

How To Double Your Sales & Profits

By
Writing
Winning Proposals



How to Double
Your Sales And Profits
By
Writing Winning Proposals

By

Seann Maxwell, B.Eng., M.Sc.



Maxwell Consultants, Inc.

4324 Ridgemoor Drive North, Palm Harbor, Florida 34685

Phone (727) 251-3970 Fax (727) 785-4668

Email: Seann@MaxYourBiz.com

Website: <http://www.maxyourbiz.com>

HOW TO DOUBLE YOUR SALES & PROFITS

...BY WRITING WINNING PROPOSALS

PREAMBLE

Thanks for taking the time to read this short but sales and profit increasing manual. By doing so and implementing the information contained here, you will help your company gain more proposal wins that will at least double your sales and profits faster and easier than you may believe possible. I know this to be true because I have done it.

Overall, I've been responsible for writing proposals that have produced over \$100 million in new business for consulting firms. In one case, I directed the marketing effort, the team composition and the proposal preparation that won a \$20 million feasibility study/ preliminary design of the proposed 800 MW Boruca hydropower project in Costa Rica against 40 world-class engineering consortia.

In another instance, I helped a client convert its proposal win rate from 20% to 80% by obtaining new information from the client base and incorporating that into all future proposal documents.

Below, I will show you how by preparing for and writing winning proposals you can quickly and easily double your sales and profits.

THE VALUE OF ENGINEERS TO SOCIETAL DEVELOPMENT

Before delving into the meat of this document however, I would like to share my opinion that the engineering profession has brought more progress and value to the advancement of humankind than any other profession that I can think of. I have said often that the work of engineers has saved more lives, extended the life spans of more people with far less harm done than the medical professions.

Before you call me crazy for saying this, think for a moment about the impact of: potable water; waste water collection and treatment; increased food production through better use of water resources; electrical power production; safer transportation ... all of which enhance the quality and longevity of life around the world. I could go on, but this should give you the picture.

Yet, engineers are largely unsung heroes, and as noble as is their work, they typically have a few shortcomings – not many, I grant you ... but still there are a few.

By the way, I know of what I speak. I am trained as a mechanical engineer. I worked as a design engineer and a project manager, but my instincts and skills are much more oriented to marketing with all its vagaries.

WHERE ENGINEERS OFTEN FALL SHORT ...

One area of shortcoming does relate to marketing ... the gaining and retaining of a client.

Here's why!

HOW ENGINEERS AND MARKETS DIFFER

Great engineering is usually based on hard and fast rules, and marketing is based on understanding how people function, how they work, and how they make decisions about satisfying their needs and wants. Marketing is mostly an art, not a science like engineering.

A truly great or even good technical engineer needs to possess a very low tolerance for ambiguity; whereas a top marketing person needs to have a high tolerance for ambiguity.

In my 35 years of working with engineering companies, I've seen this difference most readily demonstrated in how engineers prepare proposals to provide their services, and that fail many more times than they succeed.

Engineers as a rule are not that creative by nature. They typically are linear problem solvers. When visiting prospective clients, engineers often talk too much about how good their firm is rather than spend most of their asking the client about his or her needs, wants, perceptions of the issues, and the key considerations of the project including the selection process and its criteria. They frequently fail to follow the words of the Fats Waller song, ***"Find Out What They Want, and How They Want It, and Give It To Them Just That Way."***

Absence of this market intelligence virtually guarantees a proposal failure.

WRITING WINNING PROPOSALS - A JOINT TASK

To be really successful, proposals have to be written for clients from the perspective of understanding and solving a client's concerns and creatively convincing the client's selection panel that your team will do this better than any of your competitors will. **This is a marketing not an engineering task ...and one that requires excellent engineering input.**

I can't begin to tell you how many times I found a project opportunity that I took back to my technical team for their assessment and input. They would usually tell me that they could handle it from there, and I could go and find other projects. If I had followed their advice, I can guarantee that I would never have achieved the success that came my way. I chose instead to act as the conductor of the marketing process that included client visits, meetings, market intelligence gathering, opportunity assessment, team assembly, and then orchestrating how the proposal was prepared to incorporate all of our collective intelligence. I would also lead all pre-deal meetings with clients to keep discussions focused on deal-winning issues, not on a technical issue that my engineers would readily indulge in.

