**Proposal Creation and Negotiation SOP**

**Department:** Business Development  
**Sub-department:** Leasing  
**SOP ID:**

**Objective**

To establish a standardized process for creating and negotiating business proposals for clients at Novel Office, ensuring accurate representation of offerings, compliance with pricing thresholds, and effective deal closure to enhance client satisfaction and meet revenue targets.

**Scope**

This SOP applies to:

* All business proposals created for prospective or existing clients across Novel Office properties (NTP, NBP, NOB, NOW, NOM, NOQ, NOC).
* Negotiation processes involving clients, realtors, or internal stakeholders during pre-lease or lease modification discussions.
* Applicable for:
  + Business Development Managers (BDMs)
  + Sales and Marketing Team
  + Accounts Team
  + Layouts Team
  + Management
  + Prospective and Existing Clients

**Definitions**

* **Business Proposal**: A formal document outlining Novel Office’s workspace offerings, pricing, terms, and customized solutions tailored to client requirements.
* **Carpet Area Realization (CAR)**: The standardized per-seat pricing rate used to calculate revenue, ensuring consistency across deals.

Carpet Area Realization (₹/sft)=Total Deal Value (Excl. GST)/Carpet Area (sft)

* **Banking System**: A mechanism allowing flexibility in pricing by banking excess CAR above the minimum threshold for use within the same quarter to offset lower CAR deals, maintaining equivalent revenue.
* **ERP System**: Novel’s internal Enterprise Resource Planning system for managing client data, proposals, and deal tracking ([ERP](https://erpnoveloffice.in/)).
* **Layout Proposal**: A component of the business proposal detailing seat count, office configurations, and amenities.
* **Revenue Summary**: A financial overview in the proposal, including billable quantities, rates, taxes, and security deposits.
* **Action Control**: A section in the proposal specifying next steps, such as client approval or follow-up meetings.

**Roles and Responsibilities**

1. **Business Development Manager (BDM)**:
   * Access and customize the general proposal template to create client-specific proposals.
   * Gather and verify client requirements from ERP or prior discussions (per Client Requirements Capture SOP).
   * Coordinate with Layouts Team for space planning and Accounts Team for pricing accuracy.
   * Negotiate terms with clients or realtors, leveraging the banking system for pricing flexibility.
   * Log proposal details, negotiation outcomes, and client feedback in ERP.
   * Seek Management approval for deviations from standard pricing or terms.
2. **Layouts Team**:
   * Design tailored office layouts based on client requirements, ensuring compliance with property constraints.
   * Provide layout plans for inclusion in proposals within agreed timelines.
3. **Accounts Team**:
   * Process invoices and security deposits post-deal closure.
4. **Management**:
   * Approve proposals deviating from standard CAR thresholds or banking system limits.
   * Review quarterly reports on proposal performance and banking system usage.
5. **Clients/Realtors**:
   * Provide detailed requirements and feedback on proposals.
   * Approve or request modifications to proposed terms within agreed timelines.

**Standard Procedure**

**1. Accessing the General Proposal Template**

* **Process**:
  + The BDM accesses the general proposal PowerPoint template from the shared file system.
  + The template includes standard clauses and terms, such as:
    - Novel Office overview (e.g., 2.9 million sq. ft. of properties, global presence since 1993).
    - Workspace solutions (e.g., customized offices, co-working, virtual offices).
    - Standard amenities (e.g., 24x7 AC, housekeeping, shared internet).
    - Non-included amenities (e.g., dedicated internet, parking, tea/coffee).
    - Terms (e.g., 12-month lock-in, 2-month notice period, 3-month security deposit).
  + The BDM ensures the template is updated with the latest branding and property details.

**2. Gathering and Verifying Client Requirements**

* **Process**:
  + The BDM retrieves client requirements from the ERP system (per Client Requirements Capture SOP), including:
    - Seat count and layout preferences (e.g., workstations, cabins, meeting rooms).
    - IT requirements (e.g., dedicated leased lines, server rooms).
    - Electrical requirements (e.g., UPS sockets, raw power).
    - Budget, timeline, and other preferences (e.g., Vastu, parking).
  + If requirements are incomplete, the BDM follows the clarification process
  + The BDM cross-verifies requirements with the client or realtor via email or call.

