

How to Write Effective Proposals

by Nick Wreden

"Send me a proposal."

Those four words spark hope and dread in everyone who's in sales.

On the one hand, you've made the short list for new revenue. On the other, a proposal can also consume a tremendous amount of resources with potentially nothing to show for the effort but a form rejection letter.

Companies devote tremendous resources toward generating leads, then fail to invest the time and effort required to close the "last mile" between prospect and contract. Failure often results from an inability to deliver an effective proposal.

That's a shame. Proposals can be your best branding and sales tool. But too often they are a boilerplate mishmash stitched together seconds before the FedEx pickup.

Companies make the same mistake in proposals that they make in their branding campaigns. The issue is not about you and your capabilities; it's about a solution for the prospect that reflects an understanding of its business issues.

Just as important, it's the start of a relationship and its ultimate success may well depend on what is said in the proposal. Successful proposals require both effectively communicating prospect understanding and following a process that ensures accountability and performance—well before FedEx is on the doorstep.

The seeds of failure are often planted before the proposal is generated. Many proposals are written with the attitude and perspective of a cocky fourth-grader with his hand in the air yelling, "Pick me! Pick me!"

The proposal focuses on all the glowing reasons why the firm should be picked—but that's not what the prospect is looking for.

While companies think proposals are a fast track to selection, prospects view it as a road to rejection. When prospects review a stack of proposals, all making indistinguishable and unprovable claims about "success," "commitment" and "satisfaction," they first look for reasons to disqualify proposals.

Didn't follow the RFP (request for proposal) guidelines? Trash. Too long? Life's too short. Full of boilerplate? Next!

To avoid being sidelined, put yourself in the prospect's shoes as soon as work starts on the proposal. Essentially, all successful proposals fall into two camps. Either they create an opportunity or they solve a problem more easily or cheaply than prospects could themselves.

The entire proposal should be conceived, written and presented as if a member of the prospect's staff were making a case to senior management. This eliminates the most common amateur mistake—beginning a proposal with a recap of personal/corporate capabilities or history. (An easy test: Compare the number of times "we" and "you" are used. If "we" outnumbers "you," be sure to make a plea for recycling in the cover letter.)

The proposal process often starts with an RFP. Read it carefully, not once, but twice or even thrice. Then follow its guidance carefully, down to the font, margin and binding requirements.

Pay particular attention to the order of the requirements. Prospects use this order to speed development of a matrix that compares offerings and capabilities side by side.

In fact, a useful tip is to develop a response matrix illustrating prospect requirements, your own capabilities/solutions, a proposal page reference and space for a check-off or comments.

If no RFP is available, call for additional information or requirements. Be wary of prospects who won't provide such data; it's probably a harbinger of a troubled relationship even if the contract is awarded.

Spend as much time in research, planning and analysis as you do writing the proposal. Be sure to include a go/no-go decision. Generating a proposal can cost tens of thousands of dollars, and sometimes the outcome or prospect is not worth the effort.

The planning should include budgets (proposal development should never exceed 3% of the potential win), responsibilities and timetables. Several vendors offer hosted solutions or software that facilitates information collection, speeds reviews and workflows and tracks revisions. These “virtual proposal” offerings are best suited for high-volume proposal generation where the bid is likely to be won or lost on price.

Despite all the work spent on a proposal, it’s likely that only three elements will be read initially: cover letter, executive summary and pricing.

- Use the cover letter to discuss the relationship and ask for the work.
- The executive summary is its own art form. It is neither an introduction, nor a conclusion, but a precise recap of the proposal, including pricing.
- Be up front with the pricing, but be sure to spell out what the price delivers.

Sometimes it helps to divide a project into phases, with future payment dependent on previous performance.

Other tips:

- **Write simply:** It’s said that one reason Ulysses Grant won the U.S. Civil War was because he wrote, rewrote and revised his battle instructions until there was no chance they could be misunderstood by his field commanders. Write on a 10th-grade level, and aim for the same clarity in your proposals. Banish phrases such as “uniquely qualified,” which mean little to the prospect. Write useful headings and subheads that communicate to those who scan. Use pictures and charts to illustrate key points, and push extraneous material (i.e., corporate histories) to the appendix.
- **Customize and personalize:** Boilerplate sticks out like spam. Customization should extend to client references, team resumes and even your history. Avoid generalizations such as “our team is dedicated to your success.” Better: “You will receive a speaking opportunity at trade show XYZ and a minimum 10% increase in customer retention.” Provide relevant details: “A 50-page instructional manual with an online complement” packs more punch than “education and training.”
- **Conduct a post-mortem:** Win or lose, find out why. Win reviews can help clarify client expectations and propel future wins. Loss reviews identify missteps and potentially open the door to a future relationship. Be sure to ask specific questions. “Did we miss a target market?” is better than “why did we lose?”

In the long run, success rates will increase significantly if there is a process behind proposal generation. Although debate continues about whether proposals should be generated inside or outside the sales department, 60% of the responsibilities should center around proposal development and submission, 20% to a proposal “library” for research and generation, 10% to pipeline and proposal tracking, and 10% to analysis, including post-mortems, win rates and proposal development costs.

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