HOW WINNING PROPOSALS EASILY DOUBLE SALES AND PROFITS

Before going further, let's examine how I'm able to make the claim that you can easily double your sales and profits through writing winning proposals.

In the following examples, I will demonstrate in financial terms how critically important it is to consistently write proposals that more often than not win the contest.

If your actual numbers are different from mine, that's okay. Just plug in your numbers, and they will still illustrate the point I'm trying to make here.

For this purpose, I will use a project opportunity with a projected fee value of \$2.0 million and a \$40,000 average cost to prepare the proposal. The costs include all salaries, overheads and out-of-pocket expenses associated with the marketing and proposal costs associated with a particular opportunity.

Five firms including yours are short listed for this project. This gives you at least a 20% probability of winning this project. Stated another way, your firm must submit five proposals to win a \$2.0 million fee project. This means that you will be investing $5 \times \$40,000 = \$200,000$ to win \$2.0 million in fees, a 10:1 ratio.

Let's say that with superior front-end marketing intelligence gathering, a great team that truly and credibly addresses all the client's concerns coupled with an outstanding proposal and presentation, you increase your proposal success rate to 40%. You may choose to do that by only submitting proposals on project opportunities where you determine that your firm has a 40% or better probability of winning the project. In any event, you now win \$4.0 million in fees for the same marketing investment, a 20:1 ratio. And, by focusing your marketing efforts on those projects you have a real chance of winning, you cut your marketing costs, improve your win rate and really get more marketing mileage out of your marketing buck.

Just think how this might work if you could win 50% or even 60% of your proposal submissions. Imagine how this would impact your bottom line!

This simple example clearly demonstrates how critical it really is to write proposals with above-average odds of winning. Knowing how to do this and actually doing the work will pay huge dividends. Your firm will stand out from your competitors, and you will be standing tall when they no longer are.

WRITING WINNING PROPOSALS

Having been involved in writing and helping other consultants write proposals for over 35 years, and having studied hundreds of proposals and interviewed many executives and officials who have served on consultant selection teams, I hold the opinion that nothing can damage your chances for success more than a poor proposal. Your marketing effort can be

virtually perfect, yet a confused, fuzzy proposal followed by a weak presentation will more than likely cause you to lose the assignment.

On the other hand, a stunning, cohesive, well-organized proposal which succinctly and innovatively addresses the key concerns of a client may well overcome less than perfect marketing.

BUT WHY TAKE THE CHANCE?

If you deem a potential project assignment worth expending marketing time and money, I believe you should pursue a standard of excellence that includes the preparation and presentation of your proposal. Anything less reduces your chances to win and enhances the opportunities for your competitors to improve their market share at your expense.

If you can't ensure that your marketing efforts will be capped by a high quality proposal and presentation, then you should not chase the assignment. You're better off investing your time and money in those prospective assignments and clients where you can guarantee that the entire marketing effort including the proposal and presentation will receive the necessary amount of time, effort and money to produce the best chance of winning. Anything less is not worth your effort.

HOW I LEARNED TO WRITE WINNING PROPOSALS

Some years ago, when I was a young Canadian diplomat serving in the Philippines I was tasked to determine why Canadian consulting engineering firms were not winning any projects financed by the Asian Development Bank (AsDB). Representatives of the Canadian firms, having convinced themselves that the Bank's staff was biased against them in the selection process, had lodged complaints with the Canadian Government. Bank officials denied any biased decision making, countering that the Canadian firms did not measure up to their competitors in the eyes of the various Bank Consultant Selection Committees.

I set out to determine the truth in this situation.

