# Note on Writing Business Memos[1]

Writing short business memos is one of the tasks you will experience repeatedly both in your classes and your work life. This note provides some guidelines to help make your memo writing more effective. I've also included some tips on common writing errors in an appendix.

**Organize your thoughts before writing**

Spend time planning your writing before beginning to type:

- To whom are you writing? Why?
- Distinguish the information readers "need to know" from the information that would be "nice to know" to achieve your communication objectives.
- Construct an outline of what you want to say, either in written or diagram form.

***Sample Outline:***

Galleon Candy Launch Outline

Key message: Candy Co. should launch Galleon Candy to increase sales growth

I. Why we should launch Galleon Candy
  A. Market for dark chocolate is growing twice as fast as market for milk chocolate
  B. Target customers have reacted positively to Galleon in market research tests
  C. Competitors in the market are succeeding with new product introductions, suggesting customers are open to innovation.
  D. Our new supply contract with Noir et Blanc Chocolat guarantees an adequate production supply at good margins

II. How we should launch Galleon Candy
  A. Launch in convenience store channel, Fall 2006
  B. Target adults ages 18-44 looking for a treat to break up their day
  C. Conduct a $6 million advertising campaign around the theme "Sail away with a Galleon"

**Use a format that is easy to scan (read quickly)**

Begin your memos by indicating who should be reading it and what the memo contains. This is usually accomplished by starting the memo with a series of lines that follow a format similar to the following:

TO: Jane Doe, Vice President, North America DATE: May 21, 2006
FROM: John Smith
SUBJECT: Recommending the Launch of Galleon Candy

Within the text, use short, descriptive section headings that indicate the key ideas you want to convey to the reader. These should fall naturally from the organization of your writing. You may also think of these as the key points in your outline (see previous section).

***For example:***

Heading: **Why We Should Launch Galleon Candy**
Sub-heading: ***The dark chocolate market is attractive*** [Text follows]
Sub-heading: ***Market research tests are strongly positive*** [Text follows]
Sub-heading: ***The chocolate market is open to innovations*** [Text follows]
Sub-heading: ***Our chocolate supply is well-suited to the new product*** [Text follows]

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**Spend time constructing the opening of your memo**

Readers pressed for time may read only the opening of your memo, so it's important to convey to the reader the key information you want them to know here. The opening should explain to the reader why he or she is reading it. Briefly specify the key issues in the business situation presented, then outline your recommendations regarding the situation.

- Consider what you want the reader to do after he or she has read your memo and make sure this is easy for the reader to understand.
    - A bulleted list of recommendations often helps to make your recommendations stand out.

- Note that more specific recommendations are better, e.g., don't say "advertise more," say "increase the advertising budget to $6 million."

***Here is an example of an introduction to a memo directed to senior management of CandyCo.:***

"Candy Co. faces the problem of how to reach an objective of $100,000,000 in U.S. sales by 2009. While the Milky and ChocoFizz products introduced in 2005 have had a positive impact on sales, to realize our goals we must aggressively capitalize on this good beginning. I propose that we

- leverage our experience in Europe by introducing a version of Galleon Candy to the U.S. market
- target adults ages 18-44 with a message positioning Galleon as a delicious midday treat.

This introduction tells the reader succinctly what the problem is that Galleon faces, and what recommendations you will make to solve that problem. Having read this paragraph, the reader will now know that he or she should read the remainder of the communication to understand how you have come to these particular conclusions.

**Justify and elaborate upon your recommendations in the body of your memo**

The opening should take no more than one or two paragraphs. The bulk of your writing should present the analysis that justifies the recommendations you make in your opening.

Your analysis should have a logical flow indicating why your recommendations are correct. This requires organizing your information around the particular questions you want to answer and points you want to make.

Make decisions about the important information to present. Note how key facts and analyses support your recommendations: periodically stop and draw conclusions for the reader, e.g., "That our chocolate supply contract guarantees an attractive cost structure strongly supports the launch recommendation."

***Here is some body text from the same CandyCo. memo:***

"CandyCo. sales growth in the U.S. has flattened considerably since 2003, while other competitors have had more success (see Exhibit X for recent sales and market share trends in the U.S. candy market). On the low end of the market, MasterCandy and PennCandy have aggressively pursued more upscale markets. Meanwhile, SwissCandy and CaliforniaCandy have expanded marketing efforts in the high end. Correspondingly, CandyCo. market share has dropped by four points in just two years.

Our competitors' success has revolved around new product introductions, suggesting that the market is open to innovation. Given our positive market research tests, introducing Galleon in the U.S. is likely to be the best way to exploit this opportunity."

The topic idea in the first paragraph is that CandyCo has had less success in the U.S. than competitors in recent years. The remainder of the paragraph provides evidence that this is true, referencing exhibits as appropriate. Note how the specific market share number makes the argument more precise.

The topic idea in the second paragraph is that the market is open to innovation. Notice how the writer draws a conclusion from this analysis regarding what CandyCo should do. Linking your analysis to your recommendations in this way makes for a strong memo.

It also helps to specify the implications of your recommendations in terms of both implementation (what we will need to do) and outcomes (what doing this will do for us).

