

## **Winning proposals start with smart bidding**

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In the world of proposals, the only acceptable proposal is the one that wins. All the others lose.

Seattle-area consultant Peter Dixon shared strategies for preparing winning proposals at the March meeting of the Three Rivers Venture Group, a bi-monthly gathering of Mid-Columbia entrepreneurs and their supporters.

A proposal is a marketing document that sells your ability to meet the client's needs better than any of your competitors. The client usually knows that you can do the work. The challenge, Dixon said, is to demonstrate that you can do it better, that you stand out from the other bidders.

Large company or single entrepreneur, most people involved in the bidding process are successful project managers, Dixon said. But when they do a proposal, they too often throw their project management knowledge out the window. "A proposal is a project, and you have to manage it systematically from the start or you'll end up chasing rainbows."

According to Dixon, a winning proposal starts with a sound strategy for selecting which projects to go after and which to decline. That initial decision can have a huge impact, not only on the success of the proposal, but also on a company's overall profitability. "Lots of money is wasted because people bid work for the wrong reasons," Dixon said, recalling one company that spent more than \$50,000 chasing a project that wasn't funded. Moral: Do your pre-bid homework.

### **To bid or not to bid**

Dixon has developed a template to guide developers through the critical bid/no bid decision process. It consists of 15 questions, worth between 1 and 5 points each, rated from "don't know" to "really know."

The template starts with the customer: How well do you know how they conduct their business? Do you know the technical decision makers, and how well do you know them? Ask the same questions about the commercial decision makers. Do you know who is going to approve the recommended bid?

Does everyone on the team know what the client wants? "Don't be surprised if there are wide differences of opinion here," Dixon said. Come to agreement before going any further or the proposal will never present a unified vision to the client.

Looking at the market, ask how well you know the client's business and how well you are known in that business.

Do you know how many competitors are bidding and who they are? Is the project approved and funded? A request for proposals doesn't automatically mean there is money to do the work.

Last, consider your company. Do you have time and resources to prepare the proposal? If you win, can you accept the contract terms and conditions, and do you have the resources to do the job?

Now, total your ratings. Top score is 75 points. A score of 50-55 is still within the "comfort level." But below 40 points, Dixon asks, "Why bid?" Knowledge gaps may not be sufficient grounds to pass on the opportunity, but you must get more information quickly.

Dixon also stressed importance of reviewing your strategy in the bid/no bid exercise and in the subsequent initial proposal response outline with a representative from sales, client interface, project executors and management. This group will set the direction and vision of your response and convey a clear understanding of what's needed to the full proposal preparation team.

Up-front participation by the small group not only avoids costly reworking of information submitted by individual contributors, it increases the team's knowledge base and can surface potential issues in time to ensure that everyone is on the same page.

### **And the winner is . . .**

Although price often is the deciding factor in winning work, there are many other elements in a proposal. "It's about the soft issues," Dixon said. "Any one of these elements can provide ammunition to influence the reviewer's recommendations, either for or against rewarding you the work."

According to Dixon, a winning proposal focuses on the customer's issues, needs and concerns. The proposal responds to all of the customer's requests and requirements for information. "If you are weak in one or more areas or cannot meet specific criteria, be forthright and say can you cannot," Dixon said. "Good reasons will be accepted and respected."

The proposal is clear, tailored, well organized and easy to follow, without large quantities of boilerplate. It is formatted and designed to look professional. And it is inspirational. "The proposal should inspire confidence in the mind of the client," Dixon said. It must demonstrate that you can meet or exceed the client's expectations – and that you are flexible enough to meet changes that may occur during the project.

Dixon lays out the complete proposal process in his short book "Bid to Win, A Guide to Proposal Development" available at <http://www.dixonconsulting.com>.