Crafting and Conveying Value

A white paper, based on a presentation to 'Winning Your Audience' – the APMP UK conference, Reading, Autumn 2016

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StrategicProposals

Plenty's been written about the concept of 'value' – yet there's little out there that's of real, practical use for those working on bids and proposals.

This paper explores a range of techniques that can help you to identify and articulate 'value' when bidding to your customers – and thus help you win more business.

The magicians and comedians Penn and Teller are perhaps best known to a British audience from their occasional shows on TV, or from the vacation visits many of us have made to Vegas.

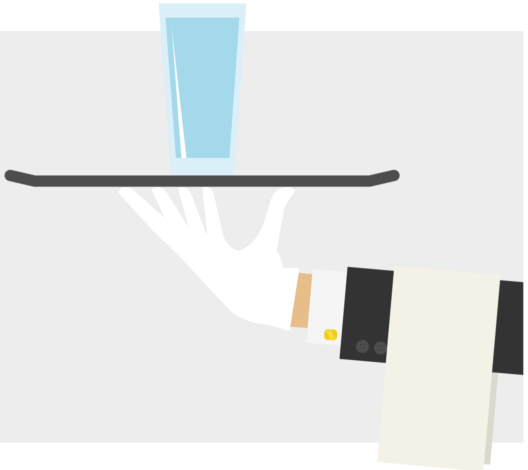
We've not had the pleasure of seeing all of their US TV work here, but one especially famous episode has made it to us via the wonders of YouTube. In it, a trendy Californian restaurant announced that it had recruited a specialist 'water steward' and now offered a menu of carefully selected premium waters from around the world – at, needless to say, premium prices. Examples included:

Mount Fuji

From the highest reaches of Japan, this refreshing water is known throughout the Far East for its clean and bracing flavour and its restorative powers.

L'eau du Robinet

Pure, brisk, and unmistakably French – aggressive flavour and brash attitude.



The diners were delighted, and their feedback was amazing. The waters were crisp, refreshing, glacial: well worth the money.

Only... Penn & Teller were filling all of the bottles in the yard at the back of the restaurant – from a hose plugged into the garden tap. Indeed, 'L'eau du Robinet' actually means 'tap water'. And yet the customers perceived significant additional value from, and striking differences between, the waters based on how they've been described. And they were quite happy to pay many dollars for the privilege.

Talking about value really is second nature to us when helping our clients to win business, and when talking to our own prospects. But three things earlier this year triggered us to think that the topic needed more formal debate:

Trigger **1**

A speaker at the 2016 Bid & Proposal Con event in the US stood up and solemnly declared that adopting his words of wisdom would result in '254% more persuasive proposals'. Quite how that was measured was anyone's guess. Quite where the number had come from was equally mysterious. And quite how that equated to improving win rates went unspoken.

Spurious value isn't value.

Trigger **2**

APMP (the Association of Proposal Management Professionals) launched a new version of their popular Foundation Level certification earlier in 2016. We ran the European pilots for them, and looked aghast at the definition of a value proposition statement that participants were supposed to learn:

*[**Client name**] will be able to [**improve what**] by [**when, how much, what %?**] through the ability to [**do what?**] as a result of [**what enabler, technology, service?**] for an investment of [**what price?**].*

Do you think including that in your proposal is likely to have the evaluators rushing for their cheque book? Or is it more likely to make them think that you're turning out standard, dull proposals with no real effort?

Formulae make things seem formulaic.

Trigger **3**

Chatting to the salespeople with whom we work day-by-day, we keep hearing their views that buying patterns are changing, that value is playing an ever-stronger role in decision making – and that value is something they often struggle to articulate, especially in competitive bid situations.

In Strategic Proposals, we're not great believers in theoretical models: we're more sleeves-rolled-up, get-stuck-in, buy-the-pizza people. So we decided it was time to dig beneath exaggerated claims and formulae – and look at what works in practice.

What we'll take you through comes from:

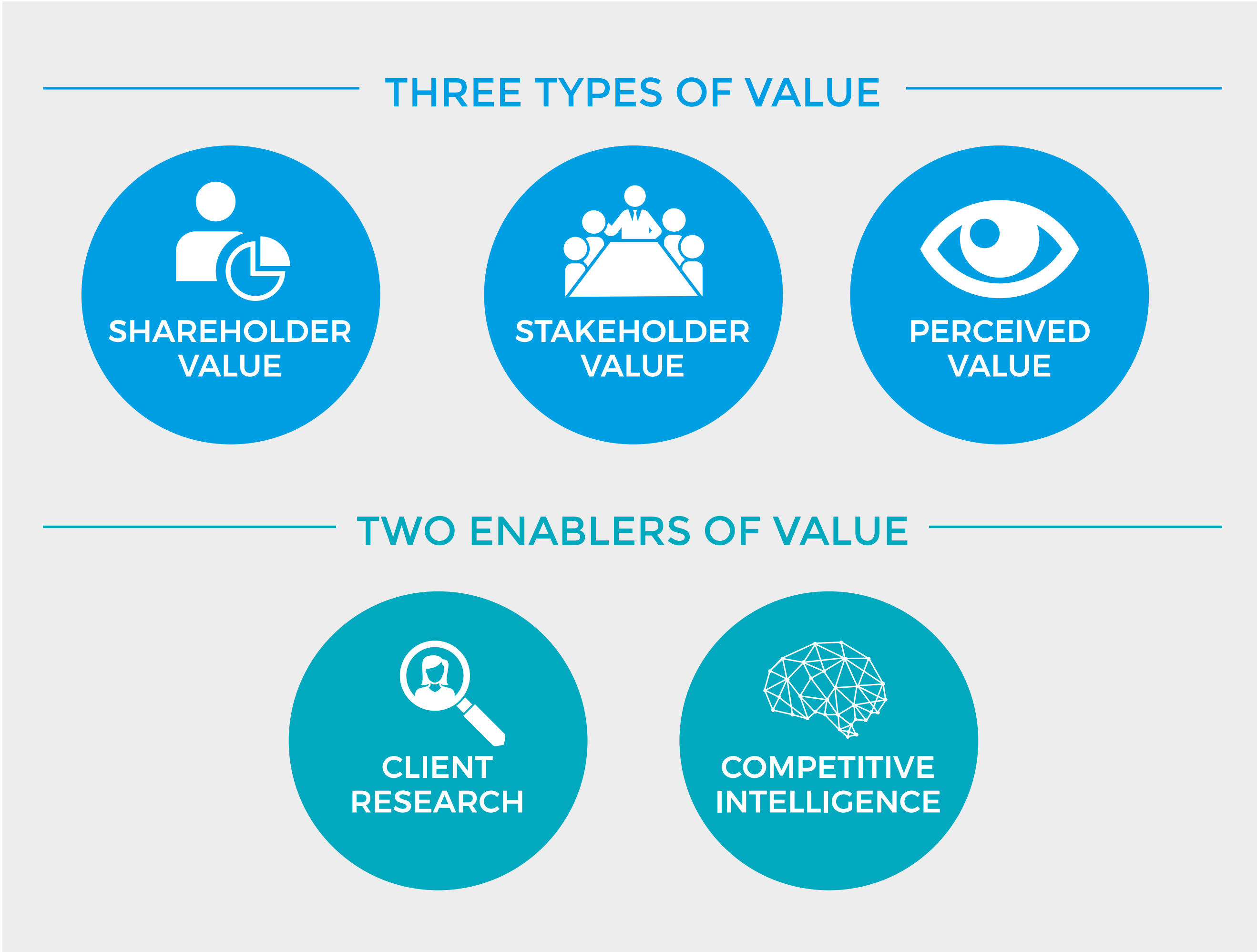
- Extensive research: if someone's written anything in the past few years about 'value', from either side of the negotiating table, we've probably read it in these past few months.
- Our own extensive experience – and that of our colleagues – as we help win bids in different sectors such as IT, professional services, construction, insurance, financial services. healthcare and many more.

