For example, this sentence handles such an explanation well, and it also gives the answer.

Our review of your credit record requires that we serve you only on a cash basis at this time.

- Explanations to weak financial risks with good character can be more open.

Your explanation to applicants with good character but weak finances can be more open financial discussions of the facts of the case. Even so, you should select your words carefully to avoid any unintended negative effect. In some cases, you might want to show concern for the reader’s credit problem.

- Refuse clearly and positively.

Whatever explanation you use, your words should lead to a clear but positive refusal. For a good character risk with bad finances, this one does the job well:

Thus, in the best interest of both of us, we must postpone extending credit until your current assets-to-liabilities ratio reaches 2 to 1.



SOURCE: 2004 Tribune Media Services, Inc.

As in the other bad-news messages, you should end the credit refusal with words of goodwill. Preferably, avoid anything routine, and make the words fit the one case. A suggestion for cash buying or comments about merchandise or service can be effective. So can a forward look to whatever future relations appear appropriate. This closing meets these requirements:

As one of Print Safe’s cash customers, you will continue to receive the same courtesy, quality merchandise, and low prices we give to all our customers. We look forward to serving you soon.

- Close with positive, friendly words that fit the one case.

## Fitting the General Plan to the Credit Refusal

Adapting the preceding comments to the general plan, the following structure for credit-refusal messages emerges:

- Begin with words that set up the strategy (explanation), are neutral as to the decision, and tie in with the application.
- Present the explanation.
- Refuse tactfully—to a bad character risk, by implication; to a person with weak finances or in a weak economic environment, positively and with a look to the future.
- End with adapted goodwill words.

## Contrasting Credit Refusal Illustrations

The following two contrasting messages refusing Bell’s credit application clearly show the advantages of tactful indirect treatment. The bad message does little other than refuse. The good one says no clearly, yet it works to build goodwill and cultivate cash sales.

- The following messages contrast credit refusal techniques.

**Harshness as a Result of Tactless Treatment.** The weaker email does begin indirectly, but the opening subject matter does little to soften the bad news. This obvious subject matter hardly deserves the emphasis that the opening gives it. Next comes the refusal—without any preceding explanation. It uses negative words (*regret, do not meet, weak, deny*). Explanation follows, but it is scant. The appeal for a cash sale is weak. The closing words leave a negative impression in the reader’s mind.

Subject: Credit request

Mr. Bell,

We have received your May 3 order and accompanying request for credit.

After carefully reviewing the financial information you submitted, we regret to report that you do not meet our requirements for credit. It is our considered judgment that firms with your weak assets-to-liabilities ratio would be better off buying with cash. Thus, we encourage you to do so.

We would, of course, be pleased to serve you on a cash basis. In closing, let me assure you that we sincerely regret that we must deny you credit at this time.

Terrence Patrick

This email is  
tactless.



**Courtesy and Tact in a Clear Refusal.** The better email generally follows the plan outlined in preceding pages. Its on-subject, neutral opening sets up the explanation. The explanation is thorough and tactful. Throughout, the impression of genuine concern for the reader is clear. Perhaps the explanation of the values of cash buying would be out

## CASE ILLUSTRATION

**Credit Refusal Message (A Form Refusal for Bad Character Risks).** As the merge information in the address area indicates, this is a department store's form letter refusing credit to bad character risks. Such stores ordinarily use form letters because they must handle credit on a mass basis. Because form letters must fit a variety of people and cases, they tend to be general.

  
DAYTON HUDSON CORPORATION

Date

«Title», «First\_Name» «Last\_Name»  
«JobTitle»  
«Company»  
«Address\_1»  
«Address\_2»  
«City», «State» «Zip\_Code»

Favorable beginning contact— routine but appropriate

Dear «Title» «Last\_Name»:

We sincerely appreciate your interest in an account with Dayton Hudson Corp. Whenever we can, we are always willing to serve you.

Positive suggestion of cash buying

In determining what we can do for you regarding your «RequestDate» request for credit, we made the routine check you authorized. The information we have received permits us to serve you only as a cash customer. But, as you know, cash buying here at Dayton Hudson's can mean real savings for you.

Explanation is clear and positive— implies that writer knows credit record

Positively worded refusal

We look forward to seeing you in the store again and serving you very soon.

Friendly closing words

Sincerely,  
  
Cynthia R. Wunch  
Credit Manager

hts

777 Nicollet Mall, Minneapolis, Minnesota 55402-2055

TARGET MERVYN'S DAYTON'S HUDSON'S MARSHALL FIELD'S

## COMMUNICATION MATTERS

### Words of Wisdom

Some scholars argue that authors delivering a negative message should use an indirect organization, which consists of delaying the main point. Such an approach is believed to secure reader understanding before risking the loss of the reader's attention by delivering bad news. . . . The current results (of the authors' research) appear to support the use of an indirect organization scheme in a negative situation.

Annette Shelby, Georgetown University  
N. Lamar Reinsch, Jr., Georgetown University

Annette N. Shelby and N. Lamar Reinsch, Jr., "Positive Emphasis and You-Attitude: An Empirical Study," *Journal of Business Communication* 32 (1995): 322.

of place in some cases. In this case, however, the past relationship between reader and writer justifies it. The message ends with pleasant words that look to the future.

Subject: Credit request  
Mr. Bell,

Your May 3 order for Pinnacle paints and supplies suggests that your company is continuing to make good progress.

To assure yourself of continued progress, we feel certain that you will want to follow the soundest business practices possible. As you may know, most financial experts say that maintaining a reasonable indebtedness is a must for sound growth. About a 2-to-1 ratio of current assets to liabilities is a good minimum, they say. In the belief that this minimum ratio is best for all concerned, we extend credit only when it is met. As soon as you reach this ratio, we would like to review your application again. Meanwhile, we will strive to meet your needs on a cash basis.

We appreciate your interest in Pinnacle paints and look forward to serving you.

Terrence Patrick

This good email  
refuses tactfully.



## NEGATIVE ANNOUNCEMENTS

### INTRODUCTORY SITUATION

#### Negative Announcements

In your role as assistant to Pinnacle's vice president for administration, you have been given the difficult assignment of writing a bad-news message for your boss. She has just returned from a meeting of the company's top executives in which the decision was made to deduct 25 percent of the employees' medical insurance premiums from their paychecks. Until now, Pinnacle has paid it all. But the rising cost of health coverage is forcing the company to cut back on these benefits, especially since Pinnacle's profits have declined for the past several quarters. Something has to give if Pinnacle is to remain competitive while also avoiding lay-offs. The administrators decided on a number of cost-cutting measures including this reduction in Pinnacle's payment for medical insurance. The message you will write to Pinnacle employees is a negative announcement.

- Sometimes negative announcements are necessary.
  
- First decide whether to use direct or indirect organization.
- Indirect order usually is better.
  
- Select a strategy that prepares the reader to accept the bad news.
  
- The bad news should follow logically from your opening.
- Word it positively, and include all necessary details.
  
- Help people solve their problem and focus on any positive aspects.

Occasionally, businesses must announce bad news to their customers or employees. For example, a company might need to announce that prices are going up, that a service or product line is being discontinued, or that a branch of the business is closing. Or a company might need to tell its employees that the company is in some kind of trouble, that people will need to be laid off, or, as in the example above, that employee benefits must be reduced. Such announcements generally follow the instructions previously given in this chapter.

### Determining the Strategy

When faced with the problem of making a negative announcement, your first step should be to determine your overall strategy. Will you use direct or indirect organization?

In most cases the indirect (buffer) arrangement will be better. This route is especially recommended when it is reasonable to expect that the readers would be surprised, particularly disappointed, or even angered by a direct presentation. When planning an indirect announcement, you will need to think about what kind of buffer opening to use, what kind of explanation to give, how to word the news itself, and how to leave your readers feeling that you have taken their interests into account.

### Setting Up the Bad News

As with the preceding negative message types, you should plan your indirect (buffer) beginning carefully. You should think through the situation and select a strategy that will set up or begin the explanation that justifies the announcement. Perhaps you will begin by presenting justifying information. Or maybe you will start with complimentary or cordial talk focusing on the good relationship that you and your readers have developed. Whatever you choose should be what will be most likely to prepare your reader to accept the coming bad news.

