Successful Proposal Strategies for Small Businesses

Using Knowledge Management to Win Government, Private-Sector, and International Contracts

Fifth Edition

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Private-sector solicitation requests

In addition to FAR-driven RFP- or RFS-based proposals submitted in response to federal government procurement solicitations, companies should consider other important types of proposal documents such as private-sector proposals, product proposals, R&D internal proposals, grant proposals for education, international proposals, and health care proposals. Many times, nongovernment proposals are most analogous to bids in that price is the primary determinant for award. In the commercial sector, communication with the client organization during the proposal process is not precluded by FAR-type regulations, so your company's marketing efforts can be more aggressive and protracted. In private-sector solicitation documents, there may be no instructions to offerors (i.e., Section L) or published evaluation criteria (i.e., Section M).

A product proposal tends to be built upon a point-by-point format. There is no management plan or other response required wherein you have to take into consideration client preferences that go well beyond what is explicitly in the RFP. Health care proposals are similar to product proposals, and lend themselves to boilerplate response far more easily than solution-driven RFP-based proposal responses.

Private-sector solicitation requests may be issued in hardcopy form as RFPs or Inquiries documents, and might also be presented as an informal telephone call or FAX from the client organization. Whatever the form or format of the request from the client, the response on the part of your company or organization must be customized and targeted, reflect the relevant marketing intelligence you have obtained, and concisely convey the benefits of doing business with your firm. Private-sector proposal documents that you will prepare can range from a very focused letter (1 to 5 pages) to volumes that are well in excess of 100 pages. In many instances, private-sector clients will include specific vendor qualification and data questionnaires, bid forms, and professional services agreement (PSAs) that must be completed fully and accurately and included with your proposal submittal package.

Most private-sector proposals must be submitted to a named location and point of contact by a specific date and time. Although corporations and other private entities are not bound by the stringent proposal acceptance parameters of the Federal Acquisition Regulations (FAR 52.215-1) when conducting business with other companies for private projects, timely submittals are becoming increasingly important. Plan to have your private-sector proposal arrive on time and with the appropriate number of copies in your submittal package. And be sensitive to your client: Refrain from sending a proposal to United Parcel Service via Federal Express, for example.

The following listing represents the variety of elements that may be required in a private-sector proposal. Note the similarity to federal proposal responses. Boldface items are among the ones encountered most frequently. Some elements may be presented as appendixes in your proposal document.

- **Introduction or Executive Summary**
- **Scope of Work**
- Understanding of the Project/Nature of the Required Services
- **Technical Approach/Solution**
  - Alternative approaches
  - Bibliographic references
- **Experience and Qualifications**
  - Corporate contractual experience
  - Experience of key personnel
- **Team Organizational Structure**

- **Project Management Approach**
  - Roles and responsibilities
  - Project control
  - Ongoing communications with client
  - Availability of staff
- **Proposed Project and Task Milestone Schedules**
- **Task Subcontracting Approach**
- **Project Deliverables**
  - Quality control and quality assurance programs
  - Future action plans
- **Client References**
- **Résumés**
- **Project Summaries**
- **Sample Work Products and Deliverables**
- **Annual Reports, 10Ks, Financial Statements, and Dun & Bradstreet (D&B) Reports**
  - Equal Opportunity Employer Program and goals
  - Training certificates
  - Licenses, registrations, and certifications
- **Certificates of Liability and Unemployment Insurance**
- Affirmative Action Plan
  - Existing contract disclosure
  - Complete list of contractor affiliates and their locations
- **Representations and Certifications**
  - Type of business organization
  - Taxpayer identification number (TIN)
  - Corporate status [sole proprietorship, partnership, limited liability company (LLC)]
  - Certification of Independent Price Determination (Noncollusive Bidding and Code of Ethics Certification)
  - Preference for labor surplus area (LSA)
  - Certification of nonsegregated facilities
  - Certification regarding a drug-free workplace
  - Cost accounting practices and certifications
  - Certification of no investigation (criminal or civil antitrust)

- **Indemnification** (protection for the client against the risk of legal claims)
  - Damage to persons or property
  - Negligence on the part of the contractor
- **Nonconflict of Interest Statement**
- **Confidentiality Agreement**
  - Health and safety plan
  - Commercial terms and conditions
  - Equipment billing rate schedules
- **Project Costs**
  - Names, titles, and hourly rates for specific job classifications
  - Sample Invoice
  - Bid Bond
  - Comprehensive General Liability Insurance and Worker's Compensation Insurance
  - Intellectual property rights and design ownership

As part of your proposal library or automated knowledge base, your company should have a collection (in both hardcopy and electronic form as applicable) of various licenses, certifications, insurance coverage, TIN numbers, training certificates, and so forth. Ready, albeit secure and controlled, access to this information will make building your responses to private-sector solicitations much easier and quicker.