As a result, we're going to offer some practical tools and suggestions that you can use to generate the right value conversations in your business, on your next bid.

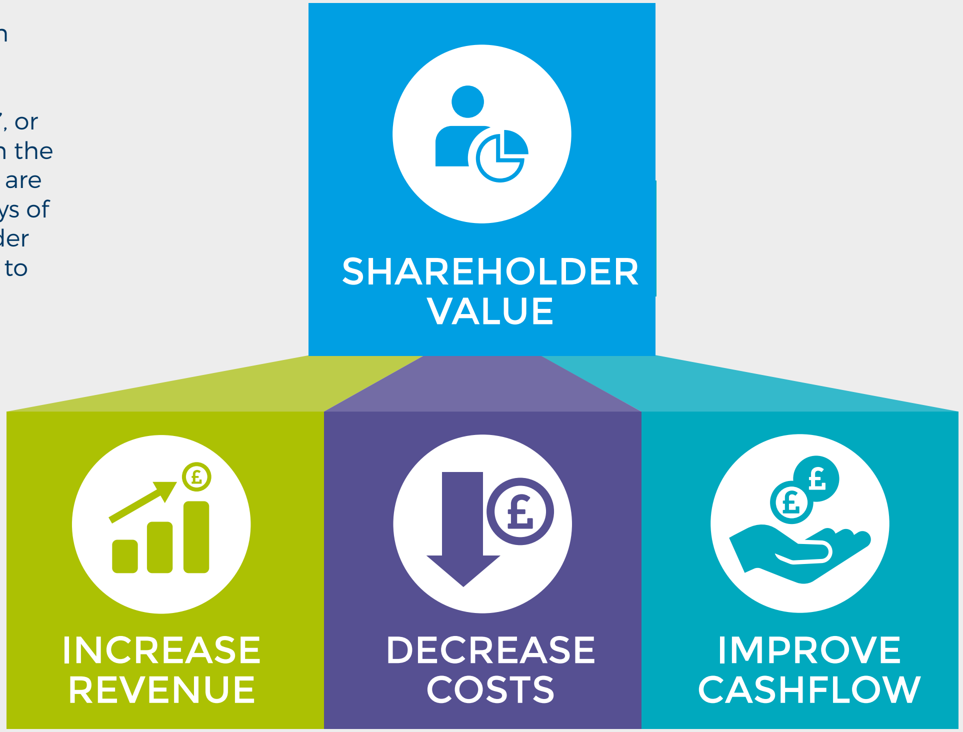
Still, practicalities aside, we need a definition of value, if we're to explore it. There are lots around, and there are elements of truth in many that we've read. But here's one we prepared earlier, which captures the essence of how we see the issue in relation to bids and proposals:

> You are delivering true value in your bid when the client trusts that you will deliver greater benefit than your competitors, and can clearly articulate what that benefit will be.

We also need a framework: here's one that we often use ourselves when working on live deals. There are:



Most of the debate in the proposal profession boils down to the hard numbers: what's often termed 'tangible value', or the financial impact on the client's business. There are three fundamental ways of building real shareholder value for the customer to whom you're bidding:



And we say 'business': you may be bidding to a public sector organisation, but they're often operating with some or all of the same economic realities as a private sector company. Our work is probably 50/50 public/private sector: it's critical to understand the differences, but also the similarities, in how people behave and take decisions. It's not as if we have two species: 'homo sapiens' and 'homo sapiens public sector'.

1.1 Increase revenue

Ten years ago – when many of the RFPs we see were probably first written – many CEOs had a primary focus on reducing cost. But now that organisations have been doing this for years: guess what? Taking cost out is becoming harderand harder. To quote one of our favourite recent books:

> Cutting costs has a finite impact because you can't cut costs forever… If an executive has two equally good propositions under consideration, one of which drives revenue and one of which reduces cost, the one that drives revenue is usually the better decision.
>
> **PETERSON, RIESTERER, SMIH & GEOFFRION**

So today's CEOs aren't just focused on cost reduction. They are also looking at clever ways to increase revenue. Think about how some of the most successful companies of our era have evolved to do just this: a consumer book and record distributor became a leading cloud provider for businesses.

To give an example: when clients invite us to assess how they could improve their work-winning processes, they're often looking at reducing their cost of sale. In reality, the benefits that come from helping them to develop better proposals that win more business outweigh any potential savings by a factor of ten or more to one.