### Positively Presenting the Bad News

In most cases, the opening paragraph will enable you to continue with background reasons or explanations in the next paragraph, before you present the negative news. Such explaining will help you put the negative news in the middle of the paragraph rather than at the beginning, where it would be emphasized.

As in other negative situations, you should use positive words and avoid unnecessary negative comments when presenting the news itself. Since this is an announcement, however, you must make certain that you cover all the factual details involved. People may not be expecting this news. They will, therefore, want to know the why's and what's of the situation. And if you want them to believe that you have done all you can to prevent the negative situation, you will need to provide evidence that this is true. If there are actions the readers must take, these should be covered clearly as well. All questions that may come to the readers' minds should be anticipated and covered.

### Focusing on Next Steps or Remaining Benefits

In many cases negative news will mean that things have changed. Customers may no longer be able to get a product that they have relied upon, or employees may have to find a way to pay for something that they have been getting free. For this reason, a skillful handling of a negative announcement will often need to include an effort to help people solve the problem that your news just created for them. In situations where you have no further help to offer—for example, when announcing certain price increases—you can still help people feel better about your news by calling attention to the benefits that they will continue to enjoy. You can focus on the good things that have not changed and perhaps even look ahead to something positive or exciting on the horizon.

## CASE ILLUSTRATION

**Negative Announcement (A Message Reporting a Price Increase).** Here a TV cable company informs a customer of a rate increase. The cordial opening makes friendly contact that leads to an explanation of the action. Then the news is presented clearly yet positively. The goodwill close continues the cordiality established earlier in the message.

### Heartland Cable TV, Inc.

37411 Jester Road, Kansas City, MO 64106

Ms. Ellen Butler  
396 Scott Street  
Kansas City, MO 64109  
Ph: 815.555.1212  
Fax: 815.555.1213  
www.heartlandcabletv.com

March 14, 2007

Dear Ms. Butler:

Cordial  
opening  
contact

Your cable company has been working extra hard to provide you with the highest-quality TV entertainment. We think we have succeeded. The quantity of programming as well as its quality has continued to improve over the past year.

Positive  
information  
ends  
paragraph

We have also been working hard to keep the cost of these services as low as possible and continue to maintain high standards. Last year we were able to do this and pass along savings of up to 20 percent on two of our premium services. As you may have heard in the news, our costs continue to increase. Thus, in order to continue to maintain our goals of high quality at the lowest possible cost, we are announcing a price adjustment effective April 1. The monthly cost of your basic package of 59 stations will increase \$1.50 (from \$37.99 to \$39.49) The cost of all premium services (HBO, Cinemax, Encore, Starz, and Showtime) will remain the same.

Explanation  
sets up bad  
news

Bad news  
presented  
in terms of  
reader  
interests

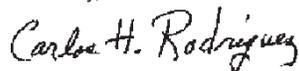
Cordial  
words  
end the  
message

In our continuing efforts to improve your total entertainment value, we are planning a number of exciting new projects. We will announce them before the year's end.

Friendly  
forward  
look follows  
bad news

We appreciate your business and assure you that we will continue to bring you the very best in service and entertainment.

Sincerely,



Carlos H. Rodriguez  
President

## Closing on a Positive or Encouraging Note

- Close with goodwill.

The ending words should cement your effort to cover the matter positively. They can be whatever is appropriate for this one situation—a positive look forward, a sincere expression of gratitude, an affirmation of your positive relationship with your readers.

## Reviewing the Plan

Applying the preceding instructions to the general plan, we arrive at this specific plan for negative announcements written in indirect order:

- Start with a buffer that begins or sets up justification for the bad news.
- Present the justification material.
- Give the bad news positively but clearly.
- Help solve the problem that the news may have created for the reader.
- End with appropriate goodwill talk.

## Contrasting Negative Announcements

- Following are good and bad examples.

Good and bad techniques in negative announcements are shown in the following two messages. The bad one is direct, which in some circumstances may be acceptable but clearly is not in this case. The good one follows the pattern just discussed.

**Directness Here Alarms the Readers.** This bad example clearly upsets the readers with its abrupt announcement in the beginning. The readers aren't prepared to receive the negative message. Probably they don't understand the reasons behind the negative news. The explanation comes later, but the readers are not likely to be in a receptive mood when they see it. The message ends with a repetition of the bad news.



Directness here sends a negative message.

To our employees:

Pinnacle management sincerely regrets that effective February 1 you must begin contributing 25 percent of the cost of your medical insurance. As you know, in the past the company has paid the full amount.

This decision is primarily the result of the rising costs of health insurance, but Pinnacle's profits also have declined the last several quarters. Given this tight financial picture, we needed to find ways to reduce expenses.

We trust that you will understand why we must ask you to help us get out of this predicament.

Sincerely,

**Convincing Explanation Begins a Courteous Message.** The better example follows the recommended indirect pattern. Its opening words begin the task of convincing the readers of the appropriateness of the action to be taken. After more convincing explanation, the announcement flows logically. Perhaps it will not be received positively by all recipients, but it is a reasonable deduction from the facts presented. After the announcement comes an offer of assistance to help readers deal with their new situation. The last paragraph reminds readers of remaining benefits and reassures them that management understands their interests. It ends on an appreciative, goodwill note.

To All Employees:

Probably you have heard or read in the news that companies all across the United States, no matter how large or small, are struggling to keep up with the rising cost of healthcare. Just last week, an article in *The Wall Street Journal* reported that health care costs represent “a business crisis that Congress can no longer afford to ignore.” Legislators, healthcare providers, and businesspeople everywhere are struggling to find a solution to the skyrocketing cost of health insurance.

We are feeling this situation here in our own company. The premiums that we pay to cover our health benefits have increased by 34 percent over the last two years, and they now represent a huge percentage of our expenditures. Meanwhile, as you know, our sales have been lower than usual for the past several quarters. At least in the short run, it is imperative that we find a way to cut overall costs. Your management has considered many options and rejected such measures as cutting salaries and reducing personnel. Of the solutions that will be implemented, the only change that affects you directly concerns your medical insurance. On March 1 we will begin deducting 25 percent of the cost of the premium. The other savings measures will be at the corporate level.

Jim Taylor in the Personnel Office will soon be announcing an informational meeting about your insurance options. Switching to spousal coverage, choosing a less expensive plan with lighter deductibles, or setting up a flexible spending account may be right for you. You can also see Jim after the meeting to arrange a personal consultation. He is well versed in the many solutions available and can give you expert advice for your situation.

Our healthcare benefits are some of the best in our city and in our industry, and those who continue with the current plan will not see any change in their medical coverage or their co-pays. Your management regards a strong benefits program as critical to the company’s success, and we will do all we can to maintain these benefits while keeping your company financially viable. We appreciate your cooperation and understanding.

Sincerely,

This indirect example follows the bad-news pattern.



## Using Directness in Some Cases

In some cases it is likely that the reader will react favorably to a direct presentation of the bad news. If, for example, the negative news is expected (as when the news media have already revealed it), its impact may be viewed as negligible. There is also a good case for directness when the company’s announcement will contain a remedy or announce new

- Directness is appropriate when the news is expected or will have little negative impact,

Dear Ms. Cato:

As a long-time customer, you will be interested in knowing that we are discontinuing our Preferred Customer program so that we may offer several new promotions.

Effective January 1 we will take your accumulated points and convert them to a savings coupon worth as much as or more than your points total. Your new points total is on the coupon enclosed with this letter. You may apply this coupon in these ways:

- When shopping in our stores, present your coupon at the register.
- When shopping from our catalogs, give the coupon number to the telephone service agent, enclose your coupon with your mail order, or enter it with your web order.

In all these cases we will deduct your coupon value from your purchase total. If you have any questions, please call us at 1-800-343-4111.

We thank you very much for your loyalty. You’ll soon hear about exciting new opportunities to shop and save with us.

Sincerely,

- as in this example.

benefits that are designed to offset the effects of the bad news. As in all announcements with some negative element, this part must be handled in good positive language. Also, the message should end on a goodwill note. The preceding example of a mail-order/department store's announcement discontinuing a customer program illustrates this situation.

