

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

Passion, for most successful businessmen, is what drives business.

But passion alone cannot build a business.

It requires a lot from reality: paperwork, budget, workforce, utilities, marketing, and connections—with business partners, companies, government institutions, and most especially, customers. In every step of the way, a business thrives in the quality of its network, most especially when collaborating with another business or asking people to support you with a new idea or opportunity.

This is not as easy as inviting someone to watch a movie or go to a dinner. It is rigid planning, a process that starts with a business proposal.



[Image source](#)

What is A Business Proposal?

[Inc Magazine](#) defines a business proposal as simply “a written document sent to a prospective client in order to obtain a specific job.” It can be solicited (when a customer or prospective partner asks for a proposal) or unsolicited (a sales presentation). The proposal used for highly technical fields consists of dry listings of engineering specifications or process details, but it is “always first and foremost a sales document.”

According to the Rockford University, the essence of a business proposal is how it frames how a business will run in a systematic way based on one’s researching and thinking. This process helps one analyze the details, review facts, and critically examine ideas. It may be time

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

consuming but this avoids costly damages and future errors.

A business proposal consists of narratives, worksheets, and data, but it can be modified based on its purpose, context, or audience or target recipient. The following are the uses of a business proposal according to June Campbell of [Nightcats Multimedia Productions](#) in a [4hb.com](#) article:

(1) A business entity has called for tenders or has invited you to submit a RFP (Request for Proposal). In this case, your goal is to be “short listed,” meaning that you will be one of the three or four bidders who is awarded an interview. Your proposal must stand among possibly dozens of submissions.

(2) You have an idea, concept or project that you want to propose to someone with the goal of gaining support, funding or an alliance. In this case, there is no competitive bidding process. However, your proposal must make a favorable impression and must explain all aspects of your proposed concept clearly and quickly. A document that is vaguely written, difficult to understand or that presents more questions than answers will likely be discarded promptly.

The Structure of A Business Proposal

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade



A business proposal is composed of two parts according to Inc Magazine: the cover letter and the proposal document. It may also have attachments or appendices, such as charts, graphs, photographs and maps. Sometimes, there are short proposals, known as letter proposals, that merge the details of both parts.

The Cover Letter

It acts as a transmittal document, giving a preview of the proposal “in very abbreviated form,” the bidder’s qualifications, important figures, and desired objectives.

The Proposal Document

Again, the formats of a proposal document vary depending on purpose, audience, and objectives. The following are the basic elements:

- * Title Page – This presents your name and your company’s, the receiver of the proposal, and the date of the proposal’s submission.

- * Table of Contents – You need this when your company’s proposal is complex and requires formality. This is also helpful when there are different departments of a company that will review the proposal. With a table of contents, each department can easily go to the part they

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

are to study. This page lists the headings of the different parts of the proposal and the topics. Here's an example from the [Rockford University](#):

Table of Contents

I. Table of Contents	3
II. Executive Summary.....	4
III. General Company Description	5
IV. Products and Services	6
V. Marketing Plan	7
VI. Operational Plan	16
VII. Management and Organization	21
VIII. Personal Financial Statement	22
IX. Startup Expenses and Capitalization	23
X. Financial Plan	24
XI. Appendices	27
XII. Refining the Plan	28

* Executive Summary – This part may be included in the cover letter or in the proposal document. Usually, an Executive Summary holds the “fundamentals of the proposed business.” For the Rockford University, these are the answers to these questions:

What will your product be? Who will your customers be?

Who are the owners? What do you think the future holds for your business and your industry?

For example, for a loan application, one should determine the exact amount of the loan, how the funds will be spent, and how it will make your business more profitable.

For some, the Executive Summary can also be the Introduction.

*Introduction – Among the details here are the Company Description and Statement and Background of the Problem. For the Company Description, the page should consist of the

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

Mission Statement (the reason for the company's being and guiding principles), and Company Goals and Objectives (the desired future of the business)—an example of a goal is to be known as a leader in customer service and gain a loyal customer following. Meanwhile, objectives can be about annual sales targets and evaluation of customer satisfaction and the Business Philosophy centers on what the business means to you.

