

A close-up photograph of a person's hands in a dark suit and white shirt, writing on a document with a silver pen. The background is dark and out of focus.

DEAL-WINNING PROPOSALS

for Complex B2B Sales

By David Vranicar

Foreword

This ebook is for CEOs, business owners, chief revenue officers, sales leaders, and sales professionals.

Buying decisions for such offerings are likely to involve a team that ranges from two to as many as 20 participants.

In such cases, buyers perceive varying levels of risk. The stronger the buyer's perception of risk, the more likely it is that the buying organization will scrutinize every element of their decision.

This document will be most helpful to companies that fit this profile:

- You are involved in complex business-to-business (or B2B) sales.
- You prepare proposals longer than five pages.
- You respond to requests for proposals (or RFPs).
- You sell products or services that are complex or expensive.

For companies that sell high-scrutiny or high-consideration products or services, this series will be useful in four situations:

- You believe your proposals could be more effective. They don't produce the results you want, or they don't represent your company as you think they should. You wonder if they should longer or shorter, or if they should contain different content. You struggle to produce proposals of consistent quality.
- You suspect your sales team sometimes uses proposals ineffectively. They may create proposals when they shouldn't, and they may issue them at the wrong times.
- Your process for creating proposals is too expensive or requires too much time and effort.
- Your company does not create proposals now, and you wonder if you should start doing so.

My experience

In more than two decades of selling complex B2B deals, I closed more than \$100 million in business. Most of that revenue came from sales of software and services. Deal sizes ranged from about \$40,000 to more than \$10 million.

Before winning those sales, I wrote and edited proposals that ranged in length from about 20 pages to as many as 100.

In creating those proposals, I usually worked alone.

I have also led cross-functional teams that worked together to create proposals. They included participants from such diverse business functions as Presales Consulting, Finance, Product Strategy, Services, Development, Engineering, Legal, and executive management.

I have reviewed, evaluated, written, edited, or re-engineered proposals for more than a dozen software and technology companies.

Sources of the ideas you'll read here

Besides my personal experience, I was fortunate to receive training and personal coaching from the late Jim Camp, a well-known negotiation coach and founder of the Camp Negotiation Institute. Jim wrote an excellent book called [*Start with NO... The Negotiation Tools That the Pros Don't Want You to Know*](#).

My other sources include:

- The writing of Tom Sant, author of [*Persuasive Business Proposals: Writing to Win More Customers, Clients, and Contracts*](#). I highly recommend this book.
- Kristin Zhivago, business friend and author of the excellent book [*Roadmap to Revenue: How to Sell the Way Your Customers Want to Buy*](#).
- The work of Jeff Thull, author of [*Mastering the Complex Sale: How to Compete and Win When the Stakes Are High*](#) and two other excellent books on complex sales.

About the wording used here

Professional salespeople often use the words *customer*, *client*, *prospect*, and *buyer* with different shades of meaning. For simplicity, we use them almost interchangeably here. The word *customer* is intended at times to include prospects who have yet to buy.

Other titles in this series

This ebook is the first in a series of documents about writing and using effective proposals in B2B sales. Additional documents address these topics:

Common Shortcomings of Proposals for Complex B2B Sales, and How To Fix Them

Questions to Ask Before You Prepare and Submit a B2B Sales Proposal

Guidelines and Essentials Elements for Persuasive B2B Sales Proposals

The Sales Professional's Guide to Effective Use of B2B Proposals

Checklist for Consistently Powerful B2B Proposals

Tips for Preparing and Managing Your B2B Proposals

For access to these titles, click [here](#). You'll go to a landing page where you can request your free downloads.

Disclaimer

I am not an attorney. Any reference in this document to matters of law is not intended as legal advice. It is for general information only. For legal advice, consult an attorney.

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Elements of an effective sales proposal

Effective sales proposals help your company win deals and make money.

They convince buyers to choose your company over your competitors. Buyers choose your company because you provide the products and services they need, and you offer superior value.

An effective proposal shows how your offering solves business problems or helps a customer achieve their business goals.

