

✓ 24. **Technical Proposals 531**

24.1	Introduction	531
24.2	Purpose	532
24.3	Importance	533
24.4	Types	533
24.5	Structure	534
	Sample Executive Summary	535
	Sample Title Page	535
	Sample Proposal I	540
	Sample Proposal II	540
	Sample Proposal III	542
Annexure 24.1		550

Technical Proposals

Learning Objectives

After reading this chapter, you will be able to

- understand what a proposal is and how it differs from a business plan or a report
- understand the purpose and importance of technical/business proposals
- learn in detail about the structure of a formal full length proposal
- equip yourself with the various elements required to prepare a winning proposal
- learn how to write different proposals including a letter proposal and a short proposal

24.1 INTRODUCTION

As a professional, you may face countless situations in which it is essential for you to prepare technical documents. These could range from reports, notices, letters, and memos to proposals. In the preceding chapters, we have dealt with all other elements except proposals. So now let us discuss what a proposal is, its features, structure, and style in this chapter.

When a company thinks of a merger with another company, it may ask its personnel to submit a proposal reviewing the possible industrial and commercial developments that might make the merger desirable. If some multimedia laboratory wishes to approach various colleges and universities for setting up multimedia lab, they are required to understand the needs of the specific organization and submit a proposal based on their requirement. Thus, a *technical proposal* is a written offer from a person who has a selling idea to a prospective buyer. It intends to elicit business from a prospective buyer. Proposals have important place in business growth and professional relationships. The cut-throat competition in global business has made it essential for companies to look for new ideas to sustain their market and growth. Often, it is confused with *business plan*. However, a business plan is different from a *business proposal*. A business plan is usually drafted to get capital for the start-up venture. These plans cover your business structure, your products and services, your market research and marketing strategy, and your complete budget and financial projections. A technical or business proposal however is written by some professional or expert who proposes to sort out a technical, business, or managerial proposal of a prospective buyer. A proposal also identifies the prospective buyer's need to implement new ideas for enhancing efficiency, increasing productivity, and improving performance in various professional operations.

Before we talk about the features, structure, and style of a proposal, let us understand the differences between a report (read in Chapter 23), a proposal, and a business plan. Though they are similar to some extent, there exist various differences between them which are worth noting (Table 24.1).

Table 24.1 Differences between a Report, a Proposal, and a Business Plan

Proposal	Report	Business Plan
It is written to someone who needs to sort out a technical, management, or business problem or needs to implement new ideas to enhance efficiency and productivity in various professional operations.	Written to someone with authority to know the causes of the problem and possibly take a decision.	It is written to someone who needs to make a decision for profit making or strengthening its operational aspects.
It identifies a particular need, explains it thoroughly, and recommends how this need can best be met.	Written to identify a specific problem, explain it, and recommend action that will lead to a solution.	Like proposals, it identifies the workable idea, explains all aspects related to financial needs, target market, demographics and other information.
Formal but persuasive style.	Formal in style.	Persuasive.
It involves cost for the execution of proposed idea.	It only highlights the reasons based on the interpretation of data and make recommendations.	It is written to get capital for a start-up venture.
It is written to someone whose decision will directly benefit the writer in some way.	It is written to people who can take action or affect outcome.	Both the applicant and the approving authority aim at making profit.
It also deals with future professional possibilities. Since it is often put forth by experts and experienced professionals, there are less chances of failure.	It deals with some event or situation that occurred in the past.	Like proposals, it deals with future action but there are chances of failure as taken up by budding entrepreneurs.

24.2 PURPOSE

As defined in the preceding section, whenever a new idea or workable solution for a problem or advice is proposed, it is called a proposal. However, in your professional life you will come across various nomenclatures which describe the purpose for which that proposal is written. Some of these are given below for your clear understanding:

1. When the aim of the proposal is to modify or create something that requires a good understanding of technical knowledge and skills, it is called a *technical proposal*.
2. A *business proposal* is a document that you submit to your company or another enterprise proposing a business arrangement dealing with any aspect of business, commerce,

or industry. These proposals help to appraise and improve the existing products and services to meet the ever changing demands of market. Sometimes these are also termed as *sales proposals* when they focus only on increasing the sales of a product or service of a company.

3. When we intend to undertake a systematic research, we are required to submit a proposal outlining broadly the basis of the proposed research, its purpose, scope, significance, limitations to be followed in conducting the research. Academic in nature and written with scientific objectivity, such proposals are known as *research proposals*.

24.3 IMPORTANCE

In this section, we will learn about the importance of technical proposals.

1. Proposals serve as an indicator of the growth or progress of a company or organization.
2. These proposals help to invite other companies or industries for strategic alliances, joint ventures, acquisitions, and mergers.
3. If your proposal presents your business ideas effectively, it may help the company improve its products and services to have the competitive edge.
4. By sorting out a technical problem, proposals enhance productivity and improve performance.
5. Proposals help in securing technology partnership, fundraising, donation, event sponsorship, tenders, or inviting others for participating in an event.
6. Successful proposals usually ensure financial gains too for companies.
7. Research proposals help in creating new methods and procedures, and opening new dimensions of concepts which in turn expands the horizon of knowledge.

24.4 TYPES

There are two main categories of proposals:

- Solicited (invited)
- Unsolicited (uninvited)

Whenever a proposal is drafted in response to an advertisement or demand from an authority in a company or organization or outside the organization or agency, it is termed as a *solicited proposal*. These are invited proposals. For example, when the government and large corporations wish to purchase services or products for constructing dams, bridges, providing parking facility, etc., a large number of proposals bidding for the deal are received. In such a scenario, we are left competing with all other bidders that noticed the opportunity and responded. In this case, a proposal that finally gets picked up from the massive lot not only has to provide the most effective solution to the problem or make the most lucrative deal, but should also have stronger arguments in staking claims for the bid than other competitors.

Usually solicited proposals are to be written in the format defined by the agencies that invite such offers.

In comparison, unsolicited proposals are more demanding and require greater imagination on the part of the bidder. In an *unsolicited proposal*—a non-invited proposal, we might have an idea for a product or service that would be of benefit to a particular organization. We submit a proposal to that particular organization suggesting how we can provide some service

or develop a product in exchange for funding or some other consideration. In this case, we do not know if the company is open to our proposal or not. There is every possibility that the company may not like our proposed idea. In this situation, a person may submit a proposal on his/her own initiative. Here your proposal has to convince the client that not only is the service/product potentially valuable to them, but you and your company are reliable and stable.

