

# The Purpose of a Proposal

**Authors: James Carter and Dave Chapman**

**“The purpose of a proposal is not truth  
- but persuasion.”**

The controversial quote is from Herman Holtz’s book *The Consultant’s Guide to Writing Proposals*. We argue here that Holtz’s observation is an astute assessment of the real purpose of an effective sales proposal. We can start by considering feedback from reviewers of proposals – the customers – and showing that a proposal is a sales document designed for a specified audience.

## **What customers say about proposals**

Feedback from customers, industry analysts and consultants suggests that proposals seldom deliver against reviewers’ expectations. Here are some examples:

**“You major on technology, to the point of not addressing the customer’s business objectives”**  
– Giga Review (Forrester)

**“The bids are generally boring and lack innovation...”** – Giga Review (Forrester)

**“You missed the point”**  
– Bournemouth Borough Council

**“An off-the-shelf solution, full of boilerplate!”**  
– customer quote from *Solution Selling*

## **What do the professionals say?**

Tom Sant is a leading proposal professional and consultant who has written books on the subject.

Tom was once talking with a Procurement Director just before presenting at a conference. The Procurement Director said this to him:

“Listen, you tell our salespeople that if they produce the kinds of proposals I get, I’ll make sure they get fired. You tell them that!

I get proposals for deals like the one today, deals that range anywhere from half a million to ten million dollars. And what are they? Nothing but a bunch of product sheets, line item pricing, and boilerplate.

There’s no ROI, no calculation of the total cost of ownership, no analysis of the payback, nothing I can use to make an informed decision. What a waste!”

– from *Persuasive Business Proposals* by Tom Sant.

The quote highlights that many potential suppliers overlook that the customer has a specific agenda when they request a proposal. More often than not, that agenda is not the technical minutiae of a potential partner’s proposition.

**A proposal is not a technical document**

Our customers depend on a wider business audience to review and evaluate the proposals they receive – not just technical experts. So, the elements that make up a good proposal will be very different from those of a technical document.

Of course, all good documents have a title and all documents of a reasonable size need a Table of Contents.

Table 1, *Element of a Proposal* lists some of the elements we would expect to see in a proposal versus what we would expect to see in a technical document.

Elements	Technical Document	Proposal
Title	▪	▪
Table of Contents	▪	▪
Document Author and History	▪	
Compliance Matrix		▪
Glossary	▪	
Executive Summary		▪
Solution Overview		▪
Commercial Proposition		▪

Table 1, Elements of a proposal.

Although we would expect to see details of the document’s author and history in a technical document, customers do not want to know who created or modified a proposal. So, these elements are not generally necessary in a proposal.

It is also far easier for the reader if we explain terminology in the proposal itself without the need to cross-refer to a Glossary.

Compliance Matrix, Executive Summary, Solution Overview and Commercial Proposition we would not generally expect to see in a technical document.

A proposal is an opportunity to demonstrate real value to the customer – provided we genuinely understand the customer’s issues and we know how to differentiate ourselves from our competitors.

**What do customers want in a proposal?**

It is important to remember who in the customer organisation will read and evaluate the proposal. It is likely to be a number of people all of whom will have different interests and agendas.

This means that, in creating a proposal, we must understand how the evaluation team will envisage it – then design the document to persuade. We have an opportunity to persuade the evaluators that we are the best supplier to deliver what the wants.

Table 2 provides a small sample of potential reviewers of a proposal in an organisation – and their likely interests.

Reviewer	Interest
<b>Business Sponsor</b>	A business owner with a specific objective or issue is likely to be driving the requirements. The sponsor will want to know that the requirements are addressed in the proposal
<b>Finance</b>	The finance department may be reviewing the proposal and will want to know that their business will see a Return on Investment (ROI)
<b>ICT</b>	ICT may want to know how the solution will fit within their infrastructure and how they will deliver business-driven performance agreements
<b>Compliance</b>	Compliance Officers may want to understand the supply chain involved in providing the solution to ascertain compliance with their Corporate Social Responsibility (CSR) Policy.

Table 2, Potential reviewers and their likely interests

The final decision maker in letting a contract is often the Chief Executive – CEO, CIO or CFO – who will take recommendations from people such as those listed in Table 2.

These executives rarely read the whole proposal and may only spend a few minutes reading an Executive Summary.

According to a survey conducted by Kenan Flager Business School, executives and decision makers only really want to know the following:

- Do you understand my business?
- Is your message worthwhile?
- Can you deliver?

## **Value Vision drives compelling proposals**

Value Vision is a sales methodology designed to help business-to-business service providers – with seemingly similar products and services – differentiate themselves successfully through value based selling.

Value Vision encourages us to identify and understand customers' needs and frame these in our proposals.

The model below shows how we can structure a proposal or individual response using Value Vision:

- **Identify a business objective, issue and problem**  
Provide business context for the reader such that they can easily relate our offering to their business.
- **Identify a business outcome**  
Describe how our offering will provide business value. Ideally, provide a quantified business benefit – for example, “our solution will generate 25% increase in your bottom line, through workforce efficiencies”.
- **Describe how our solution addresses these requirements**  
Provide a high-level description of our offering and show how it will generate a business outcome for the customer.
- **Provide evidence of our capability**  
Prove to the readers and evaluators that our organisation has the resources, experience and pedigree to deliver the solution that we describe.

## **The true purpose of a proposal**

A good proposal augments the sales strategy and influences the thinking and behaviour of the customer's decision makers. It is an opportunity to persuade.

Herman Holtz's statement prompts us to think about truth and about persuasion.

'Truth' is plain facts – providing straightforward statements and answers to questions. 'Persuasion' is framing statements and answers to be fully relevant to the customer's own unique issues – giving compelling reasons why we are the supplier who will bring most effectively the business benefit the customer requires.

*James Carter and Dave Chapman*