



Federation of **WOMEN** Empowerment & Support

GUIDE

How to Prepare a Business Proposal

**Step by Step Instructions Guidebook to
Help You Create a Winning Business Proposal.**

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Understanding a Business Proposal

A well formatted Business Proposal could mean the difference between getting the business or not. When you submit a business proposal to a client you are essentially putting your company and services on paper and letting it do the job of selling for you. This means that you need to make sure that the proposal must be perfect. There is only one way to make sure that you get the best out of your business proposals, and that is to use business proposal templates written and prepared by business experts.

What is a Business Proposal?

A business proposal is a sale orientated document created by companies and individuals to promote their products or services to businesses. Often, these proposals would be unsolicited as your company is looking to expand your revenue, but they can also be requested or solicited. Regardless of how you get to send your proposal to your clients, these documents must be formatted correctly and should have all the relevant information contained within them.

Usually, your clients would review the proposals without you being present and that is when the best-looking and a properly formatted proposal will do your business the best service. The most common use of business proposals is for when you are offering a one-time service or product of some kind. A business proposal is not an estimate or quote. These are used if the buyer already knows your business pedigree and understands the quality of the services.

There are numerous types of business proposals. The one you choose will depend on your business type and situation.

How to Prepare a Powerful Business Proposal

Creating business proposals is not just adding a quote or estimate to your company profile and sending it to the client. The proposal must guide the client through the necessary steps required to choose your company as the provider for the services or products in question. Whether the client requested the proposal or not, the process of a business proposal is a very finite one and powerful business proposals can elevate your business above the competition.

Content of the Business Proposal Template

Cover Letter and Executive Summary - the cover letter is your opening statement to the client. With this, you thank your client for the consideration, and you introduce your company formally. A cover letter is a brief outline of the market and economic conditions that your company operates in as well as a statement of your quality of service and delivery. You also give the author of the proposal's details so that your client can contact you on approval. The Executive Summary is an extension of the cover letter. With a brief history of your business, you give your client supplementary details such as time in the market, products, and services offered, unique service offering. You also have space to give a clear strategic roadmap of your company and how you have helped clients with the same business issue as your prospective client. A mission statement is always helpful in setting the tone of the proposal for your client.

Company Background - Provide a detailed overview of your company, including its history and the full range of products and services you offer. This will help the client better understand your business, your level of service, and the types of customers you serve. If your services are location-based, include the regions you operate in. Describe your ideal client and explain how your business is well-suited to meet their needs. Also, list your certifications and accreditations to showcase your expertise and industry standards. It's important to provide this detailed information since the client may not have met you in person, so they can fully grasp the quality and reliability of your service. Depending on your business, you may also want to include some financial data to demonstrate stability, along with your company's structure and key shareholders for added transparency.

Client Needs - this section has 3 parts:

- **Needs** - if your proposal is requested (solicited) then you can reference the previous successful proposals showing your commitment to their business success. The needs section is really your way of detailing the client's situation and requirements. This could include a list of problems that have been identified or referencing assets that need replacing etc. If the proposal is unsolicited you need to provide proof or reference to why your client might be having a concern or business issue. You should be giving your analysis of the market conditions or client business type to give a full picture of the current position that your client might be in. This section is crucial for creating a strategy forward

for your proposal and you should take care to ensure that you cover the problem step by step.

- **Assumptions** - highlight the market conditions experienced by other businesses in your clients' industry. This will help you set the tone for your client that they are not alone in experiencing their issues. And with the assumptions, you show that you understand the business needs of your client as you have addressed the issue for other clients in the past.
- **Opportunity** - the opportunity of revenue increase or bottom-line savings for your client if they implement your proposal must be clearly outlined here. You might link your strengths as a provider with their needs for a solution to show the “perfect fit” between your business and your client. You might also include a market analysis of the industry to show that you have done your homework on the client and their current constraints and needs. NOTE - you could add SWOT analysis to show you have all the information at your fingertips.

