



10 Steps for Writing Successful Proposals

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Writing Successful Proposals

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Writing Successful Proposals

Introduction

Definition

(Wikipedia)

“A business proposal is a requirement in sales. Clients sometimes issue a Request for Proposal, commonly referred to as an RFP, from which a proposal must be written. Or, after needs identification, the salesperson will create a proposal that attempts to fill the needs as expressed by the buyer.

A properly accomplished proposal will educate the prospective client about the full nature of his or her need. Often, a prospective client may be aware of only a portion of the need they expressed during needs identification. Hopefully, the proposal persuades the prospect your solution has the ability deliver what he or she needs, better than he or she can him/herself. The proposal should also provide justification, timelines, and investment figures for the entire portion of prospect's commitment during the duration intended and in terms that are useful and understandable to the client.

Responses to RFPs require both adherence to the guidelines and requirements of the RFP, and a complete explanation of why and how the customer will benefit by awarding the contract to the selling company.”

What that means is that a proposal is a **marketing document**. While the structure or format of the document may be different depending upon the overall strategy, *to be successful* a proposal must contain those elements that will lead your client to buy your products and/or services.

To do that, the proposal must answer certain questions and contain 4 critical marketing elements. The questions are:

1. Do I understand the client's problem or need?
2. Do I have a viable or reasonable and workable resolution to the problem or need?
3. Is the cost or price of the work to be done within the client's budget?
4. Can I complete the work within the timeframe required by the client?

The four critical marketing elements are:

1. Give the client a **picture**.
2. Give the client a **promise**.
3. Give **proof** (establish credibility).
4. **Push** the client to buy.



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The Questions

The importance of the four questions of problem understanding, problem solution, price and timeframe will be dependent upon the specific type of proposal and the criteria of the client.

Some clients, especially government agencies, will describe the criteria and their scoring for all required details within the proposal. Sometimes the client will also demand a specific ordering of all proposal components or give you a table of contents. This makes it easier for the client to compare one proposal against another.

Problem Understanding

It should be a given that understanding the client problem is critical to a successful proposal. If you do not understand the problem that the client is facing, how can you develop a reasonable and workable solution to the problem? That appears obvious.

In those cases in which you have discussed the client problem in detail directly with him, you can prepare a statement of understanding. However, for those proposals based on a formal Request for Proposal (i.e., an RFP), the problem understanding *cannot* be a rewrite of the Problem Statement as written in the RFP. Unfortunately, in many responses to an RFP, that is exactly what is done; the writer does not perform any *due diligence* or *root cause analysis* of the client's problem. Spending some time analyzing the root causes of the client's problems will pay big dividends towards preparing a successful proposal. I should not have to mention that this analysis will assist you in coming up with a better resolution to the problem. Sometimes (many times) you will find that the client has not analyzed the root causes of their problems themselves.

Problem Solution

This section could be easy to prepare or provide an interesting challenge, depending upon the degree of complexity and the amount of control that you have in the running of the project. Typically, a proposal will be *staff augmentation* (little control) or *fixed price/fixed responsibility* (more control).

Staff Augmentation

In a **staff augmentation** proposal the solution is to provide one or more individuals who will work on specific tasks as required by the client. This could be short term or long term, parttime or fulltime engagements. What you need to do is to match an individual with the appropriate skills against the requirements of the client. If you do not have access to an individual with the appropriate skills (either on staff or under contract), then you would probably not bid on the work. The client will have most of the control over the work performed by the individuals.

Since the work that the individual(s) will perform may change, all you need to do is to ensure that the individuals have the required skills.



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Fixed Price/Fixed Responsibility

A **fixed price** proposal means that you are giving the client a set cost for doing the proposal work. If the work costs you more than you estimate, then that is your problem; but you are obligated legally by contract to complete the work as described. If you find that you can complete the required work for less than you estimate, then you have increased your profit.