It also shows, in convincing detail, how these benefits are worth much more to the customer than their cost to implement your solution.

Your proposal helps justify your price—even if it's higher than your competitor's.

Tom Sant, author of *Persuasive Business Proposals*, says a proposal has failed if it doesn't lead to an agreement to work together.

Sales proposals should not be confused with price

quotations, scoping documents, or project plans. They do not provide a bill of materials. Nor do they tell a prospective buyer how great your company and your products are.

Forms of proposals

Proposals may cover varying kinds of content in widely different levels of detail.

In their simplest form, they may provide little more than a high-level executive overview in two or three pages.

Longer proposals may provide detailed explanations of complex offerings. They may be as long as a thousand pages or more.

In most cases, the seller is free to determine the content, length, and format of a proposal. The seller also determines when it is appropriate to offer a proposal.

Requests for proposals

Sometimes a buying organization takes the initiative and submits a request for proposal or RFP.

The RFP document often specifies the elements your proposal must contain. It may:

- Instruct sellers to answer a list of questions in a specified format.
- Ask sellers to comment on their ability to meet functional requirements or other buying criteria.
- Request specific information about the seller's company.
- Specify an overall format for the proposal, a submission process, and deadlines.

Essential content

Whether you're responding to an RFP with specific formatting requirements or you're creating a proposal of your own design, effective proposals *always* contain four essential elements.

Tom Sant uses the acronym NOSE to describe them:

- **Need.** Here you describe the customer's business need. You may also describe their current circumstances.

- **Outcome.** Here you describes the customer's desired outcomes or business results.
- **Solution.** Here you describe the solution you recommend to help meet your customer's needs and achieve the results they seek. This section also includes pricing and business terms.
- **Evidence.** Here you provide compelling evidence that your company can deliver your solution and the customer's desired outcomes on time and on budget.

A comprehensive proposal for a high-cost product may also include an economic justification.

The economic justification may include calculations of return on investment, break-even analysis, expected payback, and other financial projections.

Each of these sections can vary in length from a few sentences to many pages.

The sections of your proposal that address need and outcomes must be tailored for each customer.

The section on your solution—including your presentation of pricing and business terms—may also be highly customized if your product is configured or tailored differently for each customer.

The section on economic justification, if you include one, is also likely to require custom tailoring.

Even if you tailor these elements of your proposal, each section may also incorporate modular components that are consistent across customers.

You might use modular elements or templates for product descriptions, pricing tables, five-year cost projections, total cost of ownership, implementation services, training and support services, and so on. You might also use a standard spreadsheet for calculating return on investment and break-even.

The length of your proposal and the amount customization you do will depend on many factors:

- The size of the sale and expected lifetime value of the account
- The complexity of the offering and the amount of customization or configuration involved in implementing it
- The buyer's decision process and expectations
- The buyer's perception of risk in making this purchase decision
- The competitive environment.

Ultimately, the amount of customization you do will depend most on the amount of time and effort you invest in making the proposal effective.

For more on the content of effective proposals, please see the Redwell document, *Guidelines and Essential Elements for Persuasive B2B Sales Proposals*.

Benefits of proposals for sellers

Proposals offer seven primary benefits to your company as the seller:

1. A good proposal emphasizes the value you offer.

That's the primary job of a good proposal.

Without such a clear explanation of value, your customer is left to focus mostly on price.

Your product literature and sales collateral present the general benefits, features, and functions of your offerings.

But those documents are intended for a general audience. They don't provide context.

More important, they don't interpret value for an individual customer.

A good proposal does that.

2. A good proposal shows presents your best sales arguments *for a specific customer*.

In the B2B world, no two buying processes are ever the same—even for the same customer.

Customers often buy for very different reasons. This is especially true for products or services that are customized or configured differently each time you sell them.

An effective proposal summarizes the most compelling reasons why *this customer* should buy from your company *now*.

Sometimes when you begin writing your proposal, you spot weaknesses in your sales argument. You may see that your best reasons for buying are not likely to be compelling for an individual customer.

