

Powerful Proposals

How to Give Your Business the Winning Edge

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THE SUMMARY IN BRIEF

You may know that your company offers top-quality products and services, great value and a superior client experience. But if your business proposals don't reflect those strengths, you're losing out on a lot of potential customers—and profits. Your proposals must be much more than a description of “what we do.” You've got to give them a reason to choose you.

Powerful Proposals gives you a seven-step process for determining and organizing content, developing themes and visuals, and more—and shows how to position your company to win. The book presents effective protocols for monitoring successes and failures and applying lessons learned for continuous improvement, plus proven strategies for breeding teamwork and positive attitudes and getting the proposal through a rigorous quality-control and review process. Finally, it also presents complete models of executive summaries that work.

Your company's proficiency is a given—but so is that of your rivals; you've got to create competitive advantage at the front end. You'll find your edge dramatically increased when you leverage powerful proposals.

IN THIS SUMMARY, YOU WILL LEARN:

- How to assess a proposal's “winner or loser” status and take proactive steps to become a winner.
- Techniques to address the “Big Four” questions that a proposal must answer to be successful.
- How to neutralize the issue of price when the firm is not the low-price provider.

The Power of the A+ Proposal

Proposals are among the most critical documents companies produce, yet they are often ill conceived, ill prepared and, consequently, ill fated.

The Proposal: The Make or Break Move

Proposals are the critical endgame in a long process of business development. When they are executed with skill, they can bias customers toward you and act as the “icing on the cake” if you have positioned yourself well with the customer, built trust-based relationships and presold your company and your solution. When proposals are not executed well, they can sour the customer’s view of you and cost you the opportunity if one of your rivals submitted a superior proposal.

How to Put the “Power” into Your Proposals

An artful proposal says, in effect, “I understand what you need. Moreover, I understand what you want to do, and of all the possible solutions that might work for you, I have the one that is most capable in its solution, most elegant in its simplicity and most appropriate for your needs.” A powerful proposal

1. **Tells a story.** Moreover, it tells it in a compelling way—one that helps readers see the solution in a more insightful and interesting way than they had previously imagined. A powerful proposal builds trust and confidence.
2. **Gives evaluators what they need to sell you.** Your proposal must give them what they need to sell you and your solution to the people responsible for making the buying decision.
3. **Requires no translation, no reformatting or re-packaging.** It stands alone as the instrument for your customers to sell their decision internally.

The most fundamental requirement of successful proposals is compliance. This means that the proposal complies with the customer’s request for information, meets the requirements, answers the questions and addresses the specifications to the letter. Nothing more, nothing less.

But to be truly successful, proposals must also be responsive to the customer’s needs. Responsive proposals demonstrate how the provider will help customers achieve their business goals, not just their project or procurement goals. The proposal that maps a clear path to that business goal is a proposal that truly understands what’s driving the investment.

Six Key Elements of High-Quality Proposals

While customer’s impressions are shaped by compliance

and responsiveness, there are other important elements of proposal quality:

1. **Boilerplate.** This is the amount of recycled material included in a proposal. As a rule, the higher the quality of the proposal, the less boilerplate is used, and vice versa.
2. **Customer focus.** The best proposals link everything to the customer’s goals, needs and requirements.
3. **Creative page design.** It’s inexcusable today not to bring design knowledge to bear in creating elegant proposals, with page designs that draw the reader’s eye to the right places and make comprehension of the offer and solution considerably easier.
4. **Compelling story.** A well-made proposal tells a compelling story of the offer and the offerer in the context of what the customer needs to succeed. It engages readers in the tale first by focusing on their problems and needs and then weaves in the seller’s solution.
5. **Executive summary.** Today, an outstanding proposal includes a separate, full-color, brochure-style executive summary that is well designed, highly customer focused and succinct in telling the story of the offer.
6. **Ease of evaluation.** A powerful proposal is easy to evaluate and is reader friendly.