To help you to consider how you can help bring value to the client's organisation on your next bid, think about how your organisation and/or solution will help them to generate more revenue in these terms:

Decrease time to market	£
Enable upselling and cross-selling	£
Win new clients	£
Reduce customer turnover	£
Access new markets	£
Develop new products or services	£
Sell at a higher price	£
Make successful acquisitions	£
TOTAL	£

Understanding if and how your solution can impact revenue in each of these areas is key to crafting shareholder value. When you go through the list, think about where you can really deliver benefit, and by how much?

Some are fairly straightforward to assess; others slightly more tricky. Let's play with one of these: 'decrease time to market' – or, in in other words, helping the client to launch their offerings to their clients more quickly than their competition.

McKinsey suggests that:

If you are six months late to market, you can expect a 33% reduction in your gross profit on the associated sales.

33%

If you can improve your time to market by a month, you can improve gross profit by 11.9%.

11.9%

Strategic Proposals was born out of the world of procurement, and those folks – for better or for worse – are often steering the bidding processes in which we engage, and are frequently seen as focusing on 'saving money'. However, the procurement or category manager facilitating the formal buying process is very rarely the final decision maker. It's the CEO or another senior executive who's signing off the decision to go with you – or with one of your competitors.

So think again: how can your solution help that CEO to deliver more revenue for their company? It's a very different angle to that of focusing merely on price and cost – and should generate a host of ideas. This also means that you probably need to spend time thinking about your client's competition and customers as well!

1.2 Decrease costs

When exploring cost, it, of course, helps to ponder how buyers view the issue. Where are they on what our dear friend Steve Mullins (a purchasing guru who presented at APMP's first-ever UK event back in 2001) describes as 'the long march of procurement'?

One interesting model was presented by CIPS Australasia in a report developed with Hackett Group.

They started with a definition:

> Procurement value is defined as helping get more value from monies spent on suppliers - often via less expenditure or more impact from doing this.

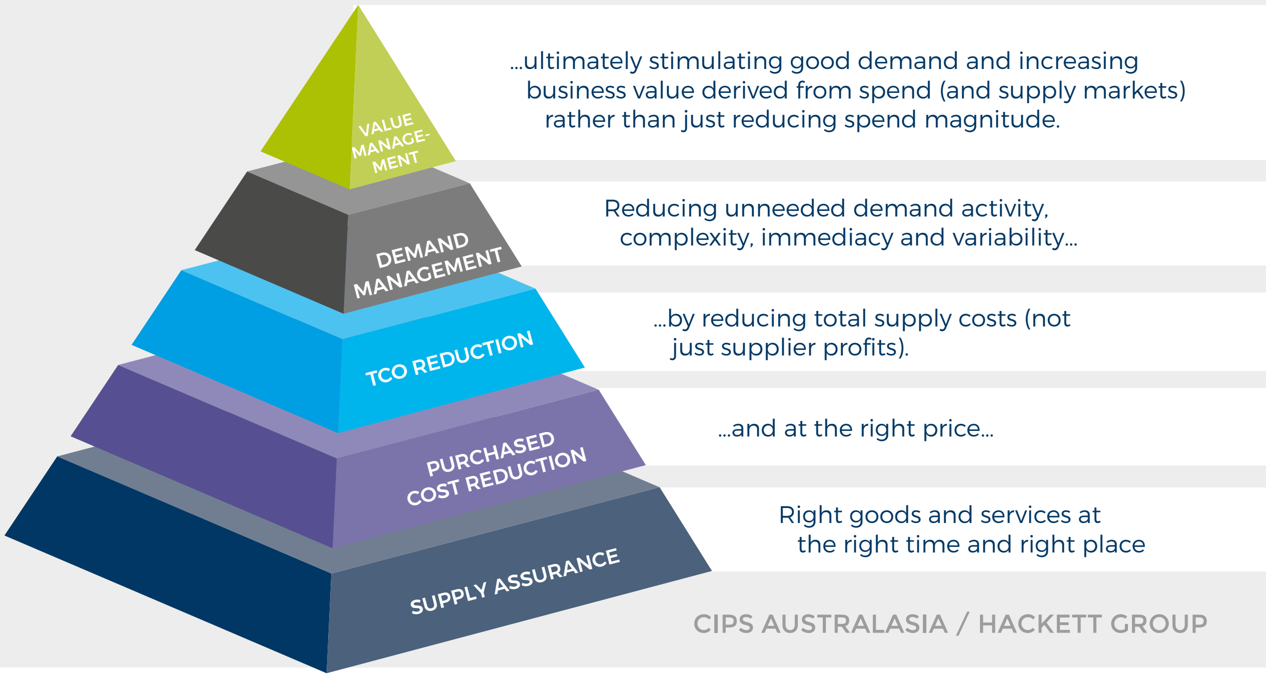
Usefully, they defined five tiers - a 'Procurement value evolution model'. In other words, at the highest level, it's about securing competitive advantage for the company in whatever it does, via innovation drawn from the supply market. Put another way, as our good friend Martin Webb famously stated, the top tier is about making the buying organisation 'the preferred customer of the world's best suppliers'. How can you bring forward ideas that will help your client to be a better business?

So, it's not just about price. It's not just about designing the most efficient solution that will consume the fewest resources, securing those resources at the lowest possible cost, going in at the most competitive margin that your business is willing to offer for this type of deal, and making sure your cost and price advantages remain competitive at all points of the contract.

That matters. Hugely. Looking at the first three tiers of the value model and working out what benefits you'll deliver in each is fundamental to 'decreasing cost'.

But push above that: do you focus enough on the fourth tier: demand management? You may be able to reduce the unit price for widgets – but is the customer buying too many widgets in the first place? Are they buying the wrong type of widgets – too sophisticated for their needs? Do the widgets work? Do they swap out old widgets for new widgets at the optimal time to keep overall costs down?

Price matters: cost matters. Of course. But you may be able to tell a far more valuable overall story about shareholder value if you consider all of the elements of the pyramid, rather than dragging yourselves down to the lower reaches.



CIPS AUSTRALASIA / HACKETT GROUP

Lazy incumbents

Of course, for incumbents, this should be particularly easy.

You have a whole host of information on your client's spend and usage patterns.

You have data on all of your other customers, too.

