In the previous set, you learned how to write effective good news messages. By now, you know that when the perceived reader’s reaction is positive (pleased or interested) the main idea of your message goes near the beginning. In this set, we are going to review business letters which are likely to receive a negative reaction. In other words, the predicted receiver’s response will likely be not pleased. As you shall soon see, we will use a different approach to writing these types of messages.
A Letter of Bad News

The following letter is addressed to a member of the British aristocracy who has been spending much of the summer in his residence in the south of France leaving his wife in the United Kingdom to look after the ancestral home.

But first a little fun…

As you read through the following letter, imagine you are the recipient of this message. Did the writer do a good job? Let’s see… proceed to the next slide when ready.
Dear Sir Royston,

I hope you are having a good time on your vacation.

I say this with sincerity because I am afraid I have some bad news for you, although there is good news too. First the bad news. I am sorry to tell you that your favorite dog, Honey, is dead. The vet says that she died instantly and could have felt no pain. She was kicked in the head by your horse, Sherbert, though I’m sure that no blame can be attached to Sherbert, frightened as he was by the fire in the barn.
A Letter of Bad News

I’m afraid that Sherbert was in the barn along with your other horses when it burned to the ground. The fire brigade had been called within a short time of the barn catching fire and would normally have been able to put out the fire-had it not been for the fact that the fire truck crashed into your Bentley in the road. Your wife had taken it our for a spin with your brother.

The Bentley was stationary at the time and your wife was in the back seat of the car. She managed to escape death only due to the fact that your brother was lying on top of her at the time of the collision. The doctors say that given time she will regain her sight but that she will

Read letter on slide
never walk again. She has also lost her memory and cannot even remember you. Your brother, unfortunately, was killed.

I should explain how the barn came to be on fire in the first place. You see a spark from the house blew over and set the roof alight. The fire started in the main hall of the house where, as you know, your Mattisse and your Picasso once hung. I say “once” because they are not there now. Fortunately neither of these paintings were damaged in the fire as they were stolen beforehand by the burglar who started the fire.

Read letter on slide.
A Letter of Bad News

Although all of this may seem to you very serious, it is not in fact the bad news that I wrote of. Your wife and brother had been visiting your Insurance agent in prison where he is serving a three year sentence for fraud. I’m afraid that none of your insurance policies are valid.

As I said, there is some good news. The heat from the fire warmed your greenhouse and brought your flowers on.

What do you think the reader’s perceived reaction will be?

So what do you think the reader’s perceived reaction will likely be? Yes, you are right—most likely he won’t be feeling to well. Now we must ask ourselves if the writer did a good job of presenting the news. As we will soon learn, the writer of this message failed to use the inductive approach. Instead, he spoke immediately of the bad news and it never got much better. While bad news is never easy to write about, the manner in which you present your ideas can make a world of difference. But hey, at least the guy has some flowers to look at!!!😊
When the Reader’s Reaction will be:

**Pleased or Interested**

Use the deductive sequence

Places the main idea of message near beginning

Expects little resistance to main idea

When the Reader’s Reaction will be:

**not pleased or not interested**

Use the inductive sequence

Places the main idea of message near the end

Expects resistance to main idea

Do you remember this slide from the previous set? Now we will concern ourselves with the bottom portion. When the reader’s reaction will be not pleased or not interested, we use the **INDUCTIVE** approach to writing. When we write inductively, the main idea is placed near the end of the message. There are many reasons for this. Suppose as a manager you cannot grant a claim. Placing the bad news, “We cannot refund your money at this time.” in the first sentence first paragraph will likely irritate the receiver. Do you think the reader will read the reasons listed below the bad news—probably not. Ideally, we would like the reader to “induce” the main idea after reading the reasons for the bad news.
Here is a brief look at the 4 types of bad news messages we will examine. Remember, each of these incorporates the inductive approach since the writer predicts resistance to the main idea.