A Simple Notion: A Proposal Must Sell, Not Just Tell

The “DNA” of a proposal is that it’s a sales document. You have to sell your technical approach, your project management expertise, your scientific wizardry, your state-of-the-art solution. If all you do is clinically describe these things, you are failing to give the customer compelling and substantive reasons to choose your offer rather than someone else’s.

The DNA of Proposals: How Organizations Buy Products and Services

Proposals are sales tools and technical documents, yet they differ from most other technical documents in at least four fundamental ways:

1. **Purpose.** The purpose of a proposal is to persuade readers to accept your offer to sell them a product or service and to convince readers that your offer is superior to your competitors’ offers.
2. **Audience.** Most other technical documents have a

narrower and more technical audience, but a proposal must be written for a wide array of readers.

- 3. Organization.** Proposals are usually organized according to the customer's need for information. Most often the RFP dictates what topics will be covered and in what order.
- 4. Reader intent.** To write an effective proposal, you must know and address the customer's selection criteria—including the hidden, subjective factors not revealed in the solicitation.

Four Compelling Questions Every Proposal Must Answer

If you provide powerful answers to these four questions throughout your proposals, you will also provide your customers with compelling and substantive reasons to choose you, which is what selling is all about.

- 1. Why us?** Your best answers to “Why us?” are found in your positive differentiators.

Excellent proposals formally confirm what the customer has already informally determined during middle game, namely, that they should choose your company and its offer over all the others. Yet one of the most common problems when people work on proposals is that they wait too long to provide differentiating answers to “Why us?” during the middle game and, likewise, to attack negative answers to the same question.

- 2. Why not them?** The best way to answer “Why not them?” involves a technique called ghosting. Essentially, you know enough about the competition's offers/approaches/products/track record to discuss the disadvantages to the customer of using the competition (them) versus the advantages of using what you provide.

The critical factor here is the need to create your ghosts without ever mentioning a competitor by name. One of the best ways to do this is to aim the ghost at your industry whenever your offer includes a differentiator that is unique, a best practice or superior in some significant way to whatever the competition can provide.

- 3. So what?** Customers don't buy what it is; they buy what it does for them. They buy benefits, not features. The best benefits you can offer are bottom-line benefits that help the customer achieve their bottom-line goals.
- 4. How so?** One part of creating an excellent proposal is

ensuring it includes proofs and substantiations for all of its major claims.

The Competitive Advantage: Reader-Friendly Proposals That Sell

When capability becomes commodity, competition becomes communication. For this reason, designing the most persuasive, reader-friendly proposal becomes a critical step in moving technology from those who created it to those who need it.

The buying process can involve multiple people, including decision makers and those who directly or indirectly influence them. This widely dissimilar group of people is collectively referred to as “the customer.” The challenge is to provide this diverse audience with compelling answers to the four critical questions mentioned previously.

You can understand this mixed audience if you see it not simply as a series of different people but as a series of human communication “filters.” Your best answers to the four questions must successfully pass through the following filters to win the communication competition:

- 1. Experts and nonexperts.** In complex selling, which large technology contracts almost always involve, the seller has to answer these questions for both experts and nonexperts.
- 2. Inductive and deductive processors.** Most scientific people automatically deploy inductive logic (details/data leading to an idea), whereas most nontechnical people prefer deductive logic (an idea supported by details/data). You can achieve maximum reader friendliness if you convey your message both inductively and deductively.
- 3. Scanners and skimmer.** The scanner scrutinizes the page, examining each detail, challenging every claim, seeking the hidden flaw. The skimmers want to hit the high notes: main ideas, important proofs and big-picture concepts.
- 4. Visual and verbal conceptualizers.** Most technical people are visual thinkers and nontechnical people tend to be verbal thinkers.

Designing the Proposal

Consider these specific techniques for getting your technology messages through these filters:

- For experts, provide as much substantiating data/detail/features as necessary to convince them that your technology is not just the best but the best buy, too.

