20 ways to reduce B&P costs and still win

By Bob Lohfeld

Many companies have experienced flat or declining sales in the prior year and, consequently, are dealing with reduced bid and proposal (B&P) budgets this year. This begs the question, can proposals be written in a less-costly way without reducing win rates?

Obviously, we can reduce proposal costs, but many cost-reduction initiatives cause win rates to plummet.

To find out why proposals cost too much, I asked our proposal consulting team to share their insights. Since this team works on the front lines of about 400 proposals per year, I was sure they could offer valuable insight into why costs are too high and what companies can do to reduce proposal costs without lowering win rates.

Here are some of the reasons we found that proposal costs are higher than they should be.

False starts

Some companies fail to review the RFP before starting their proposal. In these instances, they kick off the proposal and start working the bid—only to discover later that they had no chance of winning and ultimately shut down the proposal effort. This false start wastes everyone's time, distracts the team from other higher priority targets, and increases overall B&P costs. Having an established bid criteria and a gate review to make an informed bid decision would help eliminate false starts and reduce unnecessary proposal expenditures.

Bad bid decisions

Having no customer knowledge, competitor insight, or solution for a particular bid should be a clue that this deal is not for you. Yet some companies press ahead believing they can overcome these obstacles if they throw enough labor at the proposal. Frantic calls go out for consulting help that leads to more bodies on the proposal, but in the end, they never overcome their fundamental shortcomings. Knowing when to say no can save significant B&P money and keep your team focused on deals they can win.

Pre-RFP preparation

Failure to spend significant time and effort before RFP release developing artifacts for the proposal leads to frantic efforts to develop these artifacts during the short post-RFP proposal development period. We can avoid these staffing peaks with proper pre-RFP work. We feel so strongly about this that our business acquisition lifecycle has a formal phase between capture and proposal called Pre-RFP Preparation when we develop proposal artifacts before RFP release. This gives companies more time to develop these artifacts and avoids costly staffing peaks during the proposal development period.

Proposal kickoff

As the capture and proposal kickoff meeting goes so goes the proposal, and a poor capture effort and handoff to the proposal team is a strong predictor of increased proposal costs. It's better to delay the kickoff meeting a few days after RFP release in order to prepare properly than to rush into it. Proper preparation includes offer design and solutioning; all stakeholders (volume leads, writers, etc.) identified and committed; clear direction to the authors and teammates developed; teammates/subcontractors signed up and agreements executed; program plan (integrated master plan, schedule, work breakdown structure) completed; proposal outline, compliance matrix, and writing instructions with annotated outlines completed; and executive summary drafted and ready for distribution to participants. Finally, ensure all stakeholders read the RFP before the kickoff meeting.

Proposal manager authority

Clearly define the capture manager and proposal manager roles and responsibilities. No one should have to deal with contradicting direction from these leaders or waste valuable time debating which manager makes what decisions. We like to see the capture manager responsible for winning and the proposal manager working for the capture manager to turn the capture manager's vision into a winning proposal. Make it clear that the proposal manager has authority to direct, assign, or fire participants; hold participants to the schedule; and lead meetings including cutting short meandering conversations that waste time.

Storyboards just don't work

In our experience, storyboards do not effectively convey writing instructions to technical and managerial writers. Too often, storyboards take on a costly life of their own, and after much review and deliberation don't produce a solid first draft. Streamlining the process by using annotated outlines is more effective for writers and is certainly less expensive that decorating the walls of the proposal room with storyboards.

Solution development before writing

Everyone on the proposal team wants to jump in and start writing, but we find most early writing ends up discarded. Focus on solution development and begin writing only after the solution and annotated outline have been approved. In software development, you design before you code. It should be the same in proposals, so stop wasting money by writing before you design.

Data call

Every feature of your proposal that evaluators can score as a strength will need evidence to substantiate your claims, yet unsubstantiated claims abound in many proposals. We like to see a solid data call initiated with the kickoff meeting to gather information needed to write a good proposal and substantiate all your bold claims. Without a good data call, much of what you write will end up as wasted text. Get the data first and then write to the data. Don't write and hope the data will support your claims.

Proposal resources

Assigning someone's name as the author of a section and getting them to actually work it are two different things. It's easy to put names in the boxes, but if they aren't relieved of other assignments and committed to work to your schedule, then your proposal products will be consistently late and fall short of expectations. We like to see proposal resources committed from the beginning to the end of the pursuit. Pulling resources from one proposal and assigning them to another or asking participants to multitask is a dangerous practice. Certainly, everyone wants the best people on their proposal, but spreading the best people across too many proposals will make them mediocre contributors. Resource your proposal appropriately, and if you don't have the necessary in-house talent, go outside. The most efficient resource structure is to have the right people committed from beginning to end.

Teaming partners

Some team members believe that when they sign the teaming agreement, their work is finished. In reality, the work is just beginning, and the first task is to write a winning proposal. Ensure the resources your teammates provide are the people you need—not unapplied labor that they can't place elsewhere. Clearly state your expectations and send people home if they don't measure up. One of the most expensive mistakes a proposal manager can make is to assign proposal sections to a subcontractor, wait 3 weeks to review the work, only to discover they didn't do any. Keep a short leash on your subs, and hold them to the same high performance standard that you maintain for your own employees.