**3. Customizing the Proposal**

* **Process**:
  + The BDM customizes the proposal template to include:
    - **Client Header**: Client name (e.g., “Prepared for Raksha”), date, and property details (e.g., Novel Tech Park, Novel Office Queens).
    - **Item Table**: Detailed breakdown of offerings, including:
      * Description (e.g., “Furnished Plug and Play Office”).
      * Billable quantity (e.g., number of seats).
      * Rate per seat (based on CAR, e.g., $5,590 for NTP, $10,990 for NOQ).
      * Total cost, including 18% GST.
      * Refundable security deposit (3 months).
      * Lock-in period (e.g., 12 months) and notice period (e.g., 2 months).
    - **Revenue Summary**: Consolidated financials, including subtotal, GST, and total.
    - **Action Control**: Next steps, such as client approval, follow-up call, or site visit.
    - **Layout Proposal**: Customized space plan from the Layouts Team, detailing seat configurations, cabin placements, and amenities.
    - **Additional Notes**: Clarifications (e.g., “Tea/Coffee not included,” parking charges).
  + The BDM collaborates with the Layouts Team to generate the space plan, ensuring compliance with client specifications and property constraints.

**4. Applying the Banking System for Pricing Flexibility**

* **Process**:
  + The BDM calculates the CAR for the proposed deal, ensuring it meets or exceeds the minimum threshold for the property (e.g., 220 for Novel Tech Park).

**Calculations:**

* + Carpet Area Realization (₹/sft)=Total Deal Value (Excl. GST)/Carpet Area (sft)
  + **Without Freebies:** CAR=Total Deal Value (Excl. GST)/ Carpet Area (sft)
  + With Freebies (Parking, Storage, Raw Power, etc.):
  + Adjusted Deal Value = Total Deal Value − Value of Freebies
  + CAR=Adjusted Deal Value/ Carpet Area (sft)
  + If the CAR exceeds the threshold, the excess is banked for use within the same quarter:
    - Example: For a 230 CAR deal generating $50,000 revenue at Novel Tech Park (threshold 220), 10 units (230 - 220) are banked.
    - Banked units can offset a future deal below the threshold (e.g., 210 CAR) if equivalent revenue is maintained (e.g., one 210 CAR deal at $50,000 or two 210 CAR deals at $25,000 each).
  + Banked amounts cannot exceed the original deal’s revenue (e.g., $50,000 in the example) and cannot be carried over to the next quarter.
  + If the proposed CAR deviates from the threshold, the BDM seeks Management approval within 24 hours.

**5. Proposal Review and Approval**

* **Process**:
  + If deviations from standard CAR or terms are proposed, the BDM escalates to Management for approval, attaching a justification (e.g., “Lower CAR to secure high-value client”).
  + Approved proposals are saved in ERP and SharePoint for record-keeping.
* **Timeline**: Review completed within 1 business day; Management approval (if needed) within 24 hours.

**6. Proposal Submission to Client**

* **Process**:
  + The BDM sends the approved proposal to the client (or realtor, if applicable) via email, using a standardized template.
  + The email includes:
    - A cover letter thanking the client and summarizing the proposal.
    - The proposal document as a PDF attachment.
    - Contact details for scheduling a follow-up call or meeting.
  + The BDM logs the submission in ERP, noting the date and recipient.

**7. Negotiation Process**

* **Process**:
  + The BDM schedules a follow-up call within 48 hours of proposal submission to discuss client feedback or concerns.
  + If the client requests modifications (e.g., lower pricing, additional seats), the BDM:
    - Evaluates feasibility with IT, Electrical, and Layouts Teams (per IT and Electrical Requirements Discussion SOP).
    - Uses banked CAR units to adjust pricing, ensuring revenue equivalence.
    - Seeks Management approval for significant changes (e.g., CAR below threshold without banked units).
  + Revised proposals are prepared and sent within 2 business days, following Steps 3–6.
  + The BDM facilitates negotiations, addressing client queries and proposing alternatives (e.g., second-hand equipment, phased setups).
  + All negotiation outcomes are logged in ERP, including revised terms and client comments.

**8. Deal Closure and Implementation**

* **Process**:
* Receive the token amount for proposal finalization

**9. Reporting and KPI Tracking**

* **Process**:
  + The BDM tracks KPIs in the ERP system, including:
    - Time from requirement verification to proposal submission (target: ≤4 business days).
    - Percentage of proposals approved without revisions (target: ≥80%).
    - Client response rate to proposals within 5 business days (target: ≥90%).
    - Percentage of deals closed using banked CAR units (target: ≤20% of total deals).
    - Setup completion within 5–10 business days (target: 100%).
  + Monthly reports are generated in ERP for Management review, detailing proposal performance, banking system usage, and client feedback.
* **Tools**: ERP KPI dashboard, Google Forms for client feedback, monthly report template (Shared File > Business Development > Templates > Monthly Report).
* **Timeline**: Reports generated by the 5th of each month.

