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Do your homework before sending out proposal

Denver Business Journal - by [Garry Duncan](#)

A mentor advised, "One common way prospects defer salespeople is by asking for a business card, and then promising to call." Every seller has heard that comment.

Requests for proposals (RFPs) are analogous. Potential customers ask for proposals for a variety of reasons. Sometimes it's a way of saying, "Let me think this over," or "I don't have time for this now, so send something I can look at later."

If an RFP arrives unsolicited from someone you've never done business with, the seller's first goal is to convert the request into a sales call. Blindly responding to requests without adequate due diligence means a low chance of winning.

A seasoned sales representative received a request from an unknown prospect. Hesitant, he called to request an appointment. The prospect refused, saying all the information was in the initial request. Knowing that specifications usually are included to protect a favored vendor, the seller was reluctant.

Smartly, he politely refused, saying he was unwilling to risk his or his company's reputation on a requested solution that might not be the best option for the prospect. The buyer reluctantly granted an appointment.

The seller created a lot of doubt by asking difficult and provocative questions, so the buyer revised the RFP — and the seller won the business. That result would have been unlikely had the seller blindly responded to the original request.

Doctors risk malpractice if they prescribe anything before a thorough workup and diagnosis. Just as incorrect treatment causes more problems, so can the wrong solution. Are you thoroughly diagnosing and evaluating your potential customer's needs before you provide a proposal. Do you have all the information you need beforehand?

Of course, some RFPs are genuine, but many are not. A large percentage never result in any decision, wasting time, money and energy. One report claimed that only 10 percent of software proposals close. That implies that far too many unqualified proposals are going out.

For some industries, the investment in creating a proposal is astronomical. In addition, what about the cost of sending software demos, especially to those who don't make decisions, without knowing if the potential client is able or willing to buy the product?

Here are a few points to contemplate before writing that next proposal.

- First, remember that people — not proposals and quotes — sell. If the prospect isn't in favor of your solution before the proposal, it's unlikely a packet of paper will do it for you.

Like any presentation, qualify the potential customer first. Are you sure that you thoroughly understand their needs? Regardless of the quality of your offering, seek first to understand.

A thorough analysis allows you to include the prospect's language and verbiage, contributing to acceptance and credibility. After all, it's about them more than it's about your trademarks, internal lingo and brands. Because you'll always be better than a document, present in person whenever possible.

- Second, pricing and other issues never should be a surprise. A candid conversation about pricing and fees must occur first. A real estate agent never would show a property without qualifying for a budget range. If your prospect is unable or unwilling to make the investment, know this before tying up resources.

Even when buyers say they have "no idea," they often hope to hear a certain number. Good sellers quote early. Great sellers know how to get buyers comfortable about revealing their budgets. Most RFPs should be a written summary of what you and the buyer already agreed to verbally.

- Third, stop chasing proposals by having more decision information up front. Know the internal decision process, decision criteria, all the decision-makers involved, and when you can expect an answer before submitting. Get the answer in person if possible. Attempt to reach multiple decision-makers individually to solicit their input beforehand.

One seller, who routinely sells to state and private university committees, doubled his closing percentage by contacting each member before his final trip to present.

- Finally, remember that prospects don't always know what you need to know to help them, so they ask for proposals. Recognize this — and lead the sales process. It's OK to say you're not ready to submit a proposal until you have more information. If you agree to the

request early, ask if you can review a first draft with them to ensure you're on the right track.

Optimism is a blessing and a curse for sellers. Without optimism that good things will happen, discouragement reigns. Too much optimism confuses courtesy for interest, and interest for commitment, creating too many unnecessary and premature proposals.

Garry Duncan, principal of Denver-based Leadership Connections, a sales training company, can be reached at 303-462-1277 or garry@leadershipconnections.com.

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