## OTHER INDIRECT MESSAGES

- Adapt the techniques of this chapter.

The types of indirect messages covered in the preceding pages are the most common ones. There are others. Some of these (persuasive messages, and job applications) are rather special types. They are covered in the following chapters. You should be able to handle all the other indirect types that you encounter by adapting the techniques explained and illustrated in this chapter.

## SUMMARY BY LEARNING OBJECTIVES

**1** Determine which situations require using the indirect order for the most effective response.

**2** Write indirect-order messages following the general plan.

**3** Use tact and courtesy in refusals of requests.

**4** Write adjustment refusals that minimize the negative and overcome bad impressions.

**5** Compose tactful, yet clear, credit refusals that foster goodwill.

1. When the main point of your message is bad news, use the indirect order.
  - But exceptions exist, as when you believe that the news will be received routinely.
  - Make exceptions also when you think the reader will appreciate directness.
2. In general, bad-news messages follow this general plan.
  - Begin with a buffer that sets up the strategy.
  - Develop the strategy.
  - Present the bad news as a logical result of the strategy.
  - Try to offer an alternative solution.
  - End on a positive note.
3. The refusal of a request is one bad-news situation that you will probably choose to treat indirectly.
  - In such situations, strive to achieve two main goals:
    - to refuse and
    - to maintain goodwill.
  - Begin by thinking through the problem, looking for a logical explanation (or reasoning).
  - Write an opening that sets up this explanation.
  - Then present your explanation (reasoning), taking care to use convincing and positive language.
  - Refuse clearly yet positively.
  - Use a compromise when practical.
  - Close with appropriate, friendly talk that does not recall the bad news.
4. Refusals of adjustments follow a similar pattern.
  - First, determine your explanation (reasoning) for refusing.
  - Begin with neutral words that set up your reasoning and do not give away the refusal.
  - Then present your reasoning, building your case convincingly.
  - Refuse clearly and positively.
  - Close with appropriate friendly talk that does not recall the refusal.
5. Messages refusing credit are more negative than most other types of refusals, for the refusal is tied to personal things.
  - As with other types of refusals, begin by thinking through a strategy.
  - If you are refusing because of the applicant's bad credit character, use a roundabout approach.
  - If you are refusing because of the applicant's weak finances, be more direct.

- In either case, choose opening words that set up your strategy, are neutral, and tie in with the request being answered.
  - To the bad character risk, imply the facts rather than stating them bluntly.
  - In refusals because of weak finances, look hopefully to credit in the future.
  - End all credit refusals with appropriate positive words, perhaps suggesting cash buying, customer services, or other appropriate topics.
6. Sometimes businesses must announce bad news to their customers or employees.
- Indirect organization usually is better for these announcements.
  - This means that convincing explanation precedes the bad news.
  - And positive words are used to cover the bad news.
  - Sometimes directness is appropriate.
  - This is the case when the news is expected or will have little negative impact.
  - Even so, handle the negative with positive wording.

**6** Write negative announcements that maintain goodwill.

## CRITICAL THINKING QUESTIONS

- 1 Give examples of times (or situations) when directness is appropriate for responses giving negative (bad-news) information.
- 2 Writing in the indirect order usually requires more words than does writing in the direct order. Since conciseness is a virtue in writing, how can the indirect order be justified?
- 3 What strategy is best in a message refusing a request when the reasons for the refusal are strictly in the writer's best interests?
- 4 Apologies in refusals are negative for they call attention to what you are refusing. Thus, you should avoid using them. Discuss.
- 5 An adjustment correspondent explained the refusal of an adjustment request by saying that company policy did not permit granting claims in such cases. Was this explanation adequate? Discuss.
- 6 Is there justification for positive writing in a message refusing credit? You are not going to sell to the reader, so why try to maintain goodwill?
- 7 Discuss the difference between refusing credit to a good risk with bad finances or in a poor economic environment and refusing credit to one with character problems.
- 8 Negative announcements usually need to include much more than the announcement. Explain.
- 9 Give examples of negative announcements that appropriately are written in direct order.

## CRITICAL THINKING EXERCISES

- 1 Point out the shortcomings in the following email message from a sports celebrity declining an invitation to speak at the kickoff meeting for workers in a fund-raising campaign for a charity.

Subject: Your request for free lecture

Ms. Chung:

As much as I would like to, I must decline your request that I give your membership a free lecture next month. I receive many requests to give free lectures. I grant some of them, but I simply cannot do them all. Unfortunately, yours is one that I must decline.

I regret that I cannot serve you this time. If I can be of further service in the future, please call on me.

Sincerely yours,

- 2 Criticize the following message refusing the claim for a defective riding lawn mower. The mower was purchased 15 months earlier. The purchaser has had difficulties with it for some time and submitted with the claim a statement from a local repair service verifying the difficulties. The writer's reason for refusing is evident from the email.

Subject: Your May 12 claim

Mr. Skinner:

Your May 12 claim of defective workmanship in your Model 227 Dandy Klipper riding mower has been reviewed. After considering the information received, I regret to report that we cannot refund the purchase price.

You have had the mower for 15 months, which is well beyond our one-year guarantee. Even though your repair person says that you had problems earlier, he is not one of our authorized repair people. If you will read the warranty you refer to in your letter, you will see that we honor the warranty only when our authorized repair people find defects. I think you will understand why we must follow this procedure.

If you will take the machine to the authorized service center in your area (La Rue Lawn and Garden Center), I am confident they can correct the defect at a reasonable charge.

If I can be of additional service, please contact me.

Sincerely,

## CRITICAL THINKING PROBLEMS

### Refused Requests

- 1 As director of Eastern State University's Executive Development Program, you are pleased that your three-week program is off to a good start, except for two no-shows. The two missing people are executives with Middleton Oil

and Gas, Inc. Today, the fourth day of the program, you learn why.

From Stephanie Matocha, the Middleton training director, you receive an email message announcing that the two

executives asked to be excused from attending, citing unexpected heavy work demands. The company has honored their request. Now Ms. Matocha brazenly requests that you refund the money Middleton has paid—all \$27,000 of it (\$13,500 each).

You have a problem. Eastern State University runs this program as a service to the area. It sets prices designed to break even, not to make a profit. There is absolutely no room for a loss. You cannot refund the money. You think

your decision is justified for another reason. You limit each class to the optimum size of 20 students. Demand has been good for some time. In fact, you turned down seven for this class.

Now you must write an email message to this training director giving her the bad news. You will work hard to convince her that yours is a fair and reasonable decision. And you'll do what you can to maintain goodwill.

---

**2** Play the role of a distinguished professor of business communication and assume that you have received an invitation to present the keynote address at the international meeting of the Association for Business Communication next June 14. It is a fitting reward for your professional development over the past years, and you are greatly honored. The meeting will be in Singapore, and this adds to the excitement. Your excitement and happiness are dashed, however, when you check the date on your calendar. This is the date of your family reunion. For the past two years, your Aunt Mildred and Uncle Tony have been arranging this reunion in your old

hometown. You will see kinfolk you have not seen in years. Out of love and loyalty you must attend the reunion. In fact, you have promised to attend and have made a generous contribution to the expenses of the event.

Much as you regret it, you will have to refuse the speaking engagement. But you'll try to make the refusal so agreeable that you might be recommended for another such assignment in the future. Send your message by email to Professor Diana Chan of Singapore University, the program chairperson. She is the one who extended the invitation.

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**3** You, the owner of Data Management, Inc., have just received a persuasive message from Ms. Claudine Kennedy, president of Concerned Citizens, a powerful local political action organization. She wants you to buy advertising space in Concerned Citizens' annual election publication, *Vigilance*. As she worded her request, "A \$250 contribution would display your company's name prominently in a 2-column, 4-inch space and would mark you as one who stands up for good government."

Your political sympathies lie with Concerned Citizens. You know that many of your customers also sympathize with the organization. But you also know that many of your customers do not. As you see it, you cannot afford to take a stand publicly. It would be bad for business.

So you must refuse the request—politely and with convincing explanation. The organization may get your support at the polls, but not in print. Write the email message to Ms. Kennedy that will courteously refuse her request using logical reasoning.

