



# HARVARD MANAGEMENT COMMUNICATION LETTER

A NEWSLETTER FROM  
HARVARD BUSINESS SCHOOL PUBLISHING

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THIS  
ISSUE

## *A Nine-Step Guide to Fast, Effective Business Writing*

*How to write clear, precise, take-action  
prose when you're short on time*

4

## *Mapping the Frontiers of E-mail Marketing*

6

## *Zeroing in on What Customers Really Want*

*Research on motivation shows how  
to communicate better through  
sales presentations*

9

*From the Editor's Desk* ➤ 11

*Quick Research Takes* ➤ 12

# The Right Frame: Managing Meaning and Making Proposals

*The key is understanding your audience's  
mental models and psychology.*

YOU ARE INTENT ON persuading senior management to let your division buy a small business with complementary products. You think capturing these products and their brand name is critical to the division's future growth. However, the purchase will involve either a significant cash outlay or a lot more debt, just when the company is expanding in other directions as well. You're convinced the acquisition would be wise. How can you maximize the chances of a "yes" from management? Should your presentation frame the decision as a "risk worth taking" or an "opportunity we can't afford to miss"?

The fact is, how you frame the proposal will have a big effect on what happens to it. Why so? Because framing affects the way we understand the proposal. "Just like a photographer, when we select a frame...we choose which aspect or portion of the subject we will focus on and which we will exclude," observe Gail T. Fairhurst and Robert A. Sarr in *The Art of Framing: Managing the Language of Leadership*. "When we choose to highlight some aspect, we make it more noticeable, more meaningful and more memorable." The

authors further note that framing "adds color or accentuates the subject.... Frames determine whether people notice problems, how they understand and remember problems, and how they evaluate and act on them." Frames either focus or obscure; they have the power both to influence and to distort.

How can you capture the power of framing when making a proposal or launching a corporate change initiative?

## *Effective framing taps in to mental models*

We each carry mental models of how to behave under various conditions, and framing may determine the mental model we decide to follow. Say a bank officer faces demands to redress the impact of the bank's lending policies on local community groups. He could frame the demands to the board of directors as a "shakedown," thereby invoking a mental model that resists "knuckling under to pressure." But if he framed it as a business problem—the need to earn the good will of the com-

*continued on page 2*

munity—the board might be persuaded to fund some programs. If he framed the bank's circumstances as "wrestling with a 500-pound gorilla," the board would probably do whatever it would take to get the gorilla off its back, and quickly.

Here's another example. Imagine that you are a VP of a small engineering firm negotiating with a large general contractor regarding cost overruns. He's intent on discussing every dime. Instead, you might refer to the larger frame—the multimillion-dollar magnitude of the overall project—and note the savings your work generated in other areas. Or, you might mention his company's size (in comparison to yours) as a reason that it doesn't make sense for him to "sweat the small stuff."

### Metaphors are powerful; use them with care

As illustrated by the 500-pound gorilla, metaphor helps us understand and experience one thing in terms of another and leads us to apply the rules and values it suggests. A CEO proposing a joint venture may frame the opportunity by using the metaphor of "a train leaving the station." To fail to jump on board is to be left behind. A manager opposing the venture may frame it as "hopping on the bandwagon," highlighting the foolishness of joining without the benefit of careful analysis. In each case, the metaphor pushes us to focus on a different aspect of the issue at hand.

Using metaphor to frame a management plan can help achieve implementation. When the manager of a power plant explained the three elements of his public affairs program during an environmental cleanup effort, he compared the program to a "three-legged stool." This metaphor dramatized the need for all three legs to support the public's perception. The metaphor is powerful because of its "entailments"—the relationships and concepts it evokes, which are analogous and persuasive.

However, a metaphor's entailments can be dangerous. Fairhurst and Sarr describe how a company president's speech to employees backfired because of conflicting and negative entailments. The president first used the metaphor of the company as family. But, when he went on to introduce some change initiatives, he referred to the "train leaving.... You had better not be the last ones on the train or you will find your seat taken." The entailments of abandonment and threats made the family metaphor ridiculous. Don't mix your metaphors when the stakes are high.

### Use psychology to frame your proposals better

People are psychologically hardwired to prefer or avoid certain choices, say psychologists Daniel Kahneman and Amos Tversky, who described a model of rational decision making—prospect theory—that maps the value of the various outcomes as a function of gains and losses. Their research demonstrated that positive and negative framing has a significant effect on how people make decisions. If you frame a proposal to exploit this psychological hardwiring, you are more likely to elicit the response you seek (*see box, p. 3*).

