

**Date:** [Insert Date]

**To:** [Recipient Name/Institution Name]

**From:** [Your Name/Company Name]

**Subject:** Explanation of Declining Business Revenue

Dear [Recipient Name],

I am writing this letter to provide a formal explanation regarding the recent decline in revenue for [Company Name], as reflected in our financial statements for the period of [Start Date] to [End Date].

The primary reasons for this downward trend include:

- [Reason 1: e.g., Market saturation or increased competition]
- [Reason 2: e.g., Seasonal fluctuations or industry-wide downturn]
- [Reason 3: e.g., Temporary supply chain disruptions or operational changes]

We have already begun implementing a strategic recovery plan to address these challenges. Our current actions include:

- [Action 1: e.g., Reducing overhead costs]
- [Action 2: e.g., Launching a new marketing campaign]
- [Action 3: e.g., Diversifying our product/service line]

Based on these adjustments, we project a stabilization of revenue by [Expected Date] and a return to growth in the following quarter. We remain committed to our long-term financial obligations and appreciate your continued support.

Please let me know if you require any further documentation or a more detailed breakdown of our financial projections.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Position]