As with federal government proposals, the focus of the grant proposal is on selling. Grant proposals are, fundamentally, sales documents. Nevada-based grants and fund-raising expert David G. Bauer speaks of two distinct types of grantsmanship. One is *reactive* and the other is *proactive.* Reactive grantsmanship involves developing the project first, looking for funders, and then scrambling to meet a deadline. On the other hand, proactive grantsmanship begins with researching funding sources and then expands to cultivating professional relationships with relevant grantmakers. Your organization should definitely practice *proactive* grants development.

5.1 Grant proposals—winning what you bid

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types of grantsmanship. One is *reactive* and the other is *proactive.* Reactive grantsmanship involves developing the project first, looking for funders, and then scrambling to meet a deadline. On the other hand, proactive grantsmanship begins with researching funding sources and then expands to cultivating professional relationships with relevant grantmakers. Your organization should definitely practice *proactive* grants development.

5.1.1 Letters of inquiry

In many cases, organizations must first prepare a brief letter of inquiry before receiving an invitation to submit a full grant proposal. The letter of inquiry provides a valuable forum for vetting project ideas with potential funding sources. It allows you to build a connection between your project's goals and the grantmaking foundation's or agency's mission, philosophy, and interests. Be concise in this letter of inquiry. The first paragraph should provide a synopsis of the project and the requested funding amount. Focus on the tangible and intangible benefits of your proposal, and convey a passionate dedication to your project.

Before you start writing your grant proposal, invest the time to plan your approach and develop a realistic schedule for completing the grant application (see Figure 5.1). Importantly, build in time for internal reviews by principal investigators (PIs) and other colleagues.

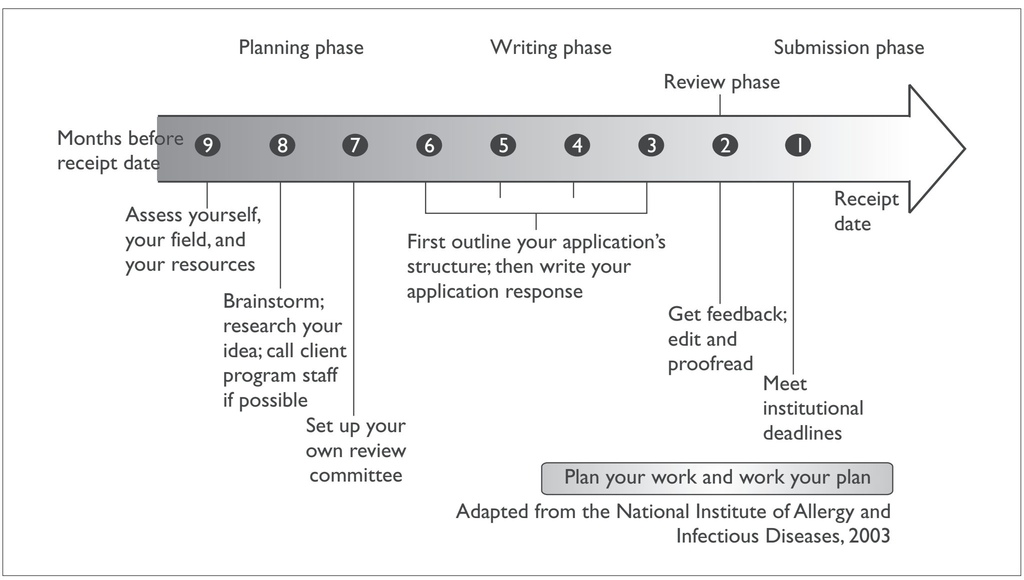

Figure 5.1 Forward-looking preparation time line.

