

# How to Write a Business Proposal

Writer Edmond Mbiaka once commented that consistency, coupled with the right [strategic plan](#), often results in victory for a person with a goal in mind. The road to success is not one sweet ride, and many challenges lie ahead. For different companies in various industries, having the right tools will make the journey easier. Some requirements for firms include [business plans](#), [marketing strategies](#), and [useful contracts](#). But one essential document that business owners have to learn to utilize is [proposals](#).

As an outline, proposals play a significant role in [laying out the foundations of a business plan](#). This article focuses on delivering necessary details about [business proposals](#), as well as the procedures and contents.

## What Is a Business Proposal?

Unlike business plans, a business proposal focuses on selling a particular product or service to other firms. This written document acts as a sales pitch to the prospect company—a possible [partnership](#) in the future. The seller, who looks for a buyer, offers the probable company the value and benefits of having a deal with them. Then the creators of the proposal formulate a [project plan](#) which they will submit to the other firm. Depending on the type of proposal, some send in [one-page proposals](#) or two-page bids to prospect companies. When the enterprise accepts the design or scheme, the two businesses begin talking about creating plans for the commencement of the proposal. On other occasions, the business owners or clients can request for proposals from preferred firms.

## Importance of Using Business Proposals

Emerging businesses have to build their name in the industry. And promoting products via traditional and contemporary media may not be enough to influence the public. Besides choosing the appropriate outlet, businesses should consider going the extra mile to have their brand acknowledged by people. Additionally, a business partnership is one of the safe ways of gathering a wide range of audiences, increasing revenue, and being on good terms with other companies. To convey the message accurately, newcomers must send [bid proposals](#) to peers in the industry.

In other instances, when starting companies want to borrow funds from the banks, they have to make proposals. The business proposal for a bank loan is what firms do when

they need resources. The importance of proposals is evident in this aspect as it provides a way for companies to continue with their business dealings.

## **The Elements of a Business Proposal**

A supplemental guide exists that helps make the writing process easier for business proposal writers. By knowing the sequence, the authors can relay the message well. Since business proposals can either be a suggestion of partnership or solution to an ongoing problem, it is a vital tool for businesses. With that, the content should be timely and relevant to both firms. Here are the elements that compose a business proposal. Planners can include other sections based on the direction of the proposal. At most, this is the standard form that applies to most business proposal ventures.

### **Title Page**

In the introductory phase, the business proposal should have both the company names of the seller and prospective buyer. The addressee of the business proposal must be on the title page. Moreover, the designation of the names on the cover has to be correct and void of grammatical errors. Besides that, an appealing layout will catch the attention of readers. So, planning even the tiniest part of the proposal matters.

### **Table of Contents**

Shorter proposals usually don't need this part. However, complex and formal proposals require this section to provide a vivid view of the information inside the business proposal. The table of contents becomes the guide for the readers, especially when they skim pages for essential points to remember. For instance, if the proposal is for a film production collaboration, the table of contents focuses on aspects of the film and benefits of the partnership.

### **Executive Summary**

This portion summarizes the content of the business proposal. But more than that, the executive summary is one of the selling points for the business. In this section, the writer of the business proposal persuades and provides a wholesome opening content to the prospective buyer. The goal of the proposal is to sell the solution or offer new material to the company. And this starting point, the writer invites the reader to browse through the document even more.

## **Statement of the Problem**

The discussion of the problem takes place in this division of the business proposal. At times, being specific about the current situation of the company is useful in narrowing where the seller can assist. That is if the prospect company is open for investments or partnerships. On the other hand, this section can also focus on the benefits that would come when an alliance takes place between the two entities.

## **Outline of Approach and Methodology**

For this part, the business proposal writer points out the approaches that would be effective for the situation. The methodology will also be thoroughly discussed to ensure the businesses have advantages. On another matter, customer engagement is also part of the planning method. After all, the clients keep the company from going under. Do note that this outline is the backbone of the proposal. With that, bidders have to make sure that the contents are accurate and flawless.

## **Timeline of Schedules**

Once the foundation of the plan is complete, the list [schedules](#) follow. This part is not only for the work dates and proposed endorsement releases. It includes [payment schedules](#) for the employees, suppliers, and contract deals. Furthermore, the timeline of schedules has the benchmarks that represent the growth of the investment. Of course, if the calendar is religiously followed by the people in the business, the markers will be met. Scheduling is an essential part of the planning process. When bidders make proposals, they have to maximize time and resources by having a clear-cut schedule.

## **Cost Estimates and Pricing**

Investments need funding. Without the necessary resources, the project will not start running. So in creating the business proposal, the cost estimates and pricing should have the utmost importance. By providing the expenses of the proposed plan, the buyer can determine the advantages of choosing the business proposal for the company. With the various estimates in the business proposal, this section can be lengthy. After the calculations, planners must double-check the numbers to avoid oversight.

## **Terms and Conditions**

Lastly, the section for terms and conditions becomes part of the material. Like [contracts](#), business proposals have predetermined regulations for both parties. Even though the document came from another company, the listed conditions also benefit the prospect partner or buyer. This portion of the proposal can be open for revisions depending on

the agreements of both businesses. For the writers of the business proposal, making sure that every party receives sufficient compensation is crucial for better relations.