- For nonexperts, state the main ideas, and support them selectively with the best data/detail but no more than necessary to validate the main ideas. Correlate those features to compelling, customer-focused benefits.
- For technical professionals who typically employ inductive logic, rehearse your data/details/features first, then state the main idea or conclusion derived from them.
- For skimmers, be sure your messages are emphasized by design (e.g., italics, boldface, one-sentence paragraphs, prominently displayed main ideas or themes).
- For the visual conceptualizers in your mixed audience, ensure that at least one-third of your message is captured and expressed via powerful visuals.
- For the verbal conceptualizers, ensure that your text is well written (e.g., in the active voice rather than the passive), well edited and “punched up” with effective but not overdone emphatic devices.

Selling the Benefits: Customer-Oriented Proposals

Since selection decisions are typically made by senior executives, pricing specialists, purchasing managers and mid-level managers, a purely technical presentation of an offer is doomed to failure. These evaluators will ask the following non-technical questions: Will this supplier deliver on time? Will this supplier’s products or services meet our quality standards? Will there be any hidden costs in doing business with this supplier?

Even their “technical” questions will not favor you. They will reflect customers’ concerns with the long-term usefulness of products and services; with the reliability, supportability, life-cycle cost and the total cost of ownership of every product.

Five Essential Components of a Customer-Focused Proposal

To craft a truly powerful proposal, you must

1. **Uncover and respond to the customer’s underlying need.** All of the issues and problems underlying the requirements rarely appear in an RFP. The RFP may state some of them, but you won’t know all of them unless you work with the customer and ask probing questions to uncover the “hidden” issues and problems.
2. **Address all of the requirements and requests.** For every requirement in an RFP, ask these key ques-

tions: “Where did this requirement come from?” “Why do they require this and not something else?” These questions signify both a technique and an attitude. They help you identify the customer’s hot buttons, discover the appropriate technical solutions and then sell those solutions in the most effective manner.

3. **Mirror the RFP.** One of our golden rules says that ease of evaluation is a very real factor of success in a proposal. One way to accomplish this is to follow the RFP’s structure. To write a mirroring, customer-oriented proposal, treat the RFP as a list of key words and phrases. Repeat those key words and phrases in your proposal as a way to cue the reader.
4. **Emphasize the benefits.** Benefits come in all shapes and sizes and are often either tangible or at least measurable. A faster computer (feature) will increase productivity (benefit) as measured by reduced time to complete repeatable tasks.
5. **Develop an effective proposal strategy.** Understanding what problem the customer is trying to solve helps you develop an effective proposal strategy. The issues and problems underlying the requirements are the customer’s hot buttons. By pushing these, you show that you understand their problems in depth and that your offer is going to meet their real needs.

What It Takes to Win: Credibility, Acceptability and Preference

To win a competitive bid, you must build preference on top of two solid foundations: credibility and acceptability. You must have a credible solution to the customer’s problems and needs, and you must be acceptable to them as a provider. However, credibility and acceptability alone will not seal the deal. You must also establish a preferred position with the people in the customer’s organization who will make the selection decision.

Establishing Credibility

You build credibility through every aspect of your marketing, sales and ongoing product or service delivery activities during what we’ve described as the opening and middle game preceding your endgame proposal.

Most of what it takes to win today occurs before the proposal, and that means that you can’t wait until the RFP arrives to begin communicating your experience, solution, technology and team.