5.1.2 Balancing the technical and the nontechnical

Place yourself in the peer reviewers' shoes and, thus, balance the technical and the nontechnical throughout your grant proposal (see Figure 5.2). To begin, develop a title for your project that invites reviewers to read your proposal. Most grantmaking staffs are generalists. Therefore, you should include both technical and nontechnical information throughout your proposal. Begin each paragraph simply, and then progress to more complex information. You might use *Scientific American* as a model for the level of writing to use in the nontechnical paragraphs.

5.1.3 Standard grant proposal components

The 11 components of most grant proposal applications are presented in Figure 5.3. Tell your overall story in nontechnical terms up front in 1—Proposal Summary. Grab positive attention and build trust quickly. Convey what you want to do and what preliminary work you have accomplished. Clearly identify why your project is important. What is the intellectual merit of the proposed activity? What are the broader impacts of the proposed activity? Articulate the tangible benefits to industry and government as well as to the grantmaking organization. Explain why you will succeed. Identify how much your project will cost, and how your budget is cost-effective. Show how your project is related to other research in the field. Keep the proposal summary to one page in length. It serves as the foundation of your grant proposal. Importantly, it may be the only section reviewed by all evaluators.

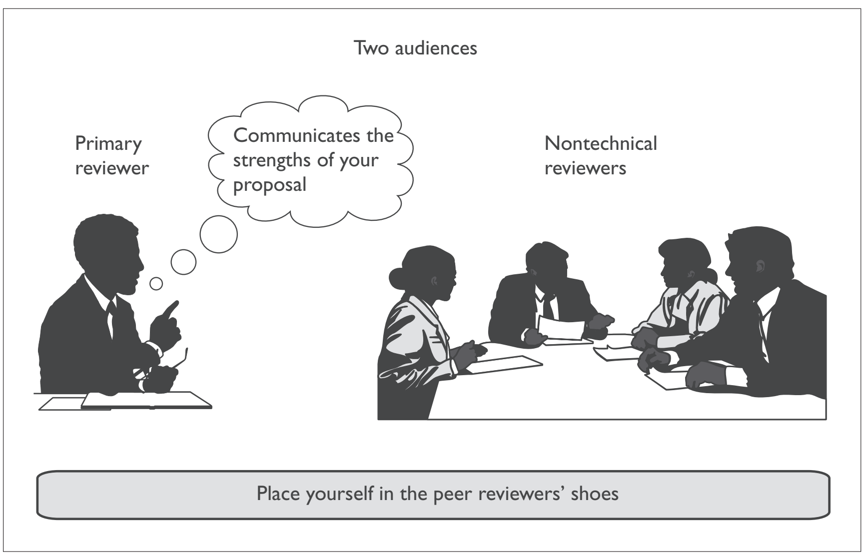

Figure 5.2 Writing to your audiences.

