

LEARNING MADE EASY



Writing Business Bids & Proposals

for
dummies[®]
A Wiley Brand



Develop a winning
business proposal

Plan and use a repeatable
proposal process

Use tools and templates to
accelerate your proposals



Neil Cobb, APMP Fellow
Charlie Divine, CPP APMP Fellow

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**by Neil Cobb, APMP Fellow,
and Charlie Divine, CPP APMP Fellow**

Published in association with The Association of Proposal Management
Professionals (APMP), Rick Harris, Executive Director

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Introduction

This may come as a bit of a surprise to you, but some people write proposals for a living *and enjoy it*.

We don't mean people who have to write proposals to sell their products and services as an obligatory part of their roles as business owners, salespeople, and entrepreneurs. We mean people who write proposals as their profession — it's their primary role. They delight in this intricate, detail-oriented, thought-provoking work. They toil for businesses big and small, and all they do all day (and all night at times) is write proposals. Some write proposals that are a handful of pages, while others write proposals with hundreds of pages in multiple volumes. Some write them pretty much on their own, while others coordinate the efforts of anywhere from a couple of specialists to hundreds on a single deal. They propose to every kind of business and government entity you can imagine, because most publicly owned or regulated enterprises buy goods and services through proposals.

It may not matter to you personally, but proposal writing is a profession — a growing and increasingly important one. It's an essential part of a broader group of business development professionals who plan and execute strategies for businesses to obtain new customers. Proposal writers have a professional organization — the Association of Proposal Management Professionals (APMP) — whose best practices are the foundation for this book. This group of more than 7,500 practitioners from around the world knows that proposal writing is a skill you can learn, practice, and master, and, ultimately, prove your mastery of through a professional certification process.

Here's what does matter to you: *Writing Business Bids & Proposals For Dummies* is your easiest and best ticket for finding out what these professional proposal writers know and for applying it to your own business. You have in your hands the collected knowledge and skills of the professional proposal writer — without having to be one.

About This Book

This book is primarily for small- to medium-size business owners, first-time proposal writers in medium-size companies, or sales representatives who need to represent their companies in the best light possible. A written proposal, whether it's delivered in print or digital format, is still one of the most common, personal, and effective ways to win business, even in this age of near-instant online communications, social media marketing, and live-action websites.

Proposal writers have an old saying: “The best proposal won’t win the business outright, but a bad one will certainly lose it.” This means that a proposal doesn’t work in a vacuum. Developing a successful business is a complex and difficult process, with lots of interworking parts. You have to have useful and reliable products, dedicated people providing a dependable service, and innovative thinking that can solve unique problems. But even if you have the best products, the best people, and the best service record of anyone in your industry, if you can’t express those advantages clearly and persuasively in terms that truly mean something to your customers, your business will never be as successful as it can be.

If you adopt the concepts, implement the processes, practice the techniques, and adapt the tools in this book to meet your unique needs, you’ll improve the way your business captures new customers and communicates with existing ones. This book can help you to

- » Establish a process for finding and assessing business opportunities.
- » Create repeatable plans for responding to opportunities.
- » Understand your customer’s business and its needs.
- » Assess your and your competitors’ strengths and weaknesses.
- » Build and manage teams to develop compelling proposals.

After you have a process and the required resources in place, this book can guide you to

- » Structure your proposals in proven, effective ways.
- » Write them in the clearest and most compelling terms.
- » Design them for maximum readability and visual impression.
- » Create practices for doing a better job each time.

We also use a few conventions throughout the book to make finding what you need easier:

- » If you see a word in *italics*, it means that the term has a unique meaning in the proposal world. We define it right there for you.
- » If you see a sidebar, you can skip that information if you're in a hurry. It's there to provide background information or other supporting content.

