

MKTG333: B2B (Business Marketing)  
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## How to Write a Sales Contract Proposal

Writing a sales proposal is a very important step in gaining a new client, or selling to a current one. This guide teaches you few effective sales proposal techniques.

A sales proposal has three basic objectives.

- ❖ First, it educates the prospective client about the full nature of his need. Often, a prospective client may be aware of only a portion of his need. This may be a perfect opportunity for you to demonstrate your ability to see "the forest from the trees" as an objective third-party expert. As an expert, you have an advisory role to inform your prospective client about certain features/specifications which he should/can consider.
- ❖ Second, the proposal convinces the prospect that you have the competence to deliver what he needs, better than he can himself.
- ❖ Third, the proposal provides justification for the prospect's investment in terms that are useful and understandable to the client.

However, to convince your client that you are the best person for the job, you must get him to read your proposal. So how do you get this busy executive to lay aside other pressing issues and pick up your proposal? The answer is to write a proposal that satisfies his needs, not one that sells your services. And to do that, you must have a full understanding of the nature, scope and needs of the prospect and present your ideas in a manner that convinces the prospect that your product or service represents the best way to handle his needs.

The proposal must showcase your value to your prospect's organization. You have to convince your prospect why he cannot fulfill his needs with resources internal to his organization.

You must differentiate your goods or services from the competition if you can first show your prospect that he needs external resources to satisfy his needs, then you must convince him that you are the best choice for the job.

The proposal offers value-added solutions. Organizations are not interested in novelty approaches. Remember, the winning proposal will outline how a client can solve his problems and achieve his objectives. Your client contact also is motivated to look good to the rest of the organization especially his boss!

# **CREATING THE PROPOSAL**

Generally speaking, there is no standard length to a proposal. Depending upon the RFP, a proposal may be a five-page letter or a 15-page document. It is important to know the protocol if there is any. Follow RFP instructions. Any such document should be preceded by a cover letter. State a brief description about your company and the purpose of your contract. Do not use overly solicitous statements such as "We are truly grateful for the opportunity to propose." These statements immediately impact the leverage that you have with the prospect he becomes the superior, you the subordinate. Remember, this proposal must present you as the expert and not a subordinate.

RFPs set very clear guidelines regarding the desired content, length and format of the proposal. When this information is provided, follow it to the letter. Clients stipulate their requirements this way for a good reason often because they anticipate reviewing several proposals at once. They want to be able to easily compare the submitted proposals. If they can't find the desired information quickly, they won't spend the time to look for it.

## **1. Executive Summary - The Theme of Your Proposal**

This is important particularly for organizations that receive several different proposals at a time. The theme should be one of the first things that your prospect sees. A proposal title should appear on a cover page or as the headline to your proposal followed by a short description on how you intend to help the prospect. Be clear and avoid cuteness. This is not a headline whose purpose is to entertain, but a description that clearly informs the prospect of the reason for the proposal. An appropriate theme might describe how your product (or service) will enable the client to solve his problem or achieve his goal.

For example, if you are a commercial cleaning service, your proposal theme might be, "Providing the greatest value in cleaning services to ABC Corp." If you are a marketing

consulting firm, it may be, "Boosting XYZ's bottom line utilizing a diversified marketing approach."

## **2. Developing the Body of your Contract Proposal**

Now, you are ready to create a rough outline of your proposal. Sales proposals typically include an introduction, definition of the project or need, a discussion of the approach, benefits of your product/service, and the cost associated with doing the work. Refer to the client's RFP on issues and content to include in the body of the proposal. Be specific on the required specifications of the product.

Start this section with an introduction (your understanding) of the business of your prospect and the nature of your prospect's need (Problem Recognition). It will be to your advantage to keep the message warm and tailored to the prospect but at the same time convey that you have a thorough understanding of your prospect's need. In the next para you should indicate a brief description about your company and how your proposal is organized. For Example, if you are a management consultant, your introduction may start: "Over the past 20 years, Management Inc. has assisted over a hundred companies in improving their productivity. Like these companies, Trailer Courier Service is looking to streamline operations and eliminate wasteful functions. In the following proposal, we'll discuss our approach to achieve higher productivity, identify benefits associated with these higher efficiencies, and... "

Next, introduce the objectives and scope of work that your prospect can expect. Describe what you will do and give an accurate time-frame for delivery or completion of key items. Be aggressive, but realistic. This is not the time to make promises on which you can't deliver. Your prospect will be suspicious. He wants someone he can rely on, someone he can trust. This may be the first contact with this prospect, but your intent is to make him a long-term customer. Make sure you provide enough detail so that the prospect can understand it clearly, but keep it broad enough so that it doesn't inadvertently narrow his or your options.