Whether invited or uninvited, our proposal must be well researched, well written, and must contain a properly worked out realistic budget.

24.5 STRUCTURE

Like reports, proposals too are written in a conventional or usable form. In case of solicited proposals, the structure is determined by the person or the company asking for it. In unsolicited proposals you can use the conventional sequence of element and if any other element or information is required, you have the freedom to put it forth at the right place. Since proposals are written for different purposes and for different organizations, there is no single format that suits all. According to the requirement and the nature of the proposal, you have to choose the elements to be included in the unsolicited proposals. The three main parts of a formal full length proposal are as follows (Fig. 24.1):

- Prefatory
- Main body
- Supplementary parts

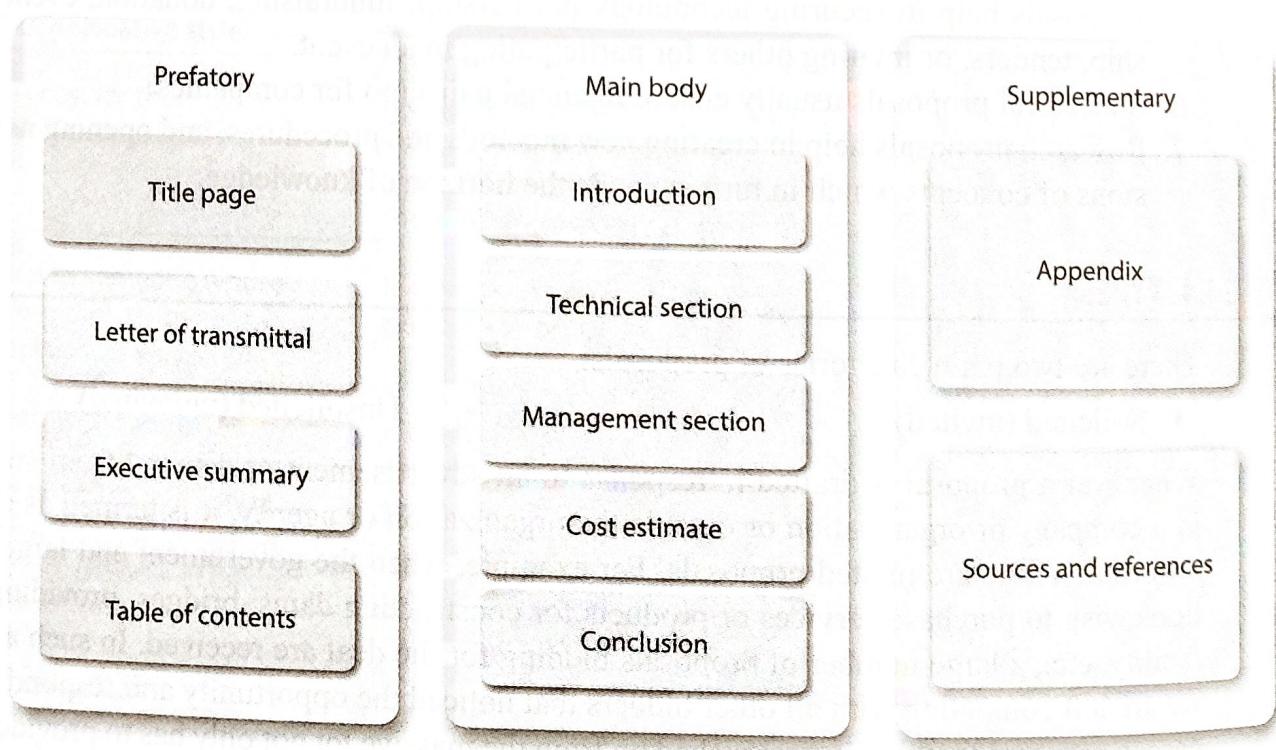


Fig. 24.1 Sections of a Formal Full Length Proposal

Title page The *title page* of a proposal serves as a cover and if laid out well with proper spacing in between the various elements of information, it creates a good impact on the reader. The title page consists of information such as the title of the proposal, the name of the organization for which it has been prepared, the proposer's name and designation, the name of the organization to which he/she belongs, and the month and year when the proposal is being submitted. Look at the following sample:

Sample Title Page

A Proposal
on
Setting up a Recreation Community Centre at Yumiko Telecom Ltd

Submitted to
General Manager
Yumiko Telecom Ltd, New Delhi
by
Project Manager
Salina Builders, Mumbai
Salina Builders, Mumbai

March 2015

Letter of transmittal As the title of this element suggests, a *letter of transmittal* transmits the proposal to the primary recipient. It reveals the topic, the purpose, its highlights and makes an appeal towards a favourable response. Like in case of reports, the letter of transmittal can be either sent along with the proposal or it can be bound immediately after the title page.

Table of contents In lengthy proposals (more than 10 pages) for quick location of major elements, the table of contents is given immediately after the draft contract. It is prepared the way the table of contents is prepared for a report, as discussed in Chapter 23. Short proposals do not include this element. Similarly, if there are too many illustrations, we need to give a separate list of illustrations; otherwise it is not required.

Executive summary The recipient of the proposal goes through the executive summary very carefully. He/she tries to assess whether the proposal is worth considering. The obvious reason is that it not only provides a brief background, purpose, scope, and methodology, but also gives a budget summary besides re-emphasizing the significance of the project. A proposal may not have a table of contents but it will surely have an executive summary to give a quick view of the entire proposal. This includes the following elements:

- Background
- Technical details
- Purpose
- Significance
- Scope
- Re-emphasis
- Infrastructure facilities

Let us look at a sample executive summary for a proposal:

Sample Executive Summary

Today's world, rightly known as 'The Computer Age', has taken a huge leap in the field of computers and information technology (IT). Earlier the task which used to take hours can now be done in a few minutes with the help of computers. It won't be wrong to say that today, software runs the world. Since computer technology has revolutionized our world, there is hardly any sphere of professional endeavour, including the hotel industry, that can hope to achieve a smooth and consistent growth.