Fixed responsibility incorporates projects where you take responsibility for completing all the work with your project team, delivering all required project products and services while meeting the agreed upon timeframes. These types of projects can include *fixed price* projects, but also include *time and materials* projects. For the latter projects the client will pay you all time and materials costs at a rate that is part of the overall costing described in the proposal. Typically, a *time and materials* project is audited more closely than a *fixed price* project, but that depends upon the client.

In *fixed responsibility* projects you will usually have control over the project and the project team members. This means that you must understand the client's problem before you estimate the price and/or the rate that you will quote in the proposal.

Pricing

For a *fixed price* proposal you will quote a total price for performing the work. In some cases, the client may want to know how the price was calculated. Perhaps it is by varying levels of skills or expertise, or by project phase, or a breakdown by payment (weekly, monthly, or by accepted deliverable).

For a *staff augmentation* or a *time and materials* project, the client will probably want a rate depending upon skill/expertise level.

Timeframe

This is the duration of the project. Variables affecting the timeframe include the complexity of developing and implementing the solution, the number of project team members assigned, the availability of client staff (especially the client Subject Matter Experts or SMEs), and other considerations, such as regulatory or legislative deadlines.



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The Marketing Elements

I listed above the four critical marketing elements in writing a successful proposal. They are:

1. Give the client a *picture*.
2. Give the client a *promise*.
3. Give *proof* (establish credibility).
4. *Push* the client to buy.

None of these elements are new. They are used in any successful marketing campaign, including marketing letters, commercials, travel writing, sales presentation, and so on. But they are lacking in most proposals, even those reviewed by sales departments. I don't know why this is, but if you want your proposal to stand out, include these elements.

Picture

This does not necessarily mean that you must include fancy graphics, spreadsheets, etc. Everyone has heard that “a picture is worth a thousand words.” However, you must ensure that every graphic, every spreadsheet, every fancy picture adds value to the proposal.

You must also remember that the proper words and the proper use of words also provide a picture to the reader. Use short sentences; use simple words. Do not try to show how educated, sophisticated and sesquipedalian you are. You will quickly lose the reader. What you need to do is to give a verbal or graphical picture to the reader that you understand his problem and that you have a reasonable, workable, and cost-effective means of solving that problem. Use the KISS¹ principle in your writing. The usual business reader reads at a Grade 6 level...or less!

Promise

The **promise** is actually your solution to your client's problem. The best marketing truism is...*Under promise, over deliver!* This can put you in a quandary because you do not want to “under promise” by too much; otherwise your competitor, who promises more, will win the work. This is where you must know your competition and what they can and cannot deliver.

DO NOT promise what you know you cannot deliver! And remember that part of your promise is the team structure and members, the price and the timeframe for doing the work.

¹ For those of you who do not know what the KISS principle is...*Keep It Simple Stupid*. In other words, “Writing for Dummies.”



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Proof

The **proof** is your credibility. It shows your capability of successfully completing similar projects, the quality of your staff, your business integrity and ethics, and so on. You may need to provide references. But part of the proof is the quality of your proposal and associated documents (e.g., presentations and resumes).

Make certain that you have completed a detailed evaluation of the proposal before submitting it, with grammar checks, readability checks, spelling checks, calculation checks, and so on. I have many times found simple arithmetic errors in calculations while evaluating proposals. There is absolutely no excuse for any errors like that in a proposal. And it is a reflection of your own internal quality management that could adversely affect the success of your proposal.

Push

The **push** is simply a means of pushing the client to buy. How difficult is it to close the proposal with a list of the “Next Steps.” This is often omitted during presentations too. This is a means of telling the client that you are ready to proceed and here are the things that they should be doing so that his problem can be resolved quickly.



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The Structure

The structure is the most difficult part of proposal writing to discuss. The reason for that is that every proposal and every client is different. Some clients devise their own structure that they demand of all respondents. This will, of course, make it easier for them to evaluate proposals from different companies.

However, in general, there are certain topics that will be covered, primarily in answer to the questions of problem understanding, problem resolution, pricing and timeframe.

