



Key Elements of Business Proposal

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Identify the key elements of a quality proposal
- ✓ Perfect your first impression, including your dress and your handshake
- ✓ Feel more comfortable and professional in face-to-face presentations

Key Elements of Business Proposal

Business Writing Basics

There are some key differences between business writing and other types of writing. Let's review the most important points.

- **Action vs. reflection.** Business writing includes calls to action, as opposed to being opinion or pleasure reading.
- **Read once vs. many times.** While business writing may be read by several sets of eyes, it is intended to be read once. It is not intended to be reading that people will turn to repeatedly.
- **Clear vs. complex sentences.** You want the reader to be perfectly clear about what you want to do, or what you want the reader to do. Business writing is clear and concise.
- **Plain vs. colorful.** Messages should be plain and practical. You will have done your homework so you have the facts, and you do not want any ambiguity in what you have written.
- **Facts vs. symbolism.** Business writing sticks to business, and any references need to be explained.
- **Clarity vs. ambiguity.** Business writing is not embellished to give a reader enjoyment (as a novel might be, for example).

Proposals tend to be:

- **Service focused:** Proposals are based on providing a product or service to a client or a prospective client.
- **Not focused on a pre-determined product:** The products or services suggested in a proposal have not been pre-determined by the client.
- **Originated by a service provider** (such as your company) after you have an information meeting.

Tenders are:

- **Service focused:** Tenders request bids on a product or service.
- **Focused on a pre-determined product:** The client knows what they are looking for and often has a budget.
- **Originated by a customer or client** based on a current business need.

Types of Proposals

Proposals are persuasive offers to solve problems, provide services, or sell certain products or services. A proposal is a form of sales presentation. Your proposal is a follow up to a meeting (which may have been

in person or over the phone), where you are selling an idea, a solution, a service or a product. Proposals must be persuasive, and not merely a mechanical representation of facts.

Proposals may be informal or formal. They differ primarily in length and format. Informal proposals are often presented in two to four page letters and they are sometimes called letter proposals.

Informal Proposals

There are six principal parts to the informal or letter proposal: introduction, background, proposal, staffing, budget, and authorization.

Introduction

Most proposals begin by briefly explaining the reasons for the proposal and the writers' qualifications. This is also an appropriate place to "hook" readers by suggesting key results or benefits from accepting this proposal. Since the hook may not come to you until you have really explored the issue you are addressing, it is common practice to write the introduction **after** you have written the other parts.

Here are some ideas for a hook:

- Extraordinary results with details to be revealed shortly
- Promise low costs or speedy results
- Mention a remarkable resource (well-known authority, new computer program, well-trained staff)
- Identify a serious problem and promise a solution to be explained later in the proposal
- Specify a key issue or benefit that you feel is the heart of the proposal

For longer proposals, the introduction also describes the scope and limitations of the project, as well as outlining how the material to come will be organized.

Background

The background section identifies the problem and discusses the goals or purpose of the project. Your aim is to convince the reader that you understand the problem completely.

This section also might include topics like:

- Basic Requirements
- Most Critical Tasks
- Important Secondary Problems

Proposal

In the proposal section itself, you should discuss your plan for solving the problem. Tell what you propose and how it will benefit the reader (department, community, state, etc.) Remember too that this is a sales presentation. Sell your methods, product, and deliverables by using persuasive language.

In this section you may also want to elaborate on how the project will be managed and how it will be audited. Most writers also include a schedule of activities, a work plan, or a timetable, showing when events will take place.

Staffing/Resources

The staffing section of a proposal will normally describe the credentials and expertise of the project leaders. It may also identify the size and qualifications of the support staff, along with other resources (such as computer facilities or special programs for analyzing statistics) which will make the project feasible and successful.

Budget

The staffing section of a proposal will normally describe the credentials and expertise of the project leaders. It may also identify the size and qualifications of the support staff, along with other resources (such as computer facilities or special programs for analyzing statistics) which will make the project feasible and successful.

