First, let's pretend we have enough bid opportunities coming in (we know there are never enough). But in this scenario we're turning out lots of proposals, we're just not winning enough. Sound familiar? When proposal output is good and win rate is not so good, what's going on?

Our proposal production may be too efficient for our own good - we may be losing contracts because of it. How can being efficient hurt our proposal win rate? That's our Revenue-IQ article this month.

Regards,
Chris Arlen, President, Service Performance

The Bottom Line on Proposals

Why do we create proposals in the first place?

To win contracts!

We Get in Our Own Way

However, the way we create proposals effects our win rate. As service contractors we're always looking for efficiencies, even when producing proposals.

Efficient proposal production means stock content, and cut-and-paste sameness for everyone. As a result, our proposals become less effective, less likely to win contracts. In our desire for efficiency we lose sight of the reason we produce proposals.

The bottom line on proposals is about winning bids - not churning out 100s of them quickly.

The Catch 22 of Creating Proposals

If winning bids is our goal, doesn't that mean we should lock ourselves in the conference room, work 24/7, hire consultants and go all out on each proposal? That would be NO, because:

1. We have numerous bids to respond to each month. And although we want to win, we can't exhaust ourselves on every proposal.
2. Not all bid opportunities are equal. Some bids are more attractive than others. And we put more effort into them.
The Catch 22 is we must produce proposals as efficiently as possible—WHILE—increasing our chances for winning the contract. It’s simple, but not easy.

Our way out of this Catch 22 is to determine the right balance in our proposal production. Here’s how.

**The Proposal Production Scale: Efficient To Effective**

The first thing we do is recognize the existence of a proposal production scale. Oh yes, it exists, even if we don’t acknowledge it.

**Efficient Production** ↔ **Effective Proposals**

At one end of the scale is "efficient" proposal production, and at the other end, more "effective" proposals are produced.

As you’d guess, proposals at the "efficient" end are turned out quickly and easily, almost entirely with stock content. Those at the "effective" end, we pull out all the stops, creating lots of custom content.

The reality is each proposal falls some where in between. They’re a combination of both efficiency and effectiveness.

However, we rarely decide intentionally where production falls on the scale. When a bid arrives, our standard operating procedure kicks in. Unintentionally, proposal production falls closer to the efficient end, and is less effective.

**Bid Attractiveness Determines Proposal Placement on Scale**

Once we’re aware of the production scale, we want to choose where to place each bid on it.

To do this intentionally, we base it on the attractiveness of the bid opportunity. You decide what’s an attractive bid and what’s an unattractive one.

Let’s develop another scale. This time for bid attractiveness. On one end bids are very attractive. At the other end they’re unattractive. Moderately attractive bids are in the middle.

**Unattractive Bids** ↔ **Very Attractive Bids**
Remember, very attractive bids get our full customized effort. On the other hand, unattractive bids get our off-the-shelf cut-and-paste effort.

Now define both ends of the attractiveness scale. We must define the good as well as the bad. Make a list of criteria for each end. Quantify criteria where appropriate. Here are some considerations for both ends of your scale.

- Large dollar bids aren't always attractive (irrational customers)
- Small can be attractive (your entrance into a new market)
- Potential for more contracts (from same customer)
- Brag-ability as a reference (I just made that word up)
- Customers' payment terms (120-day Account Receivables)
- Potential for poor performance (unrealistic expectations)
- Safety issues (liability risk)
- Whatever keeps you up at night (fantasizing or worrying, you choose)

**Putting It All Together**

We now have two scales; bid attractiveness and efficient/effective production. Before we can use them, we must combine them into one. Place bid attractiveness over the top of the production scale.

Our combined scale now has two axis, a vertical and a horizontal. To complete it, we must do the following:

1. On the horizontal axis at the bottom, label unattractive bids at the lower left and very attractive bids at the lower right.
2. On the left vertical axis, place efficient proposal production at the lower left, and effective proposals at the upper left.
3. On the right vertical axis, let's add stock content to the lower right, and custom content in the upper right. Take a look, it makes sense doesn't it?
4. With these labels in place, draw a diagonal line from the lower left to the upper right.
This line is our sweet spot for proposal production. Each bid is placed along this diagonal based on its attractiveness.

At the lower left, it shows us unattractive bids are produced as efficiently as possible, using almost all stock content.

At the upper right it shows very attractive bids are produced for maximum effectiveness, using mostly custom content.

This is the balance we seek between production efficiency and the effort for a more effective proposal. It also shows the combination of stock plus custom content to create any particular bid.

**The Scale in Action**

Here are several examples of using the scale to determine how much effort to spend.

**Very Attractive Bid Opportunity**

- Formal proposal approach
- 2 full days of facilitated analysis & design
- Proposal design team of salesperson, VP Ops, Account Manager, and possibly Tech, Financial, & HR reps
- Heavy use of Technical Proposal Writers
- Mostly custom proposal content
- Lots of time & effort committed
(Continued) Plenty of Bids, Not Enough Wins? Move Up Scale

**Moderately Attractive Bid Opportunity**

- Limited proposal approach
- Design team of salesperson & Ops Mgr
- Individual design & analysis by salesperson
- Limited use of Technical Proposal Writers, if any
- Selected use of custom content, fill in with stock content

**Unattractive Bid Opportunity**

- Minimal salesperson involvement
- Virtually no involvement by other staff functions
- Almost entirely stock content
- Minor customization, if any

Bids between very attractive and unattractive receive resources and commitment to the degree of their attractiveness.

Now when a bid comes in, we rate its attractiveness, and then place it on our scale. We'll now have an idea of how much effort to spend on any one proposal.

And all of this is driven by the attractiveness of the bid opportunity. And we do this intentionally, before we start work on our proposal.

**Summary**

If we’re turning out lots of proposals and aren't winning enough, we’re probably stuck too far down on the efficient end of proposal production.

To win more contracts, move attractive bids towards the effective end and give them the right balance of efficiency and effort.

- The bottom line on proposals is about winning contracts
- Efficient proposal production = less effective
- Not all bids are equally attractive
- Define bid attractiveness
- Rate each bid on attractiveness & commit resources accordingly
- Very attractive bids deserve your all-out, custom effort
- Unattractive bids receive your cut-and-paste, minimal effort
About Service Performance

Chris Arlen, Service Performance President, brings 20 years of contract sales knowledge and success to facility contractors. In 10 years as a consultant, we’ve worked with clients of all sizes across the country.

We help raise clients’ revenue through industry-specific sales training, collateral materials, proposal and presentation upgrades. Our clients secure contracts more frequently and retain more of the accounts they already have.

- More info on Defining Attractiveness & Proposal System upgrades call 206-780-2963, or email: info@serviceperformance.com
- More sales insights from our Revenue-IQ blog, visit: http://www.serviceperformance.com/blog
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