The AsDB staff graciously provided me with the opportunity to review hundreds of proposals submitted by the world's best consulting engineering firms to the Bank for potential projects along with the scoring summary on each project selection. Eventually, I came to see firsthand why firms won and why they didn't. This immensely valuable experience allowed me to understand what specific elements are combined to produce a winning proposal. I found out why it's so important to understand how the various components of a proposal are scored and weighted, and to ensure that your proposal responded accordingly.

With this information in hand, I was invited to the Annual Meeting of the Consulting Engineers of Canada to present my findings as the start of teaching them how to write winning proposals. Back in Manila, I established early warning systems to provide interested firms with appropriate information.

I visited the AsDB with visiting representatives of Canadian firms, and then reviewed and even helped them rewrite their proposals prior to submission to the Bank. Within just a few months, two Canadian firms won their first AsDB projects. Counter to prior prevailing belief, the Bank's selection process wasn't biased. It was just that the Canadian firms hadn't taken the time to research and understand how to write proposals to win AsDB projects.

A few years later I was given a first-hand opportunity to really see how well I had learned these lessons.

Then working for one of those Canadian firms as its Vice President of International Marketing, I guided the firm to its first short listing for an interesting Asian Development Bank assignment in Thailand. As usual, since our competition came from the world's best engineering firms in this field, we needed to put forth an outstanding effort to succeed.

Using my previously learned lessons both at the Bank and on the ground in Asia, I orchestrated our team's composition, and writing the proposal to meet the Bank's selection criteria. The result – our firm won its first assignment from the Bank. I concluded that my proposal writing lessons were well applied.

Shortly thereafter, while pursuing a multi-million dollar project in Costa Rica to do a feasibility study and preliminary engineering design for a huge hydro-electric project, we again came up against intense competition from the top 40 firms in the world in this field. Eventually, these firms combined into teams and we ended up as one of four on the shortlist. Suffice it to say, that our superb understanding of the project parameters topped off by an outstanding proposal that incorporated all of the elements I had learned from my previous experiences and detailed knowledge of the client, their project parameters, etc. allowed us to land in the winner's circle.

Using the lessons that you will learn in the following pages, I have written and orchestrated the writing of proposals that have produced over one hundred million dollars of business. I have taught these proposal preparation techniques to other consultants so they could also produce proposal wins. These techniques simply work. It's not rocket science as you will see.

By studying and absorbing the lessons outlined in this manual, you will not fall victim nearly as often to inadequate proposal preparation and they will help you to win more projects and double your income and profits.

The formats suggested are lengthy because they are geared to larger proposals written for technical projects. Nonetheless, you can easily adapt them to less complex proposal needs as I have done in many instances. However, I do strongly suggest you follow the general format and flow. It has been proven to work.

I trust that as you implement the suggestions made here, you will see your proposal success rates at least double along with your sales and profits.

If you ever have any questions or comments, I would be pleased to hear from you by any method you choose as given below.

Seann Maxwell, President
Maxwell Consultants, Inc.
4324 Ridgemoor Drive N., Palm Harbor, FL 34685
Phone: (727) 773-8609 Fax: (727) 785-4668
Email: Seann@MaxYourBiz.com
<http://www.maxyourbiz.com>

PROPOSALS WHAT ARE THEY?

Proposals are not only formal offers of services from you or your company to potential clients. They must clearly demonstrate in concise, understandable language that your team knows everything there is to know about the job under consideration and, more importantly, show how you plan to resolve every aspect of the assignment better than any of your competitors and that you will address critical issues that perhaps even your client didn't think about.

BUT THEY ALSO

Represent the culmination of a frequently long and expensive marketing process.

A proposal should reflect and respect that process while also being capable of "standing alone".

The cost of a poor proposal is far greater than the cost of the proposal itself. All of your front-end marketing work goes for nought.

WHAT SHOULD PROPOSALS DO?

Describe The job to be done ... what ... how ... how much?

Convince That you and/or your team is the right selection for the assignment.

Sell Make your client, at all relevant levels, really want to retain your services.

