

five rules for presenting proposals

BLAIR ENNS

This article begins with an argument for a more methodical approach to presenting proposals so that most of the uncertainty about the win is eliminated before the proposal is made. From there, five rules are suggested about who they are made to, what role the document plays, how to overcome price objections, why you should avoid actual solutions, and when a proposal is actually “sold.”

A certain addiction, shared by many, is one of the dirty little secrets of the creative services world. I struggled with it in my career. You may be grappling with it now. The dependency I am referring to is our addiction to The Big Reveal—*The Pitch*.

When we enter a client presentation, whether presenting creative solutions or strategic problem solving that has not yet been translated to creative, we experience that certain adrenaline rush: the increased heart rate, the sweaty palms, the heightened sense of perception. Either we will hit the mark and are showered with the client’s

praise and gratitude, or we will miss and feel their disappointment (sometimes despair) and their doubt about our abilities. After the worst bombs we leave wondering about the future of the account, and sometimes about our own future within the industry. The rush that we experience is not only the anticipation of the high, but also the knowledge that we are leaping for it from a precipice.

The Biggest Rush of All

For many firms this adrenaline dependency also permeates their approach to developing new business. In fact, I would

suggest this is an industry-wide epidemic. We are as much enamored with the way we go about winning business as we are with the business itself. The high from an account win is, to many of us, the biggest rush of all.

Planned Approach for Planned Success

For the firm willing to wean itself off the thrill that comes from the pitch, some simple methods can be applied to increase the likelihood of landing the account. One of them is a systematic approach to closing. Think about this football analogy: with time running out, you throw up a Hail Mary pass the length of the field hoping that someone catches it (odds: about 10%), and that this “someone” is on your team (odds: now 5%). Now think of yourself quarterbacking a disciplined team, pushing forward through a relentless ground game, five yards per carry, in a methodical approach to the goal.

The former is a last-ditch attempt to snatch victory from the jaws of defeat. The latter is a planned, disciplined approach to winning. To pitch your proposal (be it creative, strategy, price, or another basis for doing business together) and sit back and wait for the prospect to respond on his own time and terms is to leave too much resting on the final play of the game. It may come to this in the end (though it should not), but that’s hardly reason to go into

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A NOTE FROM THE EDITOR

Blair is in the minority, but keep in mind that frequently the minority is correct.

I say he's in the minority because he suggests that you quit trying to get more new business wins by simply lowering the bar.

If your goal is a lot of "gnat" clients biting your ankles, not talking about

money is just the way to do it. But no amount of maneuvering later will turn bad clients into good ones. And good clients are defined, in part, by their willingness to pay you

fairly for your knowledge



and experience.

If you need to find out how a buyer feels about money, why not do it up front before you've wasted all that time and enthusiasm? This approach makes

sense. ●

build an advocacy base beyond a client base.

The middle function of business development, Closing, is the act of converting late-stage buyers into clients. It includes getting the handshake, the signature, and the check, all of which are expressions of agreement on a proposal to conduct business together.

While all three functions can benefit from a systematic approach, it is in the area of closing that the majority of firms can find the most immediate and dramatic improvement. If you recognize that your business development department (even if it is a department of one, and you are that one) can benefit from a disciplined approach much in the way that your accounting or IT departments benefit from such an approach, then consider adopting the following five rules for presenting proposals. They should help improve your closing ratios and wean yourself from any dependency on *The Pitch*.

Rule #1: Proposals Are Presented Only to Decision Makers Who Are Ready to Buy

This first rule has three components that merit exploration.

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Five proposal rules...

the game without a more comprehensive plan as you attempt to close the business.

Three Functions of Business Development

The ongoing functions of business development (those functions that are beyond planning or strategic direction setting) can be grouped into three categories. They are: Prospecting and Nurturing, Closing, and Maintenance. There are other ways to slice and group the tasks of selling, but I use these three because they breakdown nicely along human resource lines.

The first function, Prospecting and Nurturing, encompasses the acts of reaching out to those companies that have been identified as the best prospective clients to land, determining where they are in the buying cycle, and then nurturing the early-stage buyers (those furthest from buying) as they move through the buying cycle.