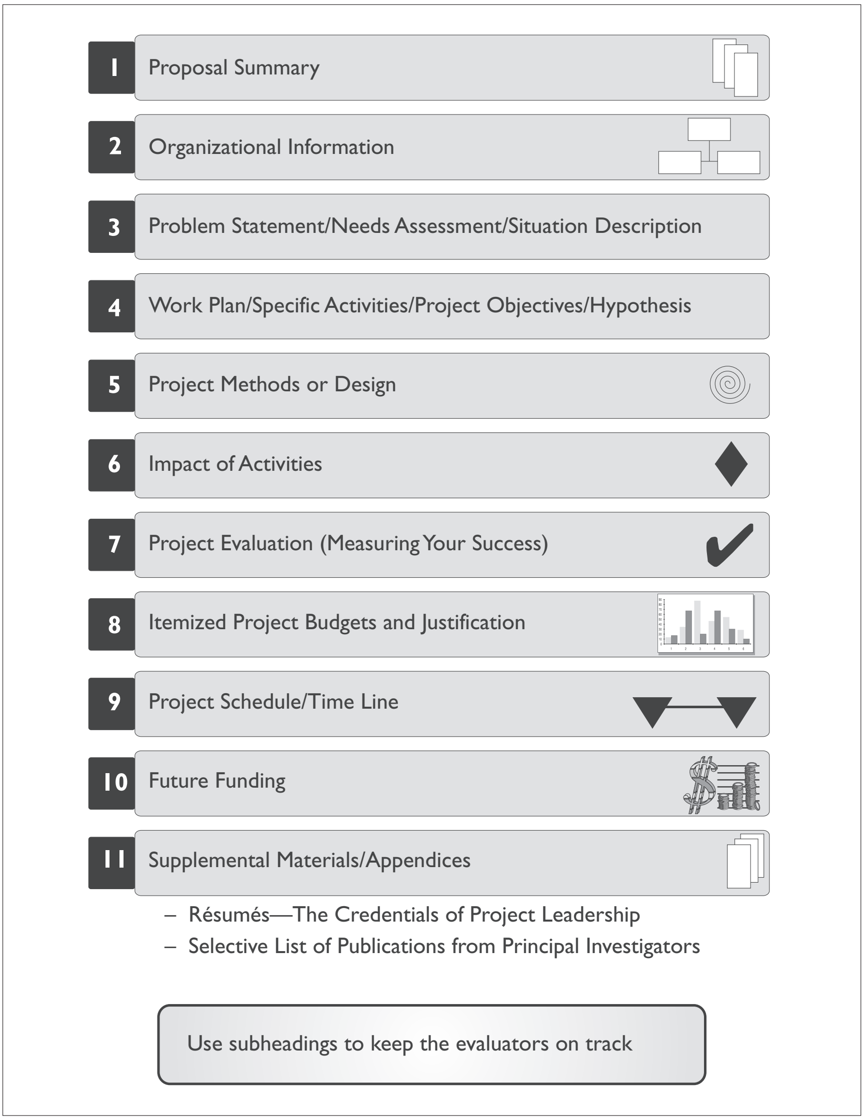

Figure 5.3 Grant proposal components.

Web-based grants development resources are provided in Figure 5.4.

5.2 Nongovernmental organizations (NGOs)

Nongovernmental organizations (NGOs), international nongovernmental organizations (INGOs), and local nongovernmental organizations (LNGOs) are nonprofit, voluntary associations of citizens organized on a