The process of writing a proposal may reveal that your sales team haven't done all their homework.

You may see that your team has to put more effort into building value.

Maybe they have to refine your economic justification, differentiate your offering, or prove your capabilities.

If you're lucky, you can delay your submission and still have time to do your additional selling before the customer makes a decision.

Value nuggets

In a complex sale, you score a small win each time your customer agrees that a capability you offer would be of value to their company.

You probably score many such points throughout your meetings, presentations, and demonstrations.

An alert sales team notes each of these "value nuggets" along the way. They save them to present in their proposal.

In a complex sale, your customers often forget. They have a lot on their minds. You can't count on the reliability of their memory or their notes.

An effective proposal provides a summation, like the closing argument in a court trial.

3. **Proposals enable you to reach members of the decision team who will not meet with your sales team.**

Much of the complex buying process occurs behind closed doors, without involving anyone on your sales team.

Some senior executives will decline to get involved with your sales team during their vendor-selection process.

But they are likely to read the key sections of a proposal that affect their areas of responsibility.

Your proposal may be reviewed by people in multiple departments or business functions.

Each reader is likely to have different functional requirements, business goals, desired benefits, concerns, and perceptions of risk.

Your proposal represents your company in the absence of your sales team.

4. Effective proposals help your customer champions sell on your behalf.

During your selling process, you develop affinities with people who prefer your solution and want to see your company win the business.

Often these advocates or “champions” are not experienced in selling. They may have limited experience persuading a cross-functional team of decision influencers.

Your proposal provides your customer champions with arguments and information they can use to advance your cause and theirs.

5. Effective proposals *display solid evidence of your company’s qualities and capabilities as a potential partner.*

A complex sale is like a courtship.

You, as the potential vendor, woo the customer in

hopes of establishing a long, happy, and mutually rewarding relationship.

If your company is like an ardent suitor, your customer is like the recipient of your attention.

She has much at stake in this decision. She will have to live with a bad choice. Divorces are messy.

She wants to avoid making a big mistake through an impulsive decision.

She has to think about the long-term implications of her choice.

She also knows she must explain her decision to family and friends who may be skeptical.

Like a proposal of marriage, your sales proposal should give the spouse-to-be a good story to tell.

Throughout your sales process, your team will have taken pains to explain or demonstrate the capabilities of your offerings. They will have worked hard to build value and differentiate your company.

Your proposal can then show the quality of your listening during the courtship. It can demonstrate the depth of your understanding of the customer's current situation and desired outcomes.

Your proposal can also display other “soft” qualities such as likability and compatibility.

Your proposal should demonstrate thoroughness, credibility, trustworthiness, competence, and professionalism.

If your company sells intangible products such as software or professional services, it is especially important for your proposals to display these desirable traits.

On page 15, we talk more about the importance of proposals for companies that sell intangible offerings.

6. Effective proposals enable you to address a customer's concerns, objections, and perceptions of risk.

In big buying decisions, fear is often the dominant emotion.

Each level of management and each business function has different concerns and perceptions of risk.

Your proposal may be your last opportunity to address them.

7. Your proposal documents what you have learned about your customer.

A detailed, customized proposal documents your understanding of the customer's goals, challenges, and expectations.

When you commit this information to writing, you invite the customer to confirm your understanding.

You invite them to correct anything you've misunderstood and to add important elements you may have left out.

Once you have incorporated any such feedback into a revised proposal, you can then use the document to facilitate a smooth handoff from your sales team to a services team that will implement the solution.

8. Your proposal protects you from misaligned expectations.

On page 6, we said an effective proposal is not a scoping document or a project plan.

But it does provide a high-level description of your products and services.

It also describes the outcomes or benefits your customer can reasonably expect.

Your proposal may also define the resources your customers must commit to achieve those benefits.

It may list your responsibilities and your cus-

tomers' responsibilities in delivering successful outcomes.

It may indicate supplemental services or products your customer will be expected to purchase from sources other than your company.

It may state important disclaimers.

In short, your proposal defines what your customer signs up for when they choose your solution.