Skipping ahead to the third function, Maintenance is the job of turning clients into advocates. Advocates buy from you and nobody else (they do not do business with your competitors) and they refer business or business opportunities to you. This is the ultimate goal of your business development efforts: to

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Presented. The first is the word presented. Think of your proposals as your very young children. Being a loving, responsible parent you would never send your young children out into the world on their own, in the care of strangers, unsure of their fate. Take your children with you, show them off, but never let them out of your sight and never leave them behind. When a prospective client asks for a proposal to be sent over, simply explain that it is company policy that all proposals are presented. Your proposal is an item of value. The prospect has not paid for it, therefore, he does not get to keep it. (He can keep it once he signs it.)

What happens when proposals get forwarded or left behind? They get shopped around. This risk is easily eliminated. Unless you have been paid to write the proposal, it's yours. You should feel no obligation to leave it behind, especially if you follow all of the rules in this article. When explaining your refusal to forward or leave a proposal try using the words "company policy" and see how resistance melts away. You will also be impressed with how refusing to part with an item of value without compensation increases your esteem in the eyes of the people across the table.

Decision Makers. The second component of rule #1 is decision makers. Proposals are presented to decision makers. The key here is all decision makers. Countless business development opportunities have failed because the firm did not identify and include all the decision makers in the buying pro-

cess. You likely have been in a situation where your presented proposal was met with glowing praise and enthusiasm. "This is fantastic. Exactly what we need to do. I'm meeting with the CEO next week. We'll discuss it then and I'll get back to you."

Back at the firm you convey the prospect's excitement, proclaim that the account is all but yours, and sit back and wait for the phone to ring. It does not. Not next week. Not the week after. Your follow-up calls go unanswered.

The CEO was the decision maker, or at least one of the decision makers, and he was not buying. He had never met you. You had little idea what his challenges or objections were. And it's likely that your proposal was not adequately presented to him by your contact.

You focused on one decision maker, trying to close someone who did not have the authority to say yes.

The key to identifying all the decision makers is to probe the issue with more than one question. If you begin with the closed-ended question, "Does the responsibility for hiring an agency rest with you," you are less likely to get accurate information than if you ask an open-ended question such as, "Can you tell me about the approval process for hiring a new agency?" A follow-up to this last question might be, "Who needs to be involved in that process?" When you hear, "Just me," don't stop there. People are not always immediately forthcoming about the authority they do not have. Continue probing with, "Is there anybody you will consult with or

advise throughout the process?" If the prospect still asserts that he has sole decision-making authority and you suspect that

Price is usually the final objection only because we find money discussions difficult. The word for this is avoidance on your part.

he's holding back then it might be time for a final closed-ended question. "Does anybody need to approve your decision once you've made it?" If you hear that the decision requires a "rubber stamp" from the CEO, then the CEO is a decision maker and therefore should be in the room to hear the proposal. Do not assume that because the CEO is the senior decision maker he is the decision maker. I have seen numerous examples of deals undone by ignored or alienated lower-level decision makers.

Identify all the decision makers then make sure each is in the room when you present your proposal.

Ready to Buy. The last component of rule #1 is people who are ready to buy. Proposals are presented to decision makers who are ready to buy. When you agree to prepare and present a proposal it is appropriate to ask for two things from the prospect in exchange for your efforts. The first is an agreement to assemble all the decision makers to hear your proposal. This simple request is a power-

ful tool for separating late-stage buyers, those who intend to buy and are close to doing so, from early-stage buyers, those who have an interest in your services, but have not yet formed the intent to act on that interest. The vast majority of late-stage decision makers will have no problem with this request to assemble the other decision makers to hear your proposal. Early-stage buyers (tire kickers) will not want to impose on their peers or bosses by assembling them for a fruitless meeting.

Your second condition for presenting a proposal is an agreement that the decision makers will give you an answer to your proposal, a yes or a no, at the conclusion of your presentation. Some principals react in horror at my suggestion that these two concessions, and the last one in particular, are fair compensation for the work required to deliver a proposal. But someone who is ready to buy will agree to these two requests. Someone interested in extracting free ideas from an over-eager firm will not. No agreement to assemble the decision makers, or no agreement to make a decision on your proposal, means no proposal.