A claim denial is a letter written informing the receiver that a claim cannot be granted and provides reasons. A credit denial letter informs a credit applicant that credit cannot be extended at this time. An order denial letter informs the receiver a product has not been shipped for various reasons. And finally, a favor refusal is a letter written to inform the receiver you will not be able fulfill the favor. For example, suppose someone asked you to speak at a convention but prior appointments cause a conflict.
**Steps in Writing a Bad News Message**

(1) Begin with the neutral(buffer) idea that leads to the reasons for the refusal or bad news.

(2) Present the facts, analysis, and reasons before the refusal/bad news.

(3) State the refusal/bad news using positive tone and de-emphasis techniques.

(4) Close with an ideal that shifts emphasis away from the refusal/bad news and indicates a continuing relationship with the receiver.

Here are the steps for writing bad news messages. Review these and then proceed to the next slide for a graphical representation of these steps.
We have spent a great deal of time discussing the concepts of empathy. In other words, effective writers take time to recognize the predicted receiver’s reaction to their message. As a bearer of bad news, we can make it as bad as possible or we can attempt to use what I call the psychological approach. Think about it this way. Suppose you just got off work and have arrived home. In a decent mood, you go out and check the mailbox. As you sort through the mail, you discover a letter from your local bank officer. Recently, you had applied for a home loan and are eager to hear if you have been approved. Unfortunately, you were not approved for a loan at this time. The manner in which the bank officer writes the letter can make a huge difference. Our job as a writer is to reduce the red portion of the graph (see slide) Notice in the good example, the bank officer starts off with a neutral paragraph. Then, he or she begins providing reasons leading up to the bad news. Notice the angle of the blue line—it’s not too steep. In a well worded sentence, the bank officer informs the receiver of the bad news but quickly moves away from the bad attempting to bring the frustration level back down. Notice the length of the red line—it’s very short. Ideally, the bank officer should attempt to leave the receiver of the bad news in the same mood as before he or she opened the letter. Now while that may be difficult to achieve, examine the bad scenario. In this case, the individual goes to the mailbox, opens the letter and is immediately irritated as he/she learns of the bad news. In this example, the bank officer has made no attempt to start with a neutral paragraph. As you can see the irritation level has spiked. In all likely hood, the reader will tear up the letter and will continue to reside in the danger zone for some time. Notice no attempt has been made to calm down the receiver. When you write a letter of bad news, sit back and read it from the perspective of the receiver. Have you done a good job of transitioning from good to bad or have you written a letter similar to the one in our opening scene? Continue on to learn why the psychological approach to writing bad news letters is the best.
The Inductive Approach:
The best choice for bad news messages

- Identifies the subject of the letter without first turning off the receiver.
- Presents reason(s) **BEFORE** the bad news/refusal
- Reader is **SLOWLY** introduced to the bad news
- Last paragraph moves away from bad idea toward something positive

Using the psychological approach, the subject matter of the letter is identified without first turning off the receiver. Remember, step one is to start with a neutral paragraph. Then, the reasons are introduced leading up to the bad news. Ever so slowly, the reader will likely begin to induce the main idea. Then, the bad news is introduced in the dependent clause of the bad news sentence which should be in the buried position (not sure what the heck I am talking about—we will discuss it in more detail soon). Finally, the last paragraph attempts to refocus the attention of the letter toward something positive.
Let’s examine how to write a bad news letter paragraph by paragraph😊
Writing Techniques:
First Paragraph

* Begin with a buffer statement (neutral) that both parties can agree on. Avoid building false hopes.

Suggested buffer techniques

(1) Start with good news if both good & bad are present.

(2) An expression of gratitude/kind words

"Your interest in obtaining a home loan from First Mortgage indicates you’re a conscientious individual seeking the best service in home lending."

(3) A point of agreement

In the first paragraph, you should begin with what I call a buffer statement. A buffer statement is a statement that both parties can agree on and is relatively neutral. As a writer, we don’t want to let the bad news out of the bag to early but at the same time, we don’t want to sound overly positive as well. If we sound too positive, we will only lead the receiver on which makes the bad news seem even worse. Yes, I know it sounds a bit complicated. In my opinion, the first paragraph of bad news letters are sometimes the most difficult to write because you must think of something that won’t tip off the bad news yet doesn’t sound overly positive.

