# How to Write Proposals that Close

Jonathan Stark

# Contents


**What is this about and why should I care?** . . . . . **3**

What exactly is a project? . . . . . 5

**What You'll Learn** . . . . . **6**

**Before the Proposal** . . . . . **8**

**Proposal Structure** . . . . . **13**

Cover Letter . . . . . 15

Project Overview . . . . . 17

Project Options . . . . . 20

Risks & Assumptions . . . . . 23

Why Me? . . . . . 24

Pricing and Payment Terms . . . . . 26

**What You've Learned** . . . . . **29**

# What is this about and why should I care?

- Would you like to decrease the amount of effort it takes to write project proposals?
- Would you like to increase your close rate for your project proposals?
- Would you like to maximize your project fees without impacting your close rate?

If you answered yes to any of these questions, please read on...

The proposal is an integral part of the sales process for projects of all sorts. My background is in software development, but I have found in my coaching program that the same principles apply to all sorts of digital project work (e.g., visual design, photography, user experience, copy writing, CRO, SEO, A/B testing, etc).

## What exactly is a project?

For the purposes of this discussion, I define a project thusly:

> A collaborative enterprise designed to achieve a particular outcome.

In other words, a project is something that will take you a while to complete (probably measured in months), and during that time you will need ongoing feedback from your client in order to proceed.

If your work falls into this definition of a project and you are unsatisfied with how long it takes you to write a proposal or how often your proposal are accepted, you're in the right place.

# What You'll Learn

In this chapter, you'll learn:

- What to do before your write your proposal
- A proposal stucture that you can use over and over again
- How to maximize your fees without lowering your close rate
- How set payment terms to discourage clients from haggling about your fees

# Before the Proposal

The number one thing that influences whether or not I can close a project with a new client is how our initial conversation goes. The proposal that comes after our initial conversation is important, but how I frame the engagement in that first meeting affects everything that comes after.

Whether your prospects come to you via inbound or outbound marketing, you will virtually always have a phone call or in-person meeting prior to delivering your proposal.

**In your initial client meeting, you need to do your best to talk the client out of hiring you.**

How to do this is obvious; why to do this is not obvious.

Here's how you do it:

Keep asking "Why?" until you are convinced that the client would benefit from hiring you. For example:

- "Why do this now? Wouldn't it be better to keep an eye on the issue for a few months?"

- "Why hire someone like me? Couldn't you save a ton of money by outsourcing this to India?"
- "Why not use something off-the-shelf? Wouldn't that be cheaper than paying for custom code?"

My rule of thumb is to treat the client like I would treat my mother in a similar situation. For example, if my mom asked me to put her in touch with one of my iOS developer friends because she had an idea for an app for her 7th grade social studies class, I'd flat out say, "No way. Are you crazy? That'd cost you a fortune!" If she went on to explain that she had investors and a business plan, etc, then okay perhaps I'd be convinced that it wasn't a bonkers idea. The important point is that I'd make her convince me. You should do the same with your clients.

Here's why you do it:

Clients almost always approach me with a self-diagnosis of their problems, and a self-prescribed solution. I see it as my moral obligation to push past their self-diagnosed

solution, come up with my own diagnosis, and then decide if their self-prescription is valid. If it is not, I'll tell them so and offer an alternative. If they reject my alternative, I reject the project. I will not take their money to implement a solution that I don't believe with work.

Taking the stance - i.e., a willingness to walk away from the project - positions you as an expert, instead of a laborer who's expected to do as he or she is told. This will lose you some projects but will allow you to charge more for the ones you land.

Asking "Why?" helps you set your prices. By pushing the client to justify their desire to pay someone to do their project, you force them to articulate their underlying objective. Knowing their underlying objectives will give you a good idea of how big a deal the project is for the client. If the project is not a big deal, it's going to be hard to set a price that is fair for you and profitable for them. In a case like this, you should probably pass on the work.

On the other hand, if the project *is* a big deal, it will make the job of writing and pricing your proposal much easier. You will have a rough idea of their break-even point, this break-even point will be pretty high, and you can price yourself well under that threshold and still make a nice profit.

Unless you're already doing a great job in these initial client conversations, this approach will dramatically increase your close rate.

# Proposal Structure

In general, your proposal should be short, written in plain English, and focused primarily on outcomes.

- **Keep It Short** - I once landed a $200k project with a proposal that was five pages long.
- **Use Plain English** - Be conversational. Write like you talk.
- **Focus On Outcomes** - You'll have to refer to deliverables that were discussed in the meeting in order to reassure the client that you heard what they said. But do not focus too much on these. Instead, constantly tie everything back to the desired outcomes of the project.

