

Learning Objectives

1

Identify the different types of proposals.

2

Write formal proposal requests.

3

Write formal and informal proposals.

4

Draft a business plan.

5

Develop clear policy statements.

6

Write an effective news release.

7

Prepare a constructive performance appraisal.

Chapter 11

Proposals, Business Plans, and Special Reports

LET'S TALK BUSINESS

Proposals are key to our business success. We wrote about 200 the first year we were in business; now, eight years later, we write over 3,000 proposals a year. Each of those proposals must be designed for the prospective client for whom it is prepared. Audience analysis is essential to determining what will best meet the customer's needs. Clear, complete proposals help to establish us and our business as professional, organized, and reliable.

Typically, the proposals we prepare fall into three categories.

Project proposals. These lengthy documents describe the scope of the work we will do and the timeline we will follow.

Complete system proposals. By providing thorough descriptions and itemizing costs, we allow potential customers to compare the quality and price of our equipment against that of other vendors.

Individual component proposals. These brief proposals focus on replacement devices or on accessories the customer may want to use with an existing system.

Service has and will continue to be our competitive advantage. Service begins with submitting a high-quality proposal.

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Formal reports are not the only structured documents used within organizations. Proposals and business plans fall into this category, as do a variety of special reports. Each of these document types is discussed in this chapter.

Proposals

Businesspeople look for initiative. They welcome suggestions about how to change things for the better, to improve productivity, or to enhance profitability. Those suggestions often come in the form of a **proposal**—a persuasive message in which a writer analyzes a problem and recommends a solution. The problem may be a need for equipment, services, research, a plan of action, or other things. The recommended solution may be products, personnel, a business study, a description of work to be performed, or other outcomes. As Sean Dean and Steven Dastoor show in *Let's Talk Business*, proposals are common in business, and it is important that they be clear, be concise, and meet reader expectations.

Proposals are gambles. They take time to develop and often are rejected. Some proposal developers believe that they are doing well if they win acceptance of one of every ten proposals. Effective proposal writers are risk takers; they assess the probability of success and then decide whether to proceed.

LO 1

Identify the different types of proposals.

NOTE 11.1

Proposals describe problems and offer solutions to them.

Types of Proposals

Proposals can be informal or formal, internal or external, unsolicited or solicited.

Informal proposals generally take the form of letters (external) or memos (internal). **Formal proposals** are highly structured documents that have many of the features found in formal reports. The appearance complements the content and adds to the overall impression the document is intended to create.

Proposals sent to others within an organization are **internal proposals**. These can be proposals to solve problems or to meet needs by improving procedures, changing products, adding personnel, reorganizing departments, expanding facilities, reducing budgets, or making other changes. Ideas for internal improvement, creatively developed and effectively presented, are the lifeblood of organizations.

External proposals go outside an organization to current or prospective customers, to government agencies, or to private agencies and foundations. These messages include proposals to supply products at given prices, to build roads, or to perform audits. This category also encompasses requests for grants of money or goods

NOTE 11.2

Proposals may be

- Informal or formal
- Internal or external
- Unsolicited or solicited

Dilbert by Scott Adams



to support the work of not-for-profit agencies or other groups hoping to meet some societal or humanitarian need. Such requests are submitted to foundations established solely for the purpose of funding projects in areas such as the arts, education, the environment, or human services. They are submitted also to corporations, whose missions often include returning a portion of their profits to the communities or regions in which they do business.

Proposals prepared at the writer's initiative are called **unsolicited proposals**. These proposals represent an independent analysis of another's problems or needs and the creation of possible solutions. Unsolicited proposals may be internal or external. When submitting proposals to foundations or government agencies, the writer must match the goals of his or her organization to those of the foundation or agency.