Can you give me some suggestions on how to write the first paragraph? As you can see on the slide, begin by presenting good news first if both bad and good news must be shared. Perhaps you may use an expression of gratitude or kind words. Notice how in example two, the writer captures the reader’s attention but doesn’t sound too positive or too negative. When I write letters of bad news, I try to start with a point of agreement. If I think about it long enough, there is usually something both parties can agree on.
Because the first paragraph is sometimes the most difficult to write, writers have a hard time trying to figure out what to say. So, they use an empty acknowledgment such as, “I am writing this letter in response to the loan you applied for…” Duh, I could have figured that much out—in fact, this will only irritate the receiver more because he/she might think you are trying to beat around the bush so to speak. Rule: Avoid acknowledgments of the obvious.

In the first paragraph, be careful not to “tip off” the bad news too early. Notice the word however usually has a negative connotation. Both examples indicate a lack of empathy on the part of the reader because little time was taken to lead the reader toward the bad news. The word cannot also seems to standout—in fact the reader will likely scan your letter for these key words.
As previously mentioned, building false hope by sounding too positive only makes the bad news worse. Notice in the example the word wonderful leads the receiver to believe that these people really like me and they would never deny me a loan.
Writing Techniques:
Middle paragraphs
Reasons/Explanations

* Provide a smooth transition from the opening paragraph to the explanation section
  - Watch out for trigger words/phrases such as Although, however, we are sorry...

* Precede the bad news with **one or more** reasons that are logical to the reader
  - The more the better!
  - Shows the reader consideration.
  - Reduces risk of appearing uncaring

When writing the second and developing paragraphs, make sure you provide a smooth transition from the neutral paragraph to the reasons. You would not want the second paragraph to begin with a word such as although, however, etc. since this would defeat the purpose of the first paragraph.

Precede the bad news with several reasons. In general the more reasons the better. Suppose you had 8 reasons why you declined a loan. In this case, pick the 3 or 4 best reasons—8 would be overkill. By listing reasons, you show the reader consideration. The receiver knows you didn’t just make a decision irrationally.
**Writing Techniques:**

**Reasons/Explanations**

*Avoid hiding behind “company policy”*

Dear Sir:

Company policy prohibits us from accepting merchandise which was purchased over 30 days ago.

Dear Sir:

Products which are returned more than 30 days after their purchase date have a reduced resale value as a result of unknown environmental conditions. Because you are a valuable customer, we could....

**Explain the reasons behind the policy!**

Too many times, individuals hide behind company policy when providing a reason.

Read the first example. Notice the sentence presents company policy as the reason for not accepting the merchandise. While those who create policy understand the reasons behind them, many times the customer does not.

Now read the second example. Here, the policy is presented BUT the reasons behind the policy are explained. In this case, it’s made clear the store bears a risk in taking back merchandise more than 30 days old. Now the customer may be able to relate. Remember to always explain the reasons behind policy in your bad news letters.
To date, we have written a neutral paragraph and a paragraph or two of reasons leading up to the bad news. Now, we must actually inform the reader of the bad news in ONE sentence.

Location! Location! Location! Where we place the bad news is important. If you recall from an earlier slide, the main idea of bad news messages should be placed NEAR the end of the letter. Notice the word NEAR. We never want to place the bad news directly at the end since this would make it very easy for the reader to spot. Your job as a writer is to strategically place the bad news sentence making it more difficult to detect. To accomplish this, place the bad news between the reasons and good will closing. This is called the buried or hidden position.