More specifically, here is the proposal structure I use for project work:

1. Cover letter
2. Project Overview

3. Project Options
4. Risks & Assumptions
5. Why Me?
6. Pricing and Payment Terms

I'll give examples of each with commentary:

## Cover Letter

Here's my cover letter boilerplate:

> [Date]
>
> [Joe Prospect]
>
> [President]
>
> [BigCo, Inc.]
>
> Dear [Joe],
>
> Thanks for your time on the phone the other day. On the following pages, I have outlined three options of increasing complexity for the project. The options are incremental, meaning that each includes and builds

> upon the previous options. This will allow you to pick a level that suits the urgency and budget.
>
> **Please note that this is a quote, not an estimate.** The price you agree to is exactly how much you'll pay. If I have underestimated how long it will take me to do the work, that's my problem not yours.
>
> When you get a chance, please review and let me know if you have any questions or comments. I'll touch base with you on Tuesday if I haven't heard back by then.
>
> Sincerely yours,
>
> Jonathan Stark

Comments:

- Right up front, I let the client know that I have included three options. I'll go into more detail on options later.
- I highlight the fact that this is a fixed quote, not an estimate based on hourly billing. If you are not doing fixed bids you can leave this part out. See

the chapter on value pricing for how and why to transition away from hourly billing.

› I set a specific date on which I'll get back to them if I haven't heard anything.

## Project Overview

Here's an overview for a client who was looking to make their existing desktop e-commerce site more mobile-friendly.

> [bigco.com] is an e-commerce site that you have been growing since 2005. The iPhone was released two years later and subsequently kicked off a mobile computing revolution. Today, more than half of all web traffic comes from mobile devices. Trend lines show that mobile web traffic will continue to increase while desktop stays flat or decreases. It is projected that within 5 years, 80% of all adults globally with have a smartphone.

This explosive mobile growth represents a big opportunity for e-commerce vendors who optimize their web experience for mobile devices before their competitors. Currently, the [BigCo] site is nearly unusable on the most popular mobile devices, and there is at least one large competing site that is very mobile friendly. Therefore, there is some urgency to make changes to [BigCo] to optimize for mobile devices. Failure to do so will eventually result in mobile customers looking for friendlier sites to do their shopping.

Furthermore, Google recently made a change to their search ranking algorithm that takes into account the "mobile friendliness" of a site. They have provided a test page to determine whether a site is mobile friendly, a test which [BigCo] has failed. Although it's not yet clear how much this failure will affect your search engine ranking, it is clear that it will have a negative impact.

Considering that you have competitors who do have mobile friendly sites, it's highly likely that they will rank ahead of you more and more frequently for pop-

> ular search terms. Worst case scenario would be that all [BigCo] search results get pushed off the first page. If search traffic is important to your business, it is critical that the site pass Google's mobile friendliness test ASAP.

Comments:

In this section, I hammer on the importance of doing the project immediately by calling out all of the reasons that delaying would be risky. In this particular case, I'm mostly playing the fear card - i.e., you're losing your lead in the industry. For more proactive clients who are more growth focused, I'll focus on the size of the opportunity.

Here's the breakdown:

- I state the facts of the client's situation.
- I cite industry statistics that reinforce the importance of doing this project.

- I point out that one of the client's big competitors is ahead of them.
- I point out a potential secondary impact of losing ground in search engine rankings.

It's worth noting that these are all things that we discussed briefly in our meeting, but I reiterate with additional detail in the proposal to 1. remind the buyer of the urgency, and 2. provide the "big picture" context to anyone who the buyer might ask to review the proposal.

## Project Options

I virtually always provide three options in a project proposal. Each option includes the previous option and has a higher fee. Usually, I'll make each option different. In other words, rather than make Option 2 simply more of Option 1, I make Option 2 complimentary to Option 1 but not the same thing.

My first option will always be exactly what we agreed to during the initial client meeting. I do this so when the client reads the proposal, he or she will be recognize that I listened closely to their needs and responded by offering exactly what they asked for. If you do not do this, the client will lose trust in you.

Here's a typical example:

> *Option 1: Pass Google's Mobile Test*
>
> I will make changes to the existing desktop site so that it will pass Google's mobile friendliness test and by extension, to ward off a potential tumble in search engine ranking. Since the focus of this option is not related to visual design, we will not have design reviews. There will be gains in usability as a side effect of the primary goal but the visual design will be functional and utilitarian at best. I will carry forward the general branding and feel of the desktop page. Testing will only be done in Safari on iPhone and Chrome on Android.