PROPOSALS KEY EXTERNAL FACTORS

- 1) **Clients are busy** Your proposal should be structured to concisely and effectively guide your clients through a clear, efficient presentation.
- 2) **Multiple targets** The proposal is usually directed to the client organization, not just one individual. It can be read by anyone in the client organization, and not just by the immediate addressee who has been part of your over-all marketing effort.
- 3) **Knowledge** Your prospective client never knows you as well as you think they do. Don't assume levels of knowledge that might be relevant to the consultant selection process.
- 4) **Inference** The proposal presents tangible evidence of your abilities to organize, manage and present. A confusing proposal infers a confused approach to the assignment and generates serious doubt about your capabilities.
- 5) **Competition** Can be fierce, and the trend is towards heavier marketing expenditures. Some clients can be "snowed" by aggressive competitors who promise or infer lower prices for the same or more services.

PROPOSALS KEY INTERNAL FACTORS

- 1) They are difficult to write. They require organization and good writing, under time pressure.
- 2) They reflect a lot of thinking and decision making that you and your team must do before the writing begins.
- 3) They benefit from a regular, standardized system of preparation.
- 4) They are a complete product -- from front to back. They must be consistent and attractive in style and presentation. They must be easy to read and understand.
- 5) They must carry the approval of senior management, if prepared on behalf of an organization.

PROPOSALS ORGANIZATION

A. FORMAT

All proposals cannot be identical, but a standardized format carries important benefits:

- 1) It's easier to organize proposal writing efforts.
- 2) You can develop standardized wording for sections.
- 3) It facilitates participation of professional/technical staff in proposal preparation.
- 4) You produce more predictable results.
- 5) You can make and capture progressive improvements in proposal techniques.

B. PROCEDURES

You need standardized procedures for proposal preparation to insure consistent, thorough responses to a client's terms of reference or request for proposals.

C. PRESENTATIONS

Whenever possible, you should present proposals rather than simply send or deliver them.

Use effective visual aids such as Power Point slides to:

- Demonstrate a thorough understanding of the client's problem.
- Present your operational/technical approach.
- Present your management team.
- Sell your team as the best one for the job.

Hone your presentation to take no more than 20 minutes.

Practice ... practice ... practice before you get in front of the selection team.

Many consultants have lost assignments by failing to make the best presentation. Don't fall short at this last important task.

PROPOSALS FORMAT

Avoid the “plate of spaghetti” approach ... your proposal should be logically structured, easily followed and link all of its components in an understandable fashion. By doing this, you will convey to your prospective client that you will complete the assignment in a **cohesive, organized and efficient manner**.

The basic components of a proposal are:

1. Letter of transmittal
2. Operational or Technical component
3. Management component
4. Pricing component (if requested)

PROPOSAL COMPONENT 1:

LETTER OF TRANSMITTAL

Your official offer to a prospective client of services described in the attached document.

The first page of text seen by the potential client.

It should

- 1) Be brief.
- 2) Refer to the terms of reference or RFP, or whatever gave rise to the submission of the proposal.
- 3) Mention any serious reservations or conditions relating to the terms of reference or the proposal.
- 4) Mention any features which make the proposal special.
- 5) Mention an expiration date for the proposal, if appropriate.
- 6) **SELL !**
 - Show pleasure at being invited to propose
 - Show respect for the client's problems and needs
 - Say why your firm is right for the assignment
 - Ask for the assignment.
- 7) Be signed by you as senior officer of your firm or by the firm's senior officer

PROPOSAL COMPONENT 2:

OPERATIONAL OR TECHNICAL SECTION

This comprises the details of exactly what you are proposing and your plan to accomplish the proposed assignment.

Usual topics include:

Introduction

- A non-technical overview of the contents of the operational/technical component.

State the Problem

- History and nature of the problem; terms of reference of the proposed project; your comments including any meetings or site visits.

Operational Discussion

- Describe the methodology you will use to achieve the basic goals of the assignment, with emphasis on operational/technical factors and problems:
 - a) the operational environment.
 - b) the elements of the services to be offered.
 - c) relevant operational or technical problems, and possible solutions.
 - d) the proposed solution .
 - e) state how well the proposed solution will solve the problem.