Once you state the bad news, never return to it, especially in the last paragraph. Readers tend to remember things in the first and last paragraphs more than the stuff in the middle. If possible, try to imply the bad news or use subjunctive mood to soften the blow. Notice how “I wish we could” sounds better than “no we can’t.”
Writing Techniques:  
**The Bad News Sentence**

*Use positive language that accents the good.
- Avoid using negative words
  Cannot, However, Although,

*State what you can do instead of what you cannot do.
  - *We cannot ship your order until...*
  - *Your order will be shipped when...*

*Include a pleasant idea in the bad news sentence.

*Use general terms and abstract nouns.

When writing the bad news sentence, use positive language. Avoid using words with negative connotations.

When stating the bad news, tell me what you can do vs. what you cannot do. See example. The second example is better 😊

When stating the bad news, try to offset the bad with a pleasant thought.

Use general terms and abstract nouns when discussing the bad news. Using concrete nouns allows the reader to more easily visualize the bad news—this we don’t want.
Writing Techniques:
The Bad News Sentence

*Place the bad news in the dependent clause

- Although economic downswings have prevented us from awarding the annual 2 percent raise, your work experiences will be reevaluated when conditions improve.

*Use passive voice

- Tom did not post the employee work schedule.
- The employee work schedules were not posted.

Place the bad news in the dependent clause of the bad news sentence. Remember, the dependent clause depends on the independent clause for its total meaning. By placing the bad news in the dependent clause, we can use the independent clause to offset the bad news. Remember the graph—we want to keep the red line as short as possible. As soon as the bad news is presented in the dependent clause, we rely on the independent clause to begin calming the reader down.

Notice in the example, the bold portion is the dependent clause. The reader is most likely to be upset when reading this portion of the sentence. However, the independent clause immediately informs the reader that work experiences will be re-evaluated when conditions improve.

Recall from a previous set, when the idea is negative, the writer should use passive voice. What is the subject of the first example? That’s right—Tom. As we read the sentence, we learn that Tom did something negative. In this case, we do NOT want to spotlight the negative act Tom did. Thus, we write passively changing the subject of the sentence from Tom to schedule. When you write bad news, remember to write passively.
Writing Techniques:
The Bad News Sentence

*Follow the bad news with a counterproposal if possible.

- Although our current personnel shortage prevents us from....., we can (list alternative).

- A counterproposal may not always be a viable alternative.

When writing bad news, you may have an alternative to present to the reader. Read the sample sentence above. Notice the bad news is in the dependent clause. The independent clause begins with, “we can...” We call this a counterproposal. A one word definition for counterproposal is an alternative. Using our loan example, “While your credit score is 25 points below the guideline established for lending, we could use the equity of your home and offer you…”

Please note an alternative may not always be available. If an alternative is available, it should be strategically placed in the independent clause following the bad news.
In the closing paragraph, never return to the bad news. Some people have learned to skip down to the last paragraph to look for the bad news. Make them read the letter to look for it—hopefully they will have read the reasons first.

Using clichés sounds especially cold in a bad news letter. After you have turned someone down for credit, don’t say “We would love to be of service to you. If you have any other questions, don’t hesitate to call.” You can just about guarantee they will call and they won’t be happy!!!

Remember the psychological approach to writing—never leave the reader in the red zone. Find a way in the last paragraph to bring them back down to the neutral zone they were in before reading your letter. Try ending on a positive note.
Writing Techniques: Closing Paragraph

Avoid statements which weaken your reasons.
- We *hope* you understand why we cannot refund your money.
- Hope indicates confession of doubt

Last but not least, never use the word hope. The word hope implies you have not done a good job of convincing the reader. If I say I hope you understand why we cannot extend you a line of credit—I am really saying I am not so sure I explained the reasons good enough. Hope indicates a confession of doubt.
Exceptions to the Rule

**ALWAYS** use the Inductive sequence for bad news messages unless:

1. The letter is a second/third response
   - Please send $124.32 to avoid terminating your local phone service.
2. If a response is illegal, immoral, unethical
   - No, we cannot sell cigarettes to minors.

