



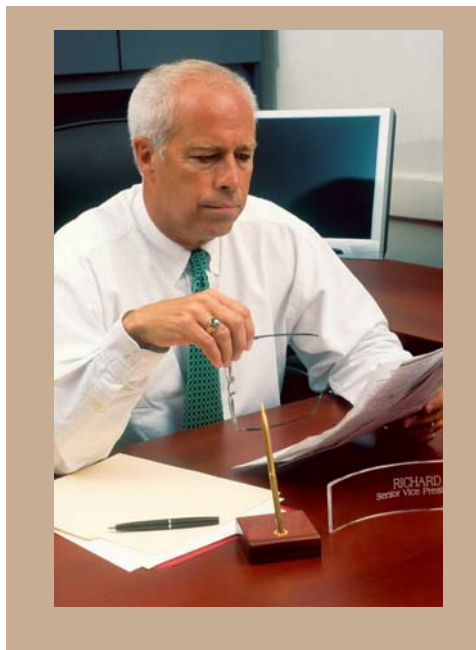
The Leadership Institute

Lighting the Way

WRITING AN EFFECTIVE PROPOSAL

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Participant Module

WRITING AN EFFECTIVE PROPOSAL

"GIVE ME 26 LEAD SOLDIERS AND I WILL CONQUER THE WORLD."- BENJAMIN FRANKLIN

INTRODUCTION

OVERVIEW

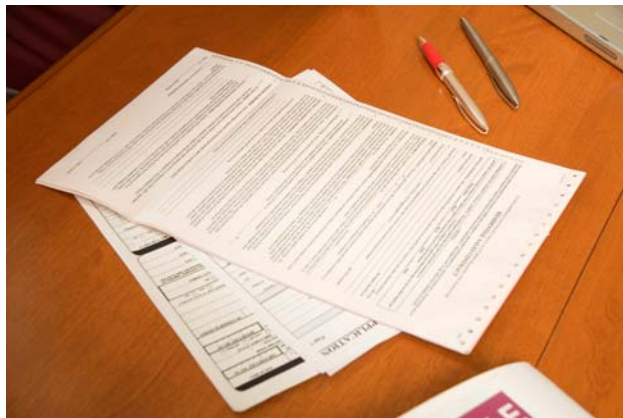
1. WELCOME

2. OVERVIEW

A business proposal is a bit like a marriage proposal. You are asking the customer to take a risk, to make a commitment to trust that you are the "One" that can make their dreams come true.

A sales proposal is your company's offer to provide a good or a service to a potential buyer at a specified cost and at a specific time.

The purpose of a business proposal is to describe what you are offering in a favorable light and demonstrate to the customer that your product(s) would be a wise investment for them and would help them to achieve their goals.



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**BUSINESS
WRITING 101**

THE BASICS

BE CONCISE



3. BUSINESS WRITING 101

Before I get into the specifics of how to write a good proposal, I'd like to talk a little about business writing in general. Written communication has become more and more important with the advent of e-mail while few schools today put much emphasis on writing skills.

Consider how written communication differs from oral communication. Communicating orally allows you to use vocal tone and facial expressions to augment your message. Written communication is limited to the words recorded on the page. One of my favorite quotes is "Nothing is so simple that it cannot be misunderstood" (Freeman Teague Jr.) When speaking with someone you can tell if the listener isn't "getting it." When talking with someone it is easy to correct a misunderstanding or to clarify something you've said. If your written words are not clear they are liable to be interpreted incorrectly. If your writing is not easily read, most people will simply not read it. For these reasons your writing must be precise and engaging. As Mark Twain said, "the difference between the right word and the almost right word is the difference between the lightning and the lightning bug!"

Here are some basic rules to follow for business writing:

- **Be concise**-Thomas Jefferson said it best: "The most valuable of all talents is that of never using two words when one will do." When in doubt, strike it out. Test your writing by deleting words or sentences and reading. If the deletion changes the meaning or makes it less clear click the "undo deletion" button on the tool bar. Usually you will find these deletions actually improve your work.

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KISS

SMALL BITES

LISTEN TO
YOURSELF

PROOFREAD!

HAVE FUN!