Background

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We are aware of the fact that your Food Pride Internationals (FPI) is one of the most prestigious low-cost chain of hotels in India. Over the years, FPI has carved a niche for itself for the quality of food offered. However, the great customer rush has created a demand for more efficient and prompt delivery and service methods. Moreover, with the newer technological advancements, it makes a sound business strategy to utilize these advancements for efficient functioning of the organization, for a positive and emphatic impression on the clientele and for maintaining in future too the high standards of quality and operations set in the past. With the help of the software tools offered in the proposal, we propose to make the functioning of your popular chain hotels smooth and more customer friendly.

Infrastructural facilities

This proposal aims at providing high quality software tools and very efficient maintenance personnel to your chain of hotels. The services offered include installing the software tools, ensuring that the software is functioning perfectly well, and deputing competent personnel for any future troubleshooting purposes. However, the proposal does not include providing the platforms which will be required for proper functioning of our software tools. These platforms (authorized versions of Microsoft Windows XP with specific memory requirements) will have to be bought by you.

Technical overview

The computers with the above-mentioned specifications will be used by our company to install the software tools. Our team will contact you to get the specific minute requirements of the software you want to have from us. This team will stay for some time in your hotel for this purpose.

The technical standards and strength of the project emanate from the world-class hotel management software tools that we plan to use for this project. Moreover, as per your requirements, all the requisite changes will be made to make the software amenable to your system. With the installation of the software, any customer can login to the hotel website and book any room as per the availability. The website created, will be certainly user-friendly so that a customer who knows only a little about computers can also use the system. The software will also be user-friendly from the perspective of your hotel staff. Further, proper training will be provided to your staff; the training would orient your operating staff to the functioning of the software without any additional charges. Even after the entire software tool has been deployed and training is imparted to your staff, you will have 24 x 7 assistance from our side. Our technical experts will always be there to help you use the software in the best possible manner.

Significance

By adopting the proposed software, your chain of hotels will be equipped with the world-class, customer-friendly, and round-the-clock services. All this will be made available to you at a lower cost compared to other in-line companies.

Introduction Since an emphatic statement of purpose and a clear understanding of the problem are the most important aspects of your proposal, an introduction to the proposal should specify what your project intends to do. Also provide a brief review of the background information that gives rise to the present need. This helps the reader understand what needs to be done. If you fail to do so in the first paragraph of the introduction, all the efforts made in writing a

proposal will go in vain. Let us look at the following examples and understand how a catchy beginning can ensure the attention of a prospective buyer:

1. As you read through this, you are sure to understand how to improve the efficiency of the bio-metric system installed in your organization.
2. Have you ever wondered how to ensure the full safety of the lab equipment in your institute? If yes, the following pages suggest an efficient way to achieve this objective.
3. This proposal is submitted with a view to introduce to you a proven scheme for reduction of production cost by almost 10 per cent in your plant.
4. The objective of this proposal is to help you make the cars manufactured by you more efficient in terms of fuel consumption and environment protection.

In fact, the beginning of a proposal is likely to be similar to that of a sales letter as in both these types of communication, we need to capture the attention of the reader. It is particularly so in case of unsolicited proposals which catch professionals unawares and are to be read by the prospective buyers without any apparent desire or willingness to do so. In order to keep the readers interested in your proposal, try starting on an innovative note by using strategies used for drafting sales letter. Though these have been discussed in the chapter on *business letters* in detail, here is a quick reminder of the tips that can render a beginning catchy, tempting, and effective:

1. Start on a striking statement.
2. Write a short, crisp sentence.
3. Address the need of the reader rather than the desire of the author.
4. Remind the prospective buyer of the difficulties he/she faces.
5. Bring into picture the utility of the proposed idea in the reader's world.
6. Instantly build a rapport with the prospective client with a 'you' type of approach.

Having made a captivating beginning, we can make further inroads into the reader's defence by outlining the purpose and scope of the proposal. A write-up that starts intriguingly well but fails to give a clear view of the objective, purpose, scope, utility, and benefits of the proposed idea, offends the reader. Therefore, after a good start, a proposal should be able to sustain the interest of the reader.

One sure way of keeping the prospective client hooked to the proposal is to help him/her understand and appreciate the utility of the offer. Though the details of the features of the proposed idea, research, method, plan, or scheme need to be highlighted separately, it is in the introduction that the need should be established. At times, it is also required to help the reader appreciate and comprehend the problem he/she faces before recommending the solution. Therefore, begin with a clear and empathetic understanding of the prospective buyer's need; bring in the utility of the proposed solution; sustain his/her interest by highlighting its special features such as low cost, high returns, improved services, substantial experience, and established expertise and goodwill.

Written in a persuasive manner, the introductory section of a proposal should be able to capture the interest of the reader; establish the need for the proposal; bring into view the positive highlights of the proposed solution; give a clear view of the technical, monetary, and human assistance required for the successful implementation of the idea within a specified amount of time.

Technical section In writing the technical section of a proposal, provide a solution which requires a technical plan. In this section, we need to analytically explain the technical terms, theoretical principles, and methods to be followed. This section also talks about the machines, equipment, and materials that we wish to use in carrying out the proposed task. While

specifying these, clearly mention the advantages of these in bringing out the desired outcome of the whole project. Moreover, describe in detail the procedure that you plan to use. Give arguments for each step and explain how important they are for the success of the project. Use diagrams and other visual aids to emphatically and professionally present this requirement. If you require infrastructural facilities, such as an office or laboratory space, specify what those needs will be. Thus, in technical section, you should necessarily provide the technical description, methodology, and facilities required and the technical plan of action.

Management section Once the need and efficiency of the proposed solution is established, convince the reader of your ability to deliver the goods. In the management section of the proposal, highlight the following points:

Credentials of the task force involved Most of the proposals fail to click, simply because the readers do not feel convinced about the capability of the people who propose to solve their problems. The management section of the proposal should, therefore, highlight the credentials of the people who are involved or are likely to be involved in implementing the proposed idea. For this, give reference of the academic and technical knowledge of the people involved, mention their expertise and experience in the relevant field, and highlight their achievements in the past.

