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Principles and Structure of Business Letters

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With the development of trade, commerce and industry, the use of letters has increased considerably. The letters are an important device to get and convey the required information for the success of the organisation. It is through correspondence that an organisation can build relations with its customers, suppliers and other parties. The phrase '*the pen is mightier than the sword*' is applicable in business and commercial correspondence also. It is the art of letter writing which can build a good image of organisation. In the words of H.N. Casson, "A good business letter serves as master key that opens locked doors. It opens markets. It opens the way for your goods or your services. It tells the story of the real character of the firm."

22.1 KINDS OF LETTERS

Letters written in daily life may be grouped under the following headings :

1. Private Letters

Private letters are those letters which are written on personal matters. Letters which pass between father and son, wife and husband, relatives or friends can be classified as '*Private Letters*'. Such letters are outside the scope of this book.

2. Business or Commercial Letters

Such letters are exchanged between business houses. They also include the letters written by the business houses to the Government departments on various

subjects such as making representation, making complaints, requesting for licence, etc.

3. Office Letters

These include those which are exchanged between Government officials on official matters. They also include the letters written by Government offices to individuals, firms, companies, institutions, etc.

The letter written by one Government official to another in an informal tone on an official subject is known as demi-official (D.O.) letter.

22.1.1 Meaning of Business Correspondence

Business Correspondence refers to the letters which facilitate business transactions. A modern businessman has to write large number of letters; and the larger the business, the greater is the volume of correspondence. Letters are written when goods are purchased and sold; when they are shipped and insured; when complaints are received and adjusted; when accounts are opened and settled. Correspondence has today become the indispensable instrument of commerce. It has been well said that *commercial correspondence is the approach to commerce through the medium of letters, and the function of trader's correspondence with his customers is to open up and maintain business relations, to introduce and conclude transactions, so that it may properly be regarded as the mental side of commercial activity.*

22.1.2 Kinds of Business Letters

Business letters may be classified variously. The following classification will be found sufficiently exhaustive :

1. Letters regarding quotations, offers and orders.
2. Letters regarding trade reference.
3. Letters regarding agency.
4. Circular letters.
5. Letters of complaint and their adjustment.
6. Dunning or collection letters.
7. Letters of credits.
8. Letters regarding bank transactions.
9. Letters regarding insurance.
10. Letters for clearing and forwarding agents.
11. Letters regarding employment.

Under each of these heads there may be various types of letters. It is not possible to discuss all the types that one may be called upon to write in course of business transactions. Each letter will vary according to circumstances. We shall, therefore, show the usual form of each class and deal with some of the important letters included in it.

22.4 ESSENTIAL CHARACTERISTICS OF A GOOD BUSINESS LETTER

A good letter is able to achieve the purpose for which it is written. A letter accompanying a catalogue should succeed in persuading the addressee to make some purchases. A letter adjusting a complaint must satisfy the complainant. This effectiveness can be brought about only if the letter contains the following

features :

1. Clarity
2. Coherence
3. Simplicity
4. Correctness
5. Completeness
6. Conciseness
7. Convincing
8. Courtesy
9. Originality.
10. Appearance

1. Clarity

Every sentence of a business letter should be clear and unambiguous. A business letter is not a literary piece and should not read like an unseen passage. Difficult words requiring dictionary or difficult constructions requiring analysis, are altogether out of place. Flowery expressions and poetic language should also be avoided. Everything must be said in an easy, simple and direct manner. Then alone it can be so clear as to enable the reader understand it at once by a cursory reading. It must be remembered that a busy trader has no time to go through a letter several times, study it thoroughly and master its contents like a student preparing his lesson. He wants to know the intention of the writer in simple, easy and few words. In particular, a letter must not be ambiguous and open to two or more interpretations. It should say what it means. If the letter is vague or ambiguous, it may lead to further correspondence or disputes, which should always be avoided by a businessman.

Clarity of writing should be accompanied with clarity of thought "He who would write clearly ought first to think clearly" (Gartsite). Clear thought is a habit which has to be cultivated but this is certain that unless one has thorough knowledge of the subject-matter of the letter, he cannot turn out a clear letter.

2. Coherence

Clearness of a letter depends, to a great extent, on its unity or coherence. One thought should naturally follow another and each sentence must show proper sequence. The writer must show proper respect to logic. He should know what he wants to accomplish in the letter. He must be in possession of all the facts. He should plan an orderly arrangement of the subject matter and put it in proper words.