In some budgets, writers itemize hours and costs. A proposal to install a complex computer system might, for example, contain a detailed, line by line budget. A proposal to do a one-day seminar on communication skills, however, might be a lump sum. Your analysis of the project will help you decide what kind of budget to prepare.

Authorization

Informal proposals often conclude with a request for approval or authorization. In addition, the closing should remind the reader of key benefits and motivate action.

Formal Proposals

Formal proposals differ from informal proposals not as much in style but more terms of in size and format. Formal proposals respond to the need for big projects and may range from five to 200 or more pages. To facilitate comprehension and reference, they are organized into many parts.

In addition to the six basic parts just described, formal proposals often contain some or all of the following parts:

- Title page
- Table of contents
- Copy of the Request for Proposal (RFP)
- Letter of transmittal
- Abstract
- Executive summary
- Table of figures
- Appendix

- Index

If your formal proposal requires specialized components, look at what others in your business or the industry have done. Use examples as a guideline, but never copy from another proposal.

Writing Your Proposal

Getting Organized

There is a big difference in talking about proposals abstractly and getting your specific proposal ready. Here are some tips to help you get started.

Clarify Your Objectives

Good proposals take time, and when you work in sales, time is money. Before you start writing, make sure you understand exactly why you are writing this proposal.

Proposals can:

- Tell or inform
- Sell or persuade
- Consult
- Link problems with solutions

Since you want to aim for a particular response from your reader, you should have your purpose clearly in mind.

Write the purpose for your proposal down in **one sentence**. Be very clear, and make it as precise as you can. You will save yourself a good deal of grief in the writing process by getting as clear a focus as you can on your purpose. For one thing, you'll know better what to include and what to leave out. As well, the many choices that combine to form the writing process will be made easier because you have taken the time and the thought to determine the exact reason you have for writing this communication.

Analyze Your Audience

Who will be reading this proposal? Will only one person read it or will it be read by a number of people? How much do they know about you, your company, and the proposal you are putting forward?

There are two audiences that you will have to consider: the primary reader and the secondary reader.

Evaluate Reader's Knowledge

How will the reader benefit from your message? For the average sales person, most proposals are aimed at a specific reader or group of readers: the company or organization you want to sell your products or

services to. Having a limited audience can be an advantage, since it enables the writer to analyze the reader and shape the writing so that it effectively achieves the purpose for that particular reader or group of readers.

Here are some questions that will help you communicate with the reader.

How much background do I need to give this reader, considering his or her position, attitude toward my products and services, and experience with these products and services?

What does the reader need to know and how can I best provide this information?

How is my credibility with this reader? Must I build credibility gradually as I proceed, or can I assume that he or she will accept certain judgments based on my interpretations?

Is the reader likely to agree or disagree with my position? What tone would be most appropriate in view of this agreement or disagreement?

Drafting a Proposal

Keep it Consistent

We suggest that you take the time to create a **template** for your proposals. It will probably take a significant investment the first time, but standard parts of your template (like your introduction, the hook, background of your company, staffing/resources, and testimonials) will probably stay mostly the same, or be chosen from some standard paragraphs. That will give you more opportunity to work on customizing the specifics, such as the delivery details and budget.

Testimonials can be part of your template, but be sure to update them frequently so that they are representative of a particular group of staff, industry, etc. Make sure that the testimonials you use stay

current, so that a prospective client who wants to speak with one of your testimonial providers won't run into statements like "We did work with them years ago, but have not worked with them recently."

Write down the names of three to five clients that you will approach for testimonials.

Terminology

We also suggest that **each copy of your proposal should be created and presented as a draft**. That way, your client will see that you are offering flexibility and are open to negotiate aspects of the proposal before you move to a contract. However, this may not be appropriate on formal responses to requests for proposals.

