

Proposal Assessment Study Executive Summary



Executive Summary

Organizations with effective business development processes typically develop high-quality proposals that win more business.

For thousands of years, proposals of one form or another have been essential to persuade someone to do something. Successful bidders—whether for someone’s hand or someone’s business—have made an offer more compelling than others to win the prize.

In a highly competitive business environment, the proposal continues to be a necessary component to winning business. By comparing its proposals against best-practice standards, an organization can identify gaps in its business development activities that, when closed, can improve business wins.

Since 1999, Shipley Associates has conducted formal proposal assessments on over 340 large and small proposals originating in 6 countries. The average composite scores are shown in Figure 1. These assessments provide an unbiased, independent, and professional view of the quality and competitiveness of the proposals when compared to best-practice standards.

The proposal assessments also provide essential data on the health of business development processes at the client company. A company that executes a strong business development process typically generates high-quality proposals and wins more of its proposal efforts. While a well-developed proposal is not the only requirement for a win, a poorly developed, non-responsive proposal almost certainly does not win.

Study Leader Observations

This analysis confirms that the biggest weaknesses we see in proposals stem from inadequate pre-proposal activity, resulting in sub-standard customer responsiveness and competitive focus.



● Overall Averages ● Industry Benchmarks

Figure 1. Composite Proposal Assessment Rating by Criterion. *The overall proposal assessment rating (orange) is compared to industry benchmarks (gray) for high-quality, competitive proposals.*

Fast Facts	
Years of Assessments	1999-present
Proposals Assessed	Over 340
Companies	Over 100 (B2G, B2B; international, national, local)
Countries (and regions) where bids were sent	12 (Americas, Europe, Asia-Pacific, Middle East, Africa)
Hours Expended to Assess Proposals	~5,700 hours



The Study: What We Report and Do Not Report

In the final *Proposal Assessment Study*, Shipley reports the overall results from proposal assessments conducted over the past 15 years.

We will not share the names of companies for whom we have conducted these assessments. We will not share data on whether or not the proposals evaluated actually won. We will share trends, findings, and recommendations for improvement.

Study Methodology

Shipley Associates' assessment of the quality of a proposal uses the seven evaluation criteria shown in Figure 2 below.

Assessment scores for each of the seven criteria are developed based on commonly recognized standards established by the Association of Proposal Management Professionals (APMP) and the Center for Business Development Excellence. These standards are further supported by proposal development standards and best practices established in the *Shipley Proposal Guide* and the extensive experience of Shipley's Business Development Consultants.

Criteria	Definitions
Compliance	Have all bid request requirements been addressed and all instructions followed?
Responsiveness	Does the proposal clearly and directly address the customer's needs?
Strategy	Is it obvious why this offer should be selected?
Competitive Focus	Is it obvious why this offer is better than competitive offers?
Quality of Writing	Is the writing customer focused, well-organized, clear, and correct?
Visualization	Do visuals clearly communicate major selling points?
Page and Document Design	Is the proposal professional in appearance and easy to evaluate?

Figure 2. Shipley Proposal Assessment Criteria. Client proposals are rated using a set of industry benchmarks that are key attributes of high-quality, persuasive proposals, regardless of industry or type of business or organization.

Proposal Assessment Summary Results

The industry benchmark ratings for each criterion reflect its relative importance to overall proposal quality. The overall score for a proposal is thus weighted based on the relative importance of the criterion. For example, because compliance and responsiveness are most important, they have a higher impact on the overall score than other criteria.

Ratings within each category are:

- 1 = Not Found
- 2 = Major Improvement Needed
- 3 = Marginal
- 4 = Average
- 5 = Above Average
- 6 = Superior

Shiplely grouped the assessments into the following industry segments for reporting purposes:

- Aerospace and Defense
- Construction, Architecture, and Engineering
- Energy
- Healthcare and Medical
- IT and Computer Systems
- Professional Services
- Research and Development

Figure 3 shows the industry averages compared to the benchmark ratings.

