



## *Farberware Products of America*

### TEACHING NOTE

#### Purpose of Case Study

1. To encourage students to think about the role of clear writing in achieving the strategic business goals of an organization.
2. To enhance understanding of the difference between internal documents (memos) and external documents (letters).
3. To focus student attention on the mechanics of clear, concise writing that accomplishes the goals of the writer and serves the information needs of the reader.

#### Identify the Business Problem

The business problem here is fairly simple: how to deal with an angry customer. When confronted with an irate customer, a business's primary goal is to ascertain the root of the problem and find a solution that will satisfy the customer.

#### Forecast the Most Desirable Outcome

The most desirable outcome would be for Farberware to satisfy this customer with its actions. By addressing the issue in a way that appeals to the customer, Farberware can avoid possible negative publicity surrounding this case.

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This teaching note was prepared by Cynthia Maciejczyk under the direction of James O'Rourke, Concurrent Associate Professor of Management, as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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### **Identify the Critical Issues**

These are the main issues involved in this case:

- Handling an irate customer;
- Possible product liability lawsuit;
- Damage to Farberware's image as a producer of quality goods;
- Determining what went wrong with this particular grill.

Stakeholder perspectives include:

- Mr. MacGregor;
- Director of Customer Service;
- Farberware management;
- Farberware employees.

### **Identify and Discuss Possible Solutions to the Problem**

Solutions may include, but are not limited to, the following:

1. Offer Mr. MacGregor an apology and replacement grill. Offer to pay for any medical expenses.
2. Review the production process to ensure the grill has no inherent safety issues.
3. Confer with the Farberware's legal department to ascertain possible liability.
4. Evaluate distributor agreements to make it easier for customers to return defective products.

### **Explain How to Communicate the Solution**

This case calls for the Director of Customer Service to correspond directly with a customer. The solution requires a sincere message to Mr. MacGregor offering an apology and a possible explanation for the malfunctioning of the grill. The most effective mode of communication would be a letter addressed to Mr. MacGregor. Students should pay particular

attention to the tone of the letter. As representatives of Farberware, they do not want to risk offending Mr. MacGregor further with a poorly worded letter. Because they are persuading Mr. MacGregor to accept their explanation and apology, they may wish to consider an indirect approach to delivering their message.

The communication strategy memo calls for the students to provide a detailed description of how they plan to handle the case. Their memos should take into account all those who will be involved in the plan and those who have a need to know. Ask the students to focus on who the memo should be addressed to: their immediate boss (VP for sales and marketing) or the president of the company (to whom the original letter was addressed). If there are action items involved, who should carry out the actions and when (legal department, testing or production department, distribution department, etc.)? A good memo is brief, to the point, and leaves the reader(s) with no lingering questions.

### **Teaching the Case**

#### **At the beginning of class**

Because this case does not involve complex facts or events, you can distribute the case at the beginning of the class period in which it will be discussed. Give the students 10 minutes to read the case and ask them to think about the issues described above.

#### **For the remainder of the class**

Spend the next 5-10 minutes of the class session briefly recapping the facts of the case. Then, for the next 20 minutes, have the students identify the issues.

Some points for student consideration may include:

*How valuable is a single customer to an organization?* Have students think about the value of customers to an organization. This may lead to a discussion of the company's core values. Does the company truly value its customers or just pay lip service to the concept.

*Can an angry customer damage the reputation of a large company?* Have students consider "worst-case" scenarios regarding irate customers. Could this customer potentially go to the local or national media, or file and publicize a lawsuit against the company?

*What, exactly, went wrong with the grill?* That something malfunctioned is not in question. It is possible, however, that the problem was due to human error. Perhaps the strategy should call for an analysis of the returned grill and a review of the manufacturing and testing procedures.

*Who should be the primary recipient of the strategy memo?* If the original letter was addressed to the president of Farberware, should the director of customer service send a memo directly to the president, thus bypassing his immediate superior? What about other possible recipients.

*What groups within the company need to be involved in the strategy for dealing with the situation?* Ask students to think about who should be involved in dealing with this situation. Should the letter to the customer be from the director of customer service or from the president of the company? What departments should be notified of this problem?

Next, identify the stakeholders in this case and their separate interests and concerns:

*Mr. MacGregor.* His interest in this situation is to vent his anger and possibly to elicit a response to his letter. Perhaps he is concerned for the safety of other customers. When writing a response to him, the writer should consider Mr. MacGregor's feelings (anger as expressed in his letter) and use a strategy that will hopefully diffuse his anger so that he may be willing to try another grill or at the very least recognize that this was an isolated incident.

*Director of Customer Service.* As the person in charge of this case, the director of customer service has to handle the situation thoroughly and well. His/her superiors and others in the company will certainly take note of how the situation is handled. There may or may not be procedures in place for handling complaints of this kind. If there are none in place, perhaps this is the opportunity to suggest their development.

*Farberware management.* Management's interest is in providing a quality product to its customers. They will be watching to see how the director of customer service handles this complaint and the issues involved.

*Farberware employees.* This group has a stake in this situation because the reputation of their company is on the line. Perhaps their work will be called into question. Students can assume that most individuals take pride in their work and the employees will want the customer satisfied.

### **Last 5 minutes of class**

Conclude the discussion.

The key to this case, as with nearly all other management communication cases, is to let the students speak freely, but guide their comments toward the situation facing the company and the communication issues the case presents.