



PERSUASIVE BUSINESS PROPOSALS

Writing to Win Customers, Clients, and Contracts

Tom Sant

A Sue Katz & Associates Book

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Preface

The goal of *Persuasive Business Proposals* is to teach you how to write winning proposals. Is that something you need to know? Chances are it is, especially if your work involves any kind of entrepreneurial activity, any kind of funded research, or any kind of business enterprise that must sell to other businesses in short, if your work involves providing solutions for your clients' business problems or meeting their specific needs.

Today, more than ever, success in business requires knowing how to write powerful, persuasive proposals. My clients, from large corporations to the smallest entrepreneurial operations, are all finding that their customers increasingly want it "in writing." As a result, it's now often necessary to write proposals to obtain or hold on to what used to be routine business.

Why? Well, it's partly the influence of the federal government's procurement policies. If you read *Commerce Business Daily*, you know how many billions of dollars are up for grabs each year in federal contracts. Virtually all of that money is awarded on the basis of written proposals. With the federal government the largest single source of contracts in the American economy, government policies and behaviors naturally have an influence elsewhere. Many government contractors, especially those in the defense industry, imitate federal procurement policies and procedures when seeking subcontractors of their own. They require written proposals, and the trend trickles down.

Another factor that's boosted the demand for written proposals is the increasingly complex, technical nature of many of the products being made and the services being offered.

Basic systems and services that people used to take for granted are now the subject of intense competition. An obvious example is telecommunications equipment and service. Since the breakup of AT&T in the early 1980s, the range of vendors and options available in this arena has increased exponentially.

In addition, the business environment has become increasingly competitive. Clients and potential clients who once were willing to make buying decisions based on face-to-face contact are now delaying the decision process, encouraging competition, and here's the rub-requesting formal proposals from all potential vendors. Clients want to compare sources. They want to study their options. Often they want to be convinced, reassured, impressed. It doesn't matter whether they're buying accounting services or aerospace products, technical writing or touch probe systems. Everything is open for competition.

These are just some of the reasons you need to know how to write a winning proposal. Your job, your company, your prosperity may depend on it. Unfortunately, if you're like most proposal writers, you probably don't have a clue how to do it.

But don't worry. I've taught thousands of people how to write a winning proposal. In fact, I've had people write proposals during our workshops that directly resulted in six- and seven-figure sales.

You can do it, too. This book will show you how.

The solution I recommend is one that I've developed during more than a decade of writing proposals, consulting with proposal teams, and leading workshops on the subject. And it's a solution that has benefited from being tested and proven in the crucible of actual competitive experience. *Persuasive Business Proposals* will help you write better proposals, produce them faster and at less cost, and get the results you want. It will enable you to get the maximum possible return from your investment of time, money, and energy.

During the past fifteen years, I've written more than \$11 billion worth of *winning* proposals. In some cases, I wrote the entire proposal. In others, I led a proposal team or facilitated the development of a specific proposal. For some clients, I led classes on general techniques for improving proposal writing skills. The clients I have taught are now comfortably and

successfully writing proposals that win contracts, sell projects, gain approval for new ideas, or build relationships.

The methods I advocate have been successful in all kinds of environments, for all kinds of businesses. How can that be? How can a method that produces a winning multivolume, multibillion-dollar aerospace proposal also produce a successful two-page letter proposal to fund a recycling center?

The answer is simple, but it's important. You need to understand it so that you know what to expect. *Writing a winning proposal isn't a matter of content. It's a matter of process.*

I am not qualified to discuss the content of your proposals or those of anybody except myself. I don't pretend that I am. But I don't need to be. You'll provide the necessary qualifications. You're the "subject matter expert" in this project. What I focus on is the process, the techniques of developing and writing a creative, competitive, persuasive proposal.