Describe the benefits the prospect can expect from your products or services. This is a critical part of your sales proposal. This is not the time to withhold information present any possible upside that your product/service can provide. Don't stretch to the ridiculous, but do be sure you exhaust all the major benefits. Remember to tie your benefits to your prospect's goals.

Also, when you describe your approach, include the result, or deliverables, with each step. This is what your client gets upon completion of each step. The deliverable signals the end of one step and the beginning of the next. However, all steps do not need a deliverable, just the key ones. Providing deliverables is an effective method for gauging progress on a project. Deliverables provide evidence that work is being completed and is a valuable mechanism to use when managing large projects for both the customer and supplier. Deliverables can be either goods or services. For instance, if you are a consultant, you may provide a progress report, either orally or written, upon the conclusion of key steps in a project. On the other hand, if you are a building contractor building a home, an appropriate deliverable may be completion of a room or system (plumbing, electrical, air conditioning, etc.).

Finally, it's time to present the cost for your product or services. Where you place this information in your proposal is extremely important. ABSOLUTELY do not include the cost at the beginning before you have had a chance to fully explain your approach and the resulting benefits. Your prospect has to know what he is buying before he's willing to spend his money. If you include the costs too early in the proposal, it may immediately put off your prospect and cause him to reject the proposal before he has a chance to understand its impact fully. Your estimate of charges for goods or services should be as detailed as possible so there will be no misunderstanding when the goods or services are delivered. If you're quoting on a large project, break the project up into stages, providing the details of these costs.

Hidden costs are a strict NO-NO in B2B marketing. Remember, you want to turn this prospect into a long-term customer. Disclose all potential costs even if you can't quantify them upfront. There will be costs over which you have no control. Plan for them and let your prospect know what they are. Most likely, your client will have a limited budget that he is operating within. Do not assume that lowest cost proposals are always accepted. Cost plays a minor role in large B2B projects.

Providing project schedule and deadlines are appreciated by most client. Most RFPs require a schedule. You can include this as an addendum or within the body of the contract/proposal.

Closely follow the guidelines set in RFP to write this section of your proposal.

### **3. Closing the Proposal**

Finally, you're at the end of your proposal. Here, you want to remind the prospect why you are the best choice for the job. This is a good time to do some of your own PR. Make sure you have a qualifications statement in which you say why you are qualified to do the job for the prospect. It might start something like this, "... As the largest cycle manufacturer in the US for the past 40 years, TRED has supplied over 10,000 leasing businesses with over 10 million bikes"

End your proposal with a closing paragraph which contains a statement of interest in doing the work for the prospective client. This paragraph can also be used to restate the benefits of doing business with your company. For example, "All the employees at TRED are dedicated to the highest of quality standards in product and in service. Our free overnight delivery service means no spare part inventory for you"

#### Some Important Proposal Preparation Hints:

- ❖ Always include a cover letter. Your cover letter should summarize your objectives and highlight areas which you'd like your prospect to pay special attention. Keep your cover letter short and friendly, no more than one page long. Close the letter with a quick summary of why your company is qualified for the job. Then end with your proposed follow-up actions (i.e., I will contact you on DATE to answer any questions you may have.). The cover letter not only sets the tone for the rest of the proposal, but it also provides the prospect with a contact he can call for further information.
- ❖ Make sure to you proposal is built upon real or realistic situation, criteria, assumptions and calculations. Invent details as you feel necessary; just make them realistic!
- ❖ When possible use tables, graphics or charts. Making the proposal look more like a report can aid the prospect in his reading and understanding of the information presented. Use friendly, uncluttered charts to aid the reader. One well-constructed chart is worth a thousand words. Make use of sidebars and

descriptive headlines. Since your goal is to have it read, making it inviting is a definite plus.

- ❖ In any case, make sure there are no typos. Typos are an indication of sloppiness and a disregard for details, neither of which a client wants to experience in a project. If you can, have a colleague read your proposal for content, typos, and proper grammar. The presentation of your proposal is the prospect's best indicator of the kind of work you do.
- ❖ Use a checklist for your proposal. Once your proposal is completed, subject it to the following to insure that you have included all of the key items:
  - Does your proposal address the underlying purpose of the prospect's need?
  - Is there any danger that the prospect could misunderstand your approach to provide him with a solution? Have you clearly presented your approach?
  - Is the work you intend to perform covered in sufficient detail?
  - Have you expressed compelling enough reasons why you should be selected to supply the goods or services?
  - Is your proposal written from your prospect's perspective? Do you use language with which he is familiar? Do you know his personal or his organization's key objectives?
  - Are your fees or costs clearly stated? Do they follow a description of your approach and benefits?
  - Will the client understand what he or she is supposed to do upon reading the proposal?
- ❖ Use headings and subheadings in the proposal. Use succinct bullet-point lists. Use Page Numbers. Use readable font with appropriate line spacing. DO NOT use colored paper.