If you can bring yourself to ask for these two concessions in exchange for presenting a proposal then your efficiency on the opportunity has just improved dramatically. Requests denied are an indication that the prospect is not ready to buy, making it premature to present a proposal. Agreement on these two points moves your closing opportunity from unlikely to likely. If you follow the four

rules below your odds should move to highly likely.

Rule #2: The Proposal is Comprised of the Words that Come Out of Your Mouth. The Document Is the Contract.

Prior to my advertising career I worked at a government agency. On my first day on the job an old vet gave me some advice: Productivity is measured in paper. Produce it by the pound. Six months later when I went to work in my first agency job I took this approach with me and produced proposals that went on for 30, 40, sometimes 50 pages. I did not know how to convince someone to hire the firm so I poured my energies into a document hoping that I would overwhelm the prospect with my hard work and thinking. I prayed the document would win the business because I felt I could not.

Poor workmen lean on their tools. Don't rely on the document to do the selling for you. People close deals; documents do not. The document is the contract—the place you both sign at the end of the meeting after the prospect has agreed to do business with you.

The commitment clients make to you should unfold in a specific order:

1. Verbal
2. Written
3. Financial

The paper comes out after a verbal agreement has been made. It covers the scope of the agreement, including deliver-

ables, timeline, and budget. It offers a place for both parties to sign. And it covers the terms and conditions of the agreement, such as the deposit required.

If you need an electronic presentation to support a complex proposal, that's fine, but don't look to your presentation or your document to do things that you cannot or will not do, such as rule number three.

Rule #3: Overcome Price Objections Before Presenting the Proposal

We've all been in situations where we pass out our written proposal, preparing to walk through it from the beginning, only to see everyone immediately flip to the price on the last page. Some salespeople will experience this recurring frustration over their entire career when the solution to it is embarrassingly simple. Ask yourself this: would your prospect do this if he already knew what the price was?

People often violate rule #2 (don't lean on your tools) for the reason that they are anticipating a price objection and want to provide as much justification as possible. When you've already overcome the price objection you don't need a lengthy document to support your proposal on the steps that follow.

Before you show up to present your proposal (the words that come out of your mouth, right?) call the prospect and tell him you are going to bring a proposal for solutions in the \$X to \$Y range. Make the range wide, and wait for his feedback to help you narrow the range as

much as you can narrow it. Price is usually the final objection only because we find money discussions difficult to have. It is probably human nature to put off those things we least like to do. Some people put off money conversations to the last minute of the last meeting in the buying cycle. The word for this is avoidance. Some other words apply as well.

The Win Without Pitching Rule of Money is this: “Those who can’t talk about it don’t make it.”

In your personal life it may be considered rude but in business it is prudent to discuss money. Avoidance of the subject is a clear indicator of a lack of business acumen. Have money conversations early in the buying cycle and always overcome the price objection before you present a proposal.

Another rule is this: “Hear it First, See it Second.”

This same rule should apply equally to existing clients. They should never see a price in writing before they hear it from you first. When a client asks for a quote on a project, before you press “send” on the email pick up the phone and say, “Your quote is almost ready. It’s going to come in between \$X and \$Y.” This gives you a chance to identify and address any price objection rather than risking the potential of having your client stew in isolation.

Price is the big reason why many proposals are not bought, only because somebody was afraid to talk money. This fear dissolves quickly with just a little bit of practice. Always overcome

the price objection before presenting the proposal.

Rule #4: Unpaid Proposals Never Contain Solutions

Your proposal is all about how you intend to help the prospect, but only once you are hired. It proposes a course of action, or it may provide some explanation on that course, but it does not begin to head down it.

You do not begin to solve your prospects’ problems until you are engaged, and I mean, financially engaged. You may be required to demonstrate an understanding of the business or the challenge at hand in the buying cycle, but you accomplish this by discussing the problem, not by solving it. Further, I would counsel that you do not “discuss” the prospect’s problem in writing. You do not commit to paper your perspective on their challenges. That is work, and it is work for which you should be paid.

How does this help us understand requests for spec work? Marketers often ask firms to begin solving their problem right here in the buying cycle, before they buy. This is almost always the case in any competitive pitch. And many firms oblige.