Yet how often do you really use that to true advantage?

- If you're not building a very clear, robust model addressing the client's demand – based on your insights into their past activity – rather than just reducing your price, you're handing advantage to your competitors.
- If you're not benchmarking their spend and usage patterns against other existing clients, to spot ways in which they could buy from you more sensibly – you're handing advantage to your competitors.
- Likewise, if you're not able to quantify the cost of moving to another vendor – based, for example, on what this client invested in time and money in moving to you, and what you had to invest and subsequently recover somehow through your charges – you're giving away advantage that simply doesn't need to be ceded.

As an incumbent, are you needlessly handing advantage to your competitors?

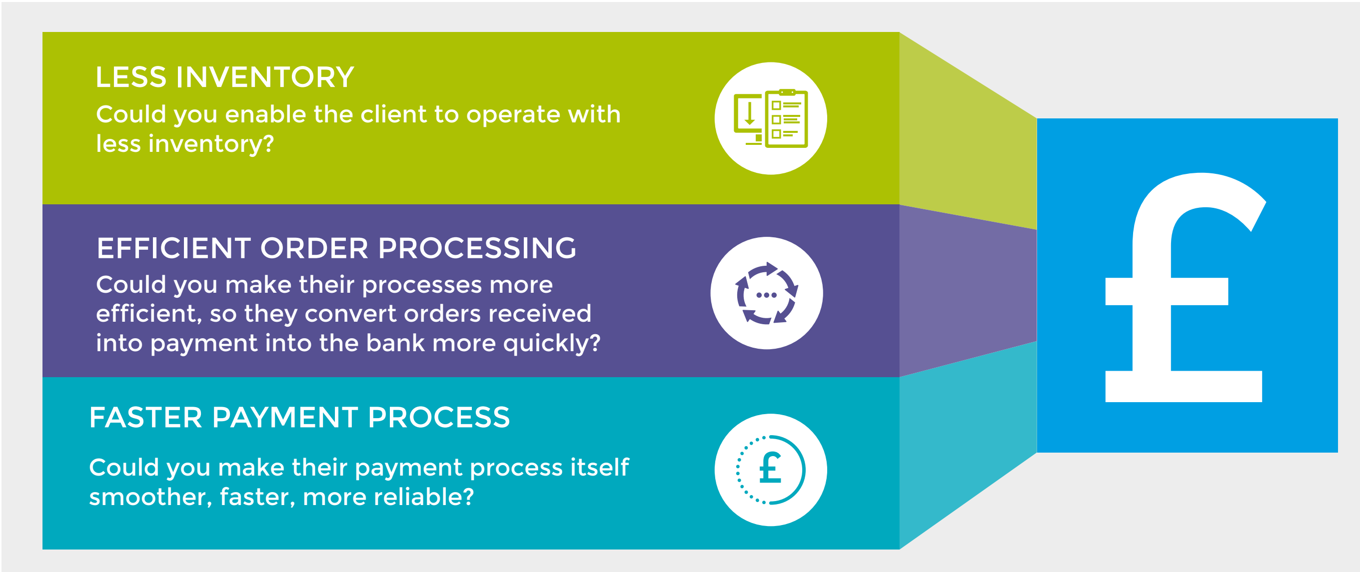
1.4 Improve cashflow

The final area of value for shareholders is cashflow. This is one we often underestimate – or fail to explicitly consider – but that's a mistake. Cashflow is the lifeblood of organisations, and the ones that get this right become very successful. If you can show them that your solution can improve their cashflow – then you're onto a winner.

For example, Dell (where Graham used to head the bid centre, before joining SP) is renowned for its cash conversion cycle – the number of days between disbursing and collecting cash. Put another way: it's about earning money before you spend it. Dell was, and is, great at this. As Graham observes:

'In my days there, Dell was making a lot of money on the interest accumulated on the consumer cash received when they ordered their PC. The parts used to build that same PC were then delivered on a just-in-time basis to the factory and the order completed. Those parts were then paid for several months later. So for a reasonably significant time window therefore, we were making money on parts that we'd not actually paid for. Now that's the sort of cashflow that CEOs and FDs crave for.'

So if you can find a way to link your client's purchase to something that will speed up the way they turn their investment into cash, you'll be hitting a CEO hot button and talking a more compelling language than your competitors. It's easier said than done, of course. But it's still a key factor to consider. Think of it in terms of:



1.5 Crafting shareholder value

Our first step on crafting value is, therefore, to look at each of the three components of shareholder value: pushing the bid team we're working with to design solutions that will maximise benefit for the client in each area, not merely focusing on cost or price.

And sometimes it's easy to ignore the big picture. Let's imagine that you can deliver the project more quickly than your competitors. You may be the incumbent: you can 'flick the switch' to new pricing, new terms, new solutions quicker than an incomer. You may have particularly great project management skills, for example, or innovative solutions that let you complete the project more rapidly than the other bidders.

Not only might this reduce the implementation cost, it will also allow them to start realising benefit more rapidly – for example, an extra month's cost savings, or an extra month generating revenue. Soon the cost of your solution will be a fraction of the revenue-generating potential that you will be helping them to create. Your price is small in comparison to the value you will bring. You just need to make sure that your assumptions are clearly stated. Oh yes – and realistic!