Company profile A good company normally boasts of good personnel and services at its disposal. In fact, the people involved and the company they represent keep affecting each other's reputation. Talk about the efficiency of the system, policies, and implementation scheme, so as to convince the reader further about the company's ability to produce good results. A company's established profile, goodwill, and reputation undoubtedly create a very positive impact on the reader. However, even in the absence of an established reputation in the stated field, one can hope to create a positive impact on the reader. This can be done by focusing clearly on the efficiency of the people involved and the efficacy of the proposed solution that is likely to come through even in the absence of a staggering company profile.

Execution plan A good proposal should always pointedly provide a clear outline of an execution plan for a proposed idea. An efficient execution plan includes a precise work schedule—the amount of time the proposed idea will take in its implementation; date/month of the commencement and completion of the task; date-wise/month-wise work plan; details regarding the reporting, maintenance, delivery, and payment system, etc. Moreover, a clear statement establishing an adherence to the work schedule in achieving the stated objective in the specified time helps the reader feel convinced about the workability of the proposed solution. At times, proposals already implemented and running in other organizations are also appended in the appendix section of the technical proposal. The purpose is to help the reader see that you have not only an intelligence to envisage the need for the proposed solution but also an acumen to execute and implement ideas within a limited time frame.



Don't Quote Unrealistic Cost Estimate in Your Proposals.

Cost estimate A good proposal invariably takes into account the monetary variables that finally decide whether the proposed idea actually takes off. In fact, without a clear, precise, and detailed cost estimate, all our proposals are likely to remain confined to folded files. It is so because unless the prospective buyer is able to figure out whether he/she can actually support the proposed plan financially, he/she fails to make a firm assessment about the viability of the proposal received. Therefore, it is important for us to give a proper cost estimate so as to help the reader evaluate and assess the viability of a proposal. The figures quoted in cost estimate at the end of the proposal should not differ from those suggested in the draft contract that usually comes in the earlier part of the proposal. At times, the cost is calculated in terms of the number of hours spent on a particular task.

The cost estimate of a proposal includes fixed expenses such as purchase of land and equipment, and recurrent expense such as raw material and transportation.

Conclusion A proposal usually ends with a realistic and detailed cost estimate, particularly when it is forwarded through a covering letter which is written in a persuasive and effective style. However, in order to end on an emphatic note, many bidders end their proposals with a conclusion. The purpose of a conclusion in a technical or business proposal is to remind the reader of the unique features of the proposed solution. At times, rather than writing a detailed conclusion, authors choose to end their proposals with a concluding line which, written in a persuasive manner, intends to induce action.

Appendix Appendix is not an integral part of every proposal. However, in order to help the reader feel convinced about the author's claims, an appendix can be appended to a proposal. Usually, an appendix entails the following material:

- The description and results of a similar technical or business proposal already successfully implemented elsewhere
- The curriculum vitae of the personnel involved in the task force outlining their credentials, expertise, and achievements in similar tasks
- Approved contracts signed with other companies
- The detailed historical background of the proposed plan
- Extensive details regarding the operating system to be used and the procedure to be followed as the proposed plan gets executed
- The requisite layouts and maps, if any, and any other material that is likely to make the proposal look more comprehensive, realistic, and tempting

Draft contract When some proposal is accepted, it is resubmitted with a *draft contract*. It gives a bird's-eye view of the most important information in the proposal. A draft contract includes the following elements:

- Title of the proposal
- Name of the proposer and designation (in case of research proposal, the name of the principal investigator and co-investigators' names and their designations)
- Name of the organization in which the project is to be carried out
- Duration of the project
- Terms and conditions
- Time required for the start of the project after approval
- Total cost to be followed by year-wise or phase-wise break-up of the total cost

Sample Proposal I

**High Tech Lab India System
St. No 17, Near Birla Mandir, Ludhiana, Punjab**

The Principal
Bhagwati College of Education
Moga, Punjab

Dear Madam,

SUB: Proposal for installing High Tech Digital Language Lab (HTDLL)

We wish to introduce ourselves as a well established and leading manufacturer of communication equipments for schools, colleges and other educational institutes. High Tech Digital Language Lab or HTDLL, in a nutshell, is a professionally engineered, comprehensive and user friendly language learning software brought to you by us, a dynamic IT solutions provider focused on delivering cutting-edge solutions primarily for educational institutions. Our Digital Language Laboratory System helps in enhancing the communication skills of students by two-way communication and inbuilt audio and video recording facility.

We are forwarding our most competitive quote tailored to your requirements along with HTDLL product details and optimal system requirements for your immediate perusal.

Some of our more recent clients are as follows:

- IIT, Guwahati
- I M T, Ghaziabad
- Indian Army, Dehradun
- Shrinathji Institute of Technology & Engineering, Udaipur
- Biyani Girls College, Jaipur
- UV College, Ganpat University, Gujarat
- Amity International Schools, Delhi
- Institute of Computer and Communication Technology, Anand
- Shankersinh Vaghela Bapu Institute of Technology, Gandhinagar
- Truba College of Science & Technology—2 LABS, Bhopal
- Sanjay Ghodawat Institute of Technology, Kolhapur
- Chinar Public School, Alwar (Rajasthan)

Kindly visit us at www.htdll.in for a detailed review of our range of products, services and clientele/testimonials. Should you require any further details/clarifications, it would only be our pleasure to oblige at once.

Thank you once again and we look forward to a mutually rewarding and long-term association.

Yours truly

Mohit Bhagat
Manager, Marketing

High Techno Systems (India) Pvt. Ltd Cochin, Bangalore & New Delhi Customer Care: 0484–4141 000 to 4141 099
(100 Lines)

Encl: Brochure and Technical Literature

Sample Proposal II

**Oxbridge Institute of Technology and Science, Chennai
Department of Communication and Media Studies**

A Proposal
For
A Three-day Workshop

27 January 2015

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on
Communication Skills for Effective Teaching

Objective

The workshop aims at providing a platform for inculcating effective communication skills among teachers through an array of innovative strategies and a wide range of interesting activities. This, in turn would enhance the effectiveness of their teaching and improve the student-teacher relationship.