Include the word "Draft" across your proposals when you can and see what kind of response you get. You can also use terms like "Draft Version 1" or "Draft 2." Remember that a **proposal is not a contract** (although some of your clients may think it is). If you continue to speak about it in terms of a proposal, then you can keep it fairly flexible.

Once the buyer has accepted your proposal, then you will move on to create a **contract**. If the proposal is well written, you can probably rename it "contract;" add the essential text to it in terms of payment terms, signatures, and any legal aspects; and send it off.

Getting Thoughts on Paper

Planning Your Proposal

Getting Started

For most of us, the actual writing of the proposal is the hard part. Staring at a white sheet of paper or a blank computer screen won't get the job done, so we're going to introduce you to two generally acknowledged methods for getting information from your head to paper:

- Intuitive methods
- Analytical methods

Intuitive methods include:

- Mind mapping
- Brainstorming (by yourself)
- Free writing
- Post-It notes or index cards

Analytical methods include:

- Focusing (topics and subtopics)
- Journalist's questions: Five W's (Who, What, When, Where, Why) and How
- Group and label your thoughts
- Cluster ideas

With either method, you will want to get your thoughts in **sequence**. Some methods include:

- Most to least important
- Least to more important
- Process
- Contrast/comparison
- General to specific
- Specific to general

Once your ideas are together, you can:

- Make an outline
- Add the information to your template
- Customize as necessary

Organization Techniques

Proposals can make up a big part of your communication with some clients. Previously, we talked about how all proposals fall into two broad categories: formal proposals and informal proposals.

Formal proposals may take many hundreds of pages and cost hundreds of dollars.

Informal proposals may run from two to four pages and are sometimes referred to as letter proposals. They may not be as time consuming or as costly as the formal proposal, but they do require careful planning, particularly so that you don't leave something important out of the document.

If the proposal is very long, you may wish to include a **Table of Contents** to help readers find specific parts of the proposal. An outline will not only keep you on track, it can form the basis for the Table of Contents when the proposal is completed.

Organization tools are like road maps; they help you see where you are going. Don't prepare an outline and then not use it. On the other hand, don't follow it religiously if it isn't taking you where you want to go.

Organizing your proposal is a messy business at times, and there may not be a tidy step-by-step timetable, but it all comes down to four basic organizational tactics: **finding the grand design, clustering, sequencing, and connecting.**

The Grand Design

The grand design is the shape of the proposal as a whole. Your brain needs this sense of large structure; it needs to perceive the big chunks in order to understand how it all fits together. The grand design helps you decide what the objective of the proposal is, what information you need, and who your audience is going to be.

Clustering

At this stage, you put all the bits that belong together in groups. You will probably start putting bits of information in groups almost as soon as you start writing, since most people can't think without categorizing, and then sub-categorizing, and then sub-sub-categorizing. At this stage you finish and polish that categorization process.

Sequencing

This is putting one cluster after another so that your reader can read about them in order. There aren't always any absolute answers in sequencing, but if you keep your reader in mind, you can't go far wrong. The most popular tool for sequencing is the **outline**.

Your material can be organized in one of several ways:

Method	Explanation and Examples
Time	- From past to present to future - Background, present status, future prospects
Place	- New York, San Francisco, and Boston offices - Marketing Department, Production Department, Administrative Department
Problem-Analysis-Solution	Description of problem, why it exists, and what to do

Order of Importance

about it

- From least important to most important or vice-versa

The choice of sequence will depend largely on the logic of the subject matter and the needs of your audience.

Connecting

Now you have the grand design, the information, and the order in which you have decided they should be arranged. Now comes the tough part: connecting them and making them all part of an organized whole.

Writing Rules

The rules of good communication apply to proposals too. Be clear, concise, complete, and correct in your finished work, but don't try to accomplish all this in the first draft. The first draft is for getting the basic information collected together. The polishing comes as you rewrite, and this gets easier as you write more and more. Keep the little language cop locked up in the closet until the second or third draft.