1. **The right experience.** You must prove to customers that you have the right experience for the solution they need. Highlight the similarities between your experiences and the customer's wants, needs, requirements and goals.
 2. **The right solution.** The right solution is one that meets the customer's needs, solves the problems in the most efficient and effective way, satisfies their expectations and gets them to their goals—even if it is less elegant, interesting, creative and state of the art than preferred.
 3. **The right technology.** The right technology is usually compatible with the customer's existing technology base and has one foot in the present and the other in the future.
 4. **The right team.** The right team has an effective leader, individual members with the right experience and skills, acts like a team and has good chemistry with the customer.
2. **A compelling story.** Your story should have clear messages about why the customer should choose you; it should address each of the customer's needs; it should explain why you made the choices you did in crafting your solution; and it should be told visually as well as verbally.
 3. **Winning behaviors.** Behave as though you really want the work by having your CEO meet with the customer's CEO, moving some employees near the customer's location to ensure that you understand their local needs, engaging in joint planning with the customer, and making value-added contact with customer representatives at all levels in their organization.

Winning Executive Summaries: Your Most Powerful Selling Tool

Today, the executive summary is typically seen as the single most important part of a proposal, as it:

- Tells the story of your offer in terms of the customer's priorities.
- Answers the four questions every customer asks.
- Behaviorally differentiates your company in the mind of the customer.
- Deepens your relationship with the customer and positions yourself for the long term.

Establishing Acceptability

Acceptability hinges on two factors you can control (negotiable terms and a competitive price) and on one you cannot (the political environment).

1. **Negotiable terms.** Customers want to know if they can work with you. Are your terms and conditions acceptable to them, which usually means, are you willing to negotiate the terms of the contract?
2. **Competitive price.** Price will always be a key factor in competitive bids. But your price doesn't always have to be lowest for you to win. However, it must be in the competitive range. The key question to ask is, "Could my customer justify to their board selecting me over other providers if my price is higher than theirs?"
3. **Conducive political environment.** Political considerations play a role in determining which provider is acceptable. For example, the customer may have a high profile or may be located in a country that is hostile toward the country in which your company is located.

Creating Preference

In competitive bidding, as in courtship, creating preference comes down to three things:

1. **The right relationships.** Since people decide who should receive a contract, you must have relationships with the right people. It is imperative to introduce that team not only before you submit your proposal but also before the customer releases an RFP.

Preparing to Create an Executive Summary

To create the kind of executive summary your potential customer will want, you must have four things:

1. **Develop a win strategy.** An effective win strategy highlights your strengths, subtly points out your competitors' weaknesses, mitigates your weaknesses and neutralizes your competitors' strengths.
2. **Build a compelling story line.** Try to use a tool called the GIFBP Matrix for helping customers develop their most compelling sales messages in executive summaries, proposals and presentations. To build a GIFBP Matrix, you need the following:

Goals. List the business goal(s) driving the customer's need for your product or service.

Issues. List the key issues by linking them to the goal(s).

Features. List the features of your offer that address each issue.

Benefits. For each feature, ask "So what?" to brainstorm the benefits.

Proofs. List the proofs for each benefit, such as facts, figures, visuals or testimonials.

How to Design an Executive Summary with Impact

Choose one of the following executive summary formats in accordance with the needs of your audience:

- 1. Brochure format.** The brochure-style executive summary is your best sales tool for communicating with customer personnel who will never read your proposal. Its key advantage is being separately bound, so it can be reproduced in greater numbers and handed out to all the key influencers and decision makers.
- 2. Issues-driven.** Organize the four parts of an issues-driven executive summary:
 - Front cover: A graphic depicting your key differentiator.
 - Inside front cover: A hot-button list of the customer's issues, in descending order of priority, with the key features and benefits of your offer linked to them.
 - Interior pages: The key issues—one or two per page.
 - Back cover: An elevator speech.
- 3. Ad-style executive summary.** This style differs from the basic issues-driven style because it is slicker, selling more overtly with softer benefits. Use this format if you know the customer well, you're a long shot and have nothing to lose, or your customer's business invites this approach.
- 4. Four-page executive summary.** This format is the easiest for customers to absorb—and the hardest for proposers to create. Try picking three to six high-priority issues to address in the interior of your brochure; then allocate a set amount of space to each issue, giving the most space to the highest-priority issue.
- 5. Product-emulation executive summary.** One way to demonstrate your understanding of and commitment to your customer's business goals is to emulate the customer's product.
- 6. Customer-empathy executive summary.** Demonstrate customer empathy by using the customer's language, linking your features and benefits to their issues and goals, and address all requirements, written and unwritten.