Not too long ago I received a call from a client in the Washington, D.C., area. The client had been wrestling for more than a month with a request for proposal (RFP), trying to analyze it and to produce a competitive proposal. However, the client hadn't gotten very far. She had figured out what the text margins ought to be and what typeface she wanted to use. She had even found some interesting quotations to use as section headers. But beyond that, she was nowhere. Could I help?

I thought I could. So the client faxed me the RFP's statement of work, and I reviewed it while I flew to Washington the next evening. We got to work at 8 A.M. the next day. By lunchtime, we had the executive summary and technical discussion outlined in detail. By 6 P.M. that evening, these sections had been written and the management section had been outlined. Since the client could write that section herself, I flew home that night.

This story isn't intended to prove how clever I am, but rather to demonstrate how well the method works. If you know how to attack that RFP, if you know what questions to ask, you can do the job yourself.

Persuasive Business Proposals is divided into three broad topical areas: general principles of persuasion, project management as it applies to producing a proposal, and the writing

skills you need to communicate clearly and powerfully. Here's a summary of each subject area:

Section II: A Primer on Persuasion. At its most basic, a proposal is a form of communication. But its controlling purpose differs from that of a technical memo or a job appraisal. The proposal is written to persuade. As a result, it's vital to understand what persuasion is, how it happens, and what you need to think about when writing a proposal.

Section III: How to Manage the Process and Keep Your Sanity.

Developing and publishing a proposal, whether it's a two-page letter or a twenty-volume formal bid, can be maddening. Understanding the basics and having a structured approach to managing a proposal project makes the work much more bearable. The keys to successful proposal management are properly defining the strategy upon which the proposal is to be based and clearly delineating the roles of the people involved in producing it.

Section IV: Writing to Win. You can have the best idea, the best product, the best plan. But if you can't communicate what you have to offer in a way that the decisionmaker understands and accepts, it won't matter how great your idea is. Your choice of words and the way you structure your sentences can either attract or repel the decisionmaker.

I have included examples of both good and bad proposals to help illustrate points about formats, techniques, and processes. The examples aren't there for you to copy and use, although if you want to do that, feel free. But do grasp the principles. Learn the techniques. Understand the process. They can help you write tailored, persuasive proposals of your own, proposals that speak directly to your clients' interests and needs. Proposals that *win*.

Section I
Why You Need This Book

1 The Challenge You Face

Suppose you're going through the mail one morning and you come across a large envelope containing an RFP—a request for proposal. After glancing through it, you can see that this job is perfect for you. It's one you really want. It's one you're well prepared to handle. All you have to do is write a convincing proposal and win the contract.

No problem, right?

Or suppose you're an account executive representing a vendor of specialized computer systems. You make a powerful presentation to representatives of a potential client and can tell it's gone beautifully. They're extremely impressed. They begin flashing all kinds of buying signals, asking questions, focusing on their particular concerns. Then the chief decisionmaker says, "Well, this looks very promising. Why don't you put together a proposal for us that includes what we've talked about, the pricing issues, and some kind of basic delivery and installation schedule, and then we'll go from there. Okay?"

No problem, right?

One more: You're a partner in a small, local accounting firm. You've managed to grow and develop a solid client base in your region through personal selling to small to medium-sized businesses. But now you want to get some larger projects, take on bigger clients, perform complex audits, and generally move the level of the firm's activity up a notch or two. What that means, of course, is that now you'll be competing for jobs against other firms like your own and often against the Big Six. And instead of face-to-face selling, you'll be competing through your proposals.

No problem, right?

Chances are, it *is* a problem. If you're like most people, you find writing proposals a big challenge.

Well, don't feel bad. You're certainly not alone. In fact, some of the very best account executives, program managers, engineers, designers, and consultants—people who are capable of making outstanding presentations face to face and who can manage a program with outstanding success—freeze up when they get back to the office and have to put what they know and what they've recommended on paper. They don't know how to begin. They don't know how to organize their information and ideas. They aren't sure of the format to use, the order to follow, or the language to include.