Graphics

Strong graphics are essential for a good proposal, yet the path to getting these is often needlessly expensive. To reduce iterations, have a clear vision for what each graphic must communicate and how much space you must allocate. Weak graphic concepts result in repeatedly re-working graphics, and weak graphics may or may not be used in the final proposal. Early in proposal development, use quick sketches to develop your ideas and show how you intend to communicate your message. After reviewing and approving these hand drawn graphics, the graphic artist can render a draft graphic. Use these in the next iteration of your proposal and then tweak your graphics as you create the final proposal version. It is interesting to see how many rendered graphics actually end up in your proposal. Often, less than half the graphics rendered make it into the proposal, and this just runs up proposal costs. On your next bid, see how many graphics don't make it into the proposal, and ask your team what you could have done differently to cut down on the expense of unnecessary graphics.

Writers

Some writers are excellent, and others are just never going to get there no matter how many times they rework a section. You can help them know how to write their sections by training them with specific examples and providing detailed writing templates with features, benefits, proofs, and discriminators for each section before they begin writing. Ensure the solution is well-defined. Never take the *just start writing* approach! Good proposal writing comes from training, experience, and effective coaching. If you don't have competent writers, recognize this early, remove those who can't write, and replace them with those who can. Failing to do this eats up valuable time, increases proposal costs, and produces poor to mediocre proposal products.

Proposal configuration control

Maintaining proposal sections and graphics version control can be challenging. Failure to do so results in reviewing or reworking obsolete proposal sections or finding out that multiple people did the same work without discovering the redundancy until time has already been wasted. No matter how it turns out, losing configuration control is expensive and frustrating for everyone. There are excellent proposal tools that will help you manage proposal versioning, and if you are doing large competitive proposals, these tools are essential.

Color Team Reviewers

The more proposal reviewers you have the less effective your reviews will be and the more money you will spend on reviews. A few good reviewers, well prepared and focused on a reasonable number of pages of proposal text, are all you need. Assign specific roles to each reviewer and instruct them that all comments must be actionable.

One might score the proposal from the government evaluator perspective; another might look at compliance. Another might look at visual appeal. For technical/ management reviewers, I like to assign about 40 pages per day per reviewer and expect written comments from every reviewer. I've seen proposal reviews with 30 or more people in the room, and at the end of the day, two thirds had nothing meaningful to say. Cut the number of proposal reviewers, increase their quality, and reduce your proposal costs.

Executive editing

Too often, we've seen senior executives tweak the proposal after it's gone through red team, introducing changes that ripple across all proposal volumes. Equally detrimental is assigning previously uninvolved executives late in the process to edit/rewrite at the time of production copy final review. These activities can derail a proposal, run up costs, and rarely make the difference between winning and losing. Establish clear windows for executives' input and do not accept changes after the deadline. Discuss this early in the process, and don't leave the room until there is firm commitment to live by the rules. Anyone who should provide input to the proposal should be given the opportunity at formal content reviews, not during production.

Reuse

Keep an enterprise asset library with company-approved proposal reuse materials (graphics, past performance, etc.). Ensure you have defined re-use processes and well-categorized re-use materials clearly stored and available for use. Poor use of these materials can unnecessarily run up the cost of your proposal.

Proposal development infrastructure

Not having proper tools, software, equipment, and workspace available for proposal staff wastes time and effort. Have sufficient and effective proposal support tools (equipment, computers, software, workspace, etc.) available for all participants with adequate technical support on call. Don't rely on email to convey subtle or complicated instructions; this results in an excessive number of iterations to complete relatively simple tasks. Ensure you seek expert advice on how to set up your collaboration tools and knowledgebases, train everyone, and enforce the tools' use.

Proposal backups

Don't allow proposal team members to store parts of the proposal on their personal computers. Host the proposal on a dedicated server, and make it mandatory that all proposal team members store their work in a designated place. Ensure you have continual backup of all proposal-related files. Looking for lost proposal materials or having to rewrite proposal sections that you can't find runs up proposal costs.

Proposal culture

Each company has a proposal-development culture. Some are very professional and others are terribly detrimental to creating cost-effective proposals. The most detrimental is the hero culture where some busy executive shows up at the last minute to save the proposal by throwing out the solution and working around the clock to rewrite the proposal. No matter how hard you try to get this wizard involved during the formative stages of the proposal, they just don't have time—but they always have time to turn everyone on their heads in the final days so they can claim they saved the company from defeat. If this is your culture, please work to bring process and order to your proposals. I promise it will reduce your proposal costs, improve everyone's quality of life, and improve your win rate.

Lessons learned

Every proposal should finish with a lessons-learned exercise. Document lessons learned immediately after your capture/proposal efforts, and review them with each new capture/proposal team. The problem with lessons learned is that we keep relearning them, and that runs up proposal costs.

Summary

A good proposal manager can avoid many of the pitfalls that increase proposal costs. I've listed only some of these here, and I'm sure you can add your list to mine. What becomes so apparent is that a skilled proposal manager will efficiently create a good proposal, and a less-skilled proposal manager will let you experience firsthand many of the pitfalls that will increase the cost of your proposals.

You might say that a good proposal manager is worth their weight in gold, but you didn't need to read this article to know that.

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