Program Plan

- Describe how you plan to organize your activities and personnel to accomplish the proposed assignment.
 - a) break down the work into specific tasks.
 - b) lay out the project schedule and plan.
 - c) indicate implementation factors and plans.

Summary (Optional)

- Briefly describe in non-technical terms the main points of this component of the proposal.

Appendices

- Place highly detailed or lengthy technical information which, if included in the body of the technical discussion, would interfere with the flow of the narrative. For example:

Detailed:

- | | |
|-----------------------|---------------------------------|
| a) site visit report | c) project descriptive material |
| b) terms of reference | d) project schedule printouts |

PROPOSAL COMPONENT 3:

MANAGEMENT SECTION

In this section, you include the details of how you propose to manage the project, the qualifications of the project team, and why your firm is best qualified to provide the proposed services.

Usual topics:

Introduction

- A non-technical overview of the contents of the management component.

Project Management

- Provide the details on how you intend to manage the project. Include a project organization chart, with reporting relationships, project schedule, and budgetary control systems.

Project Team

- A listing of proposed personnel with a summary of pertinent qualifications of the main team members.

Your Firm's Description

- Briefly describe:
 - a) Company history and development.
 - b) Structure, management and staff
 - c) Policies and procedures relevant to your ability to manage the proposed project.
 - d) Facilities, including outside services to be used.

Related Experience

- Overview your firm's past experience in the same or related fields.

Summary (optional)

- Briefly recap the main points of the Management Component.

Appendices

- As required, detailed support for the text. For example:
 - Detailed
 - (a) Full resumes of project personnel
 - (b) Company promotion materials
 - (c) Past project descriptions

PROPOSAL COMPONENT 4:

PRICING SECTION

Include here details of the price of the proposed project service, and the proposed contractual terms and conditions.

REMEMBER THAT THE PRICING AND CONTRACTUAL ISSUES WILL LIKELY BE THE SUBJECT OF SEPARATE CONTRACT DISCUSSIONS.

KEEP THIS SECTION AS BRIEF AS POSSIBLE.

Usual topics:

Pricing Summary

- Summarize the costs to provide the proposed service. Provide supporting schedules as required.

Estimating Techniques

- Describe what the price is based on.

Terms and Conditions

- Briefly describe the proposed contractual terms and conditions . . . keep it brief, and include only those terms and conditions which are necessary for the client to understand the price.

OUTLINE OF THE RECOMMENDED PROPOSAL STRUCTURE

Front Matters

- Transmittal Letter
- Frontispiece (as required)
- Table of Contents

Operational/Technical Component

- Introduction
- Statement of the Problem
- Technical/Operational Discussion
- Program Plan
- Summary (optional)

Management Component

- Introduction
- Project Management
- Project Team
- Company Description
- Related Experience
- Summary (optional)

Pricing Component

- Pricing Summary
- Cost Estimating Techniques
- Terms and Conditions

Appendices

WINNING PROPOSALS – HOW TO GET THEM WRITTEN

Winning proposals just don't happen, they must be carefully planned, and the plan must be implemented according to the established schedule, with enough time available to carefully review and edit the proposal prior to delivery.

Strategic planning for a winning proposal involves:

Defining the proposal win strategy.

Assigning responsibility for the proposal effort.

Creating a proposal master schedule to plan and control the overall effort.

1. DEFINING THE PROPOSAL WIN STRATEGY

Develop it from:

- a) In-depth analysis of what the clients says he wants.
- b) Analysis of what you expect your competitors to offer along with their strengths and weaknesses.
- c) Evaluation of what you specifically have to offer as compared to your competitors. Know your advantages and their weaknesses.
- d) Decision on how to slant the proposal to insure the highest probability on winning.

The **Win** strategy appears in the proposal itself as the proposal theme, contributing to the sales impact.

2. ASSIGNING RESPONSIBILITY FOR THE PROPOSAL EFFORTS

Assign one person to manage the proposal effort. It's usually a good idea to assign one person in the firm as the permanent proposal manager to oversee all proposal preparations to ensure consistency and incremental improvements.

