

Proposal competition – avoid it if you can

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(8 minutes) In most instances, people who issue a request for proposal (RFP) are shopping for the lowest fee. Professional services are viewed as a commodity and little else. Avoid an RFP if you can. If you are seeking something with an unsolicited proposal, unless the outcome is essentially pre-determined, be prepared for a long process.

Where to start?

If you are asked to submit a proposal, or are considering an unsolicited proposal, the very first question you must ask is:

“Is the project, and the effort I must undertake, worth the expected outcome?”
If yes, be prepared for a lot of work. Proposals must be treated seriously and engaged with intent to win.

Need to know

It is critical, when considering competing for a project, or the favours of a donor or sponsor with an unsolicited or solicited proposal, to have enough intelligence about the project and prospective client. Intel can be gathered through research and readily-available information to make an informed decision.

- ✓ Know the target organization and any competitors (SWOTT) – strength, weakness, opportunities, threats, trends (market/economy/politics).
- ✓ Be certain of the objectives of your employer and/or client.
- ✓ Available resources to compete with a proposal (staff power and technical capability).
- ✓ Timing for submission of the proposal. Is there time to do it right?
- ✓ Intelligence gathering – knowing all that is needed to know about the target and competitors.
- ✓ Presentation – at the beginning be prepared to present the proposal to the target.
- ✓ Language - Who is the audience that will recommend approval of the proposal and accept the recommendation? The proposal must be written

for comprehension by a representative of Generation Y, X, or a Baby Boomer.

- ✓ Are the cultural nuances (if any) of the targeted proposal recipient known and understood?
- ✓ Profit margin – if there is a need for profiting from the proposal, does the profit margin promise to be worth the effort to compete with a proposal?
- ✓ Does the prospect favour another proponent?
- ✓ Have you had a successful project with the prospect?
- ✓ Is there a need for local staff or a specific individual on the project team to ensure success?
- ✓ What is the “opportunity cost” of the proposal? Is the proposal to help raise the brand awareness (if successful) or will it damage the brand if unsuccessful, reduce staff with increased technology, or place more pressure on staff with increased workload?

Before responding...

- ✓ Clearly understand what is asked in the Terms of Reference. You may need to clarify points with the prospect.
- ✓ You may wish to determine if the prospect would accept alternatives to the terms of reference, new ideas or a different approach to solving the problem.
- ✓ Who is the main competition, if a competitive environment exists?
- ✓ How many competitors are there, and what are their strengths and weaknesses?
- ✓ Determine the project team names likely to be included in a competitor's proposal and know their strengths and weaknesses, and existence of a relationship with the prospect.
- ✓ Have an idea of the depth of the competitor(s)' resources and their pattern of fee proposals (i.e. low bidder or fair fee proponent).
- ✓ Consider strategic alliances to win a portion of the work that fits best with the strengths of your employer or client.
- ✓ Clearly understand and be committed to the amount and nature of work to be contracted.
- ✓ A field visit may be warranted.
- ✓ Alert the prospect without tipping competitors if inconsistencies exist between your research and the terms of reference.

What is the real purpose of the Request for Proposal?

Terms of reference are usually drafted for a component of a larger challenge facing a proponent. Interview the proponent to determine what is really behind the proposal call or the mandate of a donor/sponsor organization and see if this can be addressed in the proposal.

Goal

The goal of any proposal is to set the stage to negotiate a contract for a project and bring closure to the process (i.e. sign a contract).

The document

A proposal is a document that outlines a scope of service and sets a price. It is a legal document and forms the basis of a contract. It should be submitted with the corporate endorsements. It is a sales tool that can edge your firm past the competition if price is not the deciding factor.

The art of proposal competition is to close the gap between what the prospect wants and what the proponent is selling.

Rules for preparing the document

- ❖ The proposal competition activity must be managed
- ❖ Identify the proposal team and their duties and responsibilities
- ❖ Select a project team. The project team is the people who will complete the project. Some may be members of the proposal team, others may not
- ❖ Develop a schedule for producing the proposal
- ❖ Respond to the criteria in the Terms of Reference
- ❖ Assess a joint venture or association with another organization to be successful
- ❖ Consider graphics and printing to support the brand of the entity responding to an RFP and draw an emotional appeal to the proposal
- ❖ Plan for timely delivery

Being unique is key

Successful proposals are unique. What sells are the differences, not the similarities to competitive proposals.

Unique services must be translated into benefits to the prospect and claims must be supported with evidence and testimonials.

Common mistakes

- ✓ No relationship or contact with the organization issuing the RFP and key people
- ✓ Too many people/firms on the project team
- ✓ Non-specific identification of similar jobs completed by the project team
- ✓ Verbose – too much information and too many words
- ✓ Misreading the budget signals, if there is a budget that is included in the RFP
- ✓ Failure to package the proposal to reflect the corporate culture and brand of the entity submitting the proposal
- ✓ Failure to determine if funds exist and are available to carry out the project – and when the funds are needed according the project schedule. It is important to understand the budget cycle of the entity calling for a proposal and when funds are available for new projects (if unsolicited)
- ✓ Taking on a proposal that does not suit the business plan or resources of the entity responding to the RFP.

Reasons for failure

The most common reason for failure is “Failure to respond to the Terms of Reference.” The number 2 reason is price, or not understanding the availability or timing when project funds are available.

Elements of a successful proposal competition

- ✓ Selecting the proposal manager and preparation team that can complete the project according to the terms of reference.
- ✓ Accurate background information and research.
- ✓ Accurate competitor assessment.
- ✓ Abort/Proceed decision carefully debated and considered.
- ✓ Establishment of a good relationship with the entity issuing the RFP and key people of the entity before a proposal is submitted.
- ✓ Selection of a project team acceptable to the entity issuing the RFP before the proposal is submitted.
- ✓ A Table of Contents that takes the reader of the proposal to sections of interest very quickly.
- ✓ Graphics including images, charts and graphs that are appealing to the RFP entity.
- ✓ A proposal preparation schedule/timetable that will result in a submission that is on time.

- ✓ Clear assignments for each member of the proposal team.
- ✓ Identification and presentation of unique elements of the project in the proposal.
- ✓ Set fees and pricing that are acceptable to the prospect.
- ✓ Review of first draft by the proposal team and members of the project team.
- ✓ Final edits by proposal manager.
- ✓ Production of the RFP according to plan and schedule.
- ✓ Submission on time and to the right people or person.
- ✓ Follow-up as if negotiating a contract.
- ✓ Preliminary preparation for presentation of the proposal by the proposal team or key project team member.

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