3. Simplicity

The business letter should be written in simple language. A letter can be clear only when it is simple and natural. It must not contain quotations and verses, poetic phrases or rhetoric clauses. Obsolete words like *albeit* should not be used. 'As per' and 'please reply at your earliest convenience' may better be replaced by 'according to' and 'please reply soon'. These things give a personal touch to the letter which is very valuable.

Some of the illustrations of superfluous words are as under :

Superfluous Style	Suggested Style
1. As advised in our communication.	1. As stated in our letter
2. As per your instruction	2. As instructed.
3. Make necessary adjustment.	3. Adjust.
4. Wish to thank you.	4. Thank you.
5. In compliance with your request.	5. As requested.
6. It is desired that we receive.	6. We want.

4. Correctness

Facts and figures mentioned in a business letter must be accurate. It is a bad practice to distort facts or to misrepresent them or to give wrong ones. When the dishonesty comes to the knowledge of the addressee, he feels justly offended and very often ceases to have further dealing with the party at fault. Correctness of figures is a still more important fact. Figures are liable to be wrongly stated and it is always safe to state them both in figures as well as in words. Amount, quantity, etc. should be carefully checked. Documents like the Account Sale, Invoice, Bill of Exchange and Statement of Account should be carefully prepared. Correctness also implies that the writer should not be unnecessarily hesitant or wavering in his attitude. He should try to be outspoken, exact and definite, so far as possible. This does not, however, mean that he should disclose his business secrets.

5. Completeness

The business letter should be complete in all respects. It must contain all the essential points and should not be wanting in some information which the addressee requires. For instance, while placing an order for certain goods, one must not only state the quantity, price and mode of packing and shipment. In the absence of full information, the seller would either further correspond on the subject which would waste time or act according to his own judgment which may lead to disputes.

6. Conciseness or Brevity

A business letter should be as short as possible. Roundabout expressions and unnecessary discussions should be avoided. Utmost economy of words should be enforced. It is only when the letter is short that it can be to the point and effective. Every businessman knows that time is money for him and a busy manager does not have the time to go through a long letter full of irrelevant matter. Such letters often go unattended.

However, conciseness or brevity should not be achieved at the cost of completeness or courtesy. Conciseness does not imply that the whole thing should

not be written or that courtesy words and phrases should be dropped. For instance, an order for certain goods should not be written in telegraphic language; nor should it be so rude as to say : 'Send immediately the following goods. Delay shall result in the cancellation of order'. It should, on the other hand, state : 'Please send the following goods immediately as we have to deliver these goods to a customer by....'

7. Convincing

The letter written should convince the other party that the facts stated therein are correct. If a new product is to be introduced in the market, and a letter, praising the quality of the product, to be written to the customers, the letter should not be drafted as- "It is of the best quality and is in great demand". Such a choice of words will fail to convince the buyers about its quality, genuineness, and demand. The letter should, on the contrary, indicate that the firm has manufactured the product, after years of research, the quality of which has been approved by the Bureau of Standards and that a copy of the approval letter from the above Institute is enclosed to convince the other party about the correctness of the statement.

8. Courtesy

The tone of the business letter should be polite. The language of the letter should not offend the reader. There are people who seem to regard bluntness as a sign of strength, in reality it is a sign of bad breeding. Courtesy makes friends, and friends in business are very important. If a person receives a rude and blunt letter, he may not resist the temptation to reply in the same manner. A soft answer may perhaps cool an angry customer. Through a courteous letter we may not make a friend but we will, at least, avoid making an enemy. For example, instead of writing 'you have not cared at all to reply to our letter', it will be better to write "perhaps due to, an oversight you have not replied to our letter". Similarly, instead of writing "we shall file a suit against you" it will be better to write "we shall be reluctantly compelled to place the matter in the hands of our legal advisors".

But one must not go to the other extreme and become very servile. Self-respect is one's most precious possession and should be maintained not only on sentimental grounds but also because it does not pay to lose self-respect and become subordinate or servile. A frank and free statement of facts in perfectly courteous and polite terms should be made.

9. Originality

Nothing appeals so much as originality. This is more so in business than anywhere else where original methods of sale and original ways of writing letters soon result in increasing sales and mounting profits. The writer should not try to copy age-long phrases and sentences but be original in his letter so that he may

be able to assert his individuality. A letter written in an original fashion will soon attract notice among thousands written in stereotype manner. Such opening sentences as, 'we beg to draw your kind attention.....' and 'Most humbly and respectfully' should be avoided.

In the body of the letter, one must not talk of himself but of the addressee. For human nature is to be interested in one's ownself. Such closing sentences as 'Awaiting your commands' and 'Thanking you in anticipation' spoil the beauty of many good letters. 'Your obedient servant', 'Yours for business' and other similar subscriptions should also be avoided.