Proposed Plan or Strategy - once again 3-pronged approaches:

- **Objectives** - this is the objective of your proposal, the problem that you are going to solve for your client. You can list them in bullet form, or you could detail the milestones chronologically for your client. This depends on your service or product offering.
- **Strategy** - this is the rollout plan for your proposal. This strategy explanation will show your client how your solution will help them achieve the objectives you have just listed. You might add a timeline to your roll out or even a delivery schedule for your products.
- **Benefits** - answer the question of WHY for your client. The benefits of using your product or service above your competitors must be clear for your client. These could include ROI, increased revenue, cost savings, or even lower maintenance. This all depends on your proposed solution.

Cost or Budget - the cost of the solution must be detailed and clear. Therefore, it is broken down into 4 sections:

- **Cost** - depending on your offering you might need a spreadsheet to breakdown the cost of your solution. However, you do it, you must make sure that you provide all the costs of your solution and leave nothing out. A hidden cost will only make your client lose confidence in your company in the future.
- **Scheduling** - if your solution needs time to roll out or if you need to implement section by section, this is where you spell it out for your client. If you are constructing a building for instance you need to give details of when you will be finished with the roof or when the

client can take occupation of the building. Detail every step-in implementation for your client so they understand the timeline and delivery process.

- **Payment Terms** - The terms of payment could make or break the deal for your company. Firstly, you need to give the total solution cost and payment terms for the client. Then you might want to offer payment terms (30 days or longer etc.) and any interest payments that might be applicable for longer payments. If possible, offer the client discounts for early payments. Also, you could then provide the banking details for your client so they can make the payment.
- **Guarantees** - if you offer any guarantees on your products or services, this is where you explain what your client can expect. Completion dates and penalties are very important to your clients so you must highlight them here. Quality standards for deliveries and product quality can also be detailed in this section.

Why Choose Your Company - why should your client work with you? This is the most important section of the business proposal template. Even if your price is slightly higher than your competition, you might still get the deal if you can offer your client sufficient reason to do business with you. Use the 3 sections (Competitive Advantages, Team Qualifications, and Success Stories) to show your client why they should be doing business with you.

- **Competitive Advantages** - what are the advantages that your company has over the competition? You need to detail aspects like company recognition, expertise & stability, technology, history of success, customer services, and any other important aspects of your business.
- **Team Qualifications** - detail the team that will be working on the project or proposal for your client. Highlight the major players in the proposal and if you like you could add the rest of the team in an appendix.
- **Success Stories** - again you need to show that your company has the expertise to deliver on the proposal to the satisfaction of your client. You might add client testimonies or even references for your new client to contact. Past projects are a very effective way of showing your ability to deliver on the proposal offering.

Conclusion - this is a simple statement of your confidence in your ability to deliver the solution proposed. Give your client the next steps after they approve your proposal and the contact details where to send the approval.

Appendices - any appendices that you choose to add for your clients' benefit.

Tips for Creating a Winning Business Proposal

Business proposals are imperative sales documents that essentially bridge the gap between you and potential clients. A strong business proposal can outline your value proposition and convince a company to do business with you. Here are a few tips to consider when preparing a business proposal that will help you gain a competitive edge and increase your customer base.

- **Know the Market** - When you know your market (that is, your customers, prospects, competitors and so on), you know what makes them tick. Take the necessary time to research the market based on the 4 types of market segmentation: demographic, psychographic, geographic, and behavioral. Finding out what your prospective clients want will help you present a strong and tailored solution to their needs and help them get ahead in the current climate.
- **Understand the Situation & Customize Your Pitch Accordingly** - If you want to win the client, demonstrate that you understand their challenges well and build your proposal around solving them. Personalize the proposal to meet the prospective client's needs. This will also help to gain their attention.
- **Differentiate Yourself** - Regardless of the industry you are in, chances are you have competitors that are eying the same prospective clients you are. When you state why your product or service is better than the alternatives, focus on how the prospective client will benefit by choosing your company's solution by providing detailed steps that will be taken to achieve the solution.
- **Provide Testimonials** - It is a well-known fact that people trust a business far more when there are strong and positive testimonials in place. Whether it is by providing links to your collection of online reviews or by providing a hard copy of previous success stories within your business proposal, share these positive testimonials with the prospective client to further show them the value you can provide them.