Day 1

9.00–10.00	Registration and inauguration
10.0–11.00	Innovative teaching—Sharing experiences
11.00–11.15	Tea Break
11.15–1.00	Understanding and using body language—Nonverbal agenda
1.00–2.00	Lunch
2.00–3.00	Preparing PowerPoint presentation
3.00–4.00	Mock presentation followed by discussion
4.00–4.15	Tea break
4.15–5.00	Communication activities

Day 2

9.00–10.00	Strategies for group discussion and mock GD
10.0–11.00	GD practice followed by performance appraisal
11.00–11.15	Tea break
11.15–1.00	Oral presentations by participants
1.00–2.00	Lunch
2.00–3.00	Emotional intelligence—Skills involved
3.00–4.00	Mock presentation followed by discussion
4.00–4.15	Tea break
4.15–5.00	Emotional Intelligence—Problems and solutions

Day 3

9.00–10.00	Viewing the recorded presentation and self assessment
10.0–11.00	Vocabulary enrichment
11.00–11.15	Tea break
11.15–1.00	Feedback and valedictory

(Contd)

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Cost Estimate

Participants	: 25 teachers from various schools in East Chennai
Tentative date	: 29–31 March 2015
Resource Persons	: 5
Registration Fee	: ₹600/- per head

BUDGET

Folders (40)	= ₹2000.00
Learning material	= ₹3000.00
Tea and snacks	= ₹10000.00
Certificate production	= ₹2500.00
Miscellaneous	= ₹1000.00
	Total ₹25000.00

(Dr Abha Mittal)
Department of Communication and Media Studies

Sample Proposal III

A Proposal
To Seek a Loan
For
Establishing an Agricultural Tool
Manufacturing Unit
Submitted to
Mr M. L. Kaushik, Director
The State Industrial Development
Corporation (SIDC), Jaipur
By
Mr D. RajaShekhar
Shram Agricultural Tools
Mount Abu, (Raj.), 333032

Proposal Summary

Project title	: To establish an SSI Agricultural Tool Manufacturing Unit in Rajasthan
Broad subject	: Approval for loan under the liberalized loan facility offered by the SIDC
Type of the loan	: Liberalized loan policy under the self-employment scheme
Total cost	: ₹2,500,000
Loaner	: Dr Raja Shekhar
Designation	: Chairman, Shram Agricultural Tools

(Contd.)

(Contd)

Company : Shram Agricultural Tools
 Address : Branch Office, 23 Janak Puri, Mount Abu, Rajasthan
 Telephone : Off.: (91) (02974) 22365 (Extn.) 142, Res.: 22366
 Guarantees : 1. Mr XYZ, Kalyannagar, Jaipur (Rajasthan) (Father)
 2. Mr ABC, 14/56, C-block, Vasant Vihar, New Delhi (Uncle)

Number of installments for paying off loan with interest : 12

Number of years in which loan will be paid off : 6

Executive Summary

Small states are particularly vulnerable to development and confront a range of structural challenges to sustainable development. The plan is to take up a concerted action so as to bring about an enhancement in the state development by setting up an agricultural tool-manufacturing unit. Agriculture is something which can never be out of date. India, primarily being an agricultural country, has always promoted such steps which aim at raising the developmental level of agriculture in any state. This plan is a dual advantage scheme which when materialized, will be profitable, both to the common man and the state.

The establishment of this unit requires investment of handsome capital of 25 lakh rupees apart from mettlesome efforts on our part. By the setting up of this unit, we intend to boost up agricultural as well as industrial growth of the state, which in future will pave the way for fresh investments. Moreover, it is also expected to combat the existing unemployment scenario in the state. To enable the industry to modernize and acquire newer technologies, a substantial amount is needed to start this small scale venture. Capital has to be invested in land, plant, machinery, initial expenses, viz. installation expenses and recurring expenses.

Table of Contents

- 1. Introduction
 - 1.1 Background
 - 1.2 Origin of the proposal
 - 1.3 Objective
 - 1.4 Advantages of setting up unit in the state
- 2. Supporting factors
 - 2.1 Infrastructural benefits
 - 2.2 Other benefits
- 3. Industrial potential
- 4. Technical aspects
- 4.1 Set up plan
 - 4.1.1 Land plan
 - 4.1.2 Machinery details
 - 4.1.3 Raw materials
- 4.2 Cost estimation
 - 4.2.1 Total budget estimate
 - 4.2.2 Monthly salary plan
 - 4.2.3 Graph
- 5. Repayment schedule
- 6. Conclusion

Appendix

1. Introduction

1.1 Background

The district has a good agricultural base (see Appendix A) and a reasonable good infrastructure of various facilities such as roads, electricity, and water but the industrial base is weak, resulting in a low economic return to the district. The gap between the dominating agriculture and the weak industrial base can be bridged by a coordinated approach to enrich the economy of the district. Lack of enterprise and technical knowledge in the local people are two major handicaps in the way of the industrial growth of the district.

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1.2 Origin of the proposal

The growing foreign exchange levels and high inflation rates have given rise to a need for establishing an agricultural tool manufacturing unit which can withstand internal and external shocks. Moreover, the proposed site is well connected to the highway and can facilitate easy procurements of raw material and labour. Further, selling the manufactured tools in an area dominated by agro-dependent population, should not be a problem. Keeping in view all these factors, establishing a manufacturing unit for agricultural tools is being proposed.

1.3 Objective

This establishment of the agricultural tool unit aims at meeting the present challenges posed in front of the agricultural status of the state and pursuing reforms in the existing scenario by manufacturing tools of greater utility. It takes into consideration the basic needs and requirements that make tasks easier for a common agriculturist. We intend to fix the price of our products in such a way so that they cater to the demands of an ordinary farmer. Also quality products will be manufactured with cost-effectiveness.

Our plan primarily intends

- to set up a unit that initiates a revolutionary growth in the state economy keeping in view the agricultural aspects
- to manufacture tools that are not only handy in use but also satisfy the basic requirements of the farmer at nominal investments
- to solve the unemployment problem in the state to an extent
- to uniquely position our quality products in the market

The company's main thrust will be on adhering itself to quality standards such as product yield improvement, cost management, and focused attention on working capital management.

1.4 Advantages of setting up of manufacturing unit in the state

- As of now agricultural tools are manufactured in others states. So farmers of our state have to pay extra amount because of long distance transportation and excise duties, etc. This establishment is expected to reduce the cost by a substantial amount.
- This will bring into use the undeveloped land of the state.
- The proposed plan will also provide good employment opportunities to the locals.