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**4** For this assignment play the role of manager of the underwriting department of the Sentinel Insurance Company. You must write Wilbur McDonald telling him that Sentinel is canceling his homeowner's insurance policy when it comes up for renewal next month.

proximate causes create excessive costs, policies are subject to cancellation." You assumed that Mr. McDonald would read and understand these words.

Three months ago Mr. McDonald submitted a claim for \$3,417 for rain damage to the Sheetrock in his living room. It was a legitimate claim, and you paid it. Your investigator reported that the cause was a leaking skylight in the living room. Five inches of rain had fallen. After the \$500 deductible, Sentinel paid Mr. McDonald \$2,917.

Yesterday you received another claim, this one for \$2,990 for damages to the Sheetrock in the same room. Your investigator reported that another big rain had caused damage through the same skylight. You are obligated to pay for this loss, but under conditions of the contract you will cancel his policy when it comes up for renewal at the end of next month.

In the letter that accompanied his check you mentioned the cancellation clause in your contract with him: "Should

Now write him a tactful message giving him the bad news. What you are doing is well within the law and is sound policy. You can't keep him as a customer, but you can try to make him see the logic of Sentinel's decision.

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**5** You have been hired as a screener in the Office of Human Resources at the main office of [you decide what kind of

company]. Your job is to check submitted résumés against posted job openings, screen out those with insufficient

qualifications, rank the ones that are left, and pass these on to the hiring manager for the opening. You are also expected to take part in job fairs at colleges, do some preliminary interviewing, write routine job-related communications, and offer any suggestions you may have on the company's hiring procedures.

Your company regularly interviews students at the local university for jobs. The student first signs up for an on-campus interview time slot and sends his or her résumé electronically to the campus recruiter. If this stage goes well, the student is invited to the company to take several tests, including a personality test, a writing test, and a test in the given functional area (accounting, economics, finance, information systems, management, marketing, and the like). These take about three hours. If the student does well on this part, he or she is invited back to the company for an in-depth interview with the hiring manager. After this step, the manager either hires the student or informs him or her that he or she did not get the job.

Here's the email template that the company uses to tell all rejected candidates who interviewed with the company—whether on campus or at the main office—that they didn't get the job:

Subject line: [name of your company] Employment Results  
Dear [candidate's first and last name]:  
Thank you for interviewing with us for the position listed below:  
[title of the position]  
We have identified other candidates with backgrounds that more closely match our specific needs. As a result, we are unable to move your candidacy forward at this time.  
[Name of the company] sincerely appreciates your interest, and we wish you the best in your career.  
If you have any questions, please contact your recruiter.  
[Signed, the company]

As the person who sends out these emails, you are troubled by their impersonal quality. They seem particularly bad for those who made it all the way to the in-depth interview at the main office. After all, these people will have spent about five hours on the hiring process, and to brush them off with such hastily written boilerplate seems rude. It also isn't likely to generate a good buzz on campus about your company—and you're sure it wouldn't be wise to alienate this huge pool of well-trained job applicants.

You know that it's relatively easy to create different fields on a form letter that you can fill in with specifics from the candidate's online file. With this knowledge, write a special template for rejecting the candidates who made it to the last stage of the process. At the next staff meeting, you'll share your new template and make your case for using it.

**6** You own and run a small business [you decide what kind] in your town. You've just received a letter from the Boys and Girls League that you suspect has gone to many local business owners. The letter describes the organization's athletic program for underprivileged youth and asks if you can help them out by sponsoring a spring soccer team for \$500. The money would go toward uniforms, equipment, transportation, and hiring referees. Because sponsors' names will be on the jerseys, helping out the kids would also give your company positive PR. The letter ends with a form for you to complete, tear off, and send in with your check.

While you wish you could accommodate the request, \$500 is a lot of money—and you had already planned to sponsor your own son's baseball team this year. You have to say no, and you're not confident that you can say yes any time in the near future. However, you would like to help out in some way, and you would like to be included among the League's supporters (the organization surely provides other forms of PR, too, even if it's just listing their sponsors in their newsletter). Do some checking around, think about what might be a feasible alternative to offer, and write the League informing them of your decision.

**7** As President and CEO of a small \_\_\_\_\_ company [you choose it], you've just received an email from an employee, Jake Rehnquist. He is currently a volunteer for the Peace Collaborative, a program that brings trained volunteers into the schools to teach conflict-resolution strategies. He would like to use one of your company's monthly lunch meetings to tell others about the program and encourage them to volunteer as well.

You admire Jake for his altruism, you appreciate the work of the Collaborative, and you do want to encourage volunteerism in the company. But you really don't want to set this

kind of precedent for your lunch meetings. You instituted these as a way for employees and managers at all levels to share their work-related concerns and ideas, not to promote special interests. If you let Jake use this forum in this way, who knows how many others would also want to talk about their favorite causes at these meetings? You have to write Jake a refusal—but in such a way that he feels supported in his efforts to contribute to the community. Think of good reasons why it is important to continue to focus these meetings on company matters, and also of how you might accommodate Jake's request in some way.

**8** Today you received an email request from one of your employees, Kate McPhee, for immersion language training in Spain. As one of your top domestic marketing executives, Kate has accepted a new position with you in South America to get exposure to your international marketing program there. She is very excited about the move; in fact, she and her husband, Rob, have decided to move their whole family there. Her email request that the company fund her language training is clearly related to this upcoming move, and her enthusiasm to do well in her new assignment is clear.

The program she identified was recommended to her by a friend who had participated in it several years ago. She reported that in just four weeks the friend felt competent enough to speak fluently with native speakers and comprehend them easily. She was convinced that the \$15,000 fee,

which included airfare, room and board, and training, would be a good investment for the company.

While you agree that some immersion training in Spanish is a good idea for her, going to Spain for it is not something you can agree to since you believe there are other equally effective and less expensive alternatives. One particularly good new program some other employees have attended is at BridgeLinguatec in Denver, a safe, friendly, and beautiful city. In addition to Kate's receiving immersion training with native speakers from a variety of Spanish-speaking countries, her husband could attend for free. And this program is also just four weeks long. Its cost is less than half the cost of the program she suggested.

So while you'll refuse her request to participate in the immersion program in Spain, you want to help her keep her enthusiasm for her new position by offering the alternative program in Denver.

**9** Today's email brought a request from Lisa Miller, one of your outstanding new hires. She is requesting to be allowed to choose her own mentor, but your company's practice has been to assign them. You realize that some companies permit new employees to choose, but your company prefers assignment. You believe you can make better matches on objective criteria that are important to your company rather than on subjective ones that naive new employees often use. You have designed a program that gives all new hires a rich resource for well-rounded training. You know the backgrounds and expertise of your employees as well as their

current workloads, enabling you to make good matches. You also know the desired outcome of mentoring, which isn't always clear to new hires.

However, you have recently learned that programs at Citigroup, Motorola, and the U.S. Air Force seem to be setting a new trend where both mentors and protégés can choose each other. Companies determine which employees would be good mentors for particular new hires; then both are given the option to choose. However, the company makes the final match. While you haven't tried it yet, you might offer it as an alternative to Lisa when you refuse her request to choose a mentor.

**10** As Ryan Penne, director of your school's career center, you received an email today with a good suggestion from a second-term junior, Stephanie Chang. In fact, from her extremely clear, persuasive message, you could tell she had carefully thought through the benefits of her idea of implementing text messaging in the center's on-campus interview program.

She mentioned that since nearly all students have cell phones, you could text message those students on waiting lists to see recruiters when there were last-minute schedule openings—either because of no-shows or revised schedules. She reasoned that texting would be a way to reach students without interrupting classes. And by filling in the schedule gaps, your school would be better serving both the students and the companies recruiting there. And she is right. However, there some drawbacks, too.

The biggest drawback is funding. You are on a shoestring budget as is, and a program like this is likely to be costly. If you did have such a program, you would have to find a way to offer it to everyone, even those without their own cell phones. Furthermore, you would have to offer some staff training and develop some text message templates that were clear. You also wonder how receptive faculty would be to such a program, especially since some have no cell phone rules and many already strictly forbid text messaging during class.

So while Stephanie's suggestion is an interesting one, you'll have to refuse it at this time. However, once you can get answers to your questions about cost, availability, and faculty receptiveness, you would be willing to reconsider it. If she'd like to take that project on, you'd be glad to work with her on it.