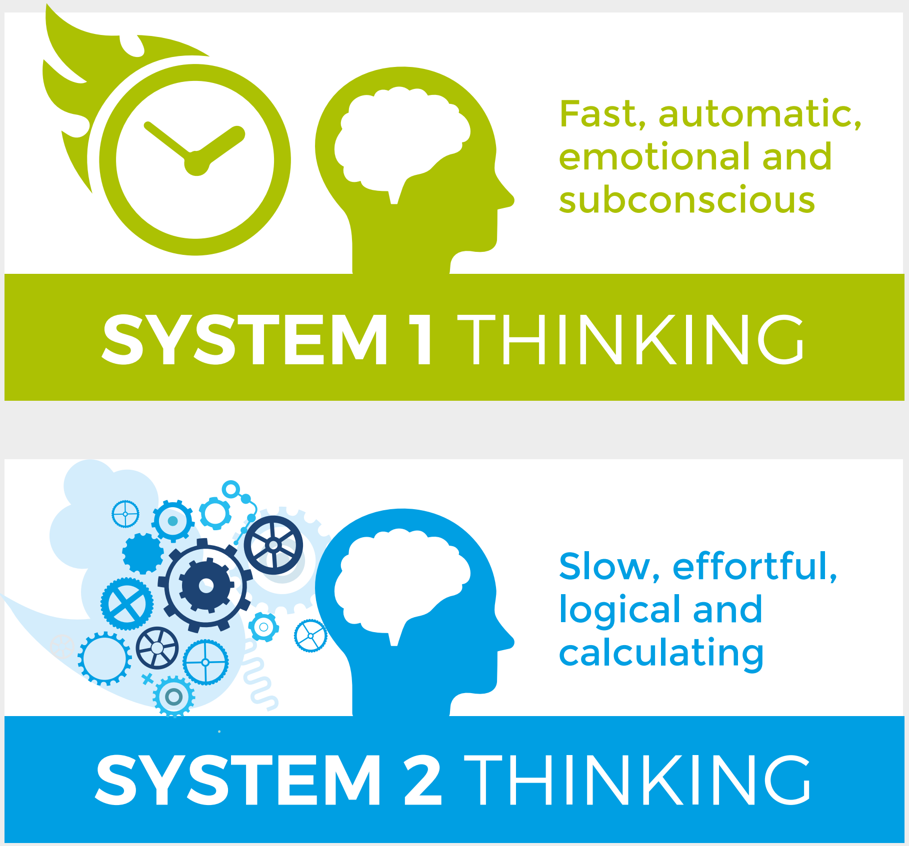
1.6 A perspective from behavioural economics

Let's pause for a moment and dwell on the phrase we used in our definition: that we need to 'clearly articulate' value. Jon's wife Emma is an expert in behavioural economics, a concept that some of you may have come across via books such as Thinking Fast and Slow, or Nudge.

In work, behavioural economics helps to generate great tactics to get customers or colleagues to do what you want them to. (Outside work, Emma more commonly uses it as a way of persuading Jon that he should do the washing up.)

Key to system 1 thinking is what's called 'cognitive ease': our brains prefer not to do too much thinking. The easier you make it for the client to understand your value – and hence sell you internally to colleagues – the better. What are the headlines? What are the actual numbers? If your client has to get out their calculator to assess the shareholder value you claim you'll create, you're not conveying your story with sufficient clarity. So, if you have a number, shout it from the rooftops!

One of the key theories underpinning the science is the difference between:



2.1 Defining 'stakeholders' and their needs

What do we mean by a 'stakeholder'? In a purchasing process, we use the term to denote someone who will benefit from the purchase or someone who'll be impacted by it.

The former may well have instigated the need to buy something new or different because they want to fix or improve an aspect of their operations. It could be financially driven but, quite possibly, it will be something else. It's crucially important to find out what this is. And we've long discussed the need to understand the customer's real needs – our 'Spice Girls' Theory of Proposal Management':

'Tell me what they want – what they really, really want'

The latter, the person or group impacted by the purchase, is probably feeling that something is being done to them – and they're naturally defensive about this. They may have been perfectly happy with the current state of affairs; in behavioural economics, it's known as 'status quo' bias. An associated concept is **'loss aversion': we dislike losing what we already have: preventing a loss is more motivating than offering a gain.**

Let's take, for example, a project to procure a solution that will help to deliver 'improved customer satisfaction'. Is that of value to the procurement Rottweiler? Possibly not. But if the project sponsor's annual objectives include improving their company's Net Promoter Score (the main measure of customer satisfaction) – then very probably it's of real value to them personally. Stakeholder value, yes. Shareholder value, perhaps only tangentially.

Or consider a different scenario, from our own area of expertise. We're one of the leading organisations helping candidates worldwide to achieve APMP's Foundation Level certification. Is there value to your company in a bid or proposal specialist having the certificate on the wall showing they have APMP Foundation?

APMP claims that it can improve win rates by measurable amounts; others that it has a direct impact on reducing staff turnover – there's even a highly spurious 'return on investment calculator' kicking around online promising magical returns. From an entry-level qualification that's passed by most candidates after a one-day course? Really? If only it were true.

When conveying value, we need to be mindful of what Daniel Schacter – Professor of Psychology at Harvard – described as 'egocentric bias', one of his 'Seven Sins of Memory':

> We think we are more important or noticeable than we actually are, claiming more responsibility for the results of joint actions than are due to us.

Sitting the course that helps participants to pass the exam will give them new perspectives that they can use to improve their future bids. That will, in turn, help to win more business and to make the bidding process more efficient. But we wouldn't advise any head of bid management to commit to deliver specific improvements in shareholder value as a result of sending their staff on the event.

Yet it will deliver huge stakeholder value. For the staff who attend, who develop their skills, gain a recognised qualification and grow in confidence. For the head of the proposal centre, wanting to motivate team members and to raise the credibility of the bid centre internally. Priceless!