It should set reasonable expectations.

By doing so, your proposal can help get all the decision makers on the same page.

If they later say they misunderstood what they were agreeing to, or if their expectations shift, you can refer them back to your proposal where you carefully laid it all out in clear language.

Careful proposals help produce happier customers. And they help prevent lawsuits by unhappy ones.

How buyers benefit from your proposals

Proposals offer three substantial benefits for buyers:

1. Proposals enable buyers to gather insights and collect complicated information.

Buying companies can educate themselves about the range of options available to them.

They can gather creative or innovative ideas from outside their organization, often at low cost to them.

2. Buyers can compare their choices conveniently.

They can line up proposals side by side to com-

pare the relative appeal of vendors, offerings, and prices.

They can also see exactly what they're signing up for when they choose one vendor over another.

3. Companies can add consistent process and deliberation to their buying decision.

With big buying decisions, organizations want to be sure they don't make hasty or overly emotional decisions. They want to explore all the implications of their choices.

Proposals enable buyers to slow things down, so they can give their decision due consideration.

When you need a detailed proposal

Your customer may expect, if not require, a detailed proposal for many buying decisions.

Here are nine circumstances when you probably *must* submit a detailed proposal:

1. **The customer will not seriously consider your solution if you don't submit a proposal.**

No proposal, no deal.

2. **Your offering involves a heavy-scrutiny or an intense-scrutiny buying decision.**

The customer normally perceives high risk in making such decisions.

(For more on levels of buyer scrutiny, see page 17.)

3. **The buying decision involves more than a few decision influencers, and participants come from diverse business functions.**

You'll have to address the questions and con-

cerns of each group of influencers, many of whom your sales team may never meet.

4. **Your offering appears complex or unfamiliar to the customer.**

You'll have to provide more explanation and reassurance.

5. **Your company's relationship with the customer will be more like a marriage than a one-time transaction.**

Provide a detailed proposal if your offering requires your company and the customer to commit substantial resources beyond the initial purchase.

This happens if implementation of your offering requires significant customization, configuration, training, or other implementation services.

6. The success of your solution requires your customer to change business processes or company culture.

Your customer will feel more risk and will need more reassurance.

7. Your pricing or business terms are complex enough to need detailed explanation.

You'll need to provide enough detail to satisfy multiple reviewers.

8. Your company is not well known as a market leader for this kind of offering.

You'll need to persuade skeptics about the viability of your company and its commitment to this product and this market.

9. Your offering is intangible.

With intangible products such as software and business services, your customers have no tires to kick.

They have no car doors to shut for the sound of solidity. No silky smooth paint finish to inspect for clues about the quality of your offering.

Often, your sales team is unlikely to identify, much less meet, everyone involved in the customer's buying decision.

Some people on the buying team will have no other impression of your company.

In such situations, your proposal, like your website, is a stand-in for your offering. Your customers will attribute to your product the level of quality they see in your proposal.

That's why your proposal must be *good*.

Levels of buyer scrutiny and why they matter

Kristin Zhivago defines four levels of buyer scrutiny in her book [*Roadmap to Revenue: How to Sell the Way Your Customers Want to Buy*](#).

At the two highest levels of consideration, which she calls *heavy scrutiny* and *intense scrutiny*, deal sizes range from tens of thousands to billions of dollars.

Examples of such purchases include complex business systems, enterprise software, office equipment and furnishings, industrial equipment, professional services, capital equipment, and major construction or development projects.

The higher the level of buyer scrutiny for your offerings, the more questions you must answer to help the buyer make a decision.

In your sales process, you must answer dozens of questions for every decision influencer. If you haven't answered all your buyers' questions elsewhere, you must do so in your proposal.

To win the business, you must somehow answer all these questions during your sales cycle—whether you do so through sales collateral, your website, sales presentations, conversations, or your proposal.

Your proposal may be your last chance to make your case.

Here is the most important question any seller must answer, Ms. Zhivago says, even if the buyer has not asked it outright:

What is going to happen to me after I buy?