*Option 2: Increased Mobile Usability*

This option includes everything from option 1, but I will make design changes to increase usability on mobile phones. For example, something needs to be done about the hover menus in the top level nav to make them work better on touch screen devices. The vehicle selector needs to be rethought. There are hovers on the team page that will have to go away. Testing will only be done in Safari on iPhone and Chrome on Android.

*Option 3: Broader Testing*

This option includes everything from options 1 and 2, but I will add significantly greater testing coverage. For example, many people promote their business by sharing links in social media, but never actually check to see how those linked pages display inside social apps on mobile devices. This is a especially risky when you consider that Facebook is consistently one of the most used apps on both iOS and Android.

In addition to the mobile browsers mentioned in options 1 and 2, I will test, debug, and fix the site in the following browser/device combinations:

[Long list of browser/device combinations]

Note that I do not include pricing at this stage. I save that for the Pricing and Payment Terms at the very end of the document.

An added benefit of presenting options is that things that are explicitly included in higher options are implicitly *not* included in lower ones. It helps thwart assumptions. Speaking of which...

## Risks & Assumptions

Assumptions are deadly in software projects. Call out every one that you can think of in the proposal. Make sure that you're really on the same page with the client about expectations.

It's also good to call out risks because if something does blow up in your face you can point out that everyone knew it was risky and although it's unfortunate that it has to be dealt with, it wasn't a surprise. Surprises in software projects can be very scary for the client.

## Why Me?

The person with whom you have the initial project meeting might have to get approval from another person or group before they can hire you. For this reason, I sometimes include a "Why Me?" section to differentiate myself from competitors and justify my high fees for people who might not know that I'm a recognized authority in the space.

Here's an example I put together for a client who wanted me to advise their internal dev team on a mobile rewrite of their desktop e-commerce site:

> There are all sorts of smart cookies in the mobile world who could potentially help you with this project. So why work with me? Here are several reasons that I hope you will find compelling:
>
> › You will work directly with me and only me - i.e., you won't be shuffled off to junior employees or subcontracted labor.

- I don't bill by the hour so you always know in advance what the financial investment will be for my intervention.
- I've written three books on mobile and web development, including the best selling O'Reilly title "Building iPhone Apps with HTML, CSS, and JavaScript" which is available in seven languages.
- Through my training classes, screencasts, and webinars, I've taught thousands of web designers and developers how to build sites for mobile devices. I know my stuff - but more importantly I know how to teach it.
- I was chosen to help with the mobile responsive redesigns for Entertainment Weekly, Time Inc, and Techcrunch, all of which were highly successful projects.
- I've helped a number of companies successfully reinvent themselves for mobile by migrating their legacy backend architecture to modern cloud services.

## Pricing and Payment Terms

At last it's time to reveal our prices! Here's a typical example from a real proposal:

> I never assess an hourly or daily fee, since you should not have to make an investment decision every time my assistance may be needed. This is a unique feature of my consulting practice.
>
> The pricing for each option is as follows: option 1 is $4,900.00, option 2 is $9,500.00, and option 3 is $24,000.00 USD. Please note that these are fixed prices, not estimates. You will not pay a dime more than your selected price. The fee must be paid in full on acceptance to schedule the project. I am available to start on [future date]. This quote is good for 14 days.
>
> My work is guaranteed. In the event that you feel that I am not meeting the standards described herein, or based on our mutual conversations and agreements, I will refund your entire fee upon such notification.

Comments:

- I repeat the fact that I do not charge by the hour in case the client skimmed over it in the cover letter.
- I lump the prices for each option into a sentence rather than breaking them out in a more easy-to-read format like bullet points or a grid. I do this to make it harder for the client to jump to the prices without having read the entire document.
- If the buyer *does* jump straight to the prices, he or she will be forced to go back and read the descriptions of the options in order to make a value judgement because I don't describe what they include in the pricing section.
- I ask for 100% up-front. This is important because it gives me something other than price to negotiate if the client thinks my fees are too high (I **never** negotiate price).[1]
- I specify a start date, which I usually put at least a week in the future. Saying you can start tomorrow

might project an image of need which I think is a turn off.

› I try to add some urgency their review and response to the quote by specifying an expriation date. I can't think of a time that I actually held someone to the expriation date, but it does give me a good reason to email them if I haven't heard back to say something like, "FYI - my proposal expires tomorrow. Do you have any questions I can help with?"

# What You've Learned

In this chapter, you've learned:

- What to do before your write your proposal
- A proposal stucture that you can use over and over again
- How to maximize your fees without lowering your close rate
- How set payment terms to discourage clients from haggling about your fees

For more info about how to write proposals that close, please feel free to email me at jstark@jonathanstark.com.

---

[1] Full length article: How And Why To Ask For 100% Up-front.