There are a few times in which the inductive approach is not the best for bad news messages. Sometimes, you have to write deductively, placing the main idea first. In example one, we have an individual who hasn’t paid their bill in some time. Apparently, inductively written letters have had no effect. Thus, we get to the point. In the second example, we do not have to use the inductive approach if a response is illegal, immoral, or unethical. Simply saying, no I cannot sell minors cigarettes is fine. We don’t need to provide reasons—it’s the law.
Okay, let’s take a look at our first letter of bad news—a claim denial letter. A claim denial letter is a bad news letter in response to a claim.

Unfortunately, not every claim can be approved. Take the example of the elderly lady who tries to return her 25 year black and white T.V. for a refund. While she may think this is a routine claim, she must be informed of the bad news. In all likely hood, the warranty has long expired.

Sometimes the product may still be under warranty yet the product was misused. In this case, we must prepare a claim denial letter.

Finally, many claims are sent to the wrong location. In this case, we cannot fulfill the claim. We must write a letter informing the individual of the bad news. A counterproposal we might offer is to forward the claim to the appropriate department.
Here are the steps for preparing a claim denial letter. Yes, they are the same as the generic steps mentioned earlier!!!
Sample Letter Using the Inductive Approach

Dear Mr Coker

The HighFly skis you stocked this past season are skillfully crafted and made from the most innovative materials available. Maintaining a wide selection of quality skiing products is an excellent strategy for developing customer loyalty and maximizing sales.

Our refund policies provide you the opportunity to keep a fully stocked inventory at the lowest possible cost. You receive full refunds for merchandise returned within 10 days of receipt.

In this example, a small business owner has returned seasonal products back to the vendor for a refund. Since skis are not a hot item during spring and summer, he seeks products which are more likely to sell. Unfortunately, Mr. Coker is unaware that while he may return the product to the vendor, it will be at a slight cost. The vendor will have to pay storage cost until next season and decides to pass the cost on to Mr. Coker. While Mr. Coker believes he has a rightful claim to nearly 2500 dollars, the vendor must write a letter back informing him of the bad news. In this case, the bad news is that Mr. Coker will not receive the entire refund.

Read the first paragraph… Notice how the reader makes a point of agreement—the skis are skillfully crafted. Both parties can agree with this statement. Also notice how no mention of the bad news is made. At this point, we don’t even really know what the bad news is.

Now read the second paragraph. Remember, this paragraph should lead into the reasons for the bad news. Notice how the author mentions company policy “…returned within 10 days…” and takes the time to explain the reasons BEHIND the policy. Continue to the next slide.
For unsold merchandise returned after the primary selling season, a modest 15 percent restocking fee is charged to cover our cost of holding this merchandise until next season. The enclosed check for $2,069.76 covers merchandise you returned at the end of February.

While relaxing from another great skiing season, take a look at our new HighFly skis and other items available in the enclosed catalog for the 2006 season. You can save 10 percent by ordering premium ski products before May 10.

Sincerely

Brandon Allen

Now, Mr. Coker is likely beginning to figure out that he might not get back all of his money. Notice however, we have not yet written our bad news sentence. By explaining the logic behind the 15 percent restocking fee, we are hoping Mr. Coker has put two and two together.

Now for the bad news sentence (blue). At this point, the author could have said, “we are not able to provide you a full refund of 2400 dollars.” Instead, he implies it by simply listing the amount of the enclosed check—which is less than 2400 dollars. This was a nice tactic on the part of the writer.

Notice how the purple paragraph does a good job of redirecting the reader’s attention. In this case, he used sales promo material of interest to the reader.
Homework: Download the Claim Denial Letter from the Supplemental Activities Section.

Complete Supplemental Activity #1D Claim Denial

See slide for assignment. Please note the letters in your PowerPoint notes are purposely shorter for learning purposes. I expect your letters will be longer. As a general rule of thumb, your letters will progressively become longer in each chapter due to the nature of the writing style. Those in the previous set are pretty much straight to the point while your letters in this set require more explanation.
Credit Denial Letter

* A letter informing a customer that credit has not been extended.
* When credit investigation show that applicants are poor credit risks, many creditors no longer regard them as possible customers.