### Adjustment Refusals

**11** As the regional sales manager for EZL, Inc., you have just received an email message from Sebastian Coco, manager of the Central States Seed and Feed Company of Kansas City. Mr. Coco says that your EZL #449 grease is responsible for \$3,855 of damage to his conveyor system, and he insists that you pay for the repairs. As he explains the problem, "your

grease has resulted in the gumming and jamming of the conveyor system." You have evidence to the contrary.

Four months ago Soledad Garcia, your salesperson for the Kansas City area, acquired the account of the Central States organization. In selling to this account, she had your technical assistance people perform numerous tests for the

lubricating needs of Central States. They recommended that the conveyor be lubricated every 12 hours with EZL #449 and not every 8 hours, as was the case with the other grease they were using. Overlubricating, they explained, would lead to “gumming and jamming” of the system. Even though your EZL #449 was a little higher priced than the other grease, your people believed that EZL would save money for Central States.

From Ms. Garcia you learned that Tyrone Capaccio, the maintenance supervisor at Central States, openly rejected

EZL’s advice, citing his 30 years of experience in running this equipment. She warned him about the potential problem on two occasions, but to no avail. And now the “gumming and jamming” has occurred. And they want to be reimbursed for their loss?

You will refuse, of course, but you will do it tactfully and courteously. You will try to make your explanation so positive and clear that it will be accepted. Even though you must decline this unjustified claim, you would like to keep the account.

**12** Today’s mail brings you, the owner/manager of Green Thumb Nurseries, a claim from Amelia Placky of Mission Valley, Texas. You remember Ms. Placky well. A few months ago she emailed an order for 50 dozen assorted annual spring bulbs (tulips, daffodils, irises, and the like). You sent them to her without delay, and she promptly paid the \$405 she owed for them. In today’s message Ms. Placky notes that she planted the bulbs right after she received them (early September) and that they didn’t come up in the spring. She also says she followed your planting instructions and included the recommended fertilizer with each bulb.

In checking into the situation, you confirm most of what Ms. Placky says. But she didn’t follow the most important

instructions of all. The instruction booklet clearly gives this warning, boxed and in bold type: “Plant bulbs one month before the average frost date in the fall. Keep refrigerated until planting.” If she planted them soon after receiving them, she planted them too early. She received the bulbs in early September, and September is a hot month in Texas (average highs of around 85 degrees). November 15 is the average first frost date for the area. It is no wonder the bulbs did not survive.

Because your printed instructions are crystal clear, you are going to refuse her claim. But you don’t want to belittle or embarrass her in the process. She is a good customer, and you want to keep her. So you’ll explain why you can’t give her money back in a way that will keep her doing business with you.

**13** You are the director of convention services for the Pickins House, a large and prestigious hotel. The National Association of Appraisers met at your hotel last month. All told, almost 1,300 appraisers met for three days to exchange ideas and receive industry information about their work. The meeting was a profitable one for your hotel. You want these people back for another convention, and you want them to tell their friends about your competence, hospitality, and excellent facilities.

Today you received a letter from Roberta Alvarez, who is executive director for the organization. She reports that many of the members did not get the convention rates they had been promised. As she stated the problem, “You’ll remember that we have a contract for \$105 single rooms and \$125 doubles. Many of our participants have reported that when they checked out they were charged your usual rates of \$140 for a single and \$175 for a double. Attached is a list

of 131 members who have reported to me their overpayment. Please check your records and refund the difference. You have their addresses in your registration information. Please send me verification that you have made the refunds.”

You go back to your files to find your information on the meeting. Yes, you did agree to the rates Ms. Alvarez mentioned. But to get them the attendees had to reserve their rooms 15 days prior to the meeting. And those arriving after 6:00 P.M. had to guarantee their registrations through prepayment by credit card. Your check of the 131 people indicates that none of them met these requirements. Experience has convinced you that if you don’t use these restrictions you often end up with empty rooms. These requirements are standard in the industry.

You cannot grant this claim. But you want to retain the goodwill of Ms. Alvarez and her large group. And you want a shot at future meetings. Write the message that will accomplish these goals. You’ll send it by email.

**14** You’ve just received a package in the mail from one Laketa Young, from a small town in North Carolina. In it is the leather jacket that she purchased from the upscale women’s clothing store where you work, Elaine’s, in Laguna Beach, California. With the jacket is a request that you refund her money for the jacket, as well as for the cost of shipping the jacket back to you (she had also purchased insurance and delivery confirmation for the package).

You remember this customer. She was on her first trip to California, and she was enchanted with your stylish, if expensive, clothes. As luck would have it, all your leather goods were on sale when she visited your store. It was the end of the winter season, and this was your last effort to sell the season’s leather goods before getting in your spring line. And high-quality goods they were, too—all made by Angaro’s of Italy. Ms. Young had gotten a \$700 jacket for \$379. And

it had looked great on her. All in all, you remember feeling pleased by the experience.

But now Ms. Young reports that the jacket turned out to be defective. When she got it home and into the daylight, she noticed that one panel of the jacket was a somewhat different color than the other panels. You take it over to a window to look, and while you think you see what she means, the jacket looks fine to your experienced eye. As a tag on the jacket had said, leather is a natural material and, as such, will contain subtle variations in coloring and texture. The panel fits well into the overall look of the jacket. You, therefore, do not want to refund Ms. Young's money. Moreover, many signs above the sale racks had proclaimed "All sales final," and you had brought this fact to Ms. Young's attention as well before you rang up the sale. If you were to take the jacket

back now, how would you sell it? All your winter merchandise has been bought up by a discount house, so you don't even have an appropriate rack to display the jacket on. You can't ship the coat back to Angaro's for a refund, because they won't agree that the jacket is defective, and they don't want to get stuck with last season's goods either.

Write Ms. Young to refuse her request while convincing her that your decision is fair and that she has a high-quality garment. Unfortunately, you will also have to ask her in what form she wants to pay the \$18 that it will cost to ship the jacket, insured and with delivery confirmation, back to her. You'll include a form with the letter that will allow her to resubmit her credit card information if she would like to pay for the shipping this way.

**15** You're the service manager for IT Solutions, an on-call PC repair and troubleshooting company. Today you received an email from Susan Patel, whose laptop your company recently serviced (see problem 48 in Chapter 6). She does not want to pay the \$510 bill for the service. Yes, Ray Stampe, the service person assigned to this job, did recover most of the files from the damaged hard drive, but Ms. Patel discovered after he left that the recovery was not complete. She is still missing some important customer and business information. Also, she complains that the internal and external drives that Ray provided were too expensive. She found out that she could have gotten these more cheaply online or at a PC center. She would like Ray to return, at no charge, to try to recover the missing files, and she wants you to match the price for the two drives that she would pay if ordering them online.

You discuss the situation with Ray and find out several important things. First, he had asked Ms. Patel before he left to check the recovered files, and she had told him that they

looked fine. Also, he had asked her if she wanted the two drives immediately, and she had said yes. True, he hadn't pointed out the prices to her, but he had certainly been willing to tell her had she asked. He did tell her that the drives were, in IT Solution's opinion, the most reliable on the market and that IT Solutions would guarantee them for three years, which is two years and nine months longer than she could get from any dealer unless she paid for the extra coverage.

All in all, you think that what you are charging is fair. Ray saved Ms. Patel a good bit of trouble and delay by providing the hardware on the spot, and it came with a great warranty. As for the unrecovered files, you doubt that there's anything you can do, but you'd be willing to have one of your service people try again. But you won't come to her house—at least, not without a fee. She'll need to bring the laptop in, and she may need to leave it for a day. Write her to let her know that this is the best you can do while also making her feel that she got fair treatment and a good deal overall.