2.2 The elements of value

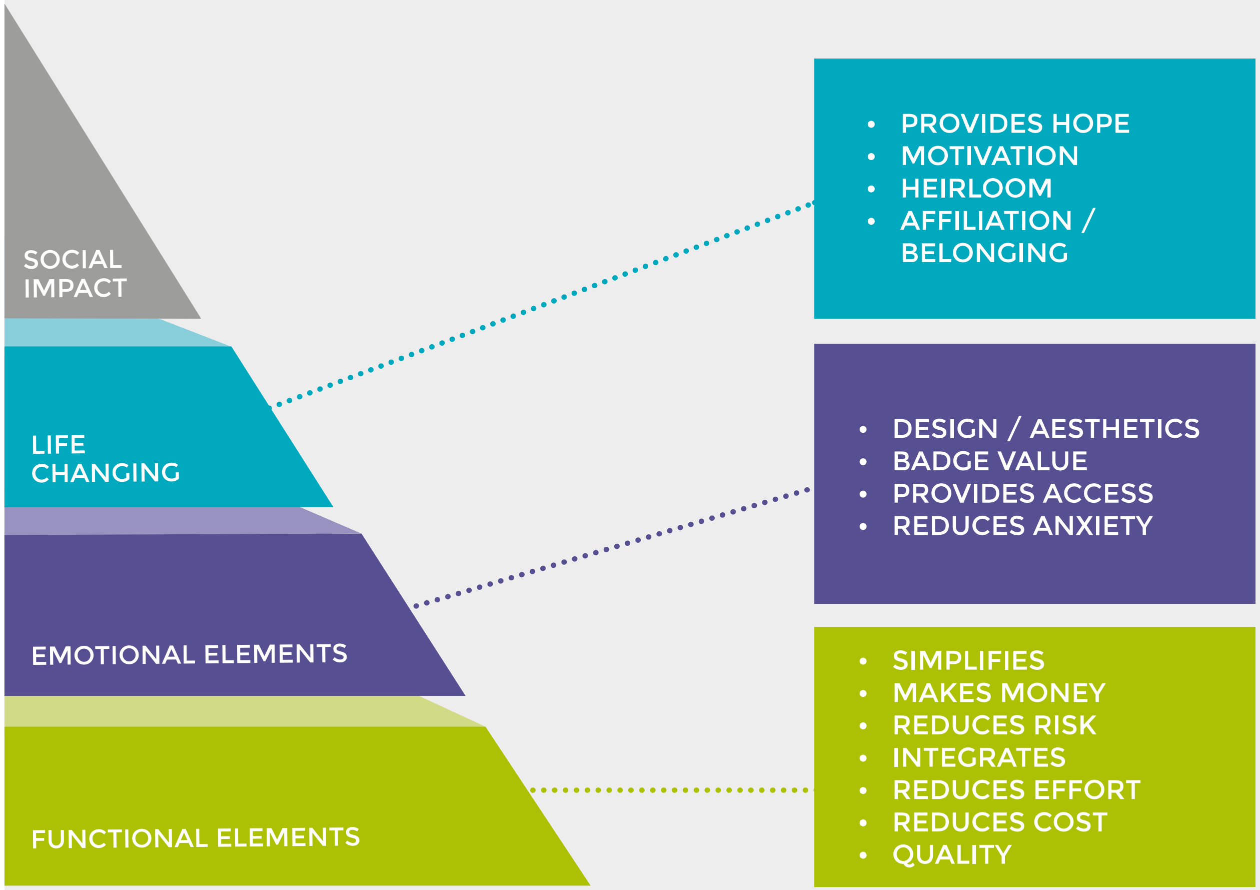
There's a fascinating article in the September 2016 edition of Harvard Business Review, that's hugely helpful when trying to assess stakeholder value.

In The Elements of Value, Eric Almquist, John Senior and Nicolas Bloch of Bain & Co. present a pyramid describing thirty types of value addressed by different products and services. They show how when more of these value types are provided, customers are more loyal and companies have more sustained revenue growth. Think Amazon or Netflix or Apple.

At the bottom of the triangle are functional element such as 'saves time', 'simplifies', 'makes money', 'reduces risk', 'integrates', 'reduces effort', 'reduces cost' and 'quality'. Next up the hierarchy come emotional elements – for example: 'design / aesthetics', 'badge value', 'provides access', 'reduces anxiety'.

We then have propositions that are life changing ('provides hope', 'motivation', 'heirloom', 'affiliation / belonging'). What you do for your customer's team may not be life changing for them personally – but it could well be for your customer's customer, if you're bidding in B2B2C market, or to a public sector body serving the community.

At the top of the pyramid is social impact – what Bain call 'self-transcendence'. An example this might be the social benefit of your proposition on the local economy or on society. We know what you're thinking... my paperclips are good, but not that good! But if you look at how clients of ours such as Hitachi position themselves across all of their markets, you could be persuaded that, whatever widget of theirs you buy, it's all part of their vision of Social Innovation and Smart Cities... It's very difficult to not get influenced by some of that.



BAIN & CO. - HARVARD BUSINESS REVIEW SEPTEMBER 2016

2.3 Order-winning criteria

Perhaps it’s worth, again, coming back to the world of procurement, and the thoughts of another dear friend and colleague, Alan Cooley of NewDawn Partners. Building on the world of Professor Terry Hill of the London Business School, Alan pioneered a very simple – yet amazingly powerful – model for buyers to use when choosing between bidders:

ORDER WINNING CRITERIA	‘if a supplier can offer us that, we’d jump at it’
NICE TO HAVES	going above and beyond the basics: what are some of the cool things that bidders might offer, that would really be of interest?
MUST HAVES	those things that are core to the solution and relationship, without which it simply won’t work

Separating out your client’s needs into these categories – and then looking at how you address them – is key to realising real value.

It’s linked to APMP’s distinction between a differentiator and discriminator. If we tell you that Strategic Proposals is the only one of the international bid and proposal consultancies to have an office in the Netherlands, that’s unambiguously true: it’s something undeniably unique, and hence a differentiator.

But do you care? Unless you’re writing Dutch proposals yourself, know that colleagues in Amsterdam are struggling, or that's where your company’s pan-European bidding function is based, then it’s not relevant to you: it’s not a discriminator. Discriminators are differentiators that the client gives a damn about, and they’re what matters.

And, of course, differentiators are also known as USPs – Unique Selling Propositions. Just never forget the words of Steve Mullins, our procurement guru friend whom we mentioned earlier: in most cases, USPs are actually CSPs. That’s ‘Common Selling Propositions’. The pitch team who appears at his door, talking about all the things they do differently... to be followed in by the next vendor, with exactly the same list of supposed differentiators.

> “Most USPs are actually CSPs
>
> **STEVE MULLINS FCIPS**

Let's dive into the first of our enablers: client research. Working out how you can deliver shareholder or stakeholder value involves rolling up your sleeves and investigating in detail what's really driving the client's organisation – and what's behind this opportunity.

And there's a wonderful phrase in the recent book, Three Value Conversations (Peterson et al.):

> "You get delegated to who you sound like.

Let's give a real-life example from our world in Strategic Proposals. A client approached us for some training. They loved it; they're out doing cool things as a result. But here's the thing: when we started to dig into what was going on in their company, this is what we found. Their annual turnover is a shade under €400m. Their target is to grow that to €1bn by 2020. They're only going to achieve this in two ways:

1

Acquiring more companies

There's a role for the bid function in that: how do you create a best practice model that can quickly be rolled out to help new companies integrate into the parent, to assess their current proposal capabilities and build a plan to help them bid more effectively – sometimes with offerings that span their capabilities and those of the wider family to which they now belong?