What's worse, if you're like most professionals, you probably hate writing in general and proposals in particular. That's too bad, because it's hard to do something well if you hate it.

It's true that writing proposals can be a lot of work, and sometimes the effort involves tons of annoying detail that you may find tiresome. But—and I know I'm probably in a very small minority here—proposals are my favorite kind of business communication. They require your best efforts. In writing a proposal, you get to combine your business savvy, your psychological insights, your understanding of language and communication processes, and your creativity, all in one package. When does a mere memo or letter give you the opportunity to do so much? And how often are the stakes so high?

When you write a proposal, you are never certain where it will end up. Will it be read by the manager to whom it was addressed? By a committee of evaluators? By the CEO of the corporation? Your proposal is your surrogate, representing your ideas, products, and services to these people.

Learning how to write powerful, winning proposals can be one of the most important business skills you ever acquire. This skill enables you to communicate your solutions effectively and persuasively to your clients and your colleagues. In doing so, you'll be meeting their needs for information and insight while achieving your own goals.

Besides, writing a proposal is often the most truly professional thing you do.

Professionals and Writers

Over the years, I've worked with thousands of professionals in companies large and small, in government agencies, in universities, and in health care organizations. One opinion has been voiced more often than any other: "I like my job, but I hate all of the writing I have to do!"

The underlying attitude seems to be that the writing isn't really part of the job. Instead, it's some kind of onerous burden slapped on top of your real responsibilities by a devious or unsympathetic management.

But wait a minute. What are "professionals," anyway? Are they merely people who do for money what amateurs do for fun? That may be true in sports and romance, but not in the business world. No, being a professional means something more, something rooted in the origins of the word.

The first true *professions*-the law and the clergy-arose in the Middle Ages. (In spite of what you may have heard to the contrary, these really are the oldest professions.) Since then, the number of professions has multiplied, but the fundamental meaning has remained the same: A professional is someone who has mastered a complex body of knowledge and who can therefore guide, advise, and tutor others in that area. A professional is somebody who can and does *profess*.

What that means, of course, is that communication is the very essence of the job. It's what separates the professional from the laborer. You expect your doctor, lawyer, technical manager, account executive, or other professional to *communicate*. That's usually not something you expect from your plumber or HVAC mechanic.

All right, so you were humiliated in front of the entire class because you couldn't diagram a compound/complex sentence. All right, so you wasted precious hours of your childhood writing misspelled words over and over again. All right, so you wrote a love note to that English teacher you had the crush on and got it back corrected and graded.

Hey, those things happen.

Isn't it finally time to give up the grudge you've been holding against writing ever since? Isn't it time to approach

proposal writing as an opportunity instead of a trial? Believe me, if you're smart enough to master your chunk of the business world, you're more than smart enough to write well. You *can* produce a good proposal, a winning proposal. You can do it! You can even have fun doing it! All you need are a few techniques and a little self-confidence.

2 A Good Proposal Is Hard to Find

I've been fortunate enough to have an interesting mix of clients: Fortune 100 companies, major universities, leading aerospace manufacturers, an international software development company, a couple of telecommunications firms, national and midsize accounting firms, small manufacturers, R&D firms, consulting firms, import/export companies, a major manufacturer of machine tools, a materials broker, individual researchers seeking government funding, and many others. What they all had in common was their need for help in proposal writing, generally for two reasons:

- 1. They didn't have the necessary skills.* Don't misunderstand: In virtually every case, I was working with smart, successful people. But their education and experience hadn't prepared them to write effective, persuasive proposals. Some proposal writers had technical backgrounds and had never been exposed to the basic marketing techniques that could maximize their chance of winning a contract. Others had some marketing knowledge but were using old formats and styles that were cumbersome, overly detailed, and product-focused rather than client-centered. Often these clients ended up writing technical reports, or product descriptions, or company histories, or anything other than powerful, winning proposals. And their success rate was typically dismal.
- 2. They found themselves competing in a dynamic marketplace where the rules have changed dramatically.* Client/vendor relation-

ships have undergone a significant shift since around 1980. The contemporary business climate encourages long-term partnerships. In representing your company, you're expected to assume a broader role than that of mere vendor. Instead, you're expected to be a consultant to industry. Your career and income depend largely on your success in selling solutions-solutions that involve your products, your services, yourself.