The Executive Summary

The **Executive Summary** is not always necessary. However, there are a number of reasons why one should be included:

- It is demanded by the client
- The body of the proposal is more than 10 pages in length
- The proposal will be reviewed by different levels of management, some of whom will not understand in detail the technical aspects of the problem or the solution

The rule of thumb is that there should be 1 page of Executive Summary for every 10 pages of the body of the proposal. And, *very importantly*, do NOT (I repeat, do NOT) copy paragraphs from the body of the report and think that they make an Executive Summary. Typically, the Executive Summary is read by...executives. That means that the Executive Summary should be written for the executives. Sounds obvious, but not often done.

Write for your audience. The Executive Summary is written for executives; the body of the report for managers, and the appendices are written for the technical people. That does not mean that the executives will not read the body of the report, or that the managers will not read the Executive Summary. But if you keep the audiences separate in your own mind while writing the proposal then the different sections of the proposal will be directed to the people who will best understand what you are saying.

Understand the Problem

In this section you begin drawing the picture for the client. You describe the client's problem. This includes information that you have gathered that expands the problem from the initial statement in the RFP or the initial discussions. You describe the impact of the problem on the client's business. The impact could be current or future.

Resolve the Problem

This section gives the promise. The focus must be on **benefits**. You describe the benefits in detail and then highlight the features of the solution. Remember that the benefits have an emotional appeal...and emotion is what sells. Beer and automobile commercials are both very good at this.



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A comparison amongst different alternatives is usually a good idea. Only describe the alternatives briefly, not in great detail. This section shows that you have thought the situation through and have looked at a number of different solutions. This helps with your credibility.

Give a Price

Giving a competitive price can be difficult. Usually you will not give a “loss leader” price. In other words, you do not want to give a price that will not give you a reasonable profit. After all, without a profit you will not stay in business very long. In addition, if you begin with a low price then the client (and possibly other clients) will want a similar price structure for future projects.

The primary thing is to try to find out what the budget of the client is, estimate what your competitors will bid, and then evaluate your bid based on the value you will provide to the client. And you should be able to provide a rate structure to the client if he wants it.

In addition, you must provide all assumptions and constraints that went into the price estimation. This will reduce any disagreements later on during the project itself. Only those items in the assumptions or constraints will place limitations on the contract.

Show your Credibility

In this section you show the client that you have the requisite skills and experience to complete the work on time, within budget, with the agreed upon performance criteria. To show credibility, you can do the following:

- Provide a reasonable, workable solution to the client’s problem
- Give references from other clients in the same industry, or where you completed a similar project
- Show specific examples of similar projects. In this case, do not use a “buckshot” approach. Ensure that your examples are similar projects. This section does not need to be in great detail; usually a brief summary of each project example is sufficient.

If you can supply 2 of the 3 bullets above, that should be all that is necessary.

Appendices

The Appendices may or may not be included, depending upon the amount of detail that is necessary for the proposal. If Appendices are included, ensure that they are in order that they are cited in the body of the report, or some other order that is appropriate to the proposal. Do not put them in random order; that will be viewed as unprofessional.

Appendices are the detail of the proposal. They are used to reduce confusion during the review of the body of the proposal. For example, if you need a specific methodology or approach for your solution, you would summarize it in the body (showing the benefits of its use) and then describe it in detail in an Appendix. You may also include a Glossary of Terms, or detailed calculations of project effort, as Appendices.



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Transmittal Letter

The Transmittal Letter, or Proposal Cover Letter, is a very important marketing tool. I have seen many letters (when they have been included) that say only, "Here is our proposal. Hope you like reading it."

This letter sets the stage and expectations for the proposal. It describes your unique selling proposition; the reason why the client should chose you. A well-written letter may not win you the work, but a poorly written one will bias the reviewers against your bid.

Keep the letter to 1 page and have it signed by a senior official of your company. That shows that your company is serious enough about the bid to involve senior management. Do not summarize the bid in the letter; it is only to set expectations.