- **Use the KISS principle**-Avoid the pomposity of obfuscation and the euphoric verbosity prevalent in the patois of a thrasonical cockalorum. Or, in other words, use simple language. Write like you speak. Remember the goal is to communicate your ideas not to impress the reader. Write like you speak :
“Here is the information you asked me to send”
is much better than
“Per your request of March 15th I have enclosed.”
- **Take small bites**-Break your writing into digestible chunks. Use short sentences, paragraphs and bullet points to make your writing easier to read and to keep the reader engaged. Readers often skip over long paragraphs.
- **Listen to yourself**-Read what you’ve written out loud and read it aloud to someone else. Remember your reader has had a different set of experiences than you have and certainly has a different perspective on the subject. Make sure your message is clear to anyone who reads it. Generally the simpler the writing the easier it is to understand.
- **Check and double check your work**-Use spell-check and double check your grammar. Proofread! Proof- read! Proofread! If you can not get a simple letter correct, can the customer be confident that you will get their ads right?
- **Have fun**-Make your writing fun to read. Let your writing reflect your personality.



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**WRITING
ORGANIZES
YOUR
THOUGHTS**

WIIFT



A collateral benefit of putting your thoughts down on paper is that process of writing forces you to organize your thoughts. As a young sales rep I would write out a description of the features and benefits and a sales presentation for each product I was selling. I found that this helped me to find the right words in front of a customer without hesitation or stumbling. I once heard poetry defined as “the right words in the right order”, in my experience this is also an excellent definition of a good sales presentation.

I could talk for a week on using writing skills to support the sales process—my telephone unit has over 30 standard business letters in their system each designed for a different selling situation—but our purpose today is to talk about proposal writing.

My theory of what makes an effective proposal is quite simple. It is the same philosophy that is at the heart of my sales career and...my entire life. This concept is:

WIIFT

What's In It For Them?

Legendary salesperson/ trainer, Zig Ziglar, begins all of his speeches and books by saying, “You can get everything in life you want, if you will just help enough other people get what they want.” This is a perfect description of the WIIFT principle. Applying this principle to your proposals will help you create a document that is focused on the customer’s needs and concerns. An effective proposal describes not what you want to sell, but instead, what the customer should buy—and why.



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THE
PROPOSAL
SHOULD
FOCUS ON
THE
CUSTOMER'S
NEED

WHY WOULD A
CUSTOMER
NEED A
PROPOSAL?



Before you pick up your pen or press one key on your computer, you must understand the customer's situation and their objectives. The best navigator in the world could not plot a course without knowing the destination of his ship. A document that is not based on the specific needs of the customer is not a proposal—it is merely a price quote. A price quote reduces your product to a commodity and the decision to buy will be based solely on the lowest bid. If the salesperson has not thoroughly explored the customer's situation and uncovered the customer's needs and goals, it is impossible to write an effective proposal.

4. WHY DO CUSTOMERS REQUEST PROPOSALS?

Proposal Scenarios:

- ✓ Ideally, a written proposal is just a formality that needs to be completed before the customer closes the deal.
- ✓ Your customer is 100% sold and has de facto authority to make the decision but must get someone to "rubber stamp" the decision.
- ✓ Your customer is 100% sold but does not have the authority to make the final decision and needs to convince their superiors to make the buy.
- ✓ Your customer has no authority and you can not get to the decision maker. Your customer is neutral but is willing to deliver your idea to the higher ups.
- ✓ You customer has decided on a competitor and just needs your proposal to satisfy a multiple bid policy or for the appearance of due diligence.

A proposal cannot make a sale—that's our job. A poorly thought out or poorly written proposal **can** lose you a sale. It is the proposal that makes what the salesperson has told the customer concrete-makes it real. Remember, a proposal is simply a clear written statement of how your product can help the customer solve his/her problems and achieve their goals.

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BUILDING A PROPOSAL

THE COVER LETTER



5. BUILDING A PROPOSAL

There are as many ways to build a proposal as there are sales people. Today I'll share with you the type of proposal I use and that has worked for me. We'll take a look at a sample proposal and I'll talk about my thought process.

Because proposals should focus on a customer's individual needs, a "canned" proposal isn't as effective as one developed specifically for that customer. Nevertheless, following a standard format will help make your proposals more effective and organized. A well-designed proposal includes three components:

- ✓ Cover Letter
- ✓ Objective
- ✓ Options

The Cover Letter

Even if you are hand carrying your proposal to the prospect, as you should do whenever possible, include a cover letter. A proposal is a lot like a resume, and a brief cover letter (never more than one page) tells the reader why they should read on. A well written cover letter is an opportunity to emphasize the intangible reasons (experience, service orientation, commitment etc.) the prospect should choose to do business with you.