Living Executive Summary: An Evolving Sales Tool

An executive summary can serve as a proposal where no formal written presentation is required. It can also be used throughout the sales process as an evolutionary sales tool—a “living” executive summary. As many as five versions of the living executive summary could be deployed to create significant positive differentiation in your markets and with your customers.

Timing Is Everything: Positioning to Win

Like people, companies pay more attention to the short term than the long term, devote more time to the tangible than the intangible, and worry more about tomorrow's deadlines than next month's early warnings.

Begin Early: Build Relationships, Develop Influence and Win the Customer

Whenever possible, work to win customers first; then work to win their business. It may help to consider once again the chess game of business development. Both unfold over a finite period. Both have an opening game, a middle game and an endgame, and the outcomes in both are largely determined by what happens early in the game, particularly middle game.

Middle game starts when you make initial contact with either a prospect or a current customer with a high potential for repeat business. This is the point where starting early has meaning, and from this point forward you can divide middle game into three phases: early-, mid- and late-middle game.

Early-middle game involves breaking the ice, creating quality face time by ensuring that value is moving in both directions and thereby building relationships based on trust, credibility and compatibility.

Mid-middle game includes the customer's initial work in identifying the problem to be solved, gaining alignment on the need for a solution, discussing alternatives, estimating the scope and budget of the solution and identifying potential suppliers or thought partners.

By late-middle game, the customer is usually developing specifications, finalizing the procurement budget, writing their request for proposal, defining their bid process and procedures, and meeting with suppliers to learn more about their products and services.

By working hand in glove with the customer in the days or

weeks preceding the RFP, you are in the final push to build preference for you, your company and your solution.

Proposal Management: The Art of Containing Chaos

A proposal is a custom-designed product in its own right, one that you will hand to a customer as tangible evidence of your ability to meet requirements, manage a project and produce quality deliverables on time.

The manager who understands front-loading also understands that no two opportunities are alike, some being strategically more important than others. So for major, must-win contracts, the first 25 percent of the response period dedicated to planning and designing the proposal should be extended to the left, back into middle game.

Here are a few potential objectives for a pre-RFP jump-start of the proposal:

- Gather and assess information on the client, the opportunity and the competition.
- Test the baseline offer with the customer, and adjust accordingly.
- Update the win strategies, and determine which ones can and should drive the proposal.
- Assemble the boilerplate you'll need, and begin the process of customizing it for this customer.
- Create a draft executive summary to set down your latest knowledge of the customer's key issues, your win strategies, your most compelling message and your strongest visuals.

Freezing the Offer

Working primarily from information gathered and validated during middle game, the proposal core team (e.g., account manager, proposal manager and solution managers) initiates a baseline design prior to receipt of the RFP. Once the solicitation arrives, the solution experts can make the necessary adjustments as quickly as possible before freezing the design for the duration of the response period. The design freeze allows substantial time that can then be devoted to designing and producing a superior proposal even as the pricing is refined in parallel track to the proposal draft. The failure to freeze the offer means danger may well lie ahead.

Planning for and Conducting a Superior Kickoff Meeting

The kickoff meeting is the moment of truth for the people who must plan and execute the proposal effort because it allows them to implement three principles fundamental to effective proposal management:

1. **Teamwork.** The key for proposal managers is to recognize that (1) the team consists of many specialists needing focus and direction; and (2) the full team often includes people other than those officially tapped as contributors, who should attend the kickoff meeting. Proposal managers can use the kickoff meeting to generate energy and camaraderie.
2. **Proposal planning.** A proposal project plan must be developed and distributed no later than the kickoff meeting. (It's actually better to distribute the plan a few days prior to the kickoff meeting so that every team member has a chance to review it and formulate questions.)
3. **Establish credibility.** Contributors must never leave a kickoff meeting with unanswered questions or serious doubts about the system (the process and tools) they will be expected to use quickly and skillfully.

