

Evolve Sales Report

Sales Proposals - How to

A proposal is not all about you the Seller!

Ever come across the following sales proposal structure before?

- Section One - Here is a history and background of our company.
- Section Two - Our mission statement and our core values.
- Section Three - Our service offering.
- Section Four – The business pitch
- Section Five – Pricing and technical specification (with discounts even though you didn't ask for them yet).

You won't be surprised to find out that this type of proposal structure is most closely associated with failure. This type of sales proposals will fail mainly if written from the sales proposer's perspective. The best way to improve your sales proposals is to write them from your customer's perspective and that is the theme of this Evolve Special Report Edition is all about – writing proposals that make impact.

The above-mentioned structure will fail because it's all about the seller, the seller's company, and all the reasons why the seller perceives the customer should buy. In contrast proposals that make impact are the opposite of this. They are written from the customer's perspective, about what the customer sees as issues, and what the customer expects from a possible purchase. So we can safely say a customer-focused proposal is based on real expectations as opposed to a business pitch. Business pitches normally fail.

So what are the most common mistakes found in sales proposals?

Most companies in Ireland either spend too little or far too much time putting a proposal together. When I say too much, they spend anything up to a full day writing a very technical proposal for a sale with a value of a couple of thousand Euro or less. As against that, when I say too little, I mean that they have templates for every type of proposal. For example, they stick the customer company logo in the header line of each page, change the title on the cover page, and do a "Find and replace" task in Microsoft Word to change company names and key terms throughout the document. A fifteen-minute job all told! This type of proposal is general, and does not help the buyer to take the next step. It's merely a pitch for business – similar to a marketing brochure with a bunch of prices upon it. It does not include a description of the buyer's current operation, available business improvement opportunity, or needs and objectives. It will probably refer to pricing in the context of some high-level money making or saving statements. It can be vague regarding buyer and seller roles and responsibilities, and often only lists unit prices forcing the buyer to estimate total fees and prices.

There is a better way!

A proposal should reflect the capability and ability of the sales organisation making the proposition. Furthermore, it should reflect a care and concern of delivering a solution to the customers needs / issues. Remember, for a customer to consider doing business with your organisation, they must be satisfied that you:

- Understand their issues
- Understand their unique set of circumstances and structures
- Can deliver what you say you can deliver
- Won't bury them deeper into the 'mess' they currently find themselves in.

So lets look at the best way of structuring a proposal. We suggest you consider using the following sections as headers for your overall structure:

1. The current situation

The customer needs to know that you understand their structure, culture, marketplace – a.k.a. – their current situation. We suggest a short paragraph outlining the situation, as you the seller understand it to be.

2. The purpose of the proposal

The customer wants to know what you are going to do and that it is the same thing that you proposed in your meetings. They want a checklist to measure your work against their requirements, other proposal, and something that allows them to get comfortable with the value they can derive from your price.

3. Your offering

Effectively this section suggests the remedies / actions / steps / services you believe will help the customer get the result they require. This is where you connect your offering with their requirement (The Purpose of the Proposal). It should clearly state what action you wish to take and give enough explanation to help the customer make a decision on what you are proposing.

4. Results! Results! Results!

Paint a picture of what results they can expect to attain from your offering. Define success for them. Help the customer set up benchmark that represents improvement. Make it easy for the client to see the result. Lastly, remember the easier it is for the customer to visualise the “fruits of your work” the easier it will be for them to buy it!

5. Track record

The Greek philosopher Socrates once said, “best indicator of future performance is you're past experience”. Often the biggest fear a customer has about making a purchasing decision is the fear of picking someone who cant deliver what he or she has promised. This means that where a seller can point a customer towards evidence of where they have done this before and that it's a straightforward exercise for the company – this gives the buyer peace of mind. Don't write testimonials. Give them a listing of customers (and their phone numbers) in similar scenarios and suggest that they phone them up.

6. Time scales

Get the customer off the fence of indecision. There is never a good time to start a new project. Time is money and all customers can be late from time to time. Outline the importance of time frames by linking timing to the objectives and results they want to achieve. You must show that you understand and can make the target dates with ease. Your client may have many times the cost of your product or service resting on this deal. They may be much less concerned about your price than your timing.