Writing Successful Proposals

10 Step Plan

Step 1. Problem Understanding

1. Ensure that you understand the client's problem.
2. Take the time to analyze the root cause(s) of the problem. Perhaps there is a deeper level problem that needs to be resolved before or at the same time as the one the client specifies.
3. Summarize the problem so that the client knows that you understand his problem.

Step 2. Problem Solution

1. Develop a reasonable and workable solution to the problem. It could be as simple as assigning staff with the appropriate skills and experience. Or you could need to develop a modified or new product/service for the client.
2. Whatever your solution is, make certain that it addresses the needs of the client and that it will resolve the problem that the client wants fixed.
3. Describe it in such a way that the client will understand what he is receiving, how it will resolve his problem and, very importantly, what benefits he will see from the solution and the estimated timeframe in which he will receive those benefits.

Step 3. Pricing

1. Provide a competitive price for completing the work as stated in the proposal. This could be a **fixed price** or a **time and materials** rate. If you do not have total control over the work, do not give a *fixed price* bid.
2. Try to estimate the bid that your competitors will tender.
3. Be able to justify your price estimate.
4. Ensure that you include detailed assumptions for your estimate.

Step 4. Timeframe

1. Evaluate the variables affecting the timeframe:
 - a. The complexity of developing and implementing the solution
 - b. The number of project team members assigned
 - c. The availability of client staff (especially the client subject matter experts)
 - d. Other considerations, such as regulatory or legislative deadlines.
2. Estimate the amount of effort required and the duration for the work.
3. Develop a high level schedule. If you do not know the actual start date, then use such terms as ***week 1, week 2,***



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Step 5. Picture

1. Review the statement of the problem understanding to ensure that:
 - a. It gives a good picture to the client of his problem
 - b. It shows that you understand his need.

Step 6. Promise

1. Review the solution to ensure that it gives a good picture of the benefits that the client will receive and how the solution will satisfy his need.
2. Ensure that the solution is reasonable and workable.
3. Provide a competitive rate structure or fixed price bid.
4. Provide a high level schedule that shows how the various work components fit together and when the client will receive the work deliverables.

Step 7. Proof

1. Review the references that you have used to make certain that each is appropriate to this work (avoid the buckshot approach, in which you supply any and all references, whether they are similar in nature to this work or not).
2. Show how each reference is similar in scope or size or work activities to the current need.
3. If you are using personal references, ensure that you:
 - a. Have the most recent contact information for the reference
 - b. Have the approval of the reference
 - c. Know what the reference will say about you and your company.

Step 8. Push

1. Ask the client to do something. At its simplest, this is a list of *Next Steps* to be taken by the client, and sometimes you, to finalize the sale and begin the work.
2. You may end a proposal presentation with the question, “When do we begin?”
3. Find a way to get the client to make a decision in your favor.

Step 9. Proposal Structure

1. Develop the structure for the proposal and, if necessary, the proposal presentation.
2. The proposal will have an Executive Summary (sometimes no Executive Summary is required), report body and Appendices (if more detailed information is required).
3. Each is written for different audiences, so know your audiences.
4. If the client demands a certain structure for the proposal, use it.
5. Ensure that the proposal looks professional in all details:



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- a. Use spell checker
 - b. Use simple words and sentences
 - c. Use active verbs and descriptive adjectives and nouns
 - d. Ensure that each section, each paragraph, and each sentence says what you mean
 - e. If 2 words will suffice, do not use 3.
6. Always include a Transmittal (Cover) Letter with your proposal that sets the client's expectations and your unique selling proposition.

Step 10. It's a Marketing Document

1. Do not ever forget that your proposal is a marketing document. It represents you and your company.
2. The end result that you want from the proposal is a sale of your products or services.
3. Present yourself in a professional manner, deliver the proposal before any identified deadlines, and understand your clients and your competitors.
4. Above all, have fun. Fun people and companies are more pleasant to work with and they also tend to be more successful.