Getting It Written, Getting It Right: Guide to Creating Compelling Proposals

Writing proposals may never be pain free, but it can certainly be less painful and more satisfying if you follow a few simple rules:

1. **Determine the content.** Address the customer's particular concerns as reflected in the RFP and any additional key issues you have learned about during pre-RFP interactions.
2. **Organize the content.** Most proposal sections should follow the classic structure: Tell them what you're going to tell them, tell them and then tell them what you told them.
3. **Develop the themes.** Know what you are selling in each section, and make your messages clear. To give each section strong messages, create theme statements linking goals, issues, features, benefits and proofs.
4. **Develop the visuals.** Every section should have at least one visual illustrating its theme. Proposal sections should be about one-third visual in terms of space allocation.
5. **Develop the proofs.** Search for proofs of the benefits you are going to cite.
6. **Create a mock-up.** A mock-up is basically a visual outline. Where the outline gives structure to the verbal

content, the mock-up reveals the structure of both the verbal and the visual content.

7. **Draft the section.** Every proposal has three communication elements—themes, visuals and text—in order of communication power and preparation.

The Review Process: Making Sure the Power Is in the Proposal

Red Team is a term used to refer to the formal review of a draft proposal. Make an effort to have a pre-red team review—often called the “pink team” review—before the sections are actually written. This early review alleviates many of the problems associated with waiting until the entire proposal has been drafted before launching the final review.

The Contributions of the Pink Team

The pink team review should be conducted after the sections have been designed (i.e., outlined and the themes and visuals drafted) but before the text has been generated.

The pink team has two objectives. First, without the benefit of the proposal’s text, determine to what extent the proposal measures up—via the outline, the themes and the visuals—to these four critical questions: Is the proposal compliant? Is the proposal responsive? Does the proposal sell throughout? Does the proposal communicate?

The Contributions of the Red Team

The red team simply becomes a more extensive and higher-level version of the pink team, carrying forward the basic methodology and expanding its application to critique the proposal’s text as well as the visuals and themes.

The pink team makes early adjustments and course

corrections to ensure that the proposal heads in the right direction. The red team then determines whether the proposal has “arrived.”

The red team’s first objective is to determine whether the proposal has achieved affirmative answers to the four critical questions.

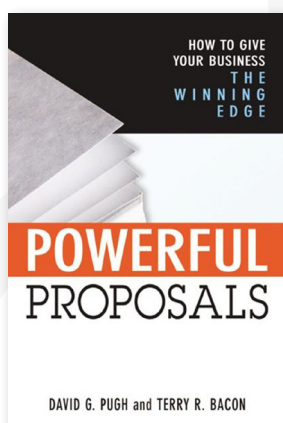
The red team should also pursue a third objective of reviewing the final draft through the customer’s eyes: How will they evaluate it? What will matter most to them? How can you communicate in ways that they will appreciate and understand? The most effective red team review provides a simulation of evaluation, and to this end the evaluation tools we provide here can and should be modified to match your customer’s whenever that information is available.

Long-Term Benefits

As the saying goes, a rising tide lifts all boats, and if simple, repeatable processes are put in place for conducting proposal reviews, the quality of all your company’s proposals will be raised over time. That’s a win for you, your company, and your customers. Alas, the only losers will be your competition, but that is assumed to be an acceptable outcome.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- *The Machine* by Justin Roff-Marsh
- *Persuasive Business Proposals* by Tom Sant
- *The Innovative Sale* by Mark Donnolo



David G. Pugh and Terry R. Bacon are co-authors of *Winning Behavior* and *The Behavioral Advantage*, and co-founders of Lore International Institute, an executive and professional-development firm serving Fortune 500 clients globally. Pugh is a recognized authority on marketing, business development, and the creation of winning proposals.

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