Recommendations for issuing proposals

Here are nine suggests for issuing deal-winning proposals:

1. Ask the right questions.

You want to ask two categories of questions:

- Questions to qualify the opportunity
- Questions to enable you to create an effective proposal.

For a list of such questions, please see the Redwell document *Questions to Ask Before Preparing or Submitting a Proposal*.

2. Issue proposals only for the right opportunities.

The “right opportunities” meet these criteria:

- They are well qualified.
- They are a good fit for your company’s capabilities and strengths.
- The value of the deal is likely to be worth the effort of preparing an appropriate proposal.

3. Issue your proposal at the right stage in the buyer’s decision process.

Some salespeople are in a hurry to issue a proposal. They think it will move the opportunity to a faster close.

Neil Rackham, author of [*SPIN Selling*](#) and [*Major Account Sales Strategy*](#), suggests otherwise.

His research found that cost considerations are important to customers early in their buying process, when they are setting budgets and identifying vendors to consider.

At that time, they want to know ball-park costs to see if they can afford to move forward with a buying decision.

Then their interest in cost declines while they evaluate their alternatives. During this middle phase, they are also less concerned about potential risks.

They become intensely interest in both risk and

price when they are ready to choose a vendor.

Michael Bosworth and John Holland explain these stages in [*Customer Centric Selling, Second Edition*](#).

The research suggests that you should submit your proposal in the final phase of the customer's decision process, not earlier.

If you offer a proposal before your customer has reached this point, you can hurt yourself:

- You may look needy. Needy vendors attract predators, and they repel everyone else.
- You may appear to be applying pressure. Customers resist pressure.
- You will have “spilled the beans” too early. You will have presented too much information before your customer is ready to digest it.
- You will invite the customer to focus on price and may prompt premature price negotiations.
- You may shut off further communication.

After you submit a proposal, the balance of power shifts.

Your customer is likely to think they have all the information they need to make a decision.

If a customer thinks they have all the information they need, they have no incentive to communicate until after they've made their decision.

Unless an urgent question arises, they feel they no longer need to talk to you.

They stop returning your calls and email messages.

If this happens, you will feel intense discomfort.

Your opportunity is now highly visible in the sales pipeline. It is probably in the revenue forecast as a likely win.

No matter how cautious you may have been in setting internal expectations, your executives will expect a decision soon.

They may be discussing the opportunity at high-level management meetings. They are eager to see it close.

But you have no news to share.

It's great to hear a *yes*. It's hard to hear a *no*.

The worst is to be stuck in the limbo of *maybe*.

4. Before you submit your proposal, get your customer's agreement about what will happen afterwards.

You can reduce the risk that your customer will go silent. You can do so by establishing an agreement about what will happen after you submit your proposal.

The time to set this agreement is *before* you submit your proposal. That's when you're in the strongest position to negotiate for access afterwards.

Your main contact may not be able to control what happens next.

Sometimes Procurement takes over the final stages of the buying process.

They may shut down all other communications while they try to negotiate the best possible price.

They may try to make you think you're at risk of losing the deal.

Your contact may not be able or willing to tell you this is how his company works with potential vendors, but his responses to your questions may suggest as much.

If that's likely to happen, it's best for you to know in advance.

You can't eliminate the possibility that your customer will go silent after receiving your proposal, but you can reduce the likelihood.

It's a good idea to ask your customer to confirm your understanding of their final decision process and timing.

Make it easy for her. Send her an email message that summarizes your conversation. Ask her to confirm what you've written or to correct anything you may have misunderstood.

Get her response before you submit your proposal.

The agreement won't be binding, but it helps establish a point of honor.

5. Discuss pricing, business terms, and value with your customer before you issue your proposal.

Here's the best advice I ever got from a customer during a complex sale: "No surprises."

Managers at all levels hate surprises.

Your customer champion especially hates surprises that could cause her embarrassment or undermine her credibility.

Don't submit your proposal before you have discussed pricing and business terms in detail.

Always have this conversation by phone or face to face. Never by email.

In a voice conversation, you can better read the

customer's reactions. You can sense hesitation, resistance, or objections.

