

Whitepaper

How to write a winning Sales Proposal

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How to write a winning Sales Proposal

In today's economy, sales people have to write better proposals than ever before. As the industry has become more competitive and complex, customers have become more demanding. As a result, they are likely to listen to a presentation, nod their heads, and mutter those dreaded words, "Sounds good! Why don't you put that in writing for me?"

Why do Customers want a proposal?

Writing proposals is about as much fun as having your teeth drilled. And reading them often isn't a whole lot better. So why do customers ask for them?

One motivation is that the customer wants to compare offers from various companies to make sure they buy the highest value solution based on your differentiators and value proposition. At a simpler level, they may just want to compare prices, clarify complex information, and gather information so that the "decision team" can review it. And let's face it, sometimes they just want to slow down the sales process and they think that asking for a proposal will keep the salesman busy for a few weeks.

Whatever the customer's motivation, the fact is that proposal writing has become a common requirement for closing business throughout the entire business world. Today, people who sell complex information technology have to create customer-centered, persuasive proposals.

Why should you want a proposal?

Proposal writing may not be fun but winning a sale really is! From experience there are three reasons why a proposal can really help the salesman win business

- > A well thought out proposal can set the agenda for the sale
- > The way you sell can seriously differentiate yourself
- > In your absence, the proposal can "Do the selling" for you.

What goes into a proposal?

Your objective in writing a proposal is to provide your customer with enough information, persuasively presented, to prove your case and motivate the customer to buy your services or applications. That sounds pretty straightforward.

So why do the vast majority of proposals start with the company's history?

Does the author believe there is something so fundamentally compelling about their origins that a customer will immediately be persuaded to buy? And why do a huge number of proposals focus entirely on the company's products and services, but never mention how those products and services will help the customer solve a business problem? Does the proposal writer believe that facts alone are enough to motivate a prospect to say "yes"?

Winning proposals should be customer centered, not company or product centered. Most people buy because they're looking for solutions to pressing problems, or the means to cope with difficult issues.

What this means is that a proposal is **not** a price quote, a bill of materials, or a project plan. Each of those elements may be part of a proposal, but they are not sufficient to make a persuasive, customer-centered case.

From experience, there are four categories of content that proposals **must** contain to maximise your chance of winning:

1. Evidence that you understand the customer's business problem.

People view major buying decisions with anxiety. The bigger the decision, the greater the anxiety. They know that even a well-intentioned vendor may end up wasting their time or their money or both. One way to reduce their anxiety and minimise their perception of the risk of moving forward with you is to demonstrate that you clearly understand their problems, issues, needs, opportunities, objectives, or values. Whatever is driving their interest, you must show that you understand it and have based your solution on it.

2. A recommendation for a specific solution that will solve the problem and produce positive business results.

It may surprise you to learn that most proposals contain no recommendation at all. What they contain instead are descriptions of products or services. What's the difference?

A recommendation explicitly links the features of a product or service to the customer's needs and shows how the customer will obtain positive results. And a recommendation contains language that unmistakably shows that the vendor believes in this solution: "We recommend..." or "We urge you to implement..."

Personalization

Customers expect more today. Why? In part, because they have been trained to expect more because of the business community's emphasis on excellence in customer service, focus on "total quality," and increased competitiveness of the market. You can't give customers a boilerplate proposal in today's market. You have to include their name and their company's name throughout the proposal. You have to acknowledge that you have listened to them and remember what you learned about them from previous interactions.

Here are three conclusions that emerge from the reality of heightened customer expectations:

Effective sales people deliver many messages.

- > They do not treat customers as demographic units. They engage in conversations, they listen, and they view customers as individuals.

Effective sales proposals require both of content and insight

- > You must have something worthwhile to say and you need to say it in a way that shows the audience that it's relevant to them.

Boilerplate messages may be worse than no messages at all

- > Because they sound "canned" and undercut the rapport we've created with customers.

3. A compelling reason for the customer to choose your recommendation over any others.

This is your value proposition. Remember that you may write a proposal that is completely compliant with the customer's requirements, that recommends the right solution, that even offers the lowest price, and still lose. Why? Because a competitor made a stronger case that their approach offered a higher return on investment, lower total cost of ownership, faster payback, or some similar measure of value that matters to the customer.

NOTE: Most proposals don't contain any value proposition at all. They contain pricing, but no estimation of the rate of return the customer will get from choosing you. Failing to address the customer's needs and failing to present a compelling value proposition are the most serious mistakes you can make in writing a proposal.

4. Evidence of your ability to deliver – the proof of concept.

Most proposals are pretty good in this area. You want to show the substantiating evidence that helps answer the question, "Can they really do this?"

Good evidence includes;

- > **case studies,**
- > **references,**
- > **testimonials,**
- > and **resumes** of key personnel.

You may also include

- > **project plans,**
- > **management plans,**
- > **company expertise,**

and other forms of evidence

- > **white papers,**
- > **awards,**
- > **third-party recognition**

Avoid throwing in everything. Keep the evidence focused on the areas the customer cares about.

First Impressions

We all have the tendency to judge future experiences based on our first one. You might call it the principle of first impressions.

For example, if we go to a new restaurant and receive a poor meal or bad service, we'd have to be masochists to go back. It may be that they are normally very efficient and polite, and a combination of circumstances conspired to produce a negative impression.

But we'll never know. We'll never go back. Research indicates that first impressions are so strong that it takes at least seven positive experiences to overcome a first negative impression. (Or, conversely, seven negative ones to overcome an initial positive experience.)

So what does this mean for proposals? It means we must put the things up front in our proposal that the customer cares about the most. It means don't send a boilerplate cover letter. Don't write an executive summary that's all about you. And don't call your proposal something generic and pointless, like "Proposal."

First impressions tell us that it's vitally important to understand the customer and then structure the message correctly. Put the customer's most important business issues first. Put the goal or outcome they want the most first in your list of outcomes. And structure your proposal in terms of the things that matter the most to the decision maker:

- > **Meeting a perceived need**
- > **Delivering superior value or ROI**
- > **Complying with the specification**
- > **Proven vendor competence**

Don't guess! If you don't know what the customer cares about, ask!

These are the essentials, the three key factors on which every proposal is evaluated:

- > **Responsiveness:** Are we getting what we need?
- > **Competence:** Can they really do it?
- > **Value:** Is this the smartest way to spend our money?

Every scrap of data, every figure, every paragraph in your proposal must contribute toward providing one or more of these essentials.

Terry Forsey Consulting

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About Terry



Terry Forsey has a Masters Degree in Computer Science, yet has spent over 30 years working as a Sales and Marketing focused Director within the IT Industry. His experience has been with Small & Medium sized companies where he has repeatedly wrestled with the challenges of growth.

Terry has been part of a management team that has raised Venture Capital on three occasions and sold businesses twice. He narrowly averted a complete disaster when a major client called in the receiver over the Christmas Holidays. An experience he describes as “one of the most focusing events of my career!” Terry is pleased to announce that after two years this business was successfully sold and survives today.

Since 2001, Terry has been a Sales and Marketing coach helping technology businesses build successful sales and marketing teams and achieve significant growth. Terry was recently described (unprompted) as the “Affordable John Harvey-Jones”.

Terry is a Non-Executive Director of six companies, listed on the National Business Link Consultants register and a BVM approved Mentor working with The Princes Trust, Business Support Northamptonshire and East Midlands Business Champions.

Terry is a Member of the British Computer Society, a Fellow of the Institute of Sales & Marketing Management, a Member of the Chartered Institute of Marketing and a Member of the Institute of Directors.