2. Supporting Factors

2.1 Infrastructural benefits

- Industrial land provided by the state on lease
- *Power subsidy*—A subsidy on the consumption of power is granted to registered small-scale units up to 20 h.p. at the rate of ₹0.09 per unit (maximum).
- *Raw material*—The state has sufficient and easy availability of raw material for various projects in sectors such as Agro, Engineering, and Small Industry
- Telecommunication facilities are available
- Transportation facilities are available
- Skilled manpower is available

2.2 Other Benefits

Good amount of employment opportunities. Being one of the backward areas of the State, there is scope for it to receive more assistance and concessions from the State Government.

3. Industrial Potential

As Rajasthan is an agrarian state, modern methods of cultivation are required for the improvement in production that will improve the economic condition of the cultivators of the state. The prospects of establishing this manufacturing plant here are very promising.

(Contd)

(Contd)

4. Technical Aspects

4.1 Set up plan

We are planning to complete the setting up of the manufacturing unit in 2 phases:

Phase 1:

Estimated period: 6 months

- Aim: Proper levelling of the purchased land.
- Getting ready planned buildings for manufacturing tools, security, finished product storage, waste management, vehicle parking shed, etc.
- Setting up machinery

Phase 2:

- Production of the agricultural tools
- Estimated productivity: 5 units/week

4.1.1 Land plan

Required land area to set up the manufacturing unit 12500 sqm. We have chosen *Industrial Growth Center, District Sirohi*, 200 km from Ahmedabad, 490 km from Jaipur, and 27 km from Mount Abu for construction purposes.

This land will be divided into following parts:

- Workshop unit area, where machines are required to be set up
- Assembly unit area
- Office area

Basic facilities required for the manufacturing plant

- Power supply for the machines as well as for the other units
- Water supply
- Telecommunication facilities
- Transport facilities

For further details refer to Appendix B.

4.1.2 Machinery details

Following machines are required for making the tools:

- Lathe machine for making the blocks of required specifications
- Electronic cutting machine are required for cutting the sheets of different gauge with proper accuracy
- Other machine tools required for assembling

4.1.3 Raw materials

- Cast iron
- Steel sheets of different gauge
- Low carbon steel and mild carbon steel
- Coal

4.2 Cost Estimate

Estimating the cost of the manufacturing plant is the pivotal aspect of setting up a unit. Project cost includes cost of land where the unit is to be set up, cost of building, cost of machinery, social infrastructure, etc., as we want to set up a manufacturing unit to manufacture agricultural tools such as threshers, cutting chaffs and ploughs.

4.2.1 Total budget estimate (in rupees)

Land : 5 lakhs

Building construction : 7 lakhs

Electricity set up : 1 lakh

Communication facilities : 50,000/-

Machinery : 4.5 lakhs

Raw materials : 5.5 lakhs

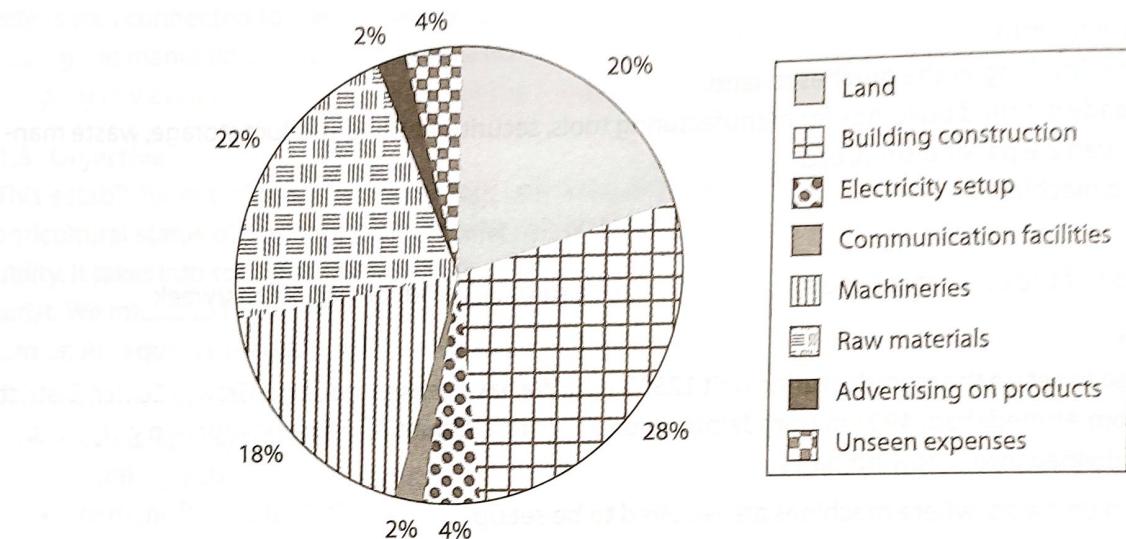
Advertising on products : 50,000/-

(Contd)

(Contd)

Unseen expenses : 1 lakh

Total : 25 lakhs



4.2.2 Monthly salary plan (in Rupees)

Skilled labour : 5,000/-

Supporting staff : 6,000/-

Unskilled labour : 3,500/-

Manager : 7,500/-

5. Repayment schedule

We are aware of the fact that loan-issuing agencies are always interested in knowing the mode of repayment of loans. We have done a considerable planning in this field too. According to the liberalized loan scheme, we will pay the loan along with interest in time to avail the rebate of 2%. The loans will be paid off in 12 equal installments that are recoverable in 6 years.

Figures

Total loan : 25 lakhs

Payable amount : ₹3967185.80736

Rate of interest compounded per annum : 8%

Rate of rebate : 2%

Number of installments : 12

Net payable amount : ₹3546297.78064

Number of years (in which loan will be paid off) : 6 yrs

Payable amount for each installment : ₹295524.81505

6. Conclusion

As our state moves into the twenty-first century, it is important that we begin to look at industrial development in the context of a new paradigm. It is understood that rapid industrialization will not be possible without requisite infrastructural development. The setting up of the unit will provide the social infrastructure, which caters to the human need for good living. Ours is a small beginning, but this is a potential market for a long term, which is expected to attract foreign investments in the years to come.