This may be your last opportunity to refine your pricing or sharpen your value message before your customer makes a decision.

Have your pricing discussion only with your champion or your primary contact, not with the extended buying team.

Your champion may not want everyone on the team to know the pricing or business terms.

You also want to give your customer a chance to digest and interpret the information before she shares it with the rest of her team.

6. Carefully check pricing and business terms before you submit your proposal.

Proposals make legally binding commitments your company may be obliged to honor.

This is why you want to be sure all your pricing

ing and business terms have been cleared and double-checked with your Legal, Services, and Finance organizations.

7. Protect sensitive and confidential information.

Your proposal may contain confidential or sensitive information about your offering, your methodology, your sales process, your pricing, and your economic justification.

All of this information can be highly valuable to a competitor, an industry analyst, or a consulting firm. They may use it to your company's disadvantage.

Some consulting firms provide services to help their clients buy more profitably.

If you provide product information, pricing, and business terms that get into the hands of such a consulting firm, they may use it against you in future deals with other clients.

They may be able to do so without violating the terms of your non-disclosure agreement.

You need a legally binding agreement to reduce the possibility this will happen.

Your best protection is a mutual non-disclosure agreement (or NDA) that your attorney has reviewed.

Your customer may have asked you to sign their standard NDA. But it may not offer enough protection for your company.

Customer NDAs are often one-sided, so always consult your attorney before you accept the risk of sharing sensitive information under a customer's NDA.

Issue a detailed proposal only if you have a *mutual* NDA in place.

Even when both parties have signed a mutual NDA, include a note in the header or footer of every sensitive page of your proposal. It should state that the information is confidential.

Recommendations for preparing effective proposals

For all the potential benefits of proposals, they require considerable time and effort to prepare.

Preparation always incurs an opportunity cost and an out-of-pocket cost.

As you've seen, some situations require a detailed proposal.

And preparation of a proper proposal requires a fair amount of custom tailoring, even if you use templates with many standard elements.

Challenges of preparing proposals

In complex deals, your process for preparing proposals is likely to need participation from several team members.

The full team may include subject-matter experts, presales consultants, people from your Services team, Customer Success, Product Management, Legal, Finance, your executive team, and so on. All these people are *busy*.

And proposal creation is probably not their top job priority. So the task of coordinating proposal creation often falls to your sales team.

You probably didn't hire your sales team for their writing skills.

Salespeople are not necessarily good writers. For many, writing is slow and painful.

Proposal authorship is probably not the best use of their time and skills.

If you rely on salespeople to write proposals without providing the right kind of support, the process will consume much of their time, and the results are likely to be inconsistent.

You will probably see one or more of these effects:

- **Your salespeople will invest the minimum time and effort they think are needed to meet the customer's requirement.**

It's great to see your salespeople focus on efficiency.

But their judgment of how much care to put into a proposal should not depend on how busy they are at the moment.

In busy times, salespeople are more likely to cut corners.

Their proposals are likely to be shorter, less tailored, and less carefully edited.

They may also be less effective in winning business.

- **Your best salespeople will have less time for other sales activities.**

The time your salespeople spend working on proposals *is* good selling time.

But their work on proposals may reduce their productivity in other areas where they can add even more value.

- **Your process for producing proposals will probably be inefficient and inconsistent.**

If salespeople receive no guidance from their management, they will find their own ad hoc ways to produce proposals.

They are not likely to establish a process or methodology that will work well for your entire team.

- **Quality control is likely to suffer.**

Without proper editorial review, your company's proposals are likely to contain typos, errors of

grammar and usage, or inconsistencies of style and formatting.

Each deficiencies reflects poorly on your company. They raise questions about your attention to detail.

A careless-looking proposal may damage the customer's perception of the quality of your product or service.

Unless you put proper checks and controls in place, you risk damaging your brand by producing slipshod work.

How to improve your proposals

You can mitigate or reduce the challenges of creating and using proposals by following these suggestions:

1. **Ask your customers what kind of proposal they prefer.**

It's often a challenge to know what level of detail is necessary to win the deal.

