

Writing for Business

Lecture 11: Writing Proposals and Business Plans

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Learning Objectives

By the end of this lecture, you should be able to:

- a) Describe proposals and business plans
- b) Write a proposal
- c) Create a business plan

1.0 Introduction

Welcome to Lecture 11! As is customary, let's begin by reminding ourselves about the previous lecture. You will recall that we delved into report writing where we learned that reports are essential documents used at the workplace. There are formal and informal reports. Informal reports are often used in routine communication and include incident, trip, investigation, progress, inspection and test reports. Each one serves a certain purpose and is uniquely written. Formal reports on the other hand are written following extensive research or when there is need to cover a more detailed issue. Reports follow a structure which includes but is not limited to the cover page, title page, abstract or summary, the table of contents page, an introduction, discussion, conclusions, recommendations, reference or bibliography, appendix and more. Today we will learn about proposal and business plan writing.

1.1 What is a Proposal?

Imagine you work with a government agency, say Mavoko Water and Sewerage Company, a public entity which aims to ensure water availability and sustainable management of water and sanitation for all. The company is struggling to provide water to all the residents of Mavoko Sub-County, Machakos County. The budget, which is drawn from the national government's resources, is insufficient, and there are threats of disease outbreak caused by insufficient water. The company knows of the existence of international funding organizations and requires you to source for resources from one such organization. You may write them an email in which you explain why you need funds, but that does not constitute a proposal. So, what is a proposal?

Oliu et al (2016, p.423) explain that a proposal is, "...a document written to persuade members of a company or other organization that what is proposed will benefit them by solving a problem or fulfilling a need." Williams (2020) says something similar as quoted here: "Business proposals are documents designed to make a persuasive appeal to the audience to achieve a defined outcome, often proposing a solution to a problem."

Thus, from the definitions above, a proposal is an official document written by one party to another with the aim of persuading the recipient to solve a problem or fulfil a need. You therefore need to convince your audience that what you are proposing is important, practical, appropriate, and that you are the best person/organization to undertake the project/service. Williams (2020) states that

an effective business proposal is built around a great idea or solution. Thus, it is the uniqueness of your idea that will make you stand apart from the rest of the competitors.

1.2 Types of Proposals

Oliu et al. (2016) suggests two broad types of proposals: Internal and External. Internal proposals are written for an audience within an organization, while external proposals seek to convince an external audience.

1.2.1 Internal proposal

The aim of an internal proposal is to recommend a change or improvement within an organization. For example, the Communications Department of a University may write an internal proposal to management seeking to improve the equipment in the studio. Management will consider the proposal against factors like necessity, cost, logistics, etc., and either approve or reject the proposal.

There are two types of internal proposals: Routine or formal. Examples of routine internal proposals include the purchase of media equipment in the example I provided above. Other examples include hiring new employees, requests to attend conferences, requests for curriculum review retreats, promotion of employees, and so on.

Formal internal requests may involve intensive capital. For example, opening another branch in a new location, restructuring a business, implementing a nationwide program, initiating a project, and so on. Oliu et al (2016) suggest that a formal internal proposal be organized into sections such as problem statement, proposed solution, one recommendation (solution), and an offer to implement the recommendation.

Generally, the proposal should contain sections that describe the background, the issue and why it's a problem, options to resolve the problem, methodology, budget, practical solution or recommendation, a reference list, appendices, etc. Guffey et al. (2019) suggest that we break informal proposals into six sections: *introduction, background, plan, staffing, budget* and *authorization*. For formal proposals, the authors suggest the same format except we need to add a *letter of transmittal, title page, table of contents, list of figures, executive summary* and *appendices*. Note that what Oliu et al (2016) call routine vs formal internal proposals is what Guffey et al (2019) call formal vs informal. Williams (2020) proposes that the memo format be used for internal proposals while the business-letter format be used among organizations.

1.2.2 External proposal

There are generally two types of external proposals: Solicited vs unsolicited.