6. Project a value proposition to their investment in your service

It is often difficult to project a value that a customer can expect to attain from your work. The only way you can attempt to go near a 'value proposition' is to ask very detailed questions during your sales meetings.

For example, if we at Evolve are involved in a tendering process for business to business sales training – on meeting the decision maker we might ask questions like: (a) What is the sales target? (b) What is the average sale value? (c) What is the meeting to closing of the sale ratio?

This type of questioning will enable us project a possible future value on the behaviours the sales team will get from our sales training. It could be along the lines of *“Based on your average sales value of 1,000 Euro, and given that you have ten people on your national sales team, we estimate the improved sales behaviours could increase sales by up to two more per person per week. This projection could increase revenue by up to 80,000 Euro a month if the behaviours are managed and re-enforced by you.*

Note: If done correctly, the value minimises your price and moves the decision making towards the value the customer will get from the investment.

7. The technical details of your offering

This section is really for the user buyer. It should detail the specifications and detail on what you will deliver such as the price, the terms and conditions. Once again, these should not be surprises since you worked them out long before you wrote the proposal.

Please note this section should not be a surprise to the customer. Before you close the meeting that precedes the proposal make sure to discuss your pricing and try and get agreement in principle before you agree to write the proposal. Make your proposal sell and you'll be building an insurance policy behind every deal you close.

Danger! Avoid Certain Types of Proposals.

Many of you have a sales process that often requires a formal proposal in order for a prospect to become a customer. And if you're like me, you've been burned in the past by someone who you thought was a hot prospect, consequently you jumped through hoops and burned the midnight oil to compose a detailed proposal full of price quotes, charts, graphs, and glowing testimonials, only to call back and have the wind gut-punched out of you by a prospect who said, *“We went with someone else, thanks anyway”* or, *“We decided to hold off.”* Here are some pointers to help you from getting caught up in these

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unproductive processes.

Beware customers looking for proposals too quickly.

These are people who contact you, appearing out of nowhere, and seem more concerned about how soon you can get them a proposal rather than its content. Their first words are, *“I understand you sell training at Evolve, and I’d like a proposal from you.”* Beware of vague answers regarding the real need behind their request for a proposal. When questioned thoroughly, they get flustered and annoyed. The acid test is determining the precise criteria upon which proposals will be judged, and how a decision will be made. Ask them, *“If I do submit the best proposal, measured according to your decision-making criteria, will I be the one you select?”* If they avoid a direct answer, you’ve got a pretty good clue about their motivation.

Danger! Don’t be used as leverage in a pricing battle with his present supplier.

As a variation of the previous point, a customer wants your proposal to hammer down the price from his present vendor. The tip-off is the person who immediately wants your best price at a specific quantity. Again, these folks get restless when you slow them down and ask questions about their business, specific needs, etc. After their request, tell them you’ll be happy to give them the best price possible, and to do so, you’d like to learn more about their situation. If they cooperate, they might be a good prospect. Otherwise, they could be leveraging. Sure, quote them a price by phone, but don’t waste your time over a formal proposal.

Don’t educate for free!

People new to an industry or job, or those who are in the initial research stages of a future purchase might want to pick your brain and then get a proposal to educate themselves. Guard your time jealously. Often people will get free schooling on a product from a full service supplier, only to make the purchase from a discounter. For example, consider the case of a traveller wanting information on specific flights and times from a full-service travel agent, only to go online to buy the ticket from a cheap on line supplier. And granted, some of these folks might ultimately buy from you, but they likely do not warrant a formal proposal now. Your best move in this situation is to ask direct questions regarding their intention to purchase, and then learn their time frame: *“Have you decided that you will eventually make this purchase” “When do you plan on buying?” “What is your time frame for implementing this program?”* If they are short-term specific, you could have a live one. Otherwise judge their potential accordingly, and determine how much free info you’re willing to invest in them today.

And, don’t mistake mild interest as a proposal request.

This falls into the quantity is better than quality category. When a prospect says, *“Oh, OK, send a proposal. We’ll take a look at it,”* that has about as much of a chance of success as a child’s request being granted when a parent says, *“We’ll see. Talk to me later.”* There’s a huge difference between someone who says they’ll buy, and the person who will allow a proposal to simply pass across their desk. Ends.

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“Helping to improve bottom line sales results”