A good cover letter should:

- Thank the customer for the opportunity to quote
- Tell the customer a little about you
- Tell the customer why it is in their best interest to do business with you
- Tell the customer how you are different from the competition
- Make a commitment to serve the customer

This may sound like a lot of information to fit into one page, but with a little thought this is easily accomplished. Take a look at the sample cover letter on the next page.

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TLI PUBLISHING

111 First Street
New Orleans, LA 00000

April 12, 2007

Ima Beyer
Beyer B. Wares
123 Main Street
Anytown, USA 11111

Dear Ms. Beyer:

Thank you for your interest in the TLI Shopper and for the generous amount of time you gave me last week. I enjoyed learning about your business and I am confident my publication can help you achieve your goals.

Like Beyer B. Wares, the TLI Shopper is locally owned and operated and has been a part of this community for many years. We are the only publication in this market to reach every home, so we can get your message out to every potential Beyer B. Wares customer. As we discussed, TLI has an experienced creative team to develop effective ads for your business, allowing you to focus on serving your customers.

Ms. Beyer, attached is the proposal you requested. I am personally committed to making your business even more successful. Give me a call if you have any questions or if I can do anything else for you. I look forward to helping you achieve your goals.

Best Regards

Al Waysoverquota
Account Executive

Attachment: Proposal

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DISSECT YOUR LETTER



The body of this letter is just 170 words long yet it includes everything we said should be found in a good cover letter:

Let's dissect the letter to see what makes it effective:

Thank you for your interest in the TLI Shopper
(Thank the customer for the opportunity to quote)

and for the generous amount of time you gave me last week. I enjoyed learning about your business and I am confident my publication can help you achieve your goals
(Make a commitment to serve the customer)

Like Beyer B. Wares, the TLI Shopper is locally owned and operated and has been a part of this community for many years
(Tell the customer a little about you)

We are the only publication in this market to reach every home, so we can get your message out to every potential Beyer B. Wares customer
(Tell the customer how you are different from the competition & why it is in their best interest to do business with you)

As we discussed, the TLI Shopper has an experienced creative team to develop effective ads for your business allowing you to focus on serving your customers
(Tell the customer why it is in their best interest to do business with you.)

Ms. Beyer, attached is the proposal you requested. I would like to assure you of my commitment to making your business even more successful
(Make a commitment to serve the customer).

Please do not hesitate to call me if you have any questions or if I can be of service in any way. I look forward to working with you.

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ALSO CONSIDER

Additional considerations:

- "I enjoyed learning about your business" compliments the customer and shows you are interested in understanding them
- "I am confident"- "we can"- "experienced"- "assure you of my commitment"- "I look forward" uses strong positive language projecting a confident image"
- "Like Beyer B. Wares"- "Ms. Beyer"- "You"- "your" shows your customer focus. Everybody likes to see/hear their own name.
- "Like Beyer B. Wares" This statement establishes common ground with the customer and shows the synergies between the two organizations.

The customer may not consciously consider these things but they will certainly influence their opinion of you and their willingness to do business with you. The author Rita Mae Brown said it this way, *"Language exerts hidden power, like a moon on the tides."*

The consistent tone and message tells the reader you are confident and competent. It is the cumulative effect of the language in the letter that gives it this power to persuade; this is why it is important that you give some thought to crafting the cover letter.



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THE OBJECTIVE



6. THE OBJECTIVE OF A PROPOSAL

The Objective

At the top of all my proposals I like to write out the objective of the program I am recommending. I always write this first because a good understanding of the objective, of what the customer wants to accomplish, helps me to decide what products and coverage to propose. The objective **MUST** be based on knowledge of the prospect's business and their goals. Ideally this knowledge will come from interviewing the prospect and discussing the direction they wish to take their enterprise. In the rare instant that you can not speak with the customer do your home work, look at their current marketing, research them on the web, visit their locations and talk to their employees.

The purpose of including the objective is to remind the prospect why they are considering advertising. It should be written from their perspective. No one likes to part with their hard earned cash. If the customer loses sight of why they are buying the advertising they may decide to keep the money in the bank or give it to the lowest bidder without regard to the effectiveness of the program. The objective should reflect the goals expressed by the prospect or propose to answer the problems they are encountering. The more the objective reflects the customer's needs the more likely they are to purchase your program.