**Exceptions**

1. **Client Requests Immediate Proposal**
   * **Scenario**: Client demands a proposal within an infeasible timeline (e.g., same-day delivery).
   * **Resolution**: The BDM escalates to Management within 4 hours for approval to fast-track the process, using pre-approved layout templates. A draft proposal is sent within 24 hours, with a note indicating preliminary estimates pending detailed assessment. The BDM logs the urgency in ERP (e.g., “Client requested same-day proposal; draft sent on 27-Jun-2025”).
2. **Incomplete or Conflicting Client Requirements**
   * **Scenario**: Client requirements are vague or contradictory (e.g., high-speed internet but low budget).
   * **Resolution**: The BDM schedules a clarification call within 24 hours, using the requirement clarification template. IT and Electrical Teams provide sample specifications to guide the client. Updated requirements are logged in ERP, and a revised proposal is prepared within 2 business days.
3. **Disputes Over Pricing or Terms**
   * **Scenario**: Client disputes the CAR, security deposit, or other terms, citing budget constraints or competitor offers.
   * **Resolution**: The BDM arranges a negotiation meeting within 2 business days with the client and relevant teams to explore alternatives (e.g., banked CAR units, second-hand equipment). A revised proposal is sent within 1 business day, and disputes are logged in ERP (e.g., “Client disputed $5,590/seat; proposed $5,000 with banked units”).
4. **Inventory Unavailability**
   * **Scenario**: Requested office space is unavailable due to high demand or prior bookings.
   * **Resolution**: The BDM proposes alternative configurations or properties (e.g., Novel Office Queens instead of Novel Tech Park) within 24 hours. If no alternatives are viable, the BDM escalates to Management for approval to lease nearby facilities, logging in ERP.
5. **Banking System Limitations**
   * **Scenario**: No banked CAR units are available to offset a below-threshold deal, or revenue equivalence cannot be met.
   * **Resolution**: The BDM escalates to Management within 24 hours for approval to proceed with a lower CAR or adjust deal terms (e.g., higher seat count). The Accounts Team verifies revenue impact, and the decision is logged in ERP (e.g., “No banked units; Management approved 210 CAR deal”).
6. Client Requests Post-Submission Modifications

* Scenario: Client requests changes to the proposal after submission (e.g., additional seats, revised amenities).
* Resolution: The BDM logs changes in ERP and coordinates with relevant teams to reassess feasibility and costs within 2 business days. A revised proposal is sent within 1 business day, with comments in ERP (e.g., “Client added 2 workstations on 28-Jun-2025; revised proposal sent”).

1. Realtor Miscommunication or Misrepresentation

* Scenario: A realtor misrepresents client requirements or negotiates terms without client authorization, leading to proposal inaccuracies.
* Resolution: The BDM verifies requirements directly with the client (if permitted) within 24 hours or escalates to the realtor’s senior contact. If misrepresentation is confirmed, the BDM flags the realtor in ERP for Management review and prioritizes direct client communication. A revised proposal is sent within 2 business days if needed.

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**Key Performance Indicators (KPIs)**

* Complete proposal submission within 4 business days of requirement verification (target: 100%).
* Achieve ≥80% of proposals approved without revisions.
* Secure client response to proposals within 5 business days (target: ≥90%).
* Limit use of banked CAR units to ≤20% of total deals per quarter.
* Complete setup within 5–10 business days of deal closure (target: 100%).

**Tools and Resources**

* **ERP System**: For logging requirements, proposals, and KPIs ([ERP](https://erpnoveloffice.in/)).
* **Shared File System**: For templates (Shared File > Business Development > Templates > General Proposal PPT, Layout Proposal, Requirement Clarification, Proposal Submission, Client Approval, Monthly Report)
* **Communication Tools**: Outlook for client emails, Microsoft Teams/Google Meet for negotiations.
* **Content Creation Tools**: Canva for branding, PowerPoint for proposal customization.
* **Financial Tools**: Cost estimation spreadsheet.
* **Document Storage**: SharePoint for storing proposals and agreements.

**Review and Revision History**

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| --- | --- | --- | --- | --- |
| **Version** | **Changes Made** | **Updated By** | **Date** | **Future Review** |
| 1.0 | Initial SOP Created | Shivli Doneria  Operations Department | 27-Jun-2025 |  |

*Login to ERP using employee credentials to access the link.*