**16** As owner of Clark's Tree Service, you've just received the kind of letter you always hate to get. A customer whose tree you serviced last fall angrily reports that much of the tree appears to have died over the winter. He wants you to refund his money for the tree trimming, pay for the removal of the tree, and compensate him for the loss of the tree. You drive by his house to take a look, and there's no doubt about it—the tree is so severely compromised that it really should be removed. But you are sure that your people did a good job. In fact, you supervised them yourself, and you are a certified arborist. You had advised the customer that the tree, a variety of birch, was very old, and you had recommended such measures as cabling the weak stems together, ample fertilizing and watering, protecting the tree from severe weather with burlap screens, and keeping deicing salt away from the roots of the tree. But it looks as if the severe winter took its toll, breaking off a couple of major stems and killing most of what remained. You knock on the

customer's door to discuss the matter with him, but no one is home. You'll just have to respond to his letter—which isn't all bad, since, if things do get ugly, you'll want your reply to be on record.

Write the customer to convey your refusal. Tell him that your service people followed accepted procedures for trimming the tree, including performing the service in the optimum season for this kind of tree and removing a conservative amount of the tree's crown. Tell him what, in your estimation, caused the demise of the tree (you can consult an Internet source such as the University of Minnesota's Extension Service at <http://www.extension.umn.edu/distribution/horticulture/DG1411.html> for additional logical details). Then tell him what you could do to help him solve his problem—namely, remove the dead tree and replace it with another, hardier type of tree. You would need to talk with him about his preferences in order to work up an estimate for these additional services.

**17** As Manny Konedeng, customer relations manager for American Family Insurance, you were surprised to get the following email from one of your long-time customers, David Seaton. He sent the following claim arguing for coverage of medical expenses related to a dog bite. You thought he clearly understood his homeowner’s coverage after nearly 11 years with you.

Manny,  
I was extremely disappointed to get the rejection of a claim I submitted to you last week to cover the medical expenses for my neighbor who was bitten by my dog. I believe I am covered by my homeowner’s policy, which has \$300,000 in liability coverage.  
While this bill was for nearly \$30,000, it doesn’t come close to the limit. And the care my neighbor got wasn’t excessive since both her arm and shoulder were torn. Additionally, she’s being a very good neighbor, stating that accidents can happen and not suing for pain and suffering or anything else.  
Five years ago, you covered the expenses when Prince, our old collie, gave a friendly bite in the rear to a neighborhood child not even on our property. This time it occurred in our own home. I believe you should pay it immediately both to keep her goodwill and because it is the right thing to do.  
Sincerely,  
David Seaton

As you can tell from David’s letter, he doesn’t understand his policy thoroughly. Your job is to educate him while keeping his goodwill, too.

**18** As Sara Meersman, customer service representative for LuggageFree, your job is usually a pleasant one. Most customers report that they are delighted with your competent service, which typically exceeds what they’re promised. Today’s email, however, brought a claim from Lee McLaughlin, an executive with Bee Line Trucking, requesting reimbursement for lost business potential based on a delayed shipment of products to a trade show in Miami last August.

Mr. McLaughlin’s message is polite and even mentions that he has used your service many times for personal trips for golf outings where his golf clubs arrived in a timely fashion every time. Based on this good experience, he decided to use your service to ship some of his new wheel service and frame products to exhibit at a trade show.

He reported that this trade show is the key one his company representatives attend, and they were extremely disappointed that the products did not arrive until the second day of the show. In fact, one of their potential customers came by the company’s booth the first day when they were without anything to show and demonstrate. He is convinced this lost business cost the company at least \$50,000 in net profits.

**19** As Owen Smith, manager of customer service for Verizon in your city, you received a request that you hadn’t encountered before to return a phone. The customer, Colin Defetos, wants to cancel his service and return a phone he has had nearly 18 months. Colin claims his phone caught a

The primary reason his claim was denied was that it includes an exclusion for dogs with a history of biting. You have this exclusion because dog bites account for nearly one-quarter of homeowner’s insurance liability claims, costing the industry over \$300 million with the average claim over \$16,000. To keep the cost of insurance reasonable for all, the policy has this exclusion. In fact, some companies are even asking all homeowners to sign liability waivers for dog bites while others are offering discounts for not owning dogs. Furthermore, according to the Centers for Disease Control, dog bite fatalities are the highest for pit bulls followed by rottweilers, German shepherds, huskies, and malamutes. David’s pit bull is in this group of dogs with long histories of biting.

Although your company doesn’t write special policies for pit bulls because it would just be too expensive, you might suggest other things he could do to prevent future incidents. He could have his dog spayed or neutered, reducing the likelihood of biting. Or he could also get special training for the dog that teaches it how to interact with other people and animals. And he could help modify aggressive behavior by playing only nonaggressive games with it, such as fetch rather than tug-of-war.

Feel free to add anything else you think would help retain your customer’s goodwill but clearly refuse the adjustment.

He is requesting full reimbursement of his \$2,500 shipping fees and \$5,000 as a penalty for the lost sales. His message said that this payment is the only way you can keep him as a satisfied customer, so you know you will have to work hard to keep his business when you refuse his claim.

You believe you have sound legal and ethical grounds to stand on when refusing. On your website at <<http://www.luggagefree.com>> where he completed the request for service form, the limitation of your company’s liability is clearly stated. While you will cover physical damage of luggage up to \$1,000, your policy clearly states you will not cover “additional costs incurred by the customer if a shipment is late or any other costs outside the cash value.” Furthermore, your website presents this paragraph in bold and in a very readable font size. And in checking your records of this shipment, you learned that air traffic all over the Southern Florida area was delayed that day due to the activity of tropical storm Rebekah.

You do want to keep Mr. McLaughlin’s business and goodwill, so you’ll give him the choice of 50 percent off his next personal use of your service or 10 percent off the next business use.

virus when he accidentally answered an incoming call labeled “UNAVAILABLE.” He was so shocked he dropped the phone, and it hasn’t worked right ever since. He wants to change to a safer network even though he has six months left on his contract with you.

While you will refuse this adjustment, you understand that a big part of your job in keeping Colin's business and goodwill is one of educating him. There has been a rumor going around for a couple of years now about a virus being caught when one is answering a call; however, it cannot happen this way. In fact, Verizon has had no reports of people getting phone viruses through daily use. As of today, there are only five known viruses for phones, and usually only security experts are interested in them. Additionally, these viruses do little damage and can be easily removed.

You do believe that eventually as more phones become more like minicomputers, they will become more susceptible

to virus attacks. In fact, at this time Bluetooth technology as well as other enhancements such as ring tones, cameras, and other additions do make phones more vulnerable to viruses. But the discoverable feature on a Bluetooth phone can be turned off, and virus software is already available from both McAfee and Norton and a few other companies to protect these phones from being infected. To keep his goodwill, you may want to offer Colin a new basic phone (similar to his old one without enhancements) or \$50 off any phone of his choice over \$100 with a two-year renewable service contract.

### Credit Refusals

**20** Kim Gao is opening a ladies' shoe store in a new shopping mall in her home town, and apparently she wants suppliers to finance her. Today, as credit manager for Fifth Avenue Shoes, Inc., you received her application for credit. From the information she supplies you, it is evident that she has everything she needs except money.

The financial information she sent with her credit application does not justify credit. She has very little cash and apparently plans to finance her business mainly through her suppliers. Your company simply does not do business that way. She should get local financing first. After all, her home-town bankers are in a position to understand her

situation and take care of her needs better than a distant supplier.

Your information doesn't tell you much about Ms. Gao. Your sales representative in the area tells you that she knows the woman casually. She reports also that Ms. Gao appears to be competent and that she has a good reputation. But she also believes that although the new store is in a good location, there is no shortage of ladies' shoe stores in the area.

Now you must write Ms. Gao, refusing credit. In time you hope to be able to grant it. Meanwhile, you'd like to get her cash business.

**21** Assume that you are the credit manager for Duby's, an importer and wholesaler of Asian china and glassware. The business is conscious of its impact in the industry. Its past credit policy has tended to be quite liberal; but this policy has increased the need for collection efforts, some of which have been unsuccessful. As a result of these past policies, delinquent accounts have increased to a danger point. Something must be done about it. And it has been.

Today the store's management informed you that from now on, credit will be tighter. You will have to screen new applicants closely. This means that you will be turning down

more of the new applicants. You will need some new credit-refusal model messages to guide you.

You remember from your college training that most credit refusals must be made to two types of applicants: people with inadequate capital and people with character shortcomings. You will need a model refusal message for each. Now you will write one of these (your instructor will determine which). In either case you will be courteous and specific. You will watch out for needless negatives, trite wordings, and anything brusque. And you'll try to keep the reader a friend of the company.

