

The Effective Proposal

Perry West

Automated Vision Systems, Inc.

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Many consultants get along without any special consideration to how they write proposals. However, your ability to write an effective proposal can be one tool to demonstrate your professionalism, compete or shut out competition, build relationships, and maybe even get to charging higher rates.

The thoughts in this write-up are for proposals where there have already been discussions with the client about the project. This write-up does not offer advice about how to write proposals that must be in a prescribed format such as for grant applications or to certain government agencies or even very large corporations.

This write-up also does not offer advice on how to write unsolicited proposals. An unsolicited proposal is potentially a powerful selling tool that can open the door to exceptional (e.g., large) projects where you would not normally be considered.

Finally, this write-up will talk only very briefly about the importance of spelling and grammar, but not offer any constructive advice.

Let's set the stage. You've held discussions with your client and come to a verbal understanding and agreement on what you can do for the assignment. The next step is to put that information in the form of a proposal that the client can use to give you the assignment.

How to tell if a proposal is effective

First, let's consider what makes a proposal effective. We can examine it from the standpoint of different stakeholders in the decision process:

- You, the consultant
 - You get the project
 - Order placement is quick
- Your client contact
 - They understand what you are proposing and that it meets their objectives without it taking much of their busy time or requiring lengthy question and answer sessions. (However, be aware that some people thrive on such question and answer processes, and you will need to handle those requests).
 - They feel the proposal is a result of interactive collaboration that includes their ideas. They feel some sense of ownership of some key points in the proposal.
- The client organization (decision makers, purchasing, accounting, etc.)
 - They quickly grasp what is being proposed and can process the paperwork efficiently.
- All parties
 - If there is a disagreement, the proposal provides guidance towards its resolution.

Who are the stakeholders receiving the proposal?

Next, let's look at who the proposal is written for.

- The client contact with whom you already have a verbal agreement
- Third parties
 - Decision makers at your clients who are not familiar with the details of the verbal agreement
 - People in the client's organization who must perform administrative tasks (e.g., purchasing, accounting)
 - People who enter the project after its inception (e.g., replacement of a client contact)
 - In the case of a dispute that is litigated, an arbitrator, a mediator, a judge, a jury, your attorney, the opposing legal council
- Of course: You. It is your statement of what you understand, what you will do and deliver, and how you will benefit. It serves as your contractual reference to know when you reach completion.

Critical elements of a proposal

What are the critical parts of an effective proposal? Of course, the obvious answer is "Whatever gets you the assignment."

Essential parts of an effective proposal

- 1) Show the client you "get it" by stating the outcome, not your output, that you are partnering with the client to achieve. This should be encapsulated into one, or at the most two, sentences at the beginning of the proposal.

Do this without taking responsibility for areas over which you have no control. For example, if the client wants to launch a blockbuster product, you might be the designer of the product, or you might provide tactical marketing support, but you don't know if there is a market for the product or the product's competitive position or whether sales and distribution channels are effective. So don't write it such that you're assuring success. Write the outcome such that you will design a product that addresses a certain market niche or that you will provide tactical marketing services to support the launch of the product.

- 2) Deliverables, your output, the client receives.

Unless this is a very small project with, say, only one deliverable, you should consider summarizing in one sentence and reference an attachment with more details. Of course, if the agreement is simply to make a block of time available for unspecified consulting support, the deliverable is simply the time commitment.

- 3) The price.

If the price structure is simple, it can go directly into the body of the proposal. If the price structure is complex (e.g., with options or many phases) then the main page should summarize the total and reference an attachment where the pricing details are covered.

- 4) Timing of delivery

Again, if it's simple, the information can go in the body of the proposal. Otherwise, summarize it (e.g., complete all five phases within six months A.R.O.) and reference the details in an attachment.

Always quote delivery relative to A.R.O. (After Receipt of your (purchase) Order).

What if your client or their organization delays issuing the order but the client has a hard delivery date (e.g., trade show). Take the opportunity to explain how it will require extra effort to get their work done within the now diminished time frame and also meet your other existing commitments. Use this opportunity to negotiate either a reduction in scope or a premium payment. Expect client to resist this change. But under no circumstances should you back down. You are establishing ground rules for the relationship, and if you back down, you will be expected to do the same on future assignments.

5) Terms

a. Payment terms

I strongly recommend against offering a discount for early payment. First, because that shows you are desperate for cash since the effective interest rate for a discount is much less than a bank's line of credit. Second, because there are companies who will pay late and still take the discount. You then need to decide if you will bill them back for the undeserved discount (usually it's not worth the hassle).

b. Expiration of the proposal

A sage piece of legal advice I received is never, ever execute an "eternal" document. Every agreement or offer of an agreement should expire. It also gives you the opportunity to instill a sense of urgency.

6) It's the first page of the proposal (ok, sometimes the first two pages if it's a really complex project) that has impact.

Everything beyond the first page is details. The client is busy. The client is trying to be efficient (sometimes lazy). The client will form an opinion after reading the first page as to whether you are offering the outcome (not output) they want. It answers the fundamental questions will they get what they want, for what they want (or can afford) to spend, and will it be on time. Details (in attachments) just support their opinion.