In addition, you can also briefly describe your target market and your industry (short-term and long-term trends and how the company responds to them). According to the Rock University, another important part of the Introduction is the set of the company's strengths and core competencies:

What factors will make the company succeed?

What do you think your major competitive strengths will be?

What background experience, skills, and strengths can you bring to the venture?

Also important to note is the legal form of

ownership: Sole proprietor, Partnership, Corporation, Limited liability corporation.

When necessary, one should introduce the context or background information of the proposal. Was the proposal requested? What is the history of your involvement in the project? What were the previous solutions?

Terms or phrases can also be defined here to clarify specialized jargon that may confuse outside readers. You are also encouraged to mention the key terms of the recipient if you are responding to a request for proposal (RFP) to show that you are taking the project seriously.

*Statement of the Problem/Issue/Job – This lists the client's objectives and goals according to the interpretation of the bidder. These details are significant because these will show the client that the bidder is aware of the issue.

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade



* Plan of Work – Also known as the Approach, considered as key to winning the job, this part should present the gist of your proposed approach to solve the client’s problem. It is expected to show “unique means, modes of thought, or techniques, why they will solve the problem, and why they are superior to alternatives.”

The benefits of the solution should be discussed here in a bulleted list. You should support all your claims with evidence to establish credibility and convince the recipient. One is advised to conduct research on the subject area-to reference related studies, quote experts or knowledgeable figures, use statistics, and cite the sources.

* Methodology – This details the implementation of the Approach. Here’s an example from Bidsketch:

The solution that is recommended for Puffin Media Inc. is to deploy their company on all of the major social media channels; however, there is a major difference in creating social media platforms versus creating a brand you can promote on those platforms.

A marketing campaign must be created utilizing these media channels and creating immediate engagement with your audience. In order for this to be successful, you know how to make sales. Initially, acquire some fans, followers, subscribers, and connections and invite them to join you in particular discussion or attend a specific event.

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

The purpose of this is not only to promote Puffin Media Inc, but also to solicit feedback from the target audience.

This may also be a Marketing Plan followed by an Operation Plan.

A Marketing Plan, based on Rockford University's example, should contain market research. It should be specific, complete with data like statistics, numbers, and sources. This is expected as the basis of the "all-important sales projection." Here is their sample outline:

Economics

Facts about your industry:

- What is the total size of your market? Page 8 of 31
- What percent share of the market will you have? (This is important only if you think you will be a major factor in the market.)
- Current demand in target market.
- Trends in target market—growth trends, trends in consumer preferences, and trends in product development.
- Growth potential and opportunity for a business of your size.
- What barriers to entry do you face in entering this market with your new company? Some typical barriers are:
 - o High capital costs
 - o High production costs
 - o High marketing costs
 - o Consumer acceptance and brand recognition
 - o Training and skills
 - o Unique technology and patents
 - o Unions
 - o Shipping costs

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

- o Tariff barriers and quotas
 - And of course, how will you overcome the barriers?
 - How could the following affect your company?
- o Change in technology
- o Change in government regulations
- o Change in the economy
- o Change in your industry

Product

In the Products and Services section, you described your products and services as you see them. Now describe them from your customers' point of view.

Features and Benefits

List all of your major products or services.

For each product or service:

- Describe the most important features. What is special about it?
- Describe the benefits. That is, what will the product do for the customer?

It should also expand on the Product, Competition, Customers, Strategy, and Sales Forecast.

On the other hand, an Operation Plan explains the daily processes of the business, its location, equipment, people, processes, and surrounding environment. Specifically, these are the Production essentials (such as Quality Control and Product Development), Location, Personnel, Inventory, Suppliers, and Credit Policies.

* Bidder's Qualifications or Qualifications and Experience - This section focuses on the reasons why you should be dealt with on the basis of qualifications, past history, and successful accomplishment of similar jobs in the past. You can also discuss the exact

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

experiences that qualify you for the implementation of this proposal. Meanwhile, you should introduce the one who will head the project if you are not personally qualified.