When you receive a request like this it’s important to look behind it and see the motivation for it. The prospect is merely looking for assurance that your firm is the right one for him. He’s looking for proof that you can do the job. And he has been conditioned by almost a century of agency selection history to make the most audacious of

requests: to ask you to actually begin to do the job as the ultimate test of your ability to do the job, all without guarantee of compensation.

An appropriate response to any request for speculative thinking on a prospect’s situation is, “I understand that you are looking for assurances that we can do the job, however we have better ways to give you those assurances. It would constitute poor business practices on our part if we were to begin working on our clients challenges before we were engaged.”

References, case studies, money-back guarantees, opt-out clauses, and multi-phase (small step) proposals are all acceptable alternatives that can be offered in place of speculative thinking. Some of the largest, most process-driven companies in the world routinely ask for significant amounts of uncompensated thinking on their challenge as part of their agency selection process but quickly make concessions to the rare firm willing to counter with appropriate alternatives.

This brings up the issue of getting paid to prepare a proposal. As we all know, complex problems sometimes require a significant amount of thinking on the prospect’s situation before a responsible proposal for solutions can be offered. In these examples your first proposal is that the prospect hire you to develop a proposal. You are suggesting an engagement that will allow you to do the necessary discovery work to be able to recommend a solution with confidence. You are essentially selling a diagnostic service, the

beforecast

If the time applied to speculative plans and copy were put into doing your best to find out the status of the product, both positively and competitively in its market, you will learn infinitely more about advertising and you will contribute to a sounder basis for all agency-client relationships.

—Stanley Resor, executive at J. Walter Thompson, late '80s

When a prospective client asks for free speculative work, say something like this. “Mr. Smearcase, if we did free speculative work for prospects, do you know who would be paying for it? Our clients. Would you want to be the client of an agency which used your money to pay for work which it gave to people who are not its clients and may never be?”

—George Johnson, *The Yellow Sheet*, 1995

outcome of which is diagnosis of the problem, followed by a prescription for solutions.

In these situations bear in mind that this is the first phase in the sale and the principles of preparing and presenting proposals should be applied to all phases. Also know that of all the services you offer, diagnosis of the problem or affirmation of the client's own diagnosis is one of the most valuable. Charge accordingly.

Rule #5: Sold Isn't Sold Until the Contract is Signed and the Check Has Cleared

Have you ever been told that you've got the account, only to never actually get the account? In our industry it happens too often. It happens because the prospect reserves the right to change his mind until he parts with his money, and too few firms separate prospects from their money soon enough. Buyer's remorse sets in at the proposal stage, even before your prospect buys from you. Every single minute from the

first time he seriously considers buying from you until he parts with his money is your enemy. Maintaining momentum here is vital.

Once you have verbal agreement, your objective is to get a signature as soon as possible. Remember that document you brought with you? It's the contract, right? It can be as simple as a memorandum of understanding, an agreement in principle, a letter of engagement, or it can be a detailed contract outlining all the details, steps, timeline, terms, and conditions. A signature, after verbal agreement, is the second step in the chronology of commitment.

After the verbal commitment and the signature, all that remains is to get the check. When reviewing the contract prior to signing, be sure to point out the terms and conditions clause that outlines your requirement for a deposit. It should be no less than 25%, and preferably 50% of the fee portion of the assignment. After he signs, pull out your invoice

for the deposit, slide it across the table and say nothing more than the obvious: “Here's your invoice for the deposit.”

What happens next is something that continues to fascinate me. The prospect is sometimes taken aback by your business-like approach to securing the engagement. He may show surprise or he may not. But the onus is now on him to commit to you when you will receive payment. He will, and it will be as soon as he can make it happen. “I'll see that you get a check Monday.”

CEOs and other C-level decision makers will often go one step further in an attempt to match or one-up your preparedness. They will respond with, “Wait here while I get you a check.” I assure you that if you follow the rules and steps outlined, you will hear these words far more often than you presently think possible.

The first time you experience this outcome you will say goodbye to your dependency on *The Pitch*, and hello to your new healthy lifestyle of methodical closing. May it serve you well for the rest of your career. Now stop by the bank on the way back to the office. Sold isn't sold until the check clears. ●

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