It's about relationships

Remember that an effective proposal is actually more about relationships than about details. What you write in the proposal must demonstrate that you have heard the client during your discussions.

Who do you need to include in your relationships?

- The client contacts

These are people with whom you hold substantial discussions. In some cases they may also be the true decision makers, but often they are tasked with recommending a client or perhaps being an influencer of which client to choose.

Notice that it is plural. If you have only one contact with a client, your relationship is at risk of evaporating. People get promoted, they change jobs, they retire, and yes, they even die occasionally. If you have only one principal contact, whoever takes over the job of being the consultant contact may have other ideas about who they want. You may not even get a chance to propose the next potential assignment. To protect the business you built or are building, develop multiple relationships within the client organization who can help you stay connected with consulting opportunities.

- The client decision makers

You don't always get to talk with the decision maker when proposing a project, but, you should use every effort to make that connection and provide at least a summary of your proposal.

At a minimum work at developing relationships with decision makers in the organization. Your proposals will be processed faster if the decision maker feels comfortable with you.

- The client's organization

There are other people who you should get to know in the organization. Like the person in purchasing who will be issuing you the purchase order. Or the person in accounting who will process your invoice. They like to put a face to the name. They often have certain details they like to see covered or certain process steps that help them do their job. Knowing these things will help you get the order sooner and get paid more quickly.

The Statement of Work (SOW)

I use a SOW that has four parts and often, but not always, fits onto one page. I use bullet points that serve as a check list for each relevant topic.

Description.

This is a short project description that varies from one sentence to one short paragraph in length. It simply identifies the project and helps tie the SOW to the proposal.

Work I will perform

This is a bullet list identifying the tasks I will complete. It helps the client understand the actual scope of effort. I do not (usually) itemize the time required for each bullet item, but would do this if the client feels they need it. It also serves me as a check list to make sure I've done everything I promised before invoicing the client.

Client's responsibilities

This is a bullet list identifying what the client is responsible for providing or performing upon which your work depends. An (incomplete) list of what might be in this heading is:

Deliver by the client to you of certain pieces of hardware

Timely access to certain of the client's staff

Timely access to the client's facility

Completion, but the client, of certain work needed by you

It is important that the client realize that if these items are not provided timely (you might have to identify what is meant by timeliness) your work will stop and delivery of the final deliverables will be delayed.

Deliverables

This is a bullet list of what specifically will be delivered to the client. If a report, the important topics or conclusions must be identified so the client can verify the report can be satisfactory. This bullet list also serves as a checklist to verify that the project was complete.

Finishing touches

Insure your proposal makes a good impression by checking and constantly improving:

- Organization

Can a busy person quickly grasp what you are communicating and easily find answers to questions they have that are answered in the proposal? Avoid rambling multi-page prose. Use bullet points.

- Attachments

Make sure all attachments are 1) referenced in the proposal letter, and 2) actually included with your proposal. This would include the SOW (unless so brief it is incorporated into the proposal letter), your consulting agreement (if you use one) or a sheet with terms and conditions that substitutes for an agreement, complex delivery and pricing, etc.

- Spelling and grammar

Nothing detracts more from the professional impression than a sloppily written proposal. If you're not good at spelling or grammar, use the spell checker and grammar checker built into most word processing programs. Even better, have a colleague or even better a confident who is not expert in your area but who is good at spelling and grammar read over your proposal and suggest corrections or how it can be improved.

Read it out loud and see if it flows or if there is awkward sentence structure or run-on sentences that leave you out of breath. Fix those problems.

- Wordsmithing

Look for words where a synonym would have a better emotional reaction (e.g., agreement rather than contract). Try to teach yourself to write in the active voice rather than in the passive voice that is so common in business writing.

- Formatting

Consider font size, font style, and the use of white space to improve the attractiveness of the proposal. It's all right, perhaps even beneficial to you, to have some distinctive formatting, but, unless you are a creative consultant (e.g., artist), the formatting should not be edgy.

Pricing strategies

The discussion wandered into pricing approaches. This is a huge and important topic, and one that deserves separate coverage. So thoughts were offered:

- In a simple world, there are two approaches: time and expenses (T&E) and fixed price.
- One of the attractions for using a consultant in the transfer of risk from the client to the consultant. A fixed price is much more effective at this for the client than T&E.
- Never bid a fixed price unless you are confident you can scope the work with fairly good accuracy. Even then, add a good contingency factor to 1) reflect the value of your accepting the risk, and 2) cover you for unforeseen difficulties.
- For complex projects, break them into phases where the current phase can be cost constrained and subsequent phases can be fairly accurately estimated before their execution starts. That means that each phase will be preceded by a proposal for that phase of work.
- Never accept more financial risk than you can bear if the project fails or if the client refuses to pay.

Conclusions

The key takeaways for writing an effective proposal are:

- It's about nurturing and leveraging relationships far more than legalese
- You need to show them that you "get it" and are their partner in a successful outcome
- Write for a (very busy and somewhat lazy) third party
- Don't neglect the finishing touches