1.2.2.1 Solicited proposal

You must have seen company adverts in the newspaper titled, "Request for proposals (RFPs)" or "Invitation for bids (IFBs)." What these companies are doing is solicit for proposals or bids. They are making the call because they have a need and are looking for the most qualified company or individual to fulfill it. These companies may send out the RFPs though mail or the media. Today,

these requests are shared on social media spaces. The RFPs or IFBs contain what the proposal should have and how it should be organized.

1.2.2.2 Unsolicited proposals

These ones have not been requested by the recipient. In other words, there was no prior request. Your task is to convince the recipient that a need or problem exists before you embark on the proposal part. For example, you can propose that a company needs to digitize its services instead of relying on paperwork by using an efficient IT system you have built. Before sending out a proposal, begin with a letter of inquiry and once the response is positive, analyze your audience's needs to determine your priority areas.

1.2.3 Other types of proposals

Other proposal types include grant and research proposals as well as sales proposals.

1.2.3.1 Grant and research proposals

These types of proposals request funding to solve a problem or fulfill a need. For instance, a non-profit dealing with children with disability can submit a proposal requesting funds to improve the physical facilities of the home. Or a professor can submit a research proposal to seek funds for a research involving indigenous seeds and how the seeds can be preserved. Granting organizations usually post an RFP on their websites. As a writer, carefully consider the RFP or guidelines by the granting organization, otherwise your application will be rejected on technicalities. Oliu et al (2016) propose the following guidelines for a grant proposal:

• Cover letter	• Project outcomes
• Title page	• Budget narrative
• Application form	• Schedule
• Introduction/Summary/Abstract	• Organization description
• Literature review	• Conclusion
• Project narrative	• Attachments
• Project description	

1.2.3.2. Sales proposal

The sales proposal is a major marketing tool for business and industry (Oliu et al, 2016). It is written by a company that aims to provide goods or services to a potential client for a specified price and period of time. The goal of a sales proposal is to convince the buyer that the seller's products or services meet the buyer's requirements so that a problem is solved or operations improved. Sales proposals can either be short (a page) or long (hundreds of pages). An example of a short sales proposal is one seeking to repaint someone's warehouse while a long sales proposal might bid to construct a complex shopping center. In writing a sales proposal, analyze your audience's needs, then see if your company can match those needs. Next, analyze your company's strengths against your competitors' - the advantages and disadvantages. Short sales proposals are

written on standardized forms available online or within Word-processing programs. However, the long sales report may include some or all of the following, according to Oliu et al. (2016):

• Cover or transmittal letter	• Site-preparation description
• Title page	• Training requirements
• Executive or project summary	• Statement of responsibilities
• General description of products	• Description of vendor
• Detailed solutions or rationale	• Organizational sales pitch
• Cost analysis	• Conclusion (optional)
• Delivery schedule or work plan	• Appendixes

1.3 Persuasion in Proposal Writing

Persuasion involves convincing someone that your idea is worth a positive response. For instance, why the granting organization would choose to fund Professor A's research endeavors and not Professor B's. To ensure successful proposal writing, the three elements of persuasion- ethos, pathos and logos- must be infused in your writing.

Ethos refers to ethics or credibility. For example, in a sales report, the prospective client will want to know who the seller is and his credibility standing. When they conduct an online search of the selling company, the client expects to see good reviews. Williams (2020) opines that the selling entity has a responsibility to showcase their credibility by referencing previous clients, demonstrating order fulfillment, etc.

Pathos refers to your passion and enthusiasm about what you are offering. For instance, the professor seeking funding to advance the science of seeds should exude that passion and excitement in his proposal. He may talk about how his research will aid in food security. He must ensure his solution is unique and stands out in the marketplace.

Logos refers to logic or reason where you seek to persuade the granting organization or superior using reason. You can do this by clearly and comprehensively substantiating each point. Include specific details such as statistics, expert opinions, anecdotes, etc.

1.4 Elements of a Proposal

Generally, the proposal comprises certain elements. The table below has been sourced from the University of Minnesota (2015) and is presented verbatim:

Cover Page	Title page with name, title, date, and specific reference to request for proposal if applicable.
Executive Summary	Like an abstract in a report, this is a one- or two-paragraph summary of the product or service and how it meets the requirements and exceeds expectations.