10. Appearance

A business letter should have good, neat and tidy appearance. It must be written on a proper letter paper, should be neatly written or typed, carefully folded, and put in the right-sized envelope. A letter also has a personality and just as in a personal interview the appearance of the interviewer goes a long way in influencing a person, similarly, the appearance of a letter also decides its effectiveness.

22.5 STRUCTURE OF A BUSINESS LETTER

22.5.1 Parts or Components of a Business Letter

To be effective, a business letter must be written in a proper form and style. A set structure of writing business letters has evolved over the years out of customs, experience and exigencies. It contains the following essential parts :

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|---|-----------------------------|
| 1. Heading; | 2. Inside Name and Address; |
| 3. Opening Salutation; | 4. Subject; |
| 5. Body of the Letter; | |
| 6. Complimentary Close or Subscription; | |
| 7. Signatures; | 8. Enclosures; |
| 9. Postscripts; | 10. Identification Mark. |

1. Heading

Most of the firms use printed letter heads these days. The heading consists of the following informations :

- the name of the sender ;
- the address of the sender ;
- the nature of the business of the sender (i.e., exporters, manufactures, travel agents etc.) ;
- the name of the department writing the letter ;
- the Telephone number, the cellular phone number, E-mail address, etc.
- the reference number of the letter. It will give clues of the identity of the writer of the letter ; and
- the date of writing the letter.

A specimen of a letter head of a firm is given below :

XYZ PETROCHEMICALS LTD.

(Marketing Division)
347, Nariman Point
Mumbai - 400 020

Phone.....
.....
Fax.....
Gram.....
E-mail.....
Dated.....

Ref. No.....

Date. The method in which the date should be put down is regarded by some writers as a controversial matter : but there is, in fact, not much of controversy to talk about. There are three ways of putting down the date :

(i) *English Style.* Englishmen generally put down the date as "23rd January 2004".

(ii) *American Style.* Americans invariably put down the date as follows "January 23, 2004".

(iii) *Oxford University Press Style.* The English style of writing date may be objected to on the ground that it is needless to write 'rd' or 'st' after the date, as it is really useless. Oxford University Press meet this point by suggesting that these additions should be avoided and one should write date in the following order : day, month and year; for instance "23 January, 2004". This style is certainly very logical but it has not yet become common and looks awkward on that account.

There are three styles of putting down date. The English Style requires the writing of some useless letters ; while the Oxford University Press style is unusual. The American style, as such, seems to be the best.

The practice of writing date like "23-3-2004" or "23-III-2004" should certainly be given up, for here one might have to count as to which month is the third month.

Reference Number. A reference number is also sometimes given in a letter. The word "Reference Number" or "Ref", with blank space for writing, is sometimes printed in a letter paper in the middle just after the printed heading. In the blank space is written the number of the letter. When the addressee writes a reply to it, he sometimes begins the letter as follows: "With reference to your letter No....." so that the recipient can at once find out which letter has brought this reply. This reference is very useful in a big firm, handling a large volume of correspondence where previous correspondence cannot be easily found out without reference number.

2. Inside Address

This part of the letter shows the name and address of the person or party to whom the letter has been addressed. If the letter has been addressed to an individual courtesy titles should be prefixed before his/her name, Mr., Mrs., Miss, Shri, Shrimati, Kumari, etc., are the ordinary courtesy titles used for addressing correspondence. While writing to a firm the use of words, Messrs should be used. In case of a company, the letter should be addressed to some executive of the company such as the Sales Manager or the Secretary.

Some examples of Inside address are as follows :

Mr. R.K. Gupta
27, Engineer's Enclave,
Delhi - 110034

Mrs. Veena Chopra
101, Vandana Apartments,
New Delhi - 110002

M/s. Raja Brothers
117, Nehru Place
New Delhi - 110019

The Secretary
Usha Rectifiers Ltd.
3, Parliament Street,
New Delhi - 11001

Inside address is written on the left-hand side of the page just after the printed portion of a letter paper. Some persons give this address at the end of the letter in left-hand bottom corner of the letter paper. But this practice is followed in private letters and should be avoided in business letters.

The inside address should be exactly the same as the address on the envelope. Generally, it is written in three lines, the first line containing the name of the person or firm; the second, the number of shop and the name of the street; and the third, the name of the city. If the addressee lives in a foreign country, the name of the country is written within brackets in the fourth line. Similarly, if the addressee lives in a village, district is written within brackets i.e., the fourth line.