Cement your ideas together with **words**. Use simple words and put them together in short sentences; language that communicates. Don't write to impress. Write to inform the people who are going to read your proposal: your reader, your client, or your potential client.

When it comes to layout, **use plenty of space**; don't cramp your writing so that it gives your reader a headache to look at, never mind to read. Use **headings** that tell the reader, in very few words, what the next section of the proposal is about. Headings should also grab the reader's attention.

The first **paragraph** in each section or sub-section should extend and expand the heading. Make subsequent paragraphs short, crisp, and readable.

State your facts clearly. Facts should be presented in an objective way, without bias.

When it comes to **graphics and illustrations**, a good picture can be worth a thousand words, provided that the graphic is integrated with the text and given a caption to explain it. Avoid the temptation to fill your proposal with clip art or cartoons, which can make your work take on an amateur tone that you are not looking for.

Individual Exercise

You have just returned to your office from a Chamber of Commerce meeting. While you were there, you met a potential client who has asked you to submit a proposal for your products, services, or equipment. Prepare an outline that includes all six parts of an informal proposal. You only have 15 minutes!

Introduction

Background

Proposal

Staffing/Resources

Budget

Authorization

Basic Proposal Formats

Having thought about your purpose and your audience, carefully consider the appropriate format for the particular proposal you are writing. Of course, the range of choice may be limited by company procedures, but even the usual business formats allow some room for the writer to use ingenuity and intelligence.

The key that unlocks this ingenuity is making the format, as well as the words, work toward achieving your purpose. You can call attention to important points by the way you arrange your material on the page.

External signals such as headings, underlining, and numbered lists are ways of giving the reader a quick preview. Use them when they are appropriate to the presentation of your material.

Overburdened executives are always looking for shortcuts through the sea of paper. Many admit that they cannot possibly read every page of every proposal. They scan, they skip, and they look for summaries. A good format identifies the main points quickly and gives an idea of the organizational structure and content.

If the format looks logical and interesting, readers may be lured into spending more time on your ideas. You've taken the trouble to separate the important ideas from the unimportant, thus saving them time. The clear format holds promise of a clear analysis, and what boss can be too busy for that?

There are two basic formats, or approaches, to writing proposals: the direct approach and the indirect approach.

Direct Approach

The direct approach, in which recommendations or solutions come first, is the up-front or psychological approach. This format is often used in short proposals and when solutions or recommendations are fairly straightforward.

Indirect Approach

The indirect approach, in which detailed solutions come last, presents the evidence in a more logical way. This approach is used when it is necessary to build your case and lead up to a controversial solution or resolution. A synopsis or summary is often used to highlight principal solutions at the beginning of the proposal.

Choosing an Approach

The most important consideration in deciding on the basic approach and on the organization of your material within the basic approach is the reader. Ask yourself, which has the better chance of persuading your reader and making the sale?

Expert Editing Tips

Once your proposal is written, it's time to let the language cop out of the closet. You will want to:

- Delete any words or paragraphs that do not add to the proposal.
- Keep your terminology consistent. The words you use, the spelling, the tense, and the voice should all be consistent throughout the proposal.
- Keep your format consistent. If you are using bullets, don't switch to arrows. If you are numbering (1, 2, 3) don't switch to letters (a, b, c).
- Write in the reader's language. Think of your reader when you are choosing words. Talk the language of the industry as much as possible.
- However, try to avoid using buzz words. If you feel you must use acronyms or jargon to show you understand the industry, explain the words and spell out acronyms the first time you use them.
- Don't rely on grammar and spell check since they are not always flexible enough to pick up all the nuances of your written words. Use a dictionary and ask someone else to read your proposal if possible. Four eyes are always better than two.
- Have a low fog index.

The Fog Index

To check your writing for readability, you can use the following test for "foggy" prose.