Background	Discuss the history of your product, service, and/or company and consider focusing on the relationship between you and the potential buyer and/or similar companies.
Proposal	The idea. <i>Who, what, where, when, why, and how.</i> Make it clear and concise. Don't waste words, and don't exaggerate. Use clear, well-supported reasoning to demonstrate your product or service.
Market Analysis	What currently exists in the marketplace, including competing products or services, and how does your solution compare?
Benefits	How will the potential buyer benefit from the product or service? Be clear, concise, specific, and provide a comprehensive list of immediate, short, and long-term benefits to the company.
Timeline	A clear presentation, often with visual aids, of the process, from start to finish, with specific, dated benchmarks noted.
Marketing Plan	Delivery is often the greatest challenge for Web-based services—how will people learn about you? If you are bidding on a gross lot of food service supplies, this may not apply to you, but if an audience is required for success, you will need a marketing plan.
Finance	What are the initial costs, when can revenue be anticipated, when will there be a return on investment (if applicable)? Again, the proposal may involve a one-time fixed cost, but if the product or service is to be delivered more than once, and extended financial plan noting costs across time is required.
Conclusion	Like a speech or essay, restate your main points clearly. Tie them together with a common theme and make your proposal memorable.

1.5 Characteristics of a Winning Proposal

Hamper and Baugh (2011) offer the following characteristics of a winning proposal, quoted verbatim but with a few modifications from me:

1. Evidence that you clearly understand the client's problem and situation.
2. A strategy and program plan or design that the client feels will solve the problem and produce the desired results. (Tell the client enough without telling them everything)
3. Clear documentation of your firm's qualifications and capabilities for carrying out the program plan. (List of previous client work and staff resumes)
4. Evidence that your firm is reliable and dependable. You can include references or client contacts who will vouch for your firm.
5. A convincing reason why the client should choose your firm over all the other firms competing for the job (highlight a competitive edge)

6. Finally, your proposal should look like a winner (convey the spirit and professionalism of your company)

Hamper and Baugh (2011) also suggest the following 9-Step Proposal Preparation and Writing Process as quoted verbatim:

1. Conduct a bid/no bid analysis and make a decision (RFP and economic analysis)
2. Assign an individual (or a leader and team) responsibility for proposal development.
3. Analyze the RFP and develop a checklist. Also develop a preliminary unique selling point (USP) to address the issues in the RFP.
4. Develop a schedule for proposal preparation.
5. Assign and complete research, analysis, program development and time/cost tasks.
6. Write a first draft and develop graphics.
7. Review and revise successive drafts.
8. Obtain final management approval of the proposal, prepare a cover letter or letter of transmittal, executive summary, appendixes or attachments and other details.
9. Present the proposal to the client. If the proposal is not accepted, assign your firm's client contact to find out why the client chose a competitor's bid.

Williams (2020) proposes the following revision checklist:

- Right format
- Good introduction
- Identify exactly what you are proposing to do
- Ensure that a report is somehow involved in the proposed project
- Ensure sections are in a logical, natural order
- Break out the costs section into specifics- hourly rates etc.
- For internal projects, include the section on costs and qualifications e.g. printing and binding
- Watch out for technobabble or jargon

1.6 Business Plans

Hayes (2024) defines a business plan as, "... a document that outlines a company's goals and the strategies to achieve them." Eastern Mediterranean University (EMU) (2022) define it as "...a written document prepared by the entrepreneur that describes all the relevant internal and external elements and strategies for starting a new venture."

Business plans are ideal for both established businesses and startups. With business plans, the established companies keep on track while aligned with their objectives for growth while startups get the opportunity to attract potential investors and lenders. A business plan integrates the marketing, sales, finance, human resource and manufacturing arms of the business.