Appendix A

Rajasthan's Share in Agriculture: 2010–2014 (Lakh tonnes)

Crops	All-India	Rajasthan	Share(per cent)	Rank
Bajra	79.05	23.15	29.29	I
Rapeseed and mustard	69.42	26.22	37.77	I

(Contd)

(Contd)

Crops	All-India	Rajasthan	Share(per cent)	Rank
Coriander	2.24	1.55	69.20	I
Cumin	—	0.66	52.00	I
Guar	8.18	7.40	90.46	I
Moth	3.55	3.10	87.23	I
Barley	14.36	3.78	27.66	II
Gram	57.54	10.71	30.65	II
Maize	93.34	10.29	11.02	III
Soyabean	52.02	4.54	12.89	III
Oilseeds	—	—	14.92	III
Rabi pulses	—	—	22.32	III
Groundnut	72.73	2.73	3.75	VI
Cotton (Lakh bales)	142.52	13.63	9.56	VI

Appendix B

Land Plan

Industrial Growth Center, District Sirohi, 200 km from Ahmedabad, 490 km from Jaipur, and 27 km from Mount Abu.

District Sirohi

- **Location:** 200 km from Ahmedabad, 490 km from Jaipur, and 27 km from Mount Abu
- **Land:** 720 acres in Growth Center, 308 acres in Ambaji Industrial Area
- ***Rate of allotment:** Growth Center & Ambaji Industrial Area—₹200 per sqm
- **Water availability:** Underground water 0.4 MGD being stepped upto 1.0 MGD. Underground yield 2,000 to 2,500 gallons per hour. Water available at a depth of 10 m
- **Wind velocity:** 1.5 km per hour
- **Power:** Power supply from 132 KV GSS at Abu Road. 220 KV GSS is proposed
- **Tele-communications:** Telephone, telex fax, and STD available
- **Manpower:** ITI at Abu Road and polytechnic at Sirohi
- **Internal transport:** Bus services available
- **Facilities in the area:** Housing colony, bank, community centre, recreation club, restaurant and post office
- **Social amenities:** School, medical, housing, recreation, etc., available at Abu Road
- **Incentive to industries:** Investment subsidy and other benefits as per the State Policy
- **Prominent industries:** Rajasthan Polymers & Resins Ltd, Modern Insulators Ltd, Tirupati Fibres & Industries Ltd, etc. Area is suitable for marble and granite, electrical and high-technology based industries

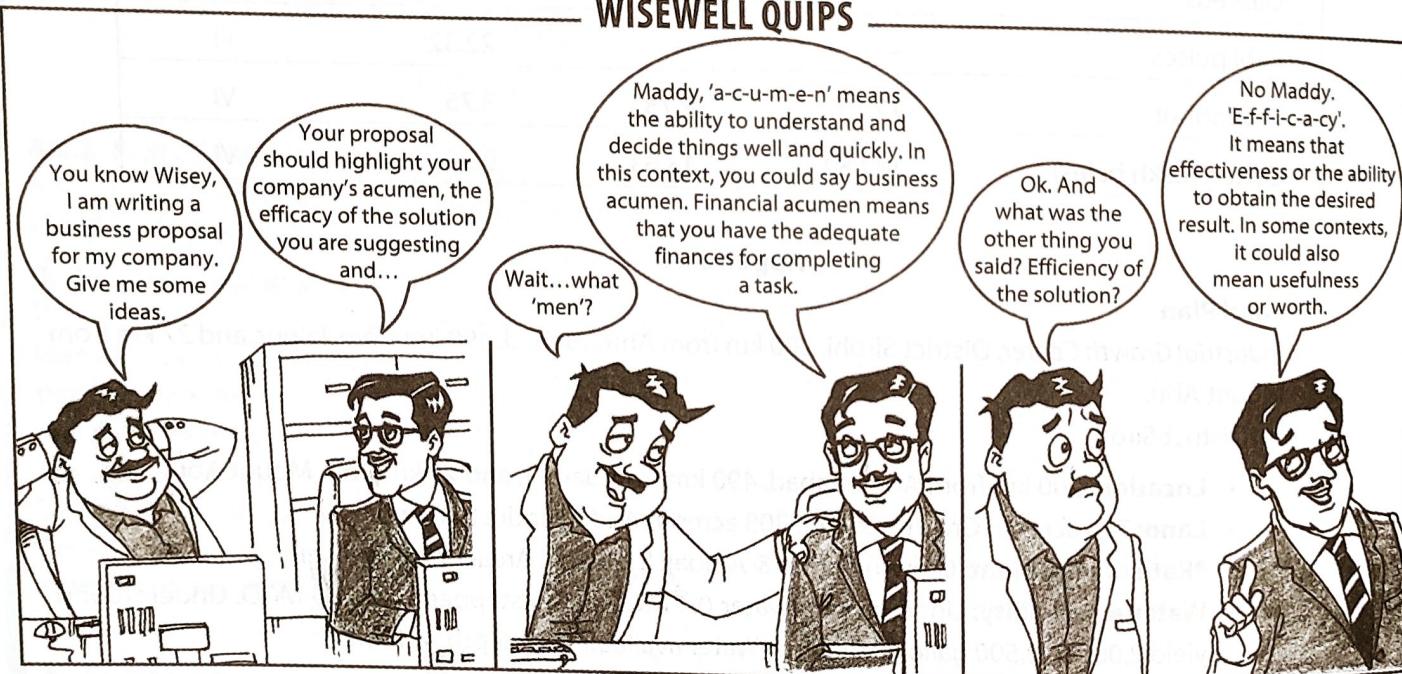




RECAPITULATION

- ✓ Proposals, reports, and business plans are distinct from one another.
- ✓ A proposal mirrors the identified needs of the prospective customer. Proposals can be broadly classified as the solicited and the unsolicited ones.
- ✓ A proposal can be written to solve a technical problem, offer a managerial solution, suggest a modification of methods, procedures or services, etc.
- ✓ Elements such as the executive summary, introduction, technical section, management section, cost estimate, etc. form an integral part of a proposal.
- ✓ A proposal is always written in a persuasive tone.
- ✓ An effectively drawn proposal always links the plan offered to the subsequent action to be taken, is specific in details, uses effective and persuasive language to clinch the deal, and presents a realistic cost estimate for the services and expertise offered.
- ✓ In variegated professional situations one may write different types of proposals, such as technical proposal, business proposal, sales proposal, letter proposal, research proposal, etc., for meeting different objectives.
- ✓ Proposals can be written by using different structures such as short proposal, full length proposal, and letter proposal.