**Close with key actions**

Finish your memo with a short paragraph that reiterates what you want the reader to do and why. Also indicate any follow up actions you will be taking.

**Use charts and tables to summarize analysis details**

Place charts, tables, and specific analyses that are better presented in a standalone fashion after the conclusion of the text. The exhibits in your cases are examples of how to do this.

Paragraphs full of numbers are hard to read; charts and tables can be powerful devices for conveying key quantitative ideas more effectively. It is better to explain your point in the body of the text and then refer readers to an exhibit for specifics.

Exhibits can also be embedded within the text rather than placed at the end if that is the style in your class or at your company. (See Exhibit X for an example from the CandyCo. memo.)

Your exhibits supplement your memo. Do not use an exhibit without explaining in the text what the reader should learn from it. That said exhibits should be readable without reference to the text.

- Use headings, labels, footnotes, and graphics appropriately so the reader can understand what is in an exhibit.
- If you are performing calculations on data, use a footnote to indicate how you are performing the calculation.

***Follow your professor's or supervisor's guidelines***

In conclusion, this note provides general guidelines for writing. Always check with your professor in class or supervisor at work regarding his or her expectations for writing. Their specific expectations should modify the guidelines presented here and elsewhere during your program.

Exhibit X.
Sales and Market Share
U.S. Candy Market, 2003-2005

Unit Sales (millions)

| Manufacturer | 2003 Units | 2004 Units | 2005 Units |
|---|---|---|---|
| SwissCandy | 12.34 | 16.58 | 22.90 |
| California Candy | 24.05 | 29.49 | 36.98 |
| MasterCandy | 116.33 | 118.44 | 120.11 |
| PennCandy | 172.35 | 193.34 | 200.89 |
| **CandyCo** | **69.90** | **73.63** | **75.22** |
| TOTAL | 394.97 | 461.48 | 506.10 |

Dollar Sales ($ millions)

| Manufacturer | 2003 Dollars | 2004 Dollars | 2005 Dollars |
|---|---|---|---|
| SwissCandy | $16.66 | $23.88 | $35.04 |
| California Candy | $25.97 | $33.62 | $44.38 |
| MasterCandy | $75.61 | $84.77 | $93.87 |
| PennCandy | $118.92 | $145.07 | $150.08 |
| **CandyCo** | **$71.30** | **$75.10** | **$75.97** |
| TOTAL | | | |

Market Share (dollars)

| Manufacturer | 2003 Share | 2004 Share | 2005 Share |
|---|---|---|---|
| SwissCandy | 5.4% | 6.6% | 8.8% |
| California Candy | 8.4% | 9.3% | 11.1% |
| MasterCandy | 24.5% | 23.4% | 23.5% |
| PennCandy | 38.6% | 40.0% | 37.6% |
| **CandyCo** | **23.1%** | **20.7%** | **19.0%** |
| TOTAL | 100.0% | 100.0% | 100.0% |

Source: 2006 National Confectioners Association

## Appendix.  Details in Your Writing

On a more detailed level, proofread your writing.

Spelling and grammatical mistakes, even if they don't obscure your message, make you look careless at best and stupid at worst.

Some readers may take this as a sign that your recommendations are careless as well.

Proofreading will also catch accidental misstatements in your writing, for example, when you mean to say, "Lexus sales are up 20%" but, on your third cup of coffee at 3:00 AM, accidentally type "BMW" instead of "Lexus."

**Common Errors**

Simply running the spellcheck program on your word processor will catch many problems, but there are several common usage and grammar errors that spell check won't highlight.

***These include:***

• Confusing "their," "there" and "they're"

"Their stores" -- the stores that belong to them
"The stores are there" -- the stores are in a certain place
"They're going to the store" -- They are going to the store

• Confusing "it's" and "its"

"It's going to rain" -- it is going to rain
"Its roof" -- the roof that belongs to it

• Using "of" instead of "have"

Wrong: "He should of done the analysis."
Right: "He should have done the analysis."

• Confusing "affect" and "effect"

Affect is usually a verb: "How will the strike affect us?"
Effect is usually a noun: "What will be the effect of the strike?"

• Confusing "loose" and "lose"

Loose is usually an adjective: “If your pants are too loose, wear a belt."
Lose is usually a verb: "If you don’t wear a belt, you may lose your pants.”

**Increasing Effectiveness**

American business writing favors concise, direct writing.

You can often make your writing more effective by using simple words instead of more ornate phrases. (This also saves space.)

***For example:***

| *Rather than say:* | *Say:* |
| --- | --- |

| | |
|---|---|
| "In view of the fact that sales are rising. . . " | "Since sales are rising. . . " |
| "In order to increase sales. . . " | "To increase sales. . ." |
| "In the event of a sales decrease. . . " | "If sales decrease. . ." |

Also, try to use active rather than passive verbs where possible:

| *Rather than say:* | *Say:* |
|---|---|
| "Advertising was increased. . ." | "The company increased advertising. . . " |
| "New products were introduced. . ." | "The company introduced new products. . . " |

I hope these writing tips are helpful to you, both in this class and in the future. You will receive specific feedback on your writing in this course and elsewhere in the program, but you should also feel free to talk with me or the facilitator about these or any other communications issues in which you are interested.