The only way to know for sure is to ask.

Interview a representative cross-section of your recent customers.

Ask them who read the proposals you submitted.

Ask if your proposals met their expectations for the kinds of detail and the level of detail they wanted to see.

2. Produce proposals that are no more elaborate than they need to be.

When you submit a proposal, customers don't award extra points for length or brevity.

But customers will deduct points if your proposal doesn't answer all their key questions or doesn't address their most important concerns.

And they will deduct points if your proposal appears to be padded with useless, self-aggrandizing, or poorly written content.

Include all the right information. Nothing more.

3. Set standards and offer guidelines.

Use the insights you gain from your customer interviews to establish guidelines for the content your proposals should include.

Create templates, term sheets, and checklists your teams can use in preparing and reviewing proposals.

For more on this, see the Redwell documents *Guidelines and Essential Elements for Persuasive B2B Proposals* and *Checklist for Consistently Powerful B2B Proposals*.

4. Provide your sales team with help they need.

Your sales team is likely to need help with writing and editing. They may also need help with product configuration, pricing, and establishing business terms.

Finally, they'll need help in reviewing and approving proposals before they go out.

Don't assume that technical writers and marketers can offer much help beyond "cleaning up" the language and appearance of your proposals.

Wordsmiths can edit the language. Designers can ensure that the format is attractive and legible.

These measures will certainly help. But you can't relegate the task of preparing proposals to writers and designers.

You will always need insight from people with strong experience in managing complex sales.

They are most likely to know what content to include or how to present it persuasively.

If your organization doesn't have the experience, skills, or capacity to provide such help internally, consider going outside to hire it.

5. Establish efficient processes for creating and reviewing your proposals.

Anticipate how you will create effective proposals at times when you sales teams are very busy.

Make it clear to your extended sales team that

their participation in proposal creation is an important part of their job description.

Your extended team may include people from Legal, Finance, Services, Product Management, Customer Success, Engineering, and other business functions.

Consider how you will get proposals through your Legal, Finance, and Services organizations toward the end of financial reporting periods, when everyone is under pressure to meet revenue goals.

6. Invest in technologies, tools, and software to make the preparation more efficient.

Use appropriate processes, software, tools, and technologies.

The tools and technologies for creating and managing proposals have improved greatly.

Make yourself aware of them and consider how you can use them profitably in your company.

For more on this topic, please see the Redwell publication *Tips for Preparing and Managing Your B2B Proposals*.

When to think twice before issuing a proposal

One successful B2B software company, a leader in its niche, sells its SaaS (Software as a Service) offerings for fees ranging from about \$5,000 to \$40,000 a year.

They have thousands of customers and are growing revenue by more than 40% a year.

Their head of sales proudly says his team never submits proposals. Instead, they provide brief term sheets with contracts.

“While my competitors are bogged down preparing proposals, we’re closing deals,” a member of his team quoted him as saying.

The sales leader makes a good point.

Sometimes it’s a mistake to submit a proposal.

Here are eight such situations:

1. A simple price quotation is enough.

You may find you can achieve a high close rate without submitting proposals.

2. You have not properly qualified the opportunity.

Some sales teams qualify accounts and opportunities by criteria for which they use the acronym

BANT. The letters stand for Budget, Authority, Need, and Timing.

The BANT criteria may be adequate for simple qualification, but I recommend a more thorough evaluation before you commit yourself to writing a detailed proposal.

For a list of suggested qualifying questions, see the Redwell document, *Questions to Ask Before You Prepare and Submit a Proposal*.

3. You don’t have time or resources to prepare a proper proposal.

Small companies often lack the resources to prepare a proper proposal.

Even in bigger companies, the workload is sometimes so heavy that your team can’t make time to create a proposal that will be effective.

You have to be selective about where you invest your time and energy.

Submitting a careless proposal is worse than submitting no proposal.

A careless proposal can make a bad impression that will stay with the customer's decision-making team for a long time.

Employee turnover may cause members of that team may move to other companies in your market.