2

Winning more deals

Significantly more deals. Chasing more and chasing bigger – a sales and BD challenge way outside our expertise, other than the need for strong qualification – and winning more of them. And that talks to modelling how much more business they need to capture and how they can step up to the mark to really accelerate growth.

And that's where we could help deliver true shareholder value, uncovered by simple yet good research.

So here's a test: are you talking the client's real language?

Think about the last bid that you worked on. And ask yourself honestly whether you:

- Studied the client's most recent annual report?
- Worked out who their competitors are and what they are doing?
- Scanned through the 'investor relations' section of their website? (One recent simple trawl of a major company's website showed, for example, a whole host of presentations, interviews, analyst reports and videos - with a wealth of insight.)
- Researched them in the trade press?
- Browsed their Twitter feed?
- Gathered intelligence on their industry and the current trends?
- Used Freedom of Information requests to glean information about the customer and your competitors?
- Sifted through their most recent press releases?
- Read about them on Glassdoor (a recruitment-oriented site with often shockingly honest views of what it's like working for particular organisations)?
- Looked at the LinkedIn profiles of the key evaluators and their bosses – and perhaps (mindful of privacy considerations) dipped into their personal social media feeds too?

A quick ad-hoc poll we conducted recently with 100 or so bid and proposal specialists showed that most looked at no more than two of the above – and that fewer than 5% used all of these invaluable sources.

To give you another example from our recent experience: working on a bid into a central government body. It took us six hours, but by the end of it – following links from links from links – we'd read parliamentary reports, ministerial statements and a whole host of other material that showed the real issues at play behind the RFP document that we were helping our client to respond to. That changed the entire story of what good might look like to the client's evaluators, and that style and language to use in the proposal.

It sounds basic. To succeed at school, you had to do your homework. Too many bid teams (and probably even more sales professionals) don't. Perhaps that's because of time pressure - but is that actually just an excuse?

We do this stuff for a living because we're fiercely competitive, and love winning. There are no prizes for coming second in the bid – and 'silver medals were invented to make losers feel better about themselves'.

It was amusing reading research recently about medal presentation ceremonies at the Olympics. Scientists have ways of measuring people's smiles when they are genuinely happy, rather than forcing themselves to look pleased (the sort of smile your mother gives when she clearly disapproves of something you've done.

You know what they found? Gold medallists, clearly, are genuinely delighted. So too are bronze medallists, happy to be on the podium. The ones forcing the smile? Those who came second.

In bidding, it's all about beating the competition (even if the 'competition' on a proactive proposal might be 'do nothing'). And where most of the literature and research on value falls down – and trust us, we've read a lot of it – is that it focuses on a two-way exchange, between buyer and seller. It ignores the third, critical, dimension in our definition – 'that you will deliver greater benefit than your competitors'.

Now the role of competitive intelligence in the bid process is a huge area in its own right – indeed, it's a topic in which we're engaged in very active research right now, and one to which we'll return in future presentations and white papers.

If this is about 'why us, why not them', how can we win if we don't know what they'll be up to?

But let's test how you're doing. Which of the following do you have in place:

STRUCTURED DISCUSSION

a structured discussion during a strategy meeting, or kick-off workshop, about each competitor and their likely story and tactics?

CLIENT PERCEPTIONS

clear information on how the client perceives each competitor, and their past track record with them?

BRIEFING NOTES

access to accurate and up-to-date briefing notes on competitors, showing what solution they're likely to offer for this type of deal in this sector, what story they'll tell, what proof points they'll offer, what claims they'll make as to likely benefits?

PAST BIDS

useful insights from past bids against the same opposition?

RESEARCH

a structured process to research competitors' capabilities on an on-going basis - with clear owners in the bid team for each competitor?

BRIEFING CALLS

regular briefing calls with sales and subject matter experts, to share and update your knowledge of each of your competitors?

3.1 The power of perception

Let's go back for a moment to where we started: that Penn & Teller episode on bottled water.

Materially, the diners were drinking exactly the same product. Yet they'd been conditioned by what they'd read to associate certain characteristics with the product – over and above drinking mere tap water. Indeed, they'd been conditioned to perceive differences between what were identical offerings.

There are probably some emotional aspects at play here, too:

- The fear of appearing like a cheapskate to your dining partner or date by ordering 'tap'
- That it's the 'done thing' if the waiter asks whether you want still or sparkling to go with one of those options
- That it does genuinely taste nicer

But if we'd invited some the audience to whom we first presented this research to join us on the main stage, they wouldn't have been able to separate the Chateau Conference Centre from the Evian.

Many of you may have heard of Robert Cialdini's six principles of persuasion, covered in the new APMP Foundation syllabus. His latest book – Pre-suasion – is in many ways even more interesting. There's an example in there that we love.

As part of the book, some research was conducted in which people were stopped randomly on the street...

Half were asked if they wanted to provide their email address so they could be send instructions to get a free sample of a new soft drink.

JUST
33%
AGREED

The other half were first asked: 'Do you consider yourself to be adventurous and someone who likes to try new things?' Almost all concurred, and when they were then asked whether they wanted to provide their email address to get the sample...

75.7%
SAID
YES

As the comedian Frank Carson used to say: 'It's the way you tell 'em!'

3.2 Applying what we've discussed to the proposal

Just in case you're starting to wonder if we've forgotten that you still need to write a proposal at some point – don't worry. Let's bring all of this research and brainstorming back into the context of articulating your value in your proposal.

The struggle to articulate value in the proposal isn't uncommon. Indeed, when we benchmark organisations' proposals, the most common area of weakness we find is in how they articulate their strategy. In other words, many bidders find it hard to tell a compelling story of the journey they're going to take their customer on, the benefits it will bring, and what makes them stand out from the other bidders.

So having invested the time and brainpower to understand, articulate and calculate value for your next bid, it's important that you ensure you load your proposal with as much of this as possible.