1. Mark out samples of 100 words each. (Stop counting with the sentence that ends nearest to the 100 word total.)
2. Divide the number of words in all the samples by the number of sentences. This will give you the average sentence length.
3. Count the number of words of three or more syllables in each 100 words. Don't count proper nouns. Don't count words which are combinations of short, easy words (like "bookkeeper") or verb forms that get their third syllable by adding -es or -ed, as in "adapted."
4. Add the average sentence length and the number of hard words per hundred.
5. Multiply the sum by 0.4.

The resulting number corresponds to the grade-level reading ability. A readability index of nine means that your writing can be read easily by a ninth-grade student. Much business communication can be shared at the ninth-grade level. A score of 13 or more means that the writing is probably too troublesome to be read willingly by most people.

Practice Piece

From Jane Austen's *Pride and Prejudice*:

It is a truth universally acknowledged, that a single man in possession of a good fortune, must be in want of a wife.

However little known the feelings or views of such a man may be on his first entering a neighbourhood, this truth is so well fixed in the minds of the surrounding families, that he is considered the rightful property of some one or other of their daughters.

"My dear Mr. Bennet," said his lady to him one day, "have you heard that Netherfield Park is let at last?"

Mr. Bennet replied that he had not.

"But it is," returned she; "for Mrs. Long has just been here, and she told me all about it."

Mr. Bennet made no answer.

"Do you not want to know who has taken it?" cried his wife impatiently.

"You want to tell me, and I have no objection to hearing it."

This was invitation enough.

"Why, my dear, you must know, Mrs. Long says that Netherfield is taken by a young man of large fortune from the north of England; that he came down on Monday in a chaise and four to see the place, and was so much delighted with it, that he agreed with Mr. Morris immediately; that he is to take possession before Michaelmas, and some of his servants are to be in the house by the end of next week."

Readability Score of Excerpt

Number of words in sample	
Number of sentences in sample	
Number of words divided by number of sentences=Average Sentence Length	
Number of polysyllabic words	
Average Sentence Length multiplied by number of polysyllabic words	
Figure above multiplied by 0.4	

The Handshake

During the important first few minutes of a new relationship, a handshake is usually the only body contact between two people. It can communicate warmth, a genuine concern for the other person, and an image of either strength or gentleness. It can also communicate indifference and weakness. Developing a professional handshake is perhaps one of the most valuable business skills you can ever cultivate.

The message you communicate with your handshake is determined by five factors.

Degree of Firmness

Your grip should be firm, rather than weak. However, you don't want your handshake to be painful to the other person. Consideration is appreciated. Be especially considerate if you are shaking hands with someone in a receiving line who has many more hands to shake, someone who is wearing a lot of rings, or someone who is obviously elderly and perhaps fragile.

Dryness of Hand

We all prefer to shake a hand that is dry. While you typically don't want to obviously dry your hands before greeting someone, this is perfectly acceptable if you have been holding a cold glass. Similarly, if you are at the buffet table and have been eating, it is expected that you would wipe your hand on your napkin before extending it to be shaken.

Depth of Grip

A handshake is palm to palm. Generally you will place your hand so that the web between your thumb and forefinger meets the web of the other person's hand, briefly. Your hand remains perpendicular. If

your palm is facing up, this may be construed as a sign of submissiveness. Similarly, if your palm is on top, it can be seen as a sign of aggressiveness.

Duration of Grip

The perfect handshake is about 3 seconds. You can gently pump once or twice but this is not necessary. Then pull back your hand, even if you are still talking.

Eye Contact

While this will vary from culture to culture, in North America we expect the person shaking our hand to make eye contact with us.

Tips for Success

Have something to say as you shake hands, if possible. It doesn't require anything witty. It may even be the old stand-by, "Pleased to meet you." However, these few words set the stage for some small talk that can be the beginning of a new business relationship.

Grasping the top of the other person's hand with your other hand, so that their hand is enveloped in yours, may very well signal warmth and affection. However, this may be seen as patronizing and too familiar for an introductory handshake. Save this handshake for a meeting with an old friend.