

Business proposal essay sample

[Business](#), [Marketing](#)



A business proposal is a written offer from a seller to a prospective buyer. Business proposals are often a key step in the complex sales process—i. e., whenever a buyer considers more than price in a purchase.

A proposal puts the buyer’s requirements in a context that favors the sellers products and services, and educates the buyer about the capabilities of the seller in satisfying their needs. A successful proposal results in a sale, where both parties get what they want, a win-win situation.

The professional organization devoted to the advancement of the art and science of proposal development is the Association of Proposal Management Professionals.

Types of Proposal

There are three distinct categories of business proposals:

Formally solicited

Informally solicited

Unsolicited

Formally solicited proposal

Solicited proposals are written in response to published requirements, contained in a request for proposal (RFP), request for quotation(RFQ), invitation for bid (IFB), or a request for information (RFI).

Request for proposal (RFP)

RFPs provide detailed specifications of what the customer wants to buy and sometimes include directions for preparing the proposal, as well as evaluation criteria the customer will use to evaluate offers. Customers issue RFPs when their needs cannot be met with generally available products or services. RFIs are issued to qualify the vendors who are interested in providing service/products for specific requirements. Based on the response to RFI, detailed RFP is issued to qualified vendors who the organization believes can provide desired services. Proposals in response to RFPs are seldom less than 10 pages and sometimes reach 1, 000's of pages, without cost data.

Request for quotation (RFQ)

Customers issue RFQs when they want to buy large amounts of a commodity and price is not the only issue—for example, when availability or delivering or service are considerations. RFQs can be very detailed, so proposals written to RFQs can be lengthy but generally much shorter than an RFP-proposal. RFQ proposals consist primarily of cost data, with small narratives addressing customer issues, such as quality control.

Customers issue IFBs when they are buying some service, such as construction. The requirements are detailed, but the primary consideration is price. For example, a customer provides architectural blueprints for contractors to bid on. These proposals can be lengthy but most of the length comes from cost-estimating data and detailed schedules.

Request for information (RFI)

Sometimes before a customer issues an RFP or RFQ or IFB, the customer will issue a Request for Information (RFI). The purpose of the RFI is to gain “marketing intelligence” about what products, services, and vendors are available. RFIs are used to shape final RFPs, RFQs, and IFBs, so potential vendors take great care in responding to these requests, hoping to shape the eventual formal solicitation toward their products or services.

Informally solicited proposal

Informally solicited proposals are typically the result of conversations held between a vendor and a prospective customer. The customer is interested enough in a product or service to ask for a proposal. Typically, the customer does not ask for competing proposals from other vendors. This type of proposal is known as a sole-source proposal. There are no formal requirements to respond to, just the information gleaned from customer meetings. These proposals are typically less than 25-pages, with many less than 5 page.

Unsolicited proposal

Unsolicited proposals are marketing brochures. They are always generic, with no direct connection between customer needs or specified requirements. Vendors use them to introduce a product or service to a prospective customer. They are often used as “leave-behinds” at the end of initial meetings with customers or “give-aways” at trade shows or other public meetings. They are not designed to close a sale, just introduce the possibility of a sale. x.

What is Proposal Letter?

Proposal letters are cover letters which are included with business proposals to introduce people to the nature of the proposal and the company making the proposal. Like other types of cover letters, proposal letters are designed to quickly acquaint the reader with necessary information, while also convincing the reader that the letter's author is the best choice for the job. In some cases, a proposal letter needs to follow a specific format and style, while in other cases, it may be more freeform in nature.

A typical proposal letter includes a brief discussion of the problem the proposal is meant to address, and an overview of the salient information in the proposal. Proposal letters usually include time and cost estimates along with a brief explanation of how the proposal will work. The proposal letter may also detail the experience, qualifications, and certifications of the person or company providing the proposal, and it can include company history and background information as well. Throughout, the document has a persuasive tone which is designed to encourage the reader to review the attached proposal materials.

Components of a good letter proposal:

Ask for the gift:

The letter should begin with a reference to your prior contact with the funder, if any. State why you are writing and how much funding is required from the particular foundation.

Describe the need:

In a much abbreviated manner, tell the funder why there is a need for this project, piece of equipment, etc.

Explain what you will do:

Just as you would in a fuller proposal, provide enough detail to pique the funder's interest. Describe precisely what will take place as a result of the grant.

Provide agency data:

Help the funder know a bit more about your organization by including your mission statement, brief description of programs offered, number of people served, and staff, volunteer and board data, if appropriate.

Include appropriate budget data:

Even a letter request may have a budget that is a half page long. Decide if this information should be incorporated into the letter or in a separate attachment. Whichever course you choose, be sure to indicate the total cost of the project. Discuss future funding only if the absence of this information will raise questions.

Close:

As with the longer proposal, a letter proposal needs a strong concluding statement.

Attach any additional information required:

The funder may need much of the same information to back up a small request as a large one: board list, a copy of your IRS determination letter, financial documentation, and brief resumes of key staff.

It may take as much thought and data gathering to write a good letter request as it does to prepare a full proposal. Don't assume that because it is only a letter, it isn't a time consuming and challenging task. Every document you put in front of a funder says something about your agency. Each step you take with a funder should build a relationship for the future.

What Is a Business Proposal Report?

A business proposal report may suggest ideas or strategies for a product or campaign.

Business proposal reports are documents that propose an idea or an approach to solving a problem or issue. This could be anything from an idea to solve excessive spending within the company or a strategy to launch a new marketing campaign. While the Capture Planning website suggests that no set rules are in place regarding business proposal reports, some points reappear in professional proposal reports.

Sections

Content will vary based on the subject of the proposal report, but some section categories tend to be used consistently. A business proposal report will frequently contain an executive summary, which highlights all of the key

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points discussed in the proposal in less than a page. The report will also include a methods section that explains methods or strategies that will be used to solve the problem and a management plan that outlines who will manage the project and a list of qualification of each mentioned player. Finally, a budget will be included that shows the prices and funding for the project in question.

Uses

A business proposal report is used to present an idea or solution to a problem or a strategy for a campaign or product launch. While the proposal is used to present an idea, it can also be used as a reference document, if the solution or campaign turns out to be a success.

Features

Features are often optional in business proposal report, but can be used to improve the overall look or layout of the report. Examples include graphs or illustrations to show how the company's sales may increase after the project has been implemented or a graph that shows a company's savings after cost-cutting measures. Other features can include an index that outlines the content in the report and an appendix section, where additional information can be found.

Reference

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