Foolish Assumptions

As we wrote this book, we assumed a few things about you, dear readers:

- » You need to write a proposal, and sooner rather than later. You may be an inexperienced salesperson who inherited an account with a pressing need. You may be a newly named proposal resource in your company, and a Request for Proposal (RFP) has just landed on your desk with the clock ticking. Maybe you've written a proposal before, and you want to do a better job on the next one. Whatever your immediate need, we assume that you want to do this job right, and that's what we aim to help you do.
- » You know how to use a computer and word-processing software. You can't write a proposal on the back of an envelope or napkin and be taken seriously. The leading word-processing programs on all platforms provide enough layout and graphics capabilities that you can easily create a professional document that follows basic design principles. If you don't know how to use them, you can always grab another *For Dummies* book and improve your skills!
- » You know how to convert a word-processing file into PDF format, which allows you to create a digital copy of your proposal that is more tamper-resistant. Leading word-processing tools have menu selections that can do this in a couple of clicks.
- » You'll eventually work your way through the entire book and will understand that there's still more to learn. That's where the APMP comes in. If you do need to know more, an APMP membership provides a legion of mentors and volumes of references. The APMP also offers a professional certification program for those who want to demonstrate mastery of the craft. Go to www.apmp.org for more information.

Icons Used in This Book

We use a few icons throughout this book to call out important information that you may otherwise miss.



TIP

This icon provides extra information for applying proposal-writing techniques or alternative ways of doing things.



REMEMBER

This icon points out important information that you may want to note down or highlight, or that you may want to keep in mind as you try your hand at the task.



WARNING

This icon highlights potential pitfalls and danger spots.



EXAMPLE

This icon indicates examples that we provide to illustrate what we're talking about as you work through the book.

Beyond the Book

We've created a handy, access-anywhere Cheat Sheet, which provides high-level reminders that you can easily reference when you don't have the book on hand. For instance, are you looking for a reminder of some of the key reviews you can undertake to help develop and perfect your proposal process? The Cheat Sheet helps you remember at a glance. To access this Cheat Sheet, go to www.dummies.com and search for "Writing Business Bids & Proposals For Dummies Cheat Sheet" in the Search box.

We've also created a one-stop-shop for all digital content related to this book. Check out the appendix at the end of the book for the URL and a list of the online templates and checklists.

Where to Go from Here

Writing Business Bids & Proposals For Dummies takes you from the basic concepts behind proposal writing and the practical techniques you apply to create winning proposals to advanced concepts you may consider after you've mastered the basics.

We recommend that you check out the table of contents for the complete list of topics, and then read Chapter 1 to get the end-to-end story from 30,000 feet.

You don't need to read this book in any particular sequence. Each chapter is self-contained, tackles a single proposal-related subject, and, like a good proposal, has cross-references to related information. Just pick a chapter that addresses an immediate problem you have, and read, think, and apply. For example, are you already responding to an RFP? Look to Chapter 4 for advice on identifying all the customer's requirements, or jump to Chapter 9 for ways to collect and structure your past-performance records.

And last (or maybe first), to get a general "lay of the land" in proposal writing, be sure to review our simple proposal process in Chapter 6. This list of major steps provides an "at-a-glance" view of the many duties a proposal writer performs over the span of developing either a proactive proposal or an RFP response.

1

Understanding Proposal Development

IN THIS PART . . .

Find out what proposals are and why everyone in business needs to know how to write them. Take a peek into the world of professional proposal writers and how they do their jobs. Look at the bigger picture and how proposals fit into a business's sales process and a customer's buying process.

Discover the similarities and differences between proactive proposals and reactive proposals (or responses to a Request for Proposal [RFPs]). See how to avoid the traps lurking in RFPs and how to make sure the customer finds what it's looking for. Understand how creating a consistent structure and format for your proactive proposals can help customers choose you over your competitors.

Chapter 1

Introducing Bids and Proposals

This book is about writing business bids and proposals. Why bids *and* proposals, you ask? Aren't they the same thing?

Many proposal professionals would say so. Others favor one term over the other, especially when used to modify another term. For example, in the United Kingdom, they may say *bid manager* and *tender*; in the United States, we say *proposal manager* and *Request for Proposal (RFP) response* — and we mean pretty much the same thing.

Some people think of bids as something we'd call a *quote* — a line or two about the offer and a price — something you can write on the back of a napkin. Some may even call that a proposal. The more people you talk to, the more confused you can get.

As we use the terms, *bids* and *proposals* are more formal, more thorough, more informative, more persuasive, more descriptive, and more professional than *quotes*. They're more about communication than selling, more about value than price, and more about relationships than a single deal. Throughout this book, we use them interchangeably because it's how proposal professionals talk: A *bid* is a *proposal*; a *bidder* is someone who submits a proposal or bid (and we'd never use the word *proposer*).