So ... What's a Proposal?

Good question. Not exactly a stumper, though. Or is it?

After years of consulting in the proposal field, I'd have to say that a lot of people don't know-even those who ought to. They tend to confuse proposals with all kinds of other documents. Or they fail to understand their purpose. Or they just lose sight of the audience.

You find that hard to believe? Well, I could give you dozens of examples, but here's one that's typical. A couple of years ago I received a call from a top-level executive at one of this country's best-known industrial corporations. He said, "Some of our engineers attended a course you gave on proposal writing and said you had some different ideas. Would you like to come in to talk?"

Since I make part of my living by doing exactly that- "coming in to talk"-his invitation was certainly a welcome one. This is a company that writes proposals worth millions and millions of dollars every quarter. Its clients include governments and corporations around the globe. But its "hit rate" on proposals had been declining rapidly in recent years. The traditional proposals that managers had produced for decades no longer seemed to be doing the job. On the surface, it looked like a great opportunity. But I had some reservations.

The company in question was struggling against tough international competition and wrestling with a sagging domestic economy. But nowadays there aren't many companies that aren't facing those challenges. More disturbing was the fact that the company seemed to be struggling even harder against change. In spite of the red ink spilling across the corporate

books, senior management continued to hang on tightly to old thinking, old ways of doing business, old attitudes. Would it really be receptive to new ideas?

Well, we talked, and the outcome was that I was hired to lead a two-week task force on proposals. Specifically, I was asked to help managers define a process for producing more competitive proposals and for producing them faster.

The following week, I entered a conference room to meet for the first time with a half-dozen handpicked engineers, project managers, and other professionals. After we had gotten past the appropriate introductions and niceties, I started the process by asking these professionals a question: "What's a proposal? Better yet, what's a good one?" It seemed like a harmless enough question at the time. My purpose was to make sure we all had the same thing in mind when we spoke, a common working vocabulary. I really didn't think it would create too much discomfort or consternation.

In fact, we spent the next two days wrestling with that question. What became increasingly clear was that these people—all of whom had written numerous proposals—couldn't define one. One person said, "A proposal is a technical description. It describes a system or a machine." Another suggested, "It's a document that defines the terms and conditions of our bid." A third argued that a proposal was in reality a project plan, while a fourth thought that the ideal proposal could translate directly into a contract with complete statements of terms and conditions. Pretty soon we had a free-for-all. They argued, they wrangled, they negotiated.

So who was right? Actually, none of them. After waiting a while for them to develop a workable definition of a proposal, I decided to ask a few questions: "What's the purpose of a proposal?" "Why is it worth your time and money to write proposals?" "Why do your clients request them?"

You ought to be writing proposals to sell stuff. Products, services, projects, ideas. Whatever you've got. The proposal is a marketing tool; it helps you make money by convincing people to contract with you for the kinds of things you can provide. The proposal positions your product or service as a solution to a business problem.

To do a good job, you need to make sure that your proposal is persuasive, accurate, and complete. Unfortunately, lots of proposal writers invert the order of those qualities, producing proposals that are bloated with detail and scarcely persuasive at all.

The Value of Your Proposals to Your Clients

A good proposal can be useful both to you, the writer, and to your potential client, the recipient. How useful it is depends on how carefully it's been designed, developed, and written. If you write a good proposal, you may win more than just a specific contract. You may win good will, respect, and credibility that carry over into future business relations. Write a poor proposal and you'll almost certainly lose more than just one opportunity.