3. Opening Salutation

Salutation is a way of greeting to the addressee. It is written just below the inside address, leaving a little space and ending it with comma. The words to be used for the opening salutation will depend upon the writer's relations with the correspondent.

The oldest form of salutation is *Sir*. This is mostly used in official correspondence and not in business correspondence. It is only when an applicant writes an application to a firm that this form of salutation is used. Otherwise it has no place in commercial correspondence. The common form of salutation in the case of an individual is *Dear Sir*, and if she be a woman, *Dear Madam*. If a firm is being addressed, *Dear Sirs*, or *Gentlemen* should be used; but should it be composed of ladies, *Mesdames* is the right salutation.

The proper methods of salutations are illustrated below :

Sir	For official correspondence with Government Departments, Letters addressed to superiors.
Madam	For letter addressed to a lady, whether married or not. Ladies should never be addressed as Dear Miss or Dear Mrs.
Dear Sir	This is the most commonly used salutation for business letter addressed to a businessman.
Dear Madam	This is the most commonly used salutation for letters addressed to a lady entrepreneur.
Dear Sirs/Mesdames	This is used for addressing two or more males or ladies respectively, like addressing letters to firms.
Dear Mr Gupta	The name of the correspondent is written after Dear Mr. if the writer is familiar with the correspondent.

4. Subject

It is customary to mention the subject to which the letter relates in between the inside address and the salutation or in-between the salutation and the body of the letter. The purpose of writing subject heading is to tell the message to the reader in brief. Subject heading is prefixed with the word in 'Subject' or 'Sub', or Ref or Re. and underlined to make it prominent. Subject-heading not only helps the receiver to connect the letter with the previous correspondence but also to pass it quickly to the concerned person for necessary action.

A few illustrations of subject-heading are as follows:

Subject : Return of empties.

Sub : Complaint against the defective goods.

Ref : Our letter No. sales/117/05 Re : Payment of Bill.

5. Body of Letter

This is the most important part of the letter and most difficult to write. This part is divided into several paragraphs, the first being known as the introductory para, the last as concluding para and the middle ones constitute the main body and contain the rest of the letter.

Sometimes, for convenience the paragraphs are numbered. The first paragraph should refer to the previous correspondence, if any. The paragraphs that follow, deal with subject matter further and the closing paragraph states intentions, hopes, or expectations concerning the next step. It is conventional to close the last paragraph with some complimentary words like, 'I hope to hear from you soon' etc.

The *introductory para* should be carefully written. It should begin with such good-natured and friendly expressions as "we are happy to.....", "We are glad" and "We regret". If the letter is the first on the subject, the subject is opened in an attractive fashion, for instance, it is to announce the sale of a new type of sewing machine, it might begin as follows: "We are glad to inform you that we have just now placed in the market a sewing machine which is cheaper and more durable than other machines". If it is a reply to a previous letter, the reference to that letter is given in the introductory para: "We are pleased to receive your letter No. 291 dated October 7," 2004" Such hackneyed phrases as "We beg to acknowledge....." "Your esteemed favour of" should be avoided.

The next para or paras should deal with the main subject matter of the letter. Proper paragraphs should be made to deal with the whole matter systematically.

The concluding paragraph should be written in good spirit and should be forceful and polite. Stereotyped phrases like 'Apologising for the mistake', 'Hoping to be favoured with an early reply', 'Thanking you in anticipation' have lost all charm and do not convey anything. A very common mistake is to write after these phrases the complimentary subscription like "Yours faithfully". But this is grammatically wrong for 'We remain', remain', or 'I am' etc., must be used after these participle phrases to complete the sentence.

6. Complimentary Close or Subscription

It refers to the regards or respect which the writer wants to convey to the reader. It must agree with the salutation. The common form of salutation is 'Dear Sir' or 'Gentleman', with which 'Yours faithfully' should be used. 'Yours truly' is also used with the above salutation but it shows intimacy and is not very common. When the salutation is 'Dear Mr....' etc, 'Yours truly' is the usual subscription. 'Yours sincerely' may be used for this when personal relations are intimate. 'Yours very sincerely' and 'Yours affectionately' are not used in business letters at all. In letters of application, 'Yours respectfully' should be used if the post applied for is junior, when 'Sir' is the salutation adopted. But if the post is a responsible and superior one, 'Yours faithfully' is used, and then the salutation is 'Dear Sir'.