In this chapter, we introduce you to the world of bid and proposal management — what proposals do, how they work, and how you write one — drawing from the best practices that bid *and* proposal professionals use worldwide.

Defining Bids and Proposals

In the broadest sense, *business proposals* are formal, written offers by businesses or individuals to perform work on the behalf of other businesses, government entities, or other individuals. Proposals set out in clear, concise language what you'll do for a customer, how you'll do it, how much it will cost, and the business benefits the customer will realize after the work is done. Proposals aim to both inform and persuade. And that makes them pretty unique.

In some industries, business proposals are precursors to contracts. That's why many proposals stipulate how long certain offers or prices are valid. Some government entities require the proposals they receive to be authorized by a bidder's officer to underscore their legal status. Some proposals even become an integral part of the final contract.



REMEMBER

Business proposals come in two main flavors:

» **Proposals submitted further to a formal request from the customer:**

These are sometimes referred to as *solicited* proposals. You may also hear them called *reactive proposals*, because you can't really anticipate all their requirements. More often, these proposals are called *RFP responses*, because the customer issues a *Request for Proposal*. We opt for that term throughout this book.

» **Proposals that you give the customer independently of any request:**

These usually follow deep discussions about the customer's business needs and are called either *proactive* or *unsolicited proposals*. Instead of the customer requesting a proposal, you ask the customer to accept your proposal. We prefer the term *proactive* because it indicates that you write these on your own initiative (plus, it's easier to say).

Both types consist of a series of textual and visual components that form an *argument* in support of your approach to solving a customer's problem.

In the following sections, we discuss the differences between RFP responses and proactive proposals — their structures and some of the rules around writing them — and then discuss the reasons why organizations issue RFPs.

Looking at the differences between RFP responses and proactive proposals

Before we go any further, we cover how you construct RFP responses and proactive proposals and why they're different.



REMEMBER

For all their differences, when you look closely at RFP responses and proactive proposals, you see that their deep structures are more alike than different. That makes sense, because they both argue for one solution over others. Therefore, what makes one type of proposal successful applies to the other.

Turn to Chapter 2 to find out more about the similarities and differences between RFP responses and proactive proposals.

Understanding the structure of RFP responses

RFPs are the procurement method of choice for most governments and large organizations. Most RFPs, regardless of the source, have similar structures. Government RFPs have elaborate number schemes and consistent, required sections. Commercial RFPs may have these as well, but the formats and sequences can vary widely from industry to industry and from RFP to RFP.



TIP

RFPs always have one thing in common: Whoever releases them expects your response to follow the prescribed structure to the letter. RFPs are designed so evaluators can easily compare bidders' various responses. They also tend to reflect whatever structure has worked before, which is why you can anticipate repeated elements when you respond to RFPs from certain customers.

Though RFPs can have many surface differences, most contain individual sections that do the following:

- » Describe the background of the customer and its business problem.
- » Lay out the rules that the customer expects all bidders to follow, including any terms and conditions of a potential contract.
- » List the specific requirements that the customer needs you to address as you solve the problem. These requirements often take the form of questions. They may cover not only how your solution will work but also how your company will implement and manage the solution.
- » Specify pricing components (usually in separate spreadsheets, depending on the complexity of the project).

Many RFPs instruct you to include in your response an executive summary, which you need to do whether instructed to or not (unless the RFP explicitly forbids you to). As you see in Chapter 9, an executive summary is your best chance to explain your solution and its value to the customer's highest ranking decision maker (who won't normally read the entire proposal). You never want to miss out on the opportunity to communicate directly to a customer's leaders.

Understanding the structure of proactive proposals

Proactive proposals, more or less, also follow a standard structure. The difference is that with proactive proposals, you control the structure, although you should always use a structure that customers find comfortable, satisfying, and compelling. The standard sections include

- » An *executive summary* that recaps needs and benefits, win themes, and value propositions in language that speaks to decision makers
- » A description and illustration of the *current environment* or *problem*
- » Your *recommendation* for creating a new, improved environment or for solving the problem, comparably illustrated to show the changes in the customer's world
- » A *statement of work* that describes how you'll set up the solution and maintain it
- » A *pricing summary* that focuses on benefits, value, and return on investment
- » A final recap of benefits and an action close to outline next steps

Adjusting your process for RFP responses and proactive proposals

High-level differences exist between RFP responses and proactive proposals that involve how you adhere to the rules, work with time frames, and handle the competitive landscape.