A **solicited proposal** is prepared in response to a request. The solicitation may be made face-to-face, by telephone, or in writing. Solicited proposals may be internal or external, formal or informal; the same is true of the response. Consider these examples:

- During a meeting, a manager describes a staffing problem and asks department heads to consider the problem and e-mail their proposed solutions to the manager by the end of the week. (informal request; informal response)
- A sales representative phones a client to promote a new or upgraded product. In response, the client says, "Sounds interesting. Put the proposal in writing, and we'll talk about it." (informal request; formal response)
- A package delivery company that plans to replace ten of its vans prepares a Request for Proposal and invites area truck dealerships to reply. (formal request; formal response)

Contents of an Effective Proposal Request

LO 2

Write formal proposal requests.

NOTE 11.3

RFPs help both the writer's and the receiver's organization.

A **Request for Proposal** (RFP) is a formal document that describes a project, product, or service need (problem) and invites potential suppliers to propose solutions. Requests for Information (RFIs), Requests for Bid (RFBs), and Requests for Quotation (RFQs) are similar documents that include similar sections.

A comprehensive, well-written RFP helps both the writer and the responder. The person who issues the RFP benefits because the proposals he or she receives will contain comparable material presented in a comparable format. These features reduce the time needed to review and evaluate the proposals. Those who respond to the RFP benefit because they know what is required and can show how they or their organization can solve the problem efficiently and effectively at a fair cost.

Although the content of a proposal request may vary by organization and purpose, the following items are generally included:

- *Introduction.* The introduction provides background information that profiles your company (e.g., location, goals, size, etc.). It describes the purpose of the proposal request.
- *Project/product/service description.* This section states as specifically as possible what you hope to accomplish or what you need. It describes how the products will be used; includes examples as appropriate; uses clear, accurate descriptions; and avoids using jargon.

- *Vendor requirements* (if any). This section states specific requirements for vendors. For example, you might seek proposals only from vendors in a particular geographic area or only from vendors who have particular levels of experience.
- *Restrictions* (if any). This section lists and explains the time, budget, or other constraints under which you are operating with respect to the topic of the proposal. Including a schedule or stating deadlines will help readers determine whether they can meet your requirements.
- *Proposal guidelines*. The guidelines state what you expect the proposal to include and in what order/format it should be presented.
- *Evaluation criteria*. This section indicates the general qualities of a winning proposal. Although you won't reveal the specific weighting you allocate to each criterion, vendors will appreciate knowing the general parameters for selecting the successful proposal. For example, is time more important than cost? Is safety more important than time? Will the low bidder be offered a contract?
- *Confidentiality statement*. The confidentiality statement indicates whether any, some, or all of the vendor's proposal will be kept confidential and for how long. This section states any expectations you have about whether the receiver should treat information in your proposal as confidential.
- *Submission/contact information*. This section states the deadline for submitting proposals and the date on which the decision will be made or announced. It identifies and provides contact information for the individual to whom questions should be addressed. It also specifies how and to whom the proposal should be submitted.

Accepting a proposal in response to an RFP does not constitute a contract. The information in the documents can, however, become the basis for negotiating the terms of a contract.

Figure 11.1 shows part of a Request for Information. Its purpose is to narrow the field of companies interested in bidding for a consulting contract. The full RFI is available at www.thomsonedu.com/bcomm/krizan. As you review the document, notice the elements it includes and the way each is addressed.

Qualities of a Successful Proposal

Successful proposals have qualities that separate them from unsuccessful proposals. Although success sometimes depends on factors such as luck, politics, timing, and reputation, most proposals must have excellent content and be presented clearly to be accepted. The following qualities usually are required for a successful proposal:

- The purpose of the proposal is stated clearly.
- The problem or need is understood and defined clearly.
- The solution is innovative and presented convincingly.
- The benefits outweigh the costs.
- The personnel implementing the solution are qualified.
- The solution can be achieved on a timely basis.
- The proposal is honest, factual, realistic, and objective.
- The presentation is professional and attractive.

LO 3

Write formal and informal proposals.

NOTE 11.4

Successful proposals have excellent content that is presented clearly.