- A bad risk today might be an investment tomorrow! **What about a cash basis?**

* The major portion of message should be an explanation for the refusal.

- Serves as documentation against discrimination.

A credit denial letter informs the applicant that a decision has been made to not extend credit. Too many times, creditors write nasty letters to those with low or poor credit scores alienating them from future business. Remember, while an individual may not be a good credit risk today, in a year from now they may have improved their financial history. If you are rude to them now, don’t expect business from them in the future. Don’t forget, some people apply for credit even if they have the cash on hand to make the purchase. If you alienate them, they will take their hard earned cash elsewhere.

When preparing a credit denial letter, the explanation (reasons) should serve as the bulk of the letter. This protects the lender from discrimination and allows the borrower to understand what needs to be done to improve their credit score.
Credit Denial Letter

* The explanation section is two-fold:
  (1) Shows the decision to not extend credit was not arbitrary
  (2) Provides guidance value to customer—they know what is hurting their credit—hopefully they will try to improve their financial situation.

* The credit denial must include name and telephone as well as address of the credit agency info was obtained from.
  - Credit reports CAN be wrong! Check your credit😊

By law, you are required to include the name, telephone number, and address of the credit agency you obtained info from to make a decision. Credit reports can be wrong and this allows the borrower to track down misinformation. Checking your credit report occasionally for errors is a good idea!
Inductive Outline for a Credit Denial Letter

(1) Begin with the neutral(buffer) idea that leads to the reasons for the refusal or bad news.

(2) Present the facts, analysis, and reasons for the refusal/bad news.

(3) State/imply the refusal/bad news using positive tone and de-emphasis techniques.

(4) Close with an ideal that shifts emphasis away from the refusal/bad news and indicates a continuing relationship with the receiver.

Guess what, the steps are the same!
Sample Letter Using the Inductive Approach

Supplier Credit Example

Dear Mr. Brown:

The items you listed in your order of May 6 have been selling very rapidly in recent weeks. Supplying customers’ demands for the latest in electronic technology is sound business practice.

*Clarifies the order by date—could have been multiple orders.*

*Implies receipt of the order, uses resale to confirm that customer has chosen a good product*

In this example, a small business owner has decided to carry a line of electronic devices in his store. Since the owner is somewhat strapped for cash, the owner seeks to purchase the items from the supplier on credit. Mr. Brown has placed an order and expects the order to be shipped with normal credit terms of 2/10 n30.

Unfortunately, a review of Mr. Brown’s current financial situation reveals a low current ratio. Mr. Brown currently has too many liabilities and is not a good credit risk since he may not be able to pay off his balances. The author of this letter informs Mr. Brown of the bad news.

In the first paragraph, the author writes about a point of agreement.
Another sound practice is careful control of indebtedness according to specialist in accounting and finance. (leading up to the reasons). Their formula for control is to maintain at least a 2:1 ratio of current assets to current liabilities. Experience has taught us that, for the benefit of all concerned, credit should be available only to purchasers who meet that ratio. Because your ratio is approximately 1.25 to 1, you are encouraged to make cash purchases and take advantage of a 1 percent discount.

*Explains 2:1 ratio logic

*Implies the bad news, cushions with a counterproposal.

Did you catch the transition sentence, “and is sound business practice.” “Another sound business practice is…” leading up to the reasons for the bad news. Notice how the green sentences explain why a 2:1 ratio is required for lending purposes. Notice how the bad news is somewhat implied in the red sentence in the dependent clause. Did you catch the counterproposal offered in the independent clause?
Sample Letter Continued

By continuing to supply your customers with timely merchandise, you should be able to improve the ratio. Then, we would welcome an opportunity to review your credit application. Use the enclosed envelope to send us your check for $1,487.53 to cover your current order, and your order will be shipped promptly.

Other timely items (such as the most recent in video games) are shown in the enclosed folder.