To encourage acceptance of a compromise proposal, for example, avoid framing it as "[only so much] less than your original demand." Instead, frame it positively, as "[so much] more than the initial offer," and as "funds that would be yours now." Making the proposal tangible strengthens the strategy: you might bring a check and a draft compromise agreement. In this way, the deal becomes tangible—the certain gain—and to reject it is to lose what was literally "on the table."

### Frame with risk preferences and aversions in mind

Kahneman and Tversky's research shows that people would rather risk potentially larger future losses than face certain losses now. This preference

*continued on page 3*

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Harvard Management Communication Letter presents expert insights, real-world experience, and practical applications of the latest research for managers and organizations who want to improve their persuasive power and convey important information effectively. The newsletter regularly covers written communications, meetings, electronic and other high-tech channels, presentations, public relations and the media, and specific communications issues in the life of an organization.

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comes into play when you negotiate to settle a legal business dispute. Even if a defendant understands that he faces the risk of a large verdict against him, he may find it more difficult to settle and pay now. Similarly, a plaintiff may take a smaller settlement because he doesn't want to risk losing what is on the table.

### **Encourage joint risk taking by negative framing**

Negative framing can be very effective, too, under the right circumstances. Say your division wants a special allocation of marketing funds for a new product. Sales so far have been disappointing because of some glitches in the product (now corrected) and misjudgment of the target market. You might frame the proposal to the marketing manager by saying: "To pull the plug now would be to write off all the marketing effort that has gone into this so far. Without your help, the product will be a dismal failure." This frame also plays upon the common psychological tendencies to commit and to avoid regret. People hold positive illusions about the quality of their decisions. If the marketing manager refuses the allocation, she may face regret over the initial marketing strategy and resource allocation. Agreeing to a second try allows her to avoid regret as she takes a risk with your product.

### **To win approval of a change proposal, de-emphasize commitment and responsibility**

Research has shown that people often remain committed to a course of action long after evidence or changed circumstances makes it unwise, particularly if they were largely responsible for that original course. For example, experienced mountain climbers can get trapped by decisions to scale the summit, and thus fail to turn back in dangerous weather. A sizable business investment becomes a sunk cost and too often drives managers to throw good money after bad. The more directly responsible the manager is for the origi-

nal investment decision, the more difficult it will be for him to retreat.

How can you change this kind of thinking? Say you are championing a proposal to radically change your division's marketing approach. You can override the commitment to the current marketing plan by framing the decision as an entirely new one. Emphasize recent demographic changes, newer user profiles, and the changes in the ways consumers obtain information: "We have an opportunity here to reach the Gen X market—we need to set up a highly interactive Web site to reel them in." Create face-saving distance between the decisionmakers and the past, to make it less painful for them to accept change.

### **Frame to exploit or undermine endowment**

Ownership changes the way we value things. Once we feel ownership, we

often put a higher value on an item than we would be willing to pay for it. Stanford University psychologists describe a series of experiments in which subjects given a mug valued it at a much higher average price than did those given money and permission to buy the mug, or those allowed to choose between the mug or money. Most people selling a house or a business will experience a much deeper sense of this kind of endowment.

How can you frame to avoid or exploit this effect? Experienced salespeople seek to create endowment, referring to whatever they are selling as "yours." When purchasing from a longtime owner, however, the endowment effect can be an obstacle. The buyer might frame his proposal not as "selling the home you've lived in all your life," but rather as "offering the opportunity to achieve your retirement objectives."

*continued on page 4*

## **How to clinch the deal using a positive frame**

Let's say a popular apparel company is trying to sign an exclusive contract with an Olympic gold medalist. Each side of the negotiation will be affected by the way the questions are framed. The athlete may think, What could I lose by signing this exclusivity deal? What could I gain by joining this venture as an exclusive agent? The apparel company's management may be thinking, What will we gain by capturing this sports hero? What can the business lose by tying up capital and linking its marketing efforts to the uncertainties of athletic competition?

A negotiation experiment by Max Bazerman, visiting professor at Harvard Business School, and Margaret Neale of the Stanford Graduate School of Business illustrates the impact of positive or negative framing—framing as gain or loss—on negotiation decisions. When they *positively* framed the goal of a collective bargaining experiment as achieving a *gain*—telling negotiators that any agreement better than the current contract represented gain to their constituents—more negotiators reached agreements and viewed the outcomes as fair.