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SAMPLE OBJECTIVE



Sample proposal objective:

Program Objectives:

- To reach every consumer in the Beyer B Wares stores core market.
- To heighten awareness of the Beyer B Wares brand with local shoppers.
- To drive store traffic and build customer loyalty and shopping habits through weekly promotion of Beyer B Wares specials and marketing events
- To reduce overall mailing costs while increasing the number of shoppers reached within each store's core market by leveraging TLI Shopper's ability to target specific geographic areas

This set of objectives is based on a proposal I prepared for one of my customers. To give you some background, the customer was using the local daily newspaper to distribute his flyers. The paper reached only about 20% of the people in the market and since the paper's geographic coverage was very large many of the people reached lived too far away to become regular customers. Because of this the customer was supplementing the newspaper program by solo mailing flyers to their customer list at a significant cost. Their goals were to increase brand awareness and drive store traffic.

Because these objectives are based on the customer's own situation and their goals, the customer will naturally accept them. By placing the objective statement at the beginning of the proposal it conditions the prospect to be open to accepting your proposal. If they buy-in to the objectives, which reflect the problems they face, they are much more likely to buy-in to the proposed ad program which offers the solution to those problems.

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OPTIONS



7. PROPOSING OPTIONS TO YOUR CUSTOMER

Finally we are into the meat of the proposal; the “Options” or recommendation. I like to give the prospect several programs to choose from—all of which would help me achieve my goals. I like to include several options for several reasons:

- Customers like to feel they have a choice. They like to feel like they are in control
- It gives them a chance to have a victory—“that sales rep wanted me to buy 200,000 flyers and I only bought 100,000” BUMMER!
- Instead of putting all of your eggs in one basket you can present a number of products and ideas. This increases the odds that one of your options will “click” with the client.

I usually include 3 programs, sometimes 2, but very seldom more, to the prospect. This gives the customer a choice without over complicating the decision.

The 1st option is a reach for the sky program. It is the program that would bring the customer the maximum response. Option 1 is formulated on a “money is no object” basis, and does not take budget into consideration

The 2nd option is a compromise program that is designed to give the biggest bang for the available buck. Option 2 lies at the intersection of the customer’s needs and their resources.

The 3rd option is a fall back program which is budget driven. It is designed to use limited funds to address if not solve the customer’s problems. Though it is the lowest cost option it is usually not the best value option.

The basic purpose of the option sections is to tell the customer what they’re buying and how much. A well written option will work in conjunction with the cover letter and proposal objective to position the value of your offering and help them see how your program will help them.

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DISSECT THE PROPOSAL

OPTION 1



Let's dissect a mock proposal for our friends at Buyer B. Wares Stores.

Advertising Proposal for Beyer B. Wares Stores

Option 1:

In book display advertising

Program components: TLI Shopper would publish four contiguous pages of advertising for Beyer B Wares in the following TLI Shopper issues-Butler; Valencia/Saxonburg/East Butler; Evans City /Zelienople; Mars/Cranberry and Wexford books These 5 markets would serve the Butler and Wexford Beyer B Wares stores with direct mail to a total of 71,200 homes

Finish the paragraph with what is important to the customer. The customer doesn't care about the number of editions where they will appear, they care about how many people will see their ad. The last item will be the one the customer is most likely to remember

The theme of the ads would be “Beyer B Wares—where you save everyday on everything” This theme would be prominent in each ad throughout the life of the program to imprint this branding into the minds of local consumers. Each ad would promote Beyer B Wares weekly “Doorbuster” specials to attract shoppers and build store traffic. To counter the misconception that the Beyer B Wares stores are difficult to find each ad would include maps of each location and the words “minutes from the mall” (See sample ads attached).

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OPTION 1



Including a description of the “creative” aspect of the program tells the customer that they are buying much more than just space—they are buying ideas and shows that you are thinking about how to help them rather than how to sell them. Including spec ads helps them to visualize the program. This will often tip the scales in your favor against a lower bidder who doesn’t demonstrate a service orientation.

Investment: Weekly investment for this program would be \$1,924.50 or approximately 2.7 cents per home reached.

This reminds the customer that they are “investing: in the future of their business. Breaking the pricing down to the lowest possible unit keeps the focus on value, again finishing “2.7 cents” makes this what the customer will recall.

Commitment requested: We would ask for a 52 week commitment and would guarantee the above pricing for the term of the agreement.

“Commitment” is a scary word for customers. Using “requested” is softer than required. Locking in the price gives the prospect something in return for their commitment.

Ad production: TLI Shopper would build the ads from copy/art provided by Beyer B Wares Stores. TLI Shopper would absorb all production costs. Beyer B Wares stores will have full use of the TLI Shopper creative department to develop new concepts and ad layouts at no charge.