FIGURE 11.1
Request for Information



DAHL GLASS

<i>Overview</i>	1
<i>Format and Guidelines</i>	2
<i>Timetable</i>	3
<i>Confidentiality</i>	4
<i>Fax Confirmation Form</i>	5
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<i>RFI Questions</i>	6

FIGURE 11.1
Request for Information,
continued

FIGURE 11.1
Request for Information,
continued

DAHL GLASS

A. Overview

Dahl Glass is currently evaluating consulting organizations to assess their ability to assist the company in developing and implementing its global operations vision. Dahl's operations include the following departments: manufacturing, logistics, production planning, customer service, purchasing, engineering, and quality assurance.

Dahl is a multimillion-dollar manufacturer and distributor of industrial glassware headquartered in Utah. The company's U.S. manufacturing facilities are located in Utah, New Jersey, Ohio, North Carolina, and California. Sales representatives are located throughout the country. International plant operations are located in Canada, Mexico, England, France, Germany, and China; distribution centers are located in Brazil and Colombia. Dahl Glass has approximately 1,700 employees worldwide.

The purpose of this Request for Information (RFI) is to gather data that will narrow the field of choices of consulting organizations. All information contained in this RFI is confidential and may not be used for any reason other than responding to this questionnaire.

Table 1
Global Locations and Enterprise Resource Planning (ERP) Implementation Dates*

Location	ERP Implementation Date	Widgets Produced Annually
United States	5/2004	1,200,000
Canada	2/2004	80,000
Mexico	12/2004	40,000
United Kingdom	10/2005	130,000
France & Germany	7/2005	70,000
China	NA	60,000
South America (Brazil & Colombia)	NA	50,000

*Full Suite of ERP modules implemented on the above dates.

DAHL GLASS

B. *Format and Guidelines*

Responses should be as brief as possible, supplying only the requested information and eliminating any standard response material that does not directly address the issues contained in the RFI.

Your information must be submitted using the supplied Microsoft Word document. Responses should be returned via electronic mail.

Assume all potential contracts will be effective **August 1, 2007**.

Your response will be assumed to comply fully with all terms and conditions of this RFI. Any exceptions must be described clearly in a separate section at the front of your response, even if they are identified elsewhere in the document.

Your request for information must be received no later than *5 p.m. on Tuesday, **May 31***.

Submit your response to:

Office of Operations
gnewton@dahlglass.com

A special conference call will be conducted at 2 p.m. on Tuesday, May 24, to answer any questions you may have about the Request for Information. The conference call number is 800.555.7150. The password is *newton*.

Dahl Glass will treat all information that you mark confidential as such, but the company does not assume liability for the disposition of the information contained within your response.

Please note that any costs associated with responding to this RFI are the sole responsibility of the responding organization. This RFI in no way obligates Dahl Glass to enter into a business arrangement with you until the execution of a contract. You also agree that Dahl Glass will neither incur any obligation nor make any commitment to you in connection with this RFI.

FIGURE 11.1

Request for Information, *concluded*. The entire RFI is available at <http://thomsonedu.com/bcomm/krizan>.

To convey these qualities in the proposal, the writer must carefully analyze the situation and the receivers, use the you-viewpoint, and apply the principles of business communication.

NOTE 11.5
Proposals should be powerful, persuasive messages.

The proposal should be a powerful, persuasive message. The receivers will look for the benefits to them, their department, the company, the community, society, or some other group to which they belong. The proposal should get the receivers' attention, show clearly the benefits of accepting the proposal, give proof of those benefits, and motivate favorable action.

The Elements of a Formal Proposal

NOTE 11.6
Successful proposals contain specific elements.

Items contained in a proposal vary with the situation and the reader. In solicited proposals, the elements are specified in the RFP. Careful and complete responses should be made to all the elements requested in the RFP. If you think elements necessary to the acceptance of your proposal are missing from the RFP, then you should try to work those parts into the specified format. In unsolicited proposals, you must decide which elements to include. What follows is a list of possible proposal elements:

- Cover letter