Have you ever received a proposal from somebody? If you have-and almost everybody has at least received a sales letter or two-you can probably remember how you used it. You probably formed an initial impression of the vendor and of the proposal author on the basis of the proposal's appearance and its initial accuracy: Did it spell your name correctly? Did it refer to your company correctly? Did it show any understanding of your business situation, your particular needs, the challenges you were trying to meet?

A decisionmaker may use a proposal in any combination of three basic ways:

1. To compare and screen vendors
2. To establish a base of information
3. To solicit creative solutions

Comparing and screening vendors. Making decisions to buy products or services can be tough, especially if the decisionmaker faces an array of options and has little knowledge of the particular area under consideration. In addition, many companies have sought to objectify the process of selecting a vendor, removing such subjective elements as personality from the

process. Issuing an RFP allows the decisionmaker to compare and contrast responses from a variety of vendors. In fact, proposals are frequently evaluated by means of a point scale. Possessing specific areas of experience or using particular kinds of hardware may net you more points than your competitors receive because that happens to be what the evaluator is looking for. When companies hire consultants to prepare and evaluate proposals from potential vendors, the consultants often use point scales; requesting a written proposal from each candidate and evaluating the proposals objectively is one way a consultant can demonstrate that his or her recommendation is made without prejudice.

Establishing a base of information. Business puts lots of demands on decisionmakers. They need to know what's out there, who has it, and how much it costs. Issuing RFPs or just casually requesting proposals is a means of finding out what's available. I've done this myself in managing my own business. There are basic services and equipment that you may need-if not now, then eventually. By asking a potential vendor for a proposal, you can usually learn a couple of things: You can find out what's available and whether the vendor is somebody you want to work with. In my case, when the situation has been reversed and I've been asked to submit a proposal for a project or services on speculation, I'm eager to do it. Even if the client doesn't intend to buy now, providing her with accurate, insightful information in a persuasively presented package can be the beginning of a long-term relationship.

Soliciting creative solutions. What about clients who issue RFPs or request proposals from you orally with little or no intent of buying your solution? Does that happen? Yes. Is it ethical? No. If you're selling a commodity, you lose your time and effort, because you've prepared a proposal for somebody who never really intended to buy. But if you're selling a creative solution, an idea, a system design, or other intellectual property, you may have lost much more. What may happen is that the potential client will use your concept but develop it internally. Or, even more galling, that client may use your proposal as a basis for soliciting bids from your competitors. Several of

my own client organizations have been burned this way. As leaders in their respective industries, they have the resources to develop elaborate system designs or to perform complex and expensive analyses in preparing a comprehensive proposal. What they've seen to their dismay is that the potential buyer has taken their proposal and used it as a requirements document, allowing competitors who can work cheaper to bid on the job. The result: Not only has effort worth tens of thousands of dollars been wasted, but the proposal writer has unwittingly set up his competitors.

To be fair to the clients, they may not know any better; they may not realize that the proposal they have received is a valuable piece of intellectual property. On the other hand, some of the people who pull these stunts will do anything they can get away with. How to protect your proprietary interests is discussed in Chapter 8.

The Value of Your Proposals to You

Sales and marketing is a little bit like fishing. You have to figure out what kind of bait will attract the fish you want to land. You have to be patient and creative. You have to think ahead. And it helps if you put more than one hook in the water.

Think about your proposals as key sales and marketing tools, not simply as the formal means of responding to a specific request. For example, there are at least three possible ways you can use proposals as part of a comprehensive sales and marketing plan:

1. As sales documents for selling specific applications, products, or services
2. As marketing tools for creating or altering an image
3. As a means of influencing clients

Sales documents. This is the most obvious reason to produce proposals. It probably explains why you're reading this book—to figure out how to write better proposals that will sell more. Obviously, you should write proposals that are both solicited and unsolicited, that is, proposals produced in re-