This section is a “value added” statement. It is another way to remind the customer they are getting a lot more than ad space for their money.

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OPTION 2



Advantages of Option 1: This option offers total market saturation and would reach over 80,000 within 5 miles of a Beyer B Wares location. This program reaches the greatest number of potential Beyer B Wares shoppers at the lowest possible investment per home (2.7 cents per home delivered).

The option statement ties the proposal together and reinforces the value statements in every section. Again we tend to remember the last thing we read. Placing the "Advantages" at the end of the proposal and placing the smallest pricing unit at the end of the value section we are helping the customer to think of us in terms of "value" and not "cost"

The "advantage" section also helps the customer differentiate between the options offered them and to choose an option based on value rather than price.

Option 2:

In book display advertising-Butler locations only

Program components: TLI Shopper would publish four contiguous pages of advertising for Beyer B Wares in the following TLI Shopper issues-Butler; Valecia/Saxonburg/East Butler; Evans City/Connoquenessing/Zelienople

The theme of the ads would be "Beyer B Wares—where you save everyday on everything" This theme would be prominent in each ad throughout the life of the program to imprint this branding into the minds of local consumers. Each ad would promote Beyer B Wares weekly "Doorbuster" specials to attract shoppers and build store traffic. To counter the misconception that the Beyer B Wares stores are difficult to find each ad would include maps of each location and the words "minutes from the mall" (See sample ads attached)

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OPTION 2

Market Reach: These 3 markets would serve the Butler locations with direct mail to a total of 40,765 homes

Investment: Weekly pricing for this program would be \$1,597.20 or approximately 3.9 cents per home reached.

Commitment requested: We would ask for a 52 week commitment and would guarantee the above pricing for the term of the agreement.

Ad production: TLI Shopper would build the ads from copy/art provided by Beyer B Wares Stores. TLI Shopper would absorb all production costs. Beyer B Wares stores will have full use of the TLI Shopper creative department to develop new concepts and ad layouts at no charge..

Advantages of Option 2: This option would reduce the investment required by concentrating the efforts on just Beyer B Wares Butler location. This program would reach every shopper in the communities surrounding this location at a fraction of the cost of solo mailing (3.9 cents per home delivered).

Option 3:

Distribution of pre-printed Beyer B Wares Stores flyers

Program components: TLI Shopper would insert flyers supplied by Beyer B Wares into the TLI Shopper for mailing. TLI Shopper would route these flyers to specific U.S. postal carrier routes within our circulation as directed by Beyer B Wares.

Market Reach: We would request a minimum drop of 20,000 pieces per week.

OPTION 3



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OPTION 3



Investment: Based on a typical weight of .35 oz. for a 4 page and .70 for a 8 page flyer the following prices would apply:

4 page flyer	\$33.75/M	\$0.034/Home Del
8 page flyer	\$43.75/M	\$0.044/Home Del

Commitment requested: We would ask for a 52 week commitment and would guarantee the above pricing for the term of the agreement.

Shipping: Flyers would be drop shipped to the **TLI Shopper warehouse at 111 First Street New Orleans, LA 00000** by the Wednesday preceding the desired insertion date.

Advantages of Option 3: This option would use the TLI Shopper to deliver existing sales materials. This program would significantly reduce Beyer B Wares distributions costs while increasing penetration in the communities closest to the stores. This program would reach 98% of the homes in the target area for less than 4 ½ cents per piece delivered.

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SUMMARY

QUESTIONS & DISCUSSION



8. SUMMARY

Remember the following when building an effective proposal:

- ✓ Use simple language and writing that is clear and logical when drafting information
- ✓ Organize your thoughts and focus all of the elements of a proposal on what the customer needs—not how great your product is.
- ✓ Include a cover letter with your proposal
- ✓ The proposal itself should include no more than 3 options that detail how your product will fill the customer's need

A well-written professional proposal can open the eyes of a prospect and get them to look at the value we offer their business. Like anything else we do in life if we give some thought to what we are doing and are willing to work a little harder than the next guy we will be successful.

QUESTIONS & DISCUSSION

On behalf of The Leadership Institute, thank you for attending this class. We believe that the continued growth of the free paper industry begins with a well-trained, energized sales force.

For more information on TLI's course offerings, check out the afcpconference.org website.

*"I know the price of success: dedication, hard work and an unrelenting devotion to the things you want to see happen."
—Frank Lloyd Wright*