This person:

- a) Develops a proposal task list.
- b) Works with other managers to identify operational/technical contributors.
- c) Identifies and specifies proposal services required:
 - e.g. - technical writers
 - printing and production
 - computer time
 - travel for site visits

- d) Creates a “responsibility matrix” matching tasks to people, units or services.

3. CREATING A PROPOSAL MASTER SCHEDULE

Gantt or simple milestone schedule?

Tailor the schedule to the size and complexity of the proposed project.

The master schedule contains two main items:

- Proposal Milestones
- Proposal Meetings

PROPOSAL MILESTONES include:

- Background research completion date.
- Program plan “freeze” date.
- Completion dates for the operational, management and cost inputs.
- Scheduled completion dates for the proposal first draft.
- First draft review cut-off date.
- Scheduled completion date for the final draft.
- Proposed production schedule.
- Final sign-off and submission date.

PROPOSAL MEETINGS include:

Initial Review Meeting

- Review the proposed project to determine if the project is of general interest.

Go/No-Go Meeting

- A decision meeting best attended by representatives of upper management, technical, marketing, finance and other intended participants following their review of the proposed project.
- This proposed proposal effort should be examined in detail with respect to your chances to win the project, the project fee amounts, and your estimated probability to win the assignment against your marketing and proposal costs.

Win Strategy Meeting

- Frequently a continuation of the Go/No-Go meeting. Use it to define your proposal win strategy – **what you must highlight to stand the best chance to win the job.**

Coordination Meeting

- A briefing session attended by all persons participating in the proposal effort. This meeting should occur within a day or two of the Go/No-Go decision.

Status Meetings

- A series of status meetings usually scheduled and chaired by the proposal manager on a weekly basis, or more frequently as the size and complexity of the proposal along with the time line indicates.

Final Review Meeting

- An analysis and decision-making meeting in which the proposal manager and key staff persons review the proposal in final draft form.

SUGGESTED RESUME FORMAT

NOTE: If the project is worth pursuing, it's worthwhile to specifically write your resumes to clearly show how well qualified each proposed team member is for their intended task on the project. Standard resumes are usually not a winning formula. Resumes tailored to each specific assignment opportunity really do increase the odds for success, and are usually well worth the extra effort.

NAME AND TITLE:

PHOTOGRAPH

BRIEF NARRATIVE OF RELEVANT EXPERIENCE:

EDUCATION:

PROFESSIONAL REGISTRATIONS:

PROFESSIONAL HISTORY:

1980 - Date

XYZ Engineering Company

- Chief Engineer 1999— Now
- Project Engineer 1991—1999
- Design Engineer 1984—1991

EXPERIENCE:

Narrative of the most relevant experiences (keep in mind quantitative as well as qualitative data). This must show the client why this individual is the right person for the job.

- Should include significant experience, responsibilities carried and results achieved.
- Start from the latest date and work backwards.

PROFESSIONAL AFFILIATIONS:

AWARDS TO:

PUBLICATIONS:

Note: Do your best to keep your detailed resumes to two complete pages.

WRAP-UP

I hope that you have gained much from these brief manual. You have received the exact format for proposals that I written for projects small to massive that have in total gathered more than \$100 million in new business. These proposals have proved successful with private companies, government entities, public utilities and international financing agencies.

As you come to understand and use the approaches outlined herein, you will see that your proposal success rate begins to climb. Your objective is always to win better than the mathematical odds. If you are not, then something is being missed.

If you think that an expert eye would help you to find and correct any area of weakness, please feel free to contact me. I have helped many clients turn their proposals into winning documents that return income many times beyond my service fees.

Thanks for reading and putting this material to use.

Seann Maxwell, President



Maxwell Consultants, Inc.
4324 Ridgemoor Drive North
Palm Harbor, Florida 34685
Phone: (727) 251-3970 Fax: (727) 785-4668
Email: Seann@MaxYourBiz.com
Web: <http://www.MaxYourBiz.com>