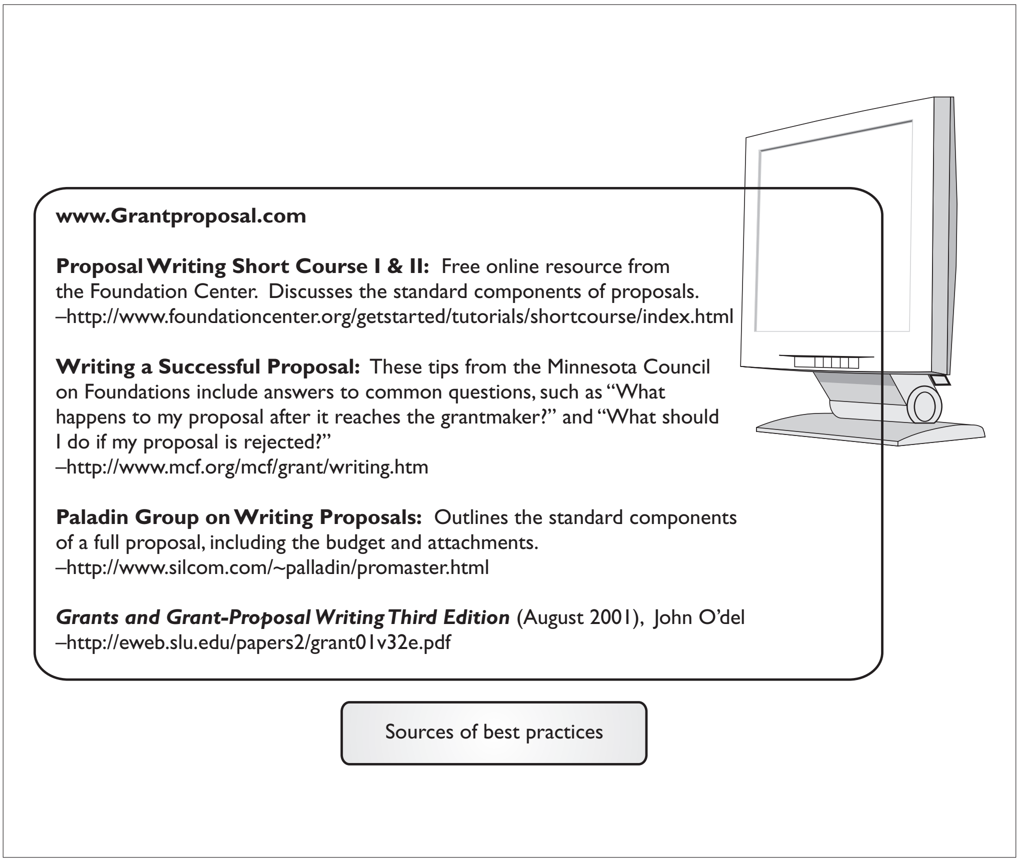

Figure 5.4 Resources for developing compelling grant proposals.

local, national, or international level that operate independently of government or business structures and have noncommercial objectives. NGOs include the Canadian Red Cross, Cooperative for Assistance and Relief Everywhere, Inc. (CARE), Doctors Without Borders [Medecins Sans Frontieres (MSF)], International Medical Corps (IMC), and Catholic Relief Services (CRS). Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens' concerns to the attention of governments, monitor policies, and encourage political participation at the community level. They provide analysis and expertise, serve as early-warning mechanisms, and help monitor and implement international agreements. Some are organized around specific issues, such as human rights, the environment, or health care.

NGOs must often compete for funding sources via a proposal process. An example of an RFP open to select NGOs was issued through

Border Partners in Action (Border PACT), an extensive network of U.S.–Mexico-border higher education institutions dedicated to building human capacity through education and training. Based at the University of Arizona, Border PACT is coconvened by the Consortium for North American Higher Education Collaboration (CONAHEC), the American Council on Education (ACE), and the Asociación Nacional de Universidades e Instituciones de Educación Superior (ANUIES). Working in smaller regional groups, as well as within the larger Border PACT network, 65 member institutions have joined forces across the border to serve as agents of change in solving the many challenges they face as borderlands communities. Border PACT's goal is to provide a means for higher education institutions, researchers, student groups, NGOs, and American-Indian and Mexican indigenous border communities on both sides of the U.S.–Mexico border to develop joint programs in conjunction with their communities intended to derive shared solutions to common problems.

Recently, Border PACT issued an RFP for its grants program. In order to apply, a brief proposal of five pages maximum, 1.5-spaced, in no smaller than 10-point font size (12-point preferred) was required that addressed the following points:

- Names of the two lead binational participating institutions, including the primary contacts at each institution, their positions or titles, physical addresses, post office box, phone numbers, faxes, and e-mail addresses.
- Description of the proposed activity, including purpose, persons involved, and a timetable of activities. (Note: it would be advisable to include a schedule with major milestones in Gantt chart format.)
- Description of how the proposed project will benefit the borderland community or communities involved.
- Discussion of how the project will be publicized and promoted, along with identification of the targeted audience for the project and the number of people impacted.
- Resources, capabilities, and infrastructure to implement the project.
- Description of how the activity will be sustained beyond the life of the seed grant.
- Proposed budget, including matching or in-kind resources.

The required format for the proposal included a hardcopy of the proposal and supporting documents, as well as a copy of the proposal on a 3.5-inch floppy diskette, IBM Windows version, in document Microsoft

Word 97 format, or rich text format (RTF). The proposal was stipulated to include both a time line and work scope for the proposed projects spanning August to December. All proposals required discussion of concrete outcomes, evaluation mechanisms, and funding strategies for continuing the project beyond its initial stages.

The specific submission process for this particular RFP involved the following:

- Submissions of proposals must include a letter of endorsement by the president of each of the institutions, or the president of the board of directors for NGOs, or chief executive officer of an agency.
- A hardcopy of the proposal and supporting documents.
- A copy of the proposal on 3.5-inch floppy diskette, IBM Windows version, in Microsoft Word 97 or 2000 document or RTF.
- Submission of all materials by 5:00 P.M. Tucson time.

Next we will examine the dynamic arena of federal government acquisition in an era of e-government. There are many new dimensions to consider. We will begin by focusing on how RFPs emerge from the federal acquisition process.