## **Formulating a Business Proposal in Five Steps**

All business firms want recognition from the public, especially from their specific target audiences. To achieve that, these businesses take different and calculated steps to move from one point to another in the industry. In growing a business, companies have to understand that standing alone in the market will not help boost sales. At times, engaging in joined agreements is beneficial for the two enterprises. After all, one person cannot survive without the other.

As a formal and professional way of opening a proposition to another company, businesses should utilize business proposals. Discussed above are the contents of the business proposal. Now, the body of the proposal, which contains essential plan details, has to be captivating and convincing. Here are the five steps that make the writing of the business proposal more manageable.

### **Get the Needed Information and Scope of the Deal or Project**

When making the business proposal, the writers need to gather enough information. Being familiar with the deal and scope of work is crucial in knowing the possible allocation process of the agreement. Moreover, as the group proposes a joint plan, being knowledgeable about the little things is a priority. Examples of information that the planners need vary from officers of the prospect company to the cost estimates of choosing this good. The processes of the project should be clear to the people writing the business plan. Having a consultant and analyst is advisable to make sure that the contents of the document have accurate information.

### **Discuss Business Goals**

Keep the readers glued to the business proposal by focusing on aspects that talk about the goals of the project. Discussing the business objectives that interest the two parties will maintain the attention of the possible buyer. Business goals are not limited to an increase in revenues and patrons. Some other objectives are employee retention and business expansion to other counties or cities. The company has to analyze where both ends meet for the two businesses and then build a bridge that connects everything.

### **Create an Estimation of Costs or Required Investment**

The [budget plan](#) is an integral part of the business proposal. Without this material, the prospect company cannot discern the feasibility of the proposal. The chances that the

enterprise will dismiss the business proposal grow higher when the document is incomplete. Expenses to include in this section are labor and costs estimates, production cost quotations, and maintenance. Other fees depend on the qualifications and requirements of the two companies. After the acceptance of the proposal, costs can get revised unless stated otherwise.

## **Include a Compelling Conclusion**

Summarize everything and end it with a gripping conclusion. There are different ways to conclude a proposal on a compelling note. One prominent method is showcasing a scenario that ends in success and recognition. To capture the readers' eye, the business plan creators have to look through the lenses of the other company. After accomplishing that feat, the conclusion will become relevant for the prospective business partner.

## **Add an Appendix**

Even as an optional section, the appendix serves its purpose as the compilation of necessary information that cannot fit in the proposal. For instance, resumes and application letters can go in the appendix. Sometimes, other calculations related to cost estimations are in this section to provide space for different points in that particular division of the business proposal. Again, the writers control the content in this portion.

# **Types of Business Proposals**

There are four types of business proposals that everyone should know. Since business proposals matter to people who want to form an alliance with another enterprise, knowing the right business proposal to use is crucial. Whether the plan is an architecture proposal or partnership proposal, talking about it over coffee will not suffice. So, here are the kinds of business proposals that business folks have to keep in mind.

## **Solicited Proposals**

For solicited proposals, the client or buyer sends out requests for particular businesses or agencies. The customer provides requirements, and the companies submit their response via business proposals. Solicited proposals have three categories.

- RFP (Request for Proposal)

Request for proposal is a document that briefly outlines the requirements and qualifications that the client currently needs. The buyer gives out the request to specific companies and waits for their response and business proposal.

- RFQ (Request for Quotation)

When the client needs a hefty amount of goods or supplies, they use this request for quotation. Customers consider not only the capacity of the seller but also the quality of their products. The seller, on the other hand, addresses the issue and gives a business proposal that highlights their advantages and skills.

- IFB (Invitation for Bid)

Instead of choosing only one firm to send in a proposal, some clients issue IFBs to several agencies. From then on, the customer checks the contents of the bids and selects the company with the best offer. The business proposal will follow afterward.

- RFI (Request for Information)

Clients ask for RFIs when they want to gather information about specific services and products. The request for information matters to some clienteles, especially when they need reassurance with the goods they will purchase from another company.

## **Informally Solicited Proposals**

Unlike solicited proposals, this kind of proposal starts with a conversation between two businesses. The seller and buyer may convene and discover that both can benefit from a partnership with each other. From that point, both enterprises create a deal to meet expectations and compensations. The proposal can be as short as five pages and can also exceed twenty paper sheets.

## **Unsolicited Proposals**

The retailer and client have no prior commitments or connection before this proposal. In this case, the company receives a proposal from the seller. The contents of the document focus on the organization's advantages over other companies in the industry. Convincing the client to choose the retailer is the main point of the plan. Furthermore, it is the responsibility of the seller to meet the needs of the prospective client.

## **Grants**

Grant proposals offer fundings for particular businesses. This kind of proposal requires that the receivers use the money in innovative methods. The qualifications of the company that will get the resources highly depend on the donor—the business that gives the money. Private entities and even government agencies offer grants of different ranges to groups of people or other companies. Anyone can apply for the fund.

A business proposal is one of the essential tools that planners need to have when [starting a business](#). This document is as important as business and marketing plans, and taking time to create one is essential for any enterprise. As a whole, the process of writing a business proposal takes up a whole lot of effort and patience from the writers. With that, enterprises should invest in proposal management planners to make efficient business proposal plans to other firms. Using this form of document will build the relationship among fellow business colleagues. Therefore, growing companies have to make use of this instrument for their business ventures.