* Lets customer know how to improve their situation

* Uses sales promo to redirect attention to something positive.

See slide…
Homework: Download the Credit Denial Letter from the Supplemental Activities Page

Complete Supplemental Activity #2D Credit Denial
Most times, businesses seek to fulfill customer orders in a timely manner. In some instances though, the order may not be completed. Can you think of a reason why a company would not fulfill a customer’s order?

An order refusal letter is a letter written to inform the receiver that an order cannot be fulfilled for a variety of reasons. For example, many manufacturers do not sell directly to customers. Instead, they rely on retailers and others to market and shelf the product. This frees up their time to make more product. If a customer sent a request for a product to the manufacturer, someone must take the time to prepare an order refusal letter explaining the circumstances.

Perhaps the customer has placed an order for a product which is no longer manufactured. In this case, you cannot just send a substitute without the purchaser’s consent. Thus, you would be required to prepare an order refusal letter informing the reader of the bad news.

Third, you may send an order refusal letter to inform a customer you have a better product suited for their needs. Suppose an individual placed an order for a heating and cooling system for a new house. Perhaps you could suggest a better system which might save the home owner hundreds of dollars a year on utility bills. Believe it or not, most customers appreciate such advice.

Let’s take a look at how to write a successful order refusal letter. But first, let’s look at a letter which was poorly written. Proceed to the next slide when ready…
We have your request that we ship you XYZ product. Unfortunately, we do not sell directly to consumers. Your nearest dealer is XYZ. May we suggest that you place your order there. Thank you for your interest in our merchandise.

• Sounds very cold
• Uses negative words such as unfortunately
• Implies we’re not really interested in helping you.
• Fails to use opportunity to sales promo/resale info.

As you read through the letter, ask yourself if this sounds like a good way to write such a letter. Did the writer use the inductive approach? Were reasons presented before the bad news? See the slide for comments about the letter.
Inductive Outline for an Order Refusal

(1) Begin with the neutral(buffer) idea that leads to the reasons for the refusal or bad news.

(2) Present the facts, analysis, and reasons for the refusal/bad news.

(3) State/imply the refusal/bad news using positive tone and de-emphasis techniques.

(4) Close with an ideal that shifts emphasis away from the refusal/bad news and indicates a continuing relationship with the receiver.

Had the writer used these steps, perhaps they may have been more successful. Now, let’s examine a letter.
Order Refusal Letter: Good Example

Dear Mr. Wright:

The design specifications for your new clubhouse reveal that you have spared no expense to provide members with spacious, multi-purpose rooms complete with exquisite Williamsburg furnishings. Clearly, a sprinkler system designed to protect this valuable investment is one of your top priorities.

*Customer has order a WET sprinkler system
*Does not acknowledge order has been shipped.

Why do you think this system might not be the best?

In this example, a customer has ordered a sprinkler system to protect their valuable assets. However, the customer has failed to recognize the system they ordered has a few problems. As you will see, the author of this letter encourages the purchaser to consider purchasing a different type of sprinkler system.

Notice how the first paragraph does not tip off the bad news like in the previous example. Instead, they rely on a point of agreement for their first paragraph. As we are about to learn on the next slide, the customer has ordered a WET sprinkler system. What types of problems do you think might occur with such a system? Check out the next slide and notice how the green paragraph leads into the reason for suggesting a different alternative.
Currently, your specifications include a traditional wet sprinkler system that carries water in the pipes to be used in case of fire. Over the years our experience has been that pipes often freeze when exposed to subfreezing temperatures over extended periods, a common condition here in Illinois. The expansion that results from freezing water in the pipes causes the pipes to break, which results in extensive damage to the structure and its furnishings.

* Explains why a wet sprinkler system might cause a problem

The author does a good job of explaining why a wet sprinkler system might cause a problem—especially in colder climates. Read the next slide to see what counterproposal (alternative) is offered.
Sample Letter Continued

Based on experience, we believe that a DRY sprinkler system is preferable in our cold climate, especially for structures with exquisite furniture such as yours. In the dry system, pressurized air in the pipes releases a valve that pumps water into the pipes only when a fire is detected. Although the dry system installation costs more, you save money in the long run by preventing unnecessary repairs.