When using an outside personnel, according to the [University of Richmond – Writing Center](#), you should attach their resumes especially when they are playing a large role in the project.

Moreover, you can also stress why the reader should be receiving the proposal by answering these questions: How have their past experiences brought them to where they are today? What about the individual, or company, makes you want to propose this project to them? You can mention specific examples of projects of the company that will prove why your proposed project is fitting.

A more elaborate presentation of the Qualifications from the Rockford University identifies the positions and roles of the Management and Organization. In fact, if there is a huge group handling the project, you are encouraged to create an organizational chart showing the management hierarchy. Here, you will determine the key functions and position descriptions. Here's an example of a list:

- Board of directors
- Management advisory board
- Attorney
- Accountant
- Insurance agent
- Banker
- Consultant or consultants
- Mentors and key advisors

* Schedule and Benchmark – A timeline is necessary to note the dates or frequency the major elements of the job are performed. Inc Magazine stresses that “specific benchmarks can be identified to indicate successful accomplishment of intermediate objectives.” For example,

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

the development of a web page will start in August and that it will be launched for business January next year.



* Budget or Expenses and Capitalization – This section, according to the Richmond University, specifies the budget of the whole project or an estimation of what your proposed project will cost. You should consider both the direct and indirect costs. Direct Costs refer to the employee salaries and costs of materials while Indirect Costs are rent or legal fees. You should note that this is a critical part of the document that might convince your reader to accept your project.

Some proposals, based on the Rockford University's sample, have a financial plan. This is usually for those with complex and lengthy proposals. The financial plan lays out a 12-month profit and loss projection, a four-year profit and loss projection (optional), a cash-flow projection, a projected balance sheet, and a break-even calculation. Meanwhile, a break-even analysis itemizes the sales volume, at a given price, required to recover total costs. Expressed as a formula, break-even is:

Break-Even Sales = Fixed Costs

1- Variable Costs

* Opposition – The Richmond University makes a good point about acknowledging possible obstacles the proposal may face and that the recipient of the proposal would want to know the problems they have to face. According to Laura Leave, author of *Promoting Innovation in the Workplace: The Internal Proposal*, you should take a three-step approach to this section:

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

summary, concession, and rebuttal. This means that the potential issue and how it may arise should be explained. Then, you must justify why the benefits of the project can “outweigh any opposition that faces it.”

* Conclusion – The benefits of the proposal are reiterated here. This should tell them what you want them to do, and this is known as call to action in marketing. You can identify a “deadline” in your request and explain why this is an ideal time to convince the readers about what they should comply.

* Appendices – This lists the details and studies used in your document or additional materials that support it. Here’s an example of list from Rockford:

- Brochures and advertising materials
- Industry studies
- Blueprints and plans
- Maps and photos of location
- Magazine or other articles
- Detailed lists of equipment owned or to be purchased
- Copies of leases and contracts
- Letters of support from future customers
- Any other materials needed to support the assumptions in this plan
- Market research studies
- List of assets available as collateral for a loan

The Principles of Persuasion

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade



Alice N.T. Reid of the Delaware Technical and Community College, in her [article](#), stresses that the general purpose of any proposal is to persuade the readers to do something and then offers a plan to fill a need.

The [Community Tool Box](#), an educational resource program by the University of Kansas, lists the Principles of Persuasion and here are some of them:

1. Know Your Facts. After gathering substantial research, you must be able to deliver it in “a level-headed, non-condescending, but also not-overly-humble way.”
2. Know Your Audience. Design your arguments specifically for them.
3. Express the similarities between you and your audience. Determine your common values, beliefs, and experiences.
4. Get to the Point. You should be able to deliver your main points concisely because time may be precious for your audience.
5. Maximize the Benefits. Identify those with the greatest appeal to your audience.
6. Call for Action. Make it clear, simple, and feasible.

The Ultimate Business Proposal Guide: How to Pitch, Propose, and Persuade

The last but definitely the most important one is Commitment to the Duty. This will validate the effectiveness of the Business Proposal...and maybe land you a couple of referrals and more business.