

Don't Write a Proposal Just Yet

By Andrew Sobel

In tough economic times, many professionals jump at the opportunity to submit a proposal to a potential client. It's a chance to book some new business, and besides, who can resist the adrenaline rush that usually goes along with the prospect of an impending sale? Proposals, however, can be huge time wasters. The problem is that some clients who are not serious buyers will ask for a written proposal, while others may prematurely ask for a proposal before the proper steps have been worked through and the right relationships established. Furthermore, your willingness to write a proposal too quickly will actually position you as a vendor rather than a thoughtful, in-demand advisor who is discerning about the work you will take on.

You need to cover all the right bases during the business development process to ensure a successful sale and a fruitful relationship. Here are 8 prerequisites for submitting a proposal to a new or existing client:

1. You are certain this is the right client and issue for you and your firm. Is this an appropriate client--in terms of size, complexity, location, and potential to create conflicts with other clients--given your strategy? Is this issue in your sweet spot in terms of capabilities? Is the executive with whom you will work an effective, respected individual in his or her organization? Are there other compelling reasons to seek this work.
2. You have a thorough understanding of the issues you are being asked to address, and also a clear sense of the business goals or needs which are influencing them. This could happen in one conversation, but more likely will only unfold over two or three discussions.
3. You and the client have agreed on the specific objectives of the work--on the outcomes that are sought.
4. You understand the client's buying process. Usually, you will have to ask about this. I believe it is completely appropriate to ask questions such as:
 - "Can you walk me through your decision-making process?"
 - "Who will approve the budget for this work?"
 - "Who will make the final decision about selecting a firm to work with?"
 - "Can you share with me your timeframe for making a decision?"
 - "May I ask what other firms you are talking to?"
5. You have spoken to or met with the economic buyer. This is the individual who can make the decision to hire you and your firm. This could be a middle manager or it could be the CEO--it will vary from situation to situation. Often, the first person who calls you is not the economic buyer. He or she is usually a feasibility buyer (someone who is screening service providers, who can say "No" but not "Yes") or a user-buyer (a client executive who would work with you on the engagement but cannot make the decision to hire someone). The worst mistakes made during the sales process are often around the identity and role of the economic buyer. Sometimes, people think they know who the economic buyer is when they actually do not, and on other occasions they just don't focus in on this critical buying influence, and end up wasting huge amounts of time writing a proposal that never gets a true hearing.
6. You understand what is most important to the client--in other words, what particular value they are seeking. For example: Is speed critical? How important is cost? Do they want a highly tailored solution? What about quality--do they need a very comprehensive review, or a preliminary, cursory examination of the issues? Is this a one-off transaction, or is the client looking for a longer-term relationship? Which aspect of your

proposed approach does the client most value?

7. You have discussed the essential elements of your proposal with the client. Before you submit a written proposal, you must, as author Alan Weiss puts it, achieve “conceptual agreement” about what’s going to be in it. You might say, “Before I send you this proposal, I’d like to meet with you to walk through our basic approach. That way I can get your reactions and input before finalizing it.”

8. You have an agreement to discuss the proposal with the client after you submit it. “I’m sending the proposal over later today. If it would fit your schedule, I’d like to set up a meeting later this week so we can discuss it.” You don’t want to spend a lot of time writing a proposal, and then send it into a black hole. Schedule a phone call or face-to-face meeting to put the client on the hook to read the proposal and share his or her reactions with you.

I have learned each of these points by writing, over my 27-year consulting career, plenty of proposals that should not have been written. I can still remember waiting, as the weeks rolled by, to hear from a prospective client about a proposal I had given them, only to be told that the boss of that person’s boss—whom I had never met—had vetoed it. Today, I’m very careful about conserving my scarce time and I only sit down at my computer to write when I have covered all of the right bases. Earlier this year, a prospective client—whom I had never met before—asked me for a proposal after a 30-minute phone call. I told him, in a somewhat lighthearted tone, “I guess I had better role model best practices as we get to know each other, and from my perspective it’s premature for me to write you a proposal.” I told him why, he agreed, and he later became a great client.

Just because business is scarce doesn’t mean you should jump at every opportunity to write a proposal. On the contrary, you should focus on those opportunities that make the most sense for you and then double-down on them. This means investing to understand your client’s business and key issues, treating them like they are already a client, and adding significant value during the selling process.

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