**22** For this assignment assume that you are just beginning your working career with Chargit, a credit-card company. The company is national and international in scope and a widely accepted symbol of credit buying. The company differs from other such companies in that it offers credit only to top-rated applicants. It favors young professionals—people on the way up the success ladder.

Today your boss gives you your first major assignment. "I want you to revise our standard refusal message," she tells you. "It was written years ago, and just doesn't project the image we want." Here is the old message:

Dear \_\_\_\_\_:

We at Chargit were pleased to receive your recent application. Based on the information we have received about you, however, we respectfully regret that we must deny your request.

We trust that you will understand our position and hope you continue to progress in your career.

Sincerely

So now you must rewrite this form message. It's your first chance to show your new employer what you can do. Be sure to include all the information that is legally required where you live.

**23** You work in the business office for a Home Bodies store, part of a large national chain that sells home furnishings, maintenance supplies, and light-construction materials to do-it-yourself home decorators and remodelers. The chain has its own credit program. LeeAnn Thomas recently submitted an application to open a Home Bodies account with a \$3,000 line of credit. You hate to say no, but you're going to have to.

While headquarters gives each store some latitude for accepting or rejecting such applications, it has the following general guidelines: applicants must have lived at the current address for at least six months, have moved not more than twice in the previous three years, have a steady job with a stable company, and earn an income of at least eight times the credit line they're requesting.

According to her application, Ms. Thomas has lived in your city only four months, and she moved three times over

the last three years. She lists her occupation as "Freelance Interior Designer," so she works for herself. She estimates her annual income at \$30,000, but there's no one who can confirm or dispute this figure (your company is not authorized to access personal income tax information). You suspect that it is not a reliable indicator of her current income anyway since she just moved here and probably has not yet generated many clients.

Your company's practice is to write each credit applicant a letter, conveying the good or bad news. Write to Ms. Thomas to explain why she cannot be granted the line of credit she seeks. Offer her \$500 credit for now (at 10.5 percent interest) and tell her what she needs to do to increase her chances of a higher limit in the future. Try to win her business even though you cannot approve her request at this time. Your boss, the accounts manager for your store, will sign the letter.

**24** As office manager for a large dental clinic, you sometimes purchase credit checks on patients with little or no dental insurance who nevertheless need expensive work done. These checks, performed by major credit bureaus, tell you the patient's bill and loan payment history and current degree of debt, as well as whether or not the patient has ever declared bankruptcy, been sued, or been convicted of a crime. This information is useful in the case of new patients who have not yet built up a strong record of paying their bills.

Today you ordered such a check on Sushil Gami, a new patient who needs to have work done that will cost \$2,500. He indicated on your financing request form that he makes a good salary, but from a company that offers no dental insurance. As with all new patients requesting financing, you ordered a credit check on Mr. Gami from a credit bureau,

and the news wasn't good. He recently defaulted on a car loan and the car was repossessed. He also has a poor record of paying his other bills. While you wish you could set up a payment plan for him, you do not have any confidence that he would abide by the terms of the plan.

Send Mr. Gami a letter telling him of your decision. Fortunately, not all his dental work needs to be done right away. If he will return for a free follow-up to his first diagnostic appointment, the doctor can work out a treatment plan for him that will stagger the work over several months. You can also point him in the direction of several websites that describe dental "credit cards" and other options for those with little or no dental insurance. Make your decision and the reasons behind it clear while demonstrating genuine interest in helping Mr. Gami get the dental care he needs.

**25** As Sharon Garbett, owner and operator of a private, local software applications training company, Garbett and Associates, you review all student applications. In most cases you are looking to see whether or not the prospective students are ready for your training, but an application you reviewed today from Matt Gregory was his financial application.

After graduating from college five years ago with a degree in fine arts, Matt has been working in theater and is interested in moving into the business side of theater. His theater experience is well rounded, which when combined with some business skills should prepare him well for this kind of work. However, at the moment he is unable to get any kind of financial aid. He has tried numerous public and private sources, including both scholarships and loans. His persuasive message to you asked

you to extend him full credit for his tuition and books at your school; he promises to pay you on a regular schedule once he finishes the program and begins working.

While you admire his initiative, you are not a bank. And plenty of them turned him down for lack of collateral or a co-signer. Since you think he's capable, you don't want to discourage him even though you will refuse credit. You can offer him part-time assistant work during the afternoon to cover the cost of books and class materials. That would allow him to take day classes and work nights in the theater business office, earning the money he needs for tuition as well as giving him the experience he needs to get an even better position once he finishes your program. Furthermore, he could start his new career path debt free.

**26** As Don Price, owner of Price Acura, you received from one of your young new sales staff, Carol Weissmann, an email concerning a transaction she closed on a lease agreement for

your new MDX. She's asking that the contract be amended to allow the client to prepay for 10,000 additional miles on credit. Apparently the client recomputed his average weekly

driving miles and discovered that if he drove at that rate for the length of the lease he'd run over his limit by 10,000–15,000 miles. So he has asked her to modify the lease terms to include 10,000 prepaid miles. He realizes that this change will raise his monthly payment a bit, but he'd rather pay the higher rate than be hit with a large fee at the end of the lease.

On checking the client's credit record, you learned he is a recent college graduate with only part-time work in his job history. While his new employer has verified his employment,

the client told Carol that he has steep college bills to pay, which is the reason for his decision to lease rather than buy a new car. At this point his credit score is very low; in fact, in most cases you would not have leased to him. But with a new job and college behind him, he looks like a good risk to you. But pushing his credit line further at this time is too risky. So while you will refuse her client the credit now, you can suggest that he consider renegotiating the terms after one year of prompt payments. Or he could be reminded that he can always purchase the car at the end of the lease.

### Negative Announcements

**27** For this assignment you are the executive assistant to Pierre Delaware, president of EconoAir Airlines. EconoAir began operations only two years ago and has made great strides in its short existence. At the beginning, it offered various incentives to lure passengers to its airplanes. Apparently, the incentives worked since currently the company is solidly entrenched in the travel business. In spite of its solid growth, however, EconoAir is beginning to experience the effects of competition in the industry. Profits have begun to decline. President Delaware is determined to turn things around by taking steps to avoid the problems experienced by some of the other airlines.

One of the incentives EconoAir used at the beginning was a “double mileage” award in its frequent-flyer program. Specifically, this meant that it gave two points rather than the conventional one for every mile flown with EconoAir. “It’s

time for us to get back to reality,” President Delaware tells you. “We must reduce this award to one point for one mile of travel. That’s what the other airlines do. This two-for-one plan is costing us too much.”

President Delaware then assigned you the task of writing members, announcing the decision to reduce the mileage given in its frequent flyer program. You see your problem as a difficult one. EconoAir is reducing its rewards primarily because of its need to save money. The members of the plan have nothing to gain from the change. So how will you explain the change to their satisfaction? Will you appeal to the members’ reason? Their sense of fair play? You will have to think through the situation carefully before selecting a strategy. Then you will write the announcement.

**28** You are secretary to the board of regents of Central State University. At today’s meeting, the board approved a plan to build new parking lots and generally to better control the parking situation. As a means of paying for a part of the construction costs, the board approved a plan to charge faculty for parking privileges. For parking in the interior streets and small interior lots, the charge will be \$40 a month. The charge for parking in the streets and small lots in the perimeter areas will be \$25 a month. No charge will be made for parking in the large lots adjacent to the campus.

Knowing that charging for the privilege of parking would be protested vigorously, the board debated the matter long

and hard. They concluded that given the university’s financial status, this was the only feasible route. Anyway, as one board member put it, “We don’t have to face the faculty. Our trusty secretary will write the announcement that will inform them. He/she is gifted with words. I’m sure he/she will make them understand.”

Using your imagination logically to fill in any missing information, now prove that the regent is right. (In using your imagination, be guided by what you can see at your university. You may want to include a map with your message showing the parking areas.)