They may then bring their poor impression of your company with them.

4. The cost of preparing a proposal is too high for the potential revenue.

Sometimes your sales team may decide it's simply not worth the investment to prepare a proposal.

The deal may too small to be worth the cost and effort.

Or the opportunity cost may be too high. Maybe you have better places to spend your time and energy.

When you weigh the investment of creating a proposal against the potential revenue from a deal, be sure to consider the average lifetime value of your customers.

During a multi-year relationship with a customer, you are likely to generate much more revenue than you do from your initial sale.

5. You haven't helped your customer understand the value of your solution.

In other words, you haven't done enough selling.

When you haven't sold value, you compete on price.

6. You're responding to an RFP, and your company did not help the customer define requirements.

This is a weak situation for your company. By the time a customer prepares and submits an RFP, they often have a preferred solution and vendor.

The RFP may be a formality to satisfy a procurement requirement.

In such situations, the RFP process is often rigged or “wired” to favor the preferred vendor.

You are usually better off declining to participate in these elaborate charades.

7. The customer makes unreasonable demands or has unrealistic expectations.

When customers submit RFPs, they often provide detailed specifications, questionnaires, instructions, and filing deadlines.

Sometimes the customer’s RFP comes with restrictions you will consider inflexible or unreasonable:

- They set a short deadline for your response.
- They won’t share information or access you consider essential for a successful bid.

- They ask for capabilities only one vendor can meet.
- They need a solution implemented in an unreasonable schedule.

Such requirements raise a red warning flag.

The customer may have rigged their evaluation process to handicap bidders they don’t want to win.

Try to find out the reasons for their inflexibility.

They may not tell you the real reasons. So read between the lines.

If you don’t like their explanation, consider bowing out.

Politely explain your reasons for declining.

Then if something changes, you may find your company is back in the game.

Summary and conclusions

You have now read about the essential elements of a successful sales proposal.

You have seen that B2B sales proposals offer important benefits for both buyers and sellers.

You have read about nine situations when you probably need to issue a detailed proposal.

You've read eight recommendations for issuing proposals and six for preparing them.

Finally, you've read about seven situations when you should think hard before you submit a proposal.

Many important questions are likely to remain:

- How can you make your proposals more effective, more persuasive, so that you win more deals? What content should they include? How long should they be?
- What should you do if your win rate is too low for the amount of effort it takes to prepare your proposals?

- How can you produce proposals of more consistent quality?
- What's the right balance between effort and potential payoff?
- How should you use proposals in your sales process?
- How can you prepare your proposals more efficiently?

This ebook is the first in a series of documents from Redwell B2B on how to create and use effective sales proposals.

Other titles in this series will cover:

- How to use proposals during the sales process.
- What an effective proposal should include.
- How to write proposals persuasively and professionally.
- How to create proposals efficiently.
- How to achieve consistent quality.

For more guidance on creating and using effective proposals in complex B2B sales, please click [here](#).

When you do so, you'll arrive at an online page where you can download these free offerings from Redwell B2B:

Common Shortcomings of Proposals for Complex B2B Sales, and How To Fix Them

Questions to Ask Before You Prepare and Submit a B2B Sales Proposal

Guidelines and Essentials Elements for Persuasive B2B Sales Proposals

The Sales Professional's Guide to Effective Use of B2B Proposals

Checklist for Consistently Powerful B2B Proposals

Tips for Preparing and Managing Your B2B Proposals

Please send me these, too

About Redwell B2B

Redwell B2B helps improve sales and marketing performance for companies that engage in complex B2B sales.

For companies that want to create deal-winning sales proposals, Redwell provides consulting, training, coaching, assessment, writing, and editorial services.

Redwell helps sales teams evaluate and revise current proposals or create new ones. Redwell also produces templates, processes, and checklists that help produce deal-winning proposals efficiently.

Redwell's clients are mostly, but not exclusively, in the software and technology industries. They include companies that provide business services.

Redwell also advises clients on sales enablement, content marketing, account-based marketing, and sales development.

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