*Makes a recommendation, implying that the wet system has not been shipped. (the bad news is that it hasn’t been shipped)

Notice how the bad news sentence does not say, “Sorry, we have not shipped your system.” Instead, it implies the order has not been shipped. The author continues to explain why a DRY system is better.
Sample Letter Continued

Mr. Wright, we will gladly consult with your architect to redesign the blueprints to include the dry or wet system with a heat source in the attic to warm the pipes during subfreezing temperatures. Just call us at 442-1123 with your instructions.

* Encourages receiver to take the next step
* Seeks permission to consult with architect to solidify arrangements.

Notice how the writer encourages the receiver to take the next step. What is the next step? Well, the receiver must decide if they still want the wet system or would prefer the dry system. Basically, the choice is up to the receiver. Notice the writer recommends a heat source in the attic if they still decide to install the wet system.

It is important in an order denial letter to keep options open by providing some alternatives. It’s possible the customer may STILL want the wet system. In this case, it will be gladly installed. The writer lets the reader know they still want to continue a relationship unlike the previous bad example.
Applied Practice

Homework: Download the Order Refusal scenario from the Supplemental Activities Page

Complete Supplemental Activity #3D Order Refusal
In the business world, you may not always be able to do a favor for someone for various reasons. For example, perhaps you have a previous commitment—it’s hard to be in two places at the same time. If you are unable to fulfill a favor or complete a request, you cannot just hope the person asking the favor/request will disappear. Instead, it’s better to take time and write a letter (of bad news) informing them why you cannot complete the favor/request at this time. By explaining why, you show empathy. Hopefully, the reader will understand and not be offended.
Because this is a letter of bad news, the steps remain the same. Remember to use the inductive approach providing reasons leading up to the bad news. If possible, offer a counterproposal.
Sample Letter Using
the Inductive Approach

Dear Kelly:
You are to be commended for your commitment to restore Naperville’s historical downtown shopping district. In this age of mega malls and Internet shopping, the culture of a traditional main street lined with home-owned and operated stores needs to be preserved.

*Begins by complimenting efforts

As you read the first paragraph, do you see any hint of the bad news—you shouldn’t. The paragraph simply begins with a complimenting tone. We learn the writer recognizes the value of preserving main street.
Sample Letter Continued

The success of this project depends on a good project director. The organizational, leadership, and public relations activities you described demand an individual with upper-level managerial experience. During the last year, Hilstrom has decentralized its organization, reducing the number of upper-level managers to the minimal level needed. Although our current personnel shortage prevents us from lending you an executive, we do want to support your worthy cause.

Is the bad news in the dependent clause?

Notice how the green paragraphs lead up to the bad news. Here we learn the company has recently been downsized and no longer has as many staff members. The reader may begin to imply the bad news at this point. Examine the bad news sentence in red. Is the bad news positioned correctly (in the dependent clause)—YES!!! Notice how once the cat is out of the bag, an alternative is proposed—see the next slide for the counterproposal.
Sample Letter Continued

Al Denny in our senior executive corps has a keen interest in historical preservation, having served on the board of a similar organization while living in Vermont. If you can benefit from his services, call him at 343-2219, extension 142.

Sincerely
Lori Acker

What counterproposal was offered?

Although Lori will be unable to provide assistance because she is needed in the downsized company, she mentions Al Denny, who has an interest in preservation, as a substitute. While this may not be as good, at least it is an alternative for the reader.

Did the author use the psychological approach correctly? Most likely 😊 See the next slide for the last assignment in this set.
Applied Practice

Homework: Download the Request Refusal scenario from the Supplemental Activities Page

Complete Supplemental Activity #4D Request Refusal

Remember to review your text as an additional supplement to your slides. I’ll see you again when we get to the next set 😊