1.6.1 The importance of a business plan

EMU (2022) suggests that a business plan is important because it helps to:

- aid in critical decisions
- avoid the big mistakes
- prove the viability of the business
- set better objectives and benchmarks
- communicate objectives and benchmarks
- provide a guide for service providers
- secure financing
- better understand the broader landscape
- reduce risk

1.6.2 Elements of a Business Plan

Hayes (2024) details the following elements of a business plan:

1. Executive summary: Introduce your company and include your mission statement, firm's leadership, and details about the employees, locations and operations.
2. Products and services: What products do you offer or plan to introduce? Describe them and include details such as price, lifespan and unique benefits to the consumer. You can also include patents, information on research and development, propriety technology and production and manufacturing processes.
3. Market analysis: Detail your company's current state as well as your competitors'. What kind of clients are you targeting and how do you plan on taking away market share from your competitors?
4. Marketing strategy: How do you plan on attracting and retaining customers? You can include the advertising and marketing campaigns you plan to host as well as the channels of distribution for your products and services.
5. Financial plans and projections: Include financial statements and other relevant financial information if you are an established business but can give financial targets and estimates if your company is new.

Egyankosh.ac (n.d) proposes the following elements of a business plan:

1. Executive summary- written once the document is complete
2. Company summary- snapshot of the company i.e. the scope, type of business, owners, business expectations and recent sales/growth trends (if any)
3. Products and services section- services offered while highlighting areas of specialization
4. Industry and market analysis- share the details of the targeted market e.g. customer segmentation, customer needs and competitive trends
5. Strategy and implementation- both short-term and long-term; specific strategy in line with market dynamics
6. Marketing plan- pricing details, promotions, communication and distribution of services
7. Operational plan includes the Standard Operating Procedures (SOPs)
8. Management team- information about the company's administration, senior functional members and partners, including their background and experience

9. Financial summary- details of the sales forecasts, cost overheads, balance sheets and profit-loss accounts spread over short-term, medium and long-term, i.e. 4-5 years

1.6.3 Steps in preparing a business plan (Egyankosh.ac (n.d.))

1. Assess the internal environment- self-examination. What is the position of the service offered by the company? Are the resources available? What are the company strengths and weaknesses? Assess the external environment- You can assess your competitor, the political and economic environment to ascertain the opportunities and threats.
2. Write your goals and objectives after the environmental assessment. Goals are broader and speak of the long-term while objectives are short-term, defining measurable actions to attain the goals. An example of a goal could be to increase traffic to your blog in the next three months while an objective could be to implement an email marketing campaign promising 10% discount in the next three months.
3. Craft business strategies. Formulate the strategies to achieve your goals and objectives.
4. Write a business plan. Besides all the aspects we have discussed above, you can also add your company's vision, mission, sub-business plans as well as monitoring and evaluation.
5. Financial assessment and writing. Write a financial assessment of the business because it will act as a benchmark for monitoring and evaluation. You can use standard business templates.

1.6.4 Why some business plans fail

1. A bad business idea
2. Lack of expertise
3. Unrealistic plan
4. Assumptions about success
5. Neglecting the finances
6. Poor spelling and grammar
7. Lack of belief in the plan

1.7 Summary

We have learned that a proposal is a document designed to make a persuasive appeal to the audience for a defined outcome, often proposing a solution to a problem. We also learned of the types of proposals, that is, internal and external. Internal proposals can be formal or informal (routine). External proposals can be solicited or unsolicited. Other types of proposals include grant or research and sales proposals. Persuasion, which includes ethos, pathos and logos, is key to effective proposals. The elements that make up a proposal include a title page, executive summary, background, proposal, market analysis, benefits, timelines, marketing plan, finance and conclusion. We also learned about business plans, elements of a business plan, and why some business plans fail.

1.8 Activity

The University of Minnesota (2015) has provided the following exercise which I suggest you do.

1. Prepare a business proposal in no more than two pages. Do not include actual contact information. Just as the example has employees named after colors, your (imaginary) company should have contact information that does not directly link to real businesses or you as an individual.
2. Search for an RFP (request for proposal) or similar call to bid, and post it to your class. Compare the results with your classmates, focusing on what is required to apply or bid.

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