PLAYING BY THE RULES



REMEMBER

RFP responses have to mimic the structure of the RFP they respond to. They echo the numbered sections and subsections (sometimes four or five levels deep) of the RFP. They populate structured forms that the customer includes for pricing information. They adhere to customer-mandated page and format restrictions. Fortunately, they don't have to copy the normally stilted, bureaucratic language of the original, although you must be careful to repeat key terms so you sound responsive (we talk about responsiveness and compliance in Chapter 4).



TIP

You can insert the original RFP into your response template to put a brand wrapper around it, but you'd better not stray from the format prescribed. Read the RFP closely to see what you can and can't do. If your RFP says "don't use color images," make sure you don't. If your RFP says "insert your response directly after each question," do as it says and highlight your response so the reader can tell the question from the answer.

Proactive proposals have only the rules a customer sets when you offer to submit one. Your customers will hopefully be intrigued enough by your solution to put aside their hard-and-fast rules and allow you to present your solution in your preferred format. Proactive proposals can look like, well, whatever you think your customer wants them to look like: magazine articles, business letters, glossy brochures, or even (ugh) RFP responses.

STICKING TO A TIMELINE

RFPs are deadline driven. If you miss the deadline, you're usually eliminated. That may sound harsh, but it's not necessarily a bad thing. With an RFP response, at least you have an engaged customer setting a clear deadline.

With proactive proposals, you may have nothing more than a customer's promise to consider your idea. Your salesperson may set a date with the customer to deliver a proactive proposal, but you may find that the date slips as other sales initiatives take precedence or if the salesperson gets distracted and doesn't provide you what you need to finish the proposal by the due date. And your customer won't be as obligated to review your proposal when it does arrive.

WORKING AROUND THE COMPETITION

Salespeople try to avoid RFPs because they are, by design, more competitive than proactive proposals. By releasing an RFP, customers consciously pit competitors against each other. You present proactive proposals after you've worked with customers long enough to see inside their operations and discover areas where your business's expertise can benefit them. And although a customer may entertain multiple proactive proposals to solve a problem, you usually have much less competition, if any, to worry about.

Understanding why organizations request proposals

Knowing how to write proposals well is important because most mid- to large-size organizations acquire services and products through proposals. Many regulated industries and government entities must, by statute, set up an RFP

competition so they can create a fair basis for comparing vendors and solutions. Others release RFPs because they know pretty much what they want and are trying to find the best, lowest-cost provider. Still others release RFPs because they're unhappy with their current provider's performance and know that an RFP can remedy the situation, one way or another.



WARNING

Some companies request proposals to validate a prior decision (when they've already chosen a vendor) or merely to apply pressure to a current provider to lower its price. The better your relationship with the customer, the better your chance of avoiding being used as a tool for making an incumbent more responsive.

Preparing to Propose

Well-written proposals are a product of a well-defined and closely followed process. That's why we spend so much of this book walking you through the three major phases of proposal development:

- » Pre-proposal stage
- » Proposal development stage
- » Post-proposal stage



REMEMBER

If you look at the bigger picture, proposal development is just a part of the overall sales or business development process in a company. You acknowledge that relationship by starting the proposal process long before an RFP is released or a salesperson has uncovered that proactive opportunity — back in what some sales organizations may call their *pre-sales process* (when they create and formalize their sales strategies for a customer). And we recommend staying involved long after the proposal is delivered, the contract is signed, and the work is underway, so you can be ready to do even better before the next opportunity (whether with either the same customer or a different one). (To better understand the scope of the proposal process, turn to Chapter 6, where we take you through each stage in more detail.)

The following sections introduce this three-stage proposal process to give you a big-picture view from the proposal writer's perspective.

Starting before the beginning

We begin before you even know you have an opportunity: The pre-proposal stage. It's where you make many key decisions that can make or break your efforts to build a winning proposal.