Criteria	Industry Benchmark	Overall Average	Aerospace & Defense	Construction/ A&E	Energy	Healthcare & Medical	IT & Computer Systems	Professional Services	Research & Development
Compliance	6.0	4.04	4.12	3.63	3.95	4.61	4.02	3.87	4.38
Responsiveness	6.0	3.65	3.65	3.43	3.68	3.81	3.48	3.70	4.27
Strategy	5.0	3.30	3.53	3.11	3.54	3.17	3.31	3.04	3.52
Competitive Focus	5.0	2.70	2.85	2.35	2.91	2.58	2.90	2.61	2.78
Quality of Writing	4.5	3.62	3.70	3.74	3.27	3.65	3.60	3.38	3.83
Visualization	4.5	3.34	3.75	3.04	3.49	3.29	3.21	2.97	3.67
Page and Document Design	4.5	3.68	3.86	3.59	4.01	3.55	3.73	3.44	3.75

Figure 3. Summary of Industry-Specific Assessment Averages. While the proposal averages do not meet the industry benchmark, this chart shows how industry segments fared against each other and versus the benchmark. The largest gaps from the benchmark are in Responsiveness (clearly addressing your customer's needs) and Competitive Focus (clearly differentiating your offer from your competitors). The cell shading shows the scores that are up to 20 percent (green), from 20 to 40 percent (yellow), and from 40 to 60 percent (red) below benchmark.

General Findings

The overall results show that, in general, businesses exhibit the largest gap from industry benchmarks in three of the first four criteria—*responsiveness*, *strategy*, and *competitive focus*. These components all reflect a poor maturity of sales and capture activities (strategic positioning, the understanding of client needs and requirements, and the ability to clearly articulate discriminators in the proposal) leading into the pre-proposal and proposal development phases.

Also important to note is the relative weakness in *competitive focus* versus the other criteria—meaning there is an overall gap in development and articulation of clear discriminators and value propositions within the proposal.

See Attachment 1 to this Summary for the definitions and assessment questions for the Responsiveness and Competitive Focus criteria.

The final three criteria (*quality of writing*, *visualization*, and *page and document design*) are general indicators of how companies are doing with their sales messaging and proposal development activities. These activities help make a proposal easier to score and evaluate and make the proposal reader-friendly and customer-focused. A narrower gap between benchmark standards and actual results exists in these areas generally because customers allow for some flexibility in how the proposal content is written and conveyed within the proposal.

A simple checklist of best-practice standards, like the one attached as Attachment 2 to this Summary, can often help make a good proposal into a much stronger proposal.

In the final *Proposal Assessment Study*, Shipley will document further analysis for each industry segment, including:

- Trends in proposal scores over 15 years
- Summary comparisons by industry
- Recommendations for improvement by industry

Summary

Winning business involves much more than just the development of an effective proposal. However, a customer-focused proposal that addresses the customer's needs, interests, and requirements is more likely to win than a proposal that is based solely on the solicitation, tender, or bid requirements.

The final *Proposal Assessment Study* will be released late summer 2014.

To download this summary, visit www.shipleywins.com/pastudy.pdf.

Attachment 1: Responsiveness and Competitive Focus

Responsiveness

Responsiveness means addressing the customer's underlying needs. Proposals can be responsive but not compliant, or compliant but nonresponsive. The proposal cannot simply agree to meet the requirements in the solicitation. The bid must be specific in describing *how* the requirement will be met. It must also address the needs of the customer and provide specific benefits that are associated with the features of the proposed solution. These features are most powerfully presented as discriminators, features of your offer that provide valued benefits to the customer and are only available from you.

- Does the proposal effectively respond to the customer's requirements? Does it adequately address the *how* in terms of satisfying the requirements?
- Do the executive summary and section summaries link the customer's needs to the proposed solution?
- Do major sections open with clear statements that the offering satisfies the customer's needs?
- Do all major sections tie features and benefits to customer requirements and needs? Are the benefits clearly tied to the features? Are the features actual discriminators?
- Does the language in each section reflect the customer's language and tone?