WISEWELL QUIPS



EXERCISES

1. India and Sri Lanka plan to commence ferry service between Tamil Nadu and the island nation, a step towards promoting tourism between the two countries. Being the Senior Secretary in the Ministry of Tourism prepare a proposal to be discussed while signing the Memorandum of Understanding with Sri Lanka.
2. You have decided to establish an Agro Product Unit in Bhiwadi, your hometown. For this purpose, you wish to avail yourself of the liberalized loan facility under the self-employment scheme. Therefore, you wish to submit an unsolicited technical proposal for seeking loan from the State Industrial Development Corporation, Jaipur, Rajasthan. Now draft this proposal to be sent to the Director, SIDC, Jaipur, Rajasthan.
3. You are the Vice President of operations for Mirch Masala food chain, Mumbai. You plan to open a new restaurant in Jaipur on Jaipur–Delhi highway. You prepare a proposal for this purpose to be submitted to the President of your organization. Now draft this proposal. Your proposal should consist of the following elements:

(a) Title Page	(d) Technical Section
(b) Draft Contract	(e) Management Section
(c) Introduction	(f) Cost Estimate

4. Tirupati Industries, which deals in fabrics, electronics, and computers, has recently decided to venture into the production of laptops. Therefore, the company is going to set up a new unit for producing laptops on a large scale. As Finance Manager of the company, you have been asked to draft a proposal containing all the required details such as space, air conditioning and dust-proofing, hardware, peripherals, consumables, networking, power supply, technical and other staff, ancillary support system, etc. Now draft this proposal to be submitted to the Secretary, Department of Company Affairs, for approval.
5. The need for recreational activities cannot be ignored in today's stress-borne world. The Taata Group of Companies, Kolkata has decided to set up a Recreational Activity Centre (RAC) in its educational premises to provide recreational facilities to its students, faculty members, and supporting staff. As the Senior Administrator of the Educational Staff Welfare Unit, you have planned to draft a proposal to be submitted to your Chairman for setting up this centre. Draft this proposal containing all the required details.
6. A generous alumnus has established a fund in your institute for promoting research in the application oriented research for the rural people. Now try to think of an idea that you would like to explore and prepare a full length research proposal covering the background, objective, scope, methodology, national and international relevance of the project, research plan, proposed budget, conclusion, and references, to be submitted to the Director of the institute for this fund.
7. You think about establishing an agro-knowledge-cum-farma-centre where you plan to educate the farmers by showing videos, discussing their farming related problems and also selling them the modern agro-equipment and fertilizers in your village. Now prepare a proposal for setting up this centre to be submitted to the state government for funding.
8. Assume that M/s Petra Corporations, New Delhi, is planning to set up a refinery unit at Ranchi. The company has recently solicited proposals to establish a world class security system at the refinery premises. Assuming yourself to be a consultant in security services, draft a proposal containing all the relevant details such as an Executive Summary, Introduction, Technical Section, Management Section, Cost Estimate, and Conclusion.
9. New World University is the name of a university that has recently been established in your city. The university has recently sought proposals from professionals who can help it set up a computer lab on its campus. Assuming yourself to be an expert in the field, draft a proposal to be sent to the Registrar of the University.
10. The Commissioner, Traffic Control of your city is looking to set up new traffic lights at the main crossings in the city, besides making the entire traffic operation more efficient and reliable. The Commissioner's Office has recently invited proposals to carry out the task in an efficient, cost-effective, and time bound manner. Draft a proposal to this effect.
11. Given below is a poorly written Executive Summary of a Proposal. Rewrite it to make it more effective and relevant.
- These days one of the most important skills to be acquired is effective spoken English. As we all know English is the world language now. In India too English has become the most important language. For all jobs and professions English is required. We have the requisite exposure in setting up Language Labs in academic institutes all over the country. In the past two decades, ever since the concept of language labs picked up momentum in India, we have set up language labs in various parts of the country. Today we have labs in Delhi, Mumbai, Lucknow, Indore, Pune, and Agra. Since you are an upcoming Engineering Institute in Jodhpur, it would really help you establish a language lab in your premises. In this lab, you would require 20 computers with a master console and an earphone set for each seat. It would cost your institute only 5 lac rupees. In this meager amount, we will provide you the entire software back up; the required training and the expert inputs from time to time. The rest of the details can be seen in the following sections of the proposal.
12. 'A technical proposal is different from a report and business letter.' Do you subscribe to this? Discuss and substantiate with proper examples.

13. 'A proposal is a combination of marketing and technical skills.' Comment on the statement and illustrate your views with the help of appropriate examples.
14. Given below are some of the extracts taken from technical/business proposals. Rewrite them so as to make them effective, precise, persuasive, and appropriate.
- The proposal enclosed establishes beyond doubt our credentials as the best production unit advisors in the country.
 - It would cost you peanuts but would turn in blinding returns.
- The entire lab can be refurbished by investing an amount which we think is not much for a corporate house such as yours.
 - All that we would require would be a handful of good cameras with impressive mega pixel and zoom facility; a room of average width and height; and a couple of other machines to set up a media centre at your premises.
 - The proposal would be executed as soon as possible. We have never kept our clients waiting and it certainly will not happen in your case too.

ANNEXURE 24.1

Checklist for a Technical Proposal

Having prepared a technical proposal, answer the following questions before its onward submission:

Q.1. Does your technical proposal have all the required elements?	Yes () No ()
Q.2. Does your technical proposal have a good Summary and Introduction?	Yes () No ()
Q.3. Does the Technical Section of your proposal give all the specifications required?	Yes () No ()
Q.4. Does the Management Section of your proposal answer the questions such as who will do, what, where, why, etc.	Yes () No ()
Q.5. Is the Cost Estimate given in your technical proposal realistic and detailed enough?	Yes () No ()
Q.6. Is the technical proposal written by you has the required persuasive tone?	Yes () No ()
Q.7. Does the technical proposal prepared by you have the right tone suited to the requirement of the recipient of the proposal?	Yes () No ()
Q.8. Does the technical proposal highlight the problem referred to with focused attention and spotlight?	Yes () No ()
Q.9. Is your technical proposal accompanied by a covering letter highlighting its features?	Yes () No ()
Q.10. Does the technical proposal prepared by you suggest the best solution in the best possible way?	Yes () No ()