**29** For this assignment you are assistant to the president of Beckwith Manufacturing Company, Inc. For more than 30 years Beckwith has been manufacturing replacement parts for the automobile industry in two plants—the original one in Flint and a relatively new one in Detroit. You have known for some time that things haven’t been going well in the old Flint plant—that it was becoming obsolete. You have also known that it would have to be either renovated extensively or abandoned. Today you receive the news you have been anticipating from your boss, Amos T. Beckwith.

President Beckwith explains the matter to you in these words: “We are going to leave this old plant. Just too obsolete and too expensive to renovate. In the future, we’ll do all our manufacturing in Detroit. We have sufficient unused capacity there. As you know, sales have declined significantly anyway. Too much competition. Now we’ll have to break the news to our employees here in Flint. As well as we can, we will transfer to Detroit those who choose to go there. We will do this based on our need for their skills and their seniority. We cannot guarantee everybody the level of employment

they have now, but we'll do the best we can. For those approaching retirement age, we'll work out an early retirement package. And for those who don't choose to transfer or whom we just can't use, we'll give three months' terminal pay. No, we cannot afford to pay any moving expenses, but this isn't a long move."

**30** The Brothers Club is a not-for-profit organization in your city. It is loosely affiliated with the Catholic Church, but its primary mission is social, not religious. It runs many programs for disadvantaged youth, including teen discussion groups, basketball tournaments, summer camps, and the like. The club is funded largely by the United Way and by corporate and individual donations, but it has also been operating as a private athletic club, whose members have been paying a fee (anywhere from \$300 to \$450 per year, depending on the level of membership) for use of the facilities.

The board of directors for the Club recently met and decided to discontinue the athletic-club part of the operation as well as to move the organization to a new location. Two factors influenced this decision. First, there have been too few paying customers over the last several years. The facilities are functional but not terribly attractive, and the equipment is not as high-tech as that of the nearby YMCA. Customers

**31** As Customer Service Supervisor at Billing Software, Inc., you need to send an email to your staff announcing a new policy affecting them. Specifically, the company is going to begin randomly monitoring its help-desk representatives' telephone calls. This monitoring will give you a more dependable way to evaluate trainees, but the main reason for the new policy is that your people are spending too much time on the phone with the callers. You routinely ask your clients—businesses that use your software for their billing procedures—to evaluate your services, and lately these evaluations have included some complaints about being put on hold too much and too long. There's no good reason for the clogged phone lines; you have sufficient staff for the number of clients you have, your software is not that complicated, and all help-desk staff are thoroughly trained on the software. To find out the cause of the problem, you hung around the help-desk area more than usual over the last couple of weeks (often without being noticed), and you learned that your people often talk with clients too long and about matters

**32** The employees of [you decide] have been making good use of one of your most attractive company benefits—namely, tuition reimbursement for college coursework. For courses approved by the company (that is, courses that are related to employees' current or likely future positions in the company), employees have been paying only 33 percent of

After giving you some additional information (which you may construct from your logical imagination), Mr. Beckwith assigns you the task of writing the announcement for his signature that will go to all employees at the Flint plant. Another announcement, which you will write later, will inform the Detroit employees of what is happening.

have tended to gravitate toward the more upscale, expensive club. As a result of this lost business, it has become too costly to maintain the exercise rooms and equipment at the club. Also, upkeep on the club's extensive facilities has been a drain on money that the board feels would have been better spent on the youth whom the Club is intended to serve. Moving to a smaller location with more limited facilities reserved for the youth alone would make the club more financially viable and also more focused on its central mission.

Your boss, the executive director of the Brothers Club, has asked you, the assistant director, to write a letter announcing these changes to the athletic-club members. She has also discussed with you how the members will be reimbursed for the time remaining on their yearly memberships, so you will give the members this important information as well. Write the letter for your boss's signature, and see if you can minimize your readers' disappointment while also keeping them interested in supporting the club.

not related to business. You discussed your findings with your boss, one of the owners of the company, and he agreed that it's time to monitor service calls, as so many companies already do.

What makes the situation complex is that you do want your staff to continue to be cordial on the phone and generous with their time and information. Quality customer service is one edge you have over the competition, and you don't want to do anything that will turn your helpful, friendly staff into impersonal automatons who don't fully solve the callers' problems. You also realize that an occasional off-topic discussion can relieve the tedium of answering calls all day. Still, staying too long on the phone with one caller can keep the next one from getting the help he or she needs in timely fashion. And your company promotes efficiency as one of the main benefits of its software.

Write your staff an email that will help them receive the news of the policy as positively as possible so that you will get the reactions you want, not the ones you don't.

tuition costs. But this generous benefit is about to be cut back. The cost of tuition has risen dramatically nationwide (think of your own tuition bills, or check the Internet for facts about other schools). The costs of running a business keep rising, too, as energy bills increase, technology has to be updated, and health coverage takes bigger and bigger bites out of

revenue. At a recent meeting, the executives of the company targeted tuition coverage as part of a general cost-cutting campaign. Your boss, the VP of human resources, has asked you to write an announcement to the employees regarding the tuition cutbacks.

In the message, you will need to state that the company will now cover only 40 percent of the tuition for approved courses. You know that this will be particularly bad news for those who are in the middle of a degree program, but there were never any guarantees that the coverage would remain at its current level, and the change simply can't be helped. You will also need to inform the employees that there will be more rigorous screening of tuition-reimbursement requests. You should probably give examples of the kinds of courses

that are likely to be approved under the new policy. On the other hand, at least some tuition coverage does remain, and—at least for now—none of the other benefits are being affected. Plus, online courses are often cheaper than those offered on-site, so maybe employees can find ways to offset the increased costs of taking courses.

Figure out how to write this message so that you give employees a clear sense of the facts and their options. Help them to feel positive about the company and encouraged to continue to seek out relevant college coursework—which, after all, does save the company in-house training costs and results in a better qualified workforce. Your boss has left it to you to decide the best way to distribute this announcement.

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**33** As your workplace is becoming more diverse in race, religion, and culture, you are beginning to realize that in order for employees to work together more effectively you are going to have to stress similarities rather than differences in all your business practices. And just as English has been a unifying aspect throughout United States history as well as in the world of business, it should help unite your company's staff as well. You believe an English-only policy would help

improve the morale of those who speak only English while making all transactions transparent as well. And it would greatly improve the collaborations that go on daily in the workplace.

You know that courts have traditionally upheld English-only workplace policies because they are not seen as discriminatory. So write the announcement of an English-only policy in a way that bilingual speakers will not find offensive.

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**34** Your employees have always searched for Internet content useful to your business, and they seem both to enjoy doing it and to be the first to use what they find. This practice has helped give your business a reputation for innovative work, easily responsible for generating over half your new business this year. But lately many of your employees have consumed hours of valuable time in bad experiences with new beta versions of Web 2.0 applications.

While some of these applications work beautifully from the start, others crash and freeze the users' computers on a regular basis, requiring hours of troubleshooting to get back in business. And there seems to be no consistent guideline to follow in determining which ones work well and which ones don't. Big companies like Microsoft and Google release betas that range from raw to polished, and small companies

also release beta products that vary widely in quality. Therefore, you have decided to implement a new policy restricting the use of web-based beta applications. However, you do not want to discourage forward-looking work, so you are setting up a system in which those testing particular beta applications regularly can record their experience with them on a blog you have set up for this purpose. Employees will be required to check this blog of users of these applications before deciding to use these new applications.

While this announcement will mean users of these new applications need to be a bit more proactive in assuring the safety of their computers, the new policy is aimed at saving the user time in the long run by learning from others' firsthand experiences. Write the announcement so it will have the desired effect while continuing to encourage employee innovation.

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**35** Today's mail brought an anonymous note tattling on staff who use the new color copier to make personal wrapping paper for their holiday gifts. Apparently, the Gap published a gift guide on its website outlining how to create wrapping paper on color copiers. It took only one employee doing it and showing others the beautiful result to have others follow.

At first it seemed clever, and the cost could probably be absorbed without much trouble. But the precedent it sets isn't

sitting well with you. Letting people use small supplies for personal use might suggest it's OK to appropriate other items as well. So you need to let your staff know that personal use of the copier is not appropriate. You can remind them of both the business and ethical reasons for refraining from the practice. But you don't want to be viewed as miserly at this time of the year, so you'll include a \$10 gift card for the neighborhood copy center to send along with the bad news.