Some persons have got the habit of abbreviating the subscription like 'Yours ffly,' or 'yrs ffly.' This should be avoided. Again complimentary closes in the cases of M.P., Mayor, Knight, etc., are special ones, as is also the case with salutations, which should be used.

Salutation	Suitable Closure	Remarks
Dear Sir (Sirs) Dear Madam (Mesdames)	Yours faithfully,	This is the most common formal closure for business letters.

(Contd...)

Dear Sir (Sirs) Dear Madam (Mesdames)	Yours truly,	Slightly less formal than yours faithfully, used between persons acquainted with each other.
Sir, Gentleman, Madam, Mesdames,	Yours respectfully,	For letter written to superiors.
Dear Mr. Arora	Yours sincerely,	For letters between persons known to each other. This is now commonly used in business letters to show closeness and informality.

7. Signatures

The signature is written in hand writing below the complimentary close. As the signatures are mostly illegible, it is customary to type the name of the signatory below his signature. The signature must be accompanied with : (a) the name of the concern for whom the letter is being written, and (b) the designation of the person signing the letter. The status of the signatory has a great bearing on the importance of the letter. The signature is an authentic proof as to by whom the letter is written.

The rules regarding signatures are as follows :

- (i) If a letter is written by an individual, he should sign himself.
- (ii) If the letter is written by a partnership firm, any partner is entitled to sign in the name of the firm in his own handwriting as :

Ram Bihari Shyam Bihari
Partner

- (iii) An employee of the firm e.g., Manager, cannot sign the name of the firm himself unless he is authorised to do so. In case he is legally authorised, by power of attorney, to sign for or on behalf of the firm, he should sign as follows :

Per Pro. Shyam Bihari Ram Bihari,
K.C. Gupta,
Manager.

- (iv) Per Procurator or Per Pro. or P. Pro. or P.P. implies that the person signing is legally authorised, by power of Attorney, to sign in this way. If the manager is not authorised by power of Attorney to sign, he must simply write 'For' before the firm name and sign as follows :

For Shyam Bihari Ram Bihari,
K.C. Gupta.
Manager.

But if he first puts down his name and then his official designation, he would be deemed to write the letter, in his personal capacity; and it should not be done. For instance,

K.C. Gupta,
Manager,
Shyam Bihari Ram Bihari,

is wrong.

- (v) Unimportant letters sent by a firm are not to be signed by a partner or responsible official. They are simply signed by a clerk who embosses the firm name with a rubber stamp and then writes down his initials below it adding 'Per or By' before his name, which means be or through. Thus :

Shyam Bihari Ram Bihari
By B.D.J.

- (vi) Letters from a joint stock company cannot be signed by the company itself which is a lifeless body. They are generally signed by Secretary or Manager. Managing Director also sometimes signs these letters. But the person putting down his signature must show that he is signing for and on behalf of the Company by putting down 'For' before the name of the Company or *Per Pro*, according as he is ordinarily authorised by power of attorney to sign on behalf of the company.
- (vii) When a lady sends a letter, she generally writes the word Miss or Mrs. as the case may be before her name within brackets. For instance :

(Miss) K.M. Kichlu
or (Mrs.) Kamla Gupta.

If she fails to show her marital status she might be misaddressed :

8. Enclosures

Very often some documents are sent along with a letter. In such a case the fact that some documents are enclosed with the letter should be indicated on the left hand bottom corner of the letter paper by writing the word 'Enclosures', 'Encls', or 'Encl' and giving after that the number of enclosures. If the enclosures are important their nature is also briefly mentioned, as for instance, 'Encl. 1 (Cheque)'. The despatch clerk must carefully see that the enclosures have been enclosed along with the letter.

9. Post-Script (P.S.)

If the writer wants to write something after the completion of the letter, he puts down P.S. (Post Script), and after that writes down whatever he likes. As the P.S. is a part of a letter, it must have the initials of the writer in the end. Post Scripts should be avoided as far as possible for they reduce the beauty of a letter. But there are cases when Post Scripts can be used effectively as for declaring the most important announcement contained in the letter in bold letters as follows :

OFFER WILL BE RECEIVED TILL JANUARY 4, 2005

No initials need be put down after this, such a P.S. catches the eye of the recipient and impresses this fact on his mind.

10. Identification Mark

At the bottom of the letter may also be found initials of the clerk, who types the letter. These are put down with a view to hold the typist responsible for its typing out. Sometimes the person responsible for writing the letter also puts down his initials after the initials of the typist. Thus RS-KL means that Ram Sahai has written the letter and Krishna Lal has typed it out. In invoices, statement of accounts, etc., the signatures of the person making and checking it, are placed as above.