

## STORY RELEASE

# PROPOSAL WRITING As a Strategy

**Proposal Writing is something all contractors have in common that pursue negotiated and/or design/build work.** Proposal writing is a valuable part of the communication process whereby you get a chance to tell the prospect about your firm's abilities and unique benefits of using your services in their upcoming project.

However, proposal writing tends to be somewhat of a thankless nightmare of a job. It's either put together at the last minute, or a different person in the office does it each time. Often there are differences of opinions of what should be in a proposal, and what shouldn't. It gets worse when there are more than one proposal to get out at the same time, or when there is too much focus on the proposal number such as the guaranteed maximum price (GMP), and not on the kind of services included in that number.

While these approaches are common, they will all eventually fail. Proposal writing must be viewed as an important strategy in the process of obtaining work. There must be a strategy for proposal writing that is as important as other marketing strategies.

Below is a list of proposal writing dilemmas all contractors face at one time or another:

- **Does the prospect really read the proposal?**
- **How does the proposal get done?**
- **Do you follow the RFP guidelines or reorganize the material in your own format?**
- **What is going to make your proposal stand out from the other stack of proposals?**
- **What is the real purpose of the proposal?**
- **What are the four parts of the proposal that are always read?**
- **What about the Cover Letter and the Executive Summary?**

These questions really identify some of the more important points about proposal writing. The answers are a combination of common sense as well as an understanding what the main purpose of proposal writing is all about.

**Does the prospect really read the proposal?**

Historically speaking, no! Look at it from this point of view -- if you had five one-inch proposals to review, what would you do, read each one in detail, or gloss over them looking for key points and facts? You know the answer.

Have you ever handed in a proposal, and the next day your team is being interviewed, and on the other side of the table is the owner or the owners reps madly sifting through the proposal as if it was the first time they've seen it? It happens all of the time. It's impossible for the owner or their representatives to thoroughly evaluate each and every proposal. Therefore, it's imperative to identify what they are really looking for, and make sure you interweave your strategic advantage - why they should use your company instead of the competition - into these areas.

**How does the proposal get done?**

Proposals are somewhat like footballs. They get kicked around an office until they land on someone's desk. Proposals are so difficult and so time consuming and so deadline oriented, they must become the responsibility of someone in a company. In a lot of companies there is usually more than one person that might be leading up a particular project, so it's important the leader become responsible for coordinating the details of the proposal which include the estimate, projected schedules, etc., and work with the individual who pulls everything together. That way, there can be multiple proposals on going in an office.

Also, it's critical an office develops a proposal format with as much boilerplate info and "proposal design" as possible. You don't want everything to be boilerplate, but things like financial strengths, resumes, project history, references can all become standardized in some manner, and then customized for the particular project. This helps speed up the overall process and becomes easier to evaluate once a year to keep everything up to date and fresh.

**Do you follow the RFP guidelines or reorganize the material, or use your own format?**

You have just custom printed all of your tabs so they occur exactly the way you want to present information about your company. Then along comes an RFP that says something like:

"Please respond to the following 25 points in exactly this format.

All proposals not following this format will be rejected."

Obviously, the correct choice here is to follow the suggested format. If you use tabs, go to another system or use custom made tabs for that presentation, or just put them in a different order. As one owner said, "...if I can't get a construction company to follow a very simple format, what are they going to be like when they work on my building?"

**What is going to make your proposal stand out from the other stack of proposals?**

Neatly on a table is stacked five proposals all meeting the specification of the RFP. They all have a price, a schedule, company history and other documents? What makes your proposal stand out?

Owners are looking for a construction company that has a fair price and clearly communicates they understand what the true and real NEEDS of the owner is, and they can satisfy those needs. Often, these real needs are not in the RFP, but what the contractor can ferret out from any preliminary meetings, knowledge of the owner, and other information that surrounds the project. Negotiated work is all about relationships, and it's these relationships that make the difference in proposal writing. For example, an owner might really be concerned about how the contractor is going to handle the occupied environment portion of the work. But the proposal might not identify that particular issue. This is where listening is so important to the overall process. And when you listen, you can pick up on what one is really thinking, and then interweave these into your proposal in the cover letter and the executive summary.