In contrast, when a negative frame was used—telling negotiators that any concessions made from the initial offers represented losses to their constituents—fewer negotiators made concessions or reached agreements, and they were less likely to view the outcomes as fair. In a similar business-contract negotiation experiment, framing the goal as maximizing profits or minimizing expenses yielded parallel results. Thus, the apparel company should frame the deal with the athlete as a positive opportunity for growth with the brand. And the athlete should stress the positive ways in which the sports connection will broaden the company's reach and appeal.

Skilled negotiators try to create parallel endowment in the negotiation process itself, so that completion of the deal becomes another source of value.

### One sum—or multiple parts?

Research indicates that people value a series of small gains more than a single gain of the same amount. However, people are less upset by one large loss than by an identical loss suffered in multiple parts. When framing a proposal to a buyer, a seller-negotiator might describe the merits of each package component separately, but speak of the total cost: “When you hire our computer consulting firm, you’ll get all the necessary cabling, a fully networked system, and 25 hours of tech support for one low price.” However, when framing the same deal proposal to the seller, a buyer-negotiator might state separately the price for each component: “We’ll pay you X amount for the cabling, Y amount for the system, and Z amount for the support.”

Framing is the active management of meaning, which affects your listeners’ understanding of and reaction to the intended message. Business managers are well advised to frame messages strategically, mindful of the potential force of metaphor and human psychology.

— MARJORIE CORMAN AARON

#### Further Reading:

*The Art of Framing: Managing the Language of Leadership* by Gail T. Fairhurst and Robert A. Sarr (1996, Jossey-Bass, Inc., 203 pp., \$25.90, Tel. 800-956-7739 or 413-433-1767)

*Judgment in Managerial Decision Making* by Max H. Bazerman (1998, John Wiley & Sons, Inc., 208 pp., \$39.00, Tel. 800-225-5945 or 212-850-6000)

*Metaphors We Live By* by George Lakoff and Mark Johnson (1983, University of Chicago Press, 242 pp., \$12.95, Tel. 773-568-1550)

*Negotiating Rationally* by Max H. Bazerman and Margaret A. Neale (1993, The Free Press, 196 pp., \$16.95, Tel. 800-223-2336 or 212-698-7000)

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# A Nine-Step Guide to Fast, Effective Business Writing

*How to write clear, precise, take-action prose when you're short on time.*

YOU’RE FACING A PUBLIC relations disaster. A competitor is making wild charges against your firm, raising questions in the minds of your customers and demoralizing your employees. You’ve got to fight back. Quickly. You need to create a document that covers all the bases and provides guidance on how the crisis should be handled. You can’t afford to waste time with writer’s block, analysis paralysis, or anything else. Time is of the essence; every lost moment means more lost customers. But you don’t want to leave out important points, use the wrong tone, or compound the problems because of poor communication. Here’s a quick nine-point guide to fast, effective writing:

### Identify your audience

Getting the job done quickly is easier if you take just a few moments to prepare before you start writing. The first question to ask yourself is: “Exactly who will read this?” The answer determines the appropriate level of detail or background needed to get key points across. Documents addressed to engineers, for example, require a different level of technical specification than those intended for salespeople, customers, or partners. Use language, concepts, and terms that are familiar to your target audience.

### Quickly jot down your key points

Ask yourself, “What exactly do I want to say?” Make a list of the reasons you are composing the document, such as to correct misconceptions, justify certain actions, or establish new policies or procedures. Identify each point you wish to convey, including your motivation for

drafting the document. Don’t get bogged down during this process; try to do it in 10 minutes or less. If you are establishing a new policy for handling customer complaints, for example, list the reasons the previous policy did not work. The recipients of your document are more likely to respond the way you want them to if they understand why you are making certain recommendations, observations, or requests.

### Identify your desired outcome

Decide if your document is for informational purposes only or if you want people to respond by taking specific actions. In the latter case, list every action you want your readers to take. Be specific. If you want to generate appropriate responses, you must first have a clear idea of what constitutes an appropriate response. If no actions are required, be prepared to say so directly (“This document is FYI, no action required.”).

### Choose a self-explanatory title

Don’t worry about coming up with an elaborate or witty title for your document. Doing so wastes time, usually with little payoff. Instead, be direct and to the point. State the purpose of the document in the title. Make sure the title is as precise and detailed as possible. “Fixing Our Factory” is much less descriptive than “Fixing Our New Jersey Factory by August 8, 1999.” The more detail you squeeze into the title of your document, the better. But don’t go overboard. If your document contains multiple points, try something like “Five Things We Must Do to Improve Customer Service.”

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