Competitive Focus

A winning proposal must not only respond to the customer's issues and requirements, it must also reflect your knowledge of the competition and their strengths, weaknesses, solutions, and pricing. Only by performing effective competitive assessments will you be able to correctly articulate your own discriminators relative to the competition. A well-executed competitive assessment will contribute valuable input to your strategy, win themes, discriminators, solution, pricing, and teaming considerations.

- Are discriminators prominent in themes, action captions, headings, callouts, lists, and summaries?
- Do discriminators primarily focus on people, experience, performance, and understanding of the customer's business?
- Are competitors ghosted in trade studies or other discussions to highlight their weaknesses and substantiate the proposed offering?
- Are potential competitors' approaches acknowledged and analyzed? Are superior approaches provided?
- Is the value proposition clear and measurable to the customer?

Attachment 2: Proposal Process and Review Checklist

____ Presales	Have you met with the client? Determined the issues and needs? Discussed your approach? Offered solutions? Introduced your people? Presold your product/service?
____ Bid Decision	Have you done a thorough competitive assessment? Analyzed the bid request? Reviewed the terms and conditions? Can you win? Are you willing to do what it takes to win? Have you made a sound bid decision?
____ Offer	Have you defined your offer? Established basic costs and pricing? Can you meet the client's requirements?
____ Strategy	Have you developed a sound win and proposal strategy?
____ Design	Have you designed the proposal? Created a page format? Decided on binding, covers, etc.?
____ Proposal Plan	Have you developed your outline and schedule? Communicated the proposal plan to others in writing? Coordinated with team members? Established responsibilities/assignments?
____ Kickoff Meeting	On team efforts, have you held a kickoff meeting?
____ Development	Have you developed requirement checklists? Gathered and tailored boilerplate? Brainstormed themes, visuals, and content? Created thumbnails and full-scale mockups? Written the draft?
____ Reviews	Have you conducted a red team review? Polished the draft? Conducted final compliance checks?
____ Approval	Has upper management reviewed/approved the proposal?
____ Production	Has the proposal been reproduced? Is the final package complete? Have you submitted all required copies? Followed up the submittal? Clarifications? Negotiations or debriefing? Postmortem? Have you devised a long-term customer strategy?

_____Compliance	Does the proposal comply with all technical/administrative requirements? Is it responsive to the client's needs?
_____Themes	Does your offer address the client's issues? Emphasize your strengths? Mitigate your weaknesses? Ghost the competition? Does the proposal effectively sell your offer? Do all theme statements include key features and benefits? Are your principal sales messages clear? Technical, management, and cost messages? Do all themes answer the question So <i>what</i> ? Does the proposal clearly state why the client should choose your company?
_____Organization	Is the proposal organized according to the bid request? Do all volumes and sections have summaries? Do all sections, subsections, and topics have headings? Are the most important ideas stated first? In each section? Subsection? Paragraph?
_____Visuals	Does the proposal contain enough visuals? Do the key visuals reflect your strategy? Do they illustrate the major features and benefits of your offer? Are visuals clear and uncluttered? Do they stand alone? Does each visual have an action caption?
_____Appearance	Do pages have a clean, professional appearance? Does the proposal use lists, white space, headings, and double-column text?
_____Accuracy	Are the facts correct? Data accurate?
_____Clarity	Is the writing clear? Concise? To the point? Active, not passive? Are there any extraneous words, sentences, facts, or data?
_____Boilerplate	Does the proposal contain any obvious boilerplate? Has all boilerplate been tailored?
_____Packaging	Is the proposal packaged professionally? Does it reflect the proper image of your organization?
_____Costs	Are your costs competitive? Clearly stated? Justified?
_____Consistency	Are all parts of the proposal consistent with one another? Do the writing styles match?