As practitioners and pragmatists, we know the pressures we're all under when writing the proposal – and just how tough it can be to do more than just create a compliant response. Making the assumption, therefore, that it's unrealistic to write every word from scratch and fold value statements into each paragraph, we recommend using a cascading principle to convey value.

Overleaf are some ideas on how we do this when we're working with our clients.

i Front cover

First impressions count when it comes to proposals. Your front cover acts as the shop window for your offer – it's the first thing that your evaluators will see and, therefore, it's where you first showcase the value that you are going to deliver in a few words and images.

Your visuals need to create empathy. Perhaps not just a photograph of the client's headquarters, then? Maybe something that sums up what it will feel like to work with you?

The supporting words – your strapline – can be more direct and include the key words that you will build on within the proposal. These should start to highlight the shareholder and stakeholder value you will deliver – for example, 'Enabling your growth targets' or 'Improving your speed to market'. And the more specific (and quantifiable) you can make it, the better.

> The purpose of an Exec Summary?
>
> To blow me away so I can say, Yes! Yes! Yes!
>
> They really do understand my business and what I want! A good Exec Summary shows that not only do you understand my requirements, but why you are the one to deliver them. It should provide a clear, concise summary telling me at a glance, in easy to understand language, why your offering is the best.
>
> **SHEILAGH DOUGLAS-HAMILTON**
> **HEAD OF SUPPLIER RELATIONSHIP MANAGEMENT, MAJOR UK BANK**

ii Executive summary

A key element of any proposal, the executive summary is your first real opportunity to influence the evaluators and to get them on your side.

The introduction to your executive summary needs to grab the reader's attention, summarising the value they will receive from you and showing, very succinctly, how you'll deliver it. Once you've hooked them, you need to create genuine empathy with them, showing how you'll help them to achieve real stakeholder and shareholder value – not just to meet the bland goals they state in their RFP ('reducing cost', 'improving quality'). The job here's to change the game.

iii Section introductions and key questions

It's essential that you highlight the value that you will deliver, section by section and (wherever possible) question by question.

Section summaries are a great way to do this, what value you are delivering across an entire section of your proposal / element of your offer. Add these before your response to the first question of the section – or even on the page dividers between sections.

And every answer presents an opportunity to focus on benefits not merely features, and on what you do differently? We're huge fans of the 'so what?' test: what benefit will this really bring? Make sure that you do this in the questions that are really going to matter to the reader – usually where they are asking for specific solutions, your recommendations or views.

Asking 'so what?' twice or more is also hugely powerful. Keep probing until you are really clear on the quantifiable value.

By cascading your value throughout your proposal in this manner, you increase the chances of the reader being able to recall the benefits you'll deliver to them and the reasons why they should select you.

iv Proof points

Creating value, as we've mentioned, is a lot more persuasive when you present it in terms of tangible numbers. But what do you do when you can't quote actual numbers, or when doing so would seem to be somewhat spurious? Case studies where other clients describe the value you've delivered for them are worth their weight in gold – especially if you highlight the similarities between what you did for them and what you'd do for this client, and even use the data to extrapolate the potential benefits for this project.

Let's share our own experience. 'By how much will our win rate improve if we use Strategic Proposals?'

We usually give a few recent examples – not wanting to sound too self-serving – of where we've done this before:

HALVED THE COST, DOUBLED THE WIN RATES

There's the award-winning team that Graham's built at Hymans Robertson – about whom you can find a video on our website. They've halved their cost of bidding while doubling win rates.

Watch the video

100%

There's a financial services client who engaged us at the start of this year. To date, our colleague Lorraine Baird has helped then to win eight deals out of eight. And one of Graham's customers who's just won their second 'must win' deal of the two we've supported: a major public sector bid.

19% TO 59%

There's a major household name whose win rates have increased from 19% to 59% since the start of 2015, following a project initiated by Jon and Laurence Morton (one of our consultants who's steered the team along a remarkable improvement journey).

APMP UK'S 2016 PEOPLE DEVELOPMENT AWARD

There's WSP Parsons Brinckerhoff, the engineering professional services company, who've recently won APMP UK's 2016 People Development Award for a training programme we delivered which led to 'a 39% increase in bid successes'.

OVER £1bn

There are two deals we've helped win this year that are each, by far, the largest in their particular sectors – one worth over £1bn, the other knocking out an incredibly well-embedded incumbent.

But by how much will our next new client improve their win rate? Can we guarantee the same benefits – or even quantify exactly what they'll be? They'll be able take huge comfort from the examples that we can share; as well as extrapolate the value gained against their own situation. But if they want firm numbers – the type they might agree to be measured on in their next performance review, for example – that would involve:

Reviewing a significant sample of their recent proposals in detail, and interviewing the teams who've been involved in their development – as well as other key stakeholders in their sales process.

Talking to their clients and prospects to understand how they stack up against the competition – always remembering Hy Silver's famous quote from a client: 'I'll tell you why you lost if you can tell me why you bid.'

Carrying out a detailed analysis of their past bidding performance and forward sales pipeline, in conversation with senior management.

It can be done, and we know how to do it. It just takes time, effort and investment.

So here's the thing. Proof points create confidence – even, and especially, where getting specific data is difficult (or too time-consuming be viable). Do you have a library of customer case studies, showing the value that the client achieved in each case? And do you go beyond that to create models that draw on those experiences to forecast the impact this offer will have for this customer?

Drawing on real-life customer examples is a great way of demonstrating the value you could offer someone else.

So, where have we been on our canter through value?

We've talked about three types of value, and some tools you can use in each:

SHAREHOLDER VALUE

Three types of shareholder value

Procurement pyramid

Incumbent insights

STAKEHOLDER VALUE

Elements of value

Order winning critera

PERCEIVED VALUE

Embedded value in proposal

Use of proof points

…AND TWO ENABLERS

Client research

Competitive intelligence

> "You are delivering true value in your bid when the client trusts that you will deliver greater benefit than your competitors, and can clearly articulate what that benefit will be.

We've aimed to offer a set of practical tools into which you can dip on your next bid, and a few challenges you might usefully review how you do things today. We're sure that these will help you to create and craft more value for your clients – and therefore help your company to protect and win more business. Which, after all, is what this is all about.

Good luck!

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