**What is the real purpose of the proposal?**

The real purpose of the proposal is just to get back in front of the owner again. You don't win a project with the proposal. You essentially try to win another meeting, so you have a real chance to win the project. It's what you say and do when you get in front of the prospect that makes the difference. If you can't get in front of the prospect the second time, then you're probably out of the race. Everyone knows of cases in negotiated work where the low number doesn't win. Why is that? The reason is what happens in the meetings following the proposals. It's where the construction company can develop a continued relationship with the owner, and thereby develop a mutual business respect that leads to a contract.

Everyone has used various "hooks" in their proposals relating to cost savings and value engineering. These really do work, so it is imperative each and every proposal be strategized. You must look for the opportunity to find the real need of the owner, and interweave your ability to solve that particular problem into your proposal.

**What are the four parts of the proposal that is always read?**

The cover letter, executive summary, schedule and the cost. These four items are generally what one is looking for when they flip through a proposal. Studies have shown the cover letter and the executive summary are always read. So, as a proposal strategy, the cover letter and executive summary must be carefully prepared. These are not boilerplate documents; this is a chance to demonstrate to the owner that you understand exactly what their problems are, and you are the one contractor that can help them with their project.

### **What about the Cover Letter and Executive Summary?**

The cover letter is custom, and it's the first place to interweave all of the features and benefits about why the prospect should use your company. The cover letter must reinforce to the owner your company has the capability to do the work, and it's a perfect match to your resources and workload. Sometimes you might want to put the price in the cover letter, and other times you will want it to be with the line item break down. The cover letter is where you would insert any hooks, such as value engineering, cost savings to try and get back in front of the prospect.

### **Cover Letter Tip**

P.S. If you really want to make sure some key fact is read, put it in the P.S. at the bottom of the letter.

The purpose of the Executive Summary is to communicate to the owner you understand their project, and you are ready to start. Essentially, it is a way to ask for the order.

The chart shows the four parts of the Executive Summary. Essentially, you are telling them you understand the project and what the desired outcome is to be, and this is our solution to accomplish that, and we have a team in place and we are ready to start. The Executive Summary is another chance to interweave the intelligence you have gathered about the owners real needs into something that is usually read. It's your chance to tell them what your strategic advantage is -- what makes your company different from the competition. It is a chance to ask for the order. It's what proposal writing is all about.

### **Executive Summary**

A one page, four paragraph concise statement about the project and your services.

1. Owners Request for Proposal Summary
2. The Desired Outcome
3. The Solution to Accomplish the Project
4. We are Available and Prepared to Provide Those Services

### **Summary**

As more and more companies become marketing driven, the competition is going to get tougher. Contractors must take every opportunity they can to develop relationships and present their company in the best way possible. Proposals are a way to accomplish this goal. Surrounding the cover letter, the executive summary, the schedule and cost with the benefits of your firm, and demonstrating your company can solve their problem will give you an edge. It's that strategic edge that will make the difference in winning one more project.



### TEN WINNING PRESENTATION TIPS

1. Pick the right team.
2. Bring the superintendent or the project manager that will be assigned to the project.
3. Practice -- role-play.
4. At the beginning of the meeting ask some questions to see if you can get the prospect to talk before you make your presentation.
5. Look for "hot buttons" that will emerge that you can interweave into your presentation.
6. Show empathy to their problem.
7. Bring props such as schedules or renderings.
8. Try to address their real concerns, not just a robot like response to the RFP.
9. Think in terms of adding value to your service. Owners buy value.
10. Try and develop relationships, as this is the key to winning presentations.

### Three PowerPoint TIPS

1. Use a format that represents good graphic design
2. Have your company name on every slide
3. Consider HTML types of presentations where you can hyper link to additional slides to answer questions.

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**McKenzie also is president of McKenzie Marketing Group, Inc., a national strategic planning/marketing company that helps contractors develop a positioning advantage through marketing and business development planning. McKenzie, a registered architect, also is co-author of *Successful Business Plans for Architects* published by McGraw-Hill, and publisher of *Strategic Thinking*<sup>TM</sup> a monthly newsletter. He can be reached at (630) 894-0513, or [ron@constructionpeergroups.com](mailto:ron@constructionpeergroups.com). More information about peer groups is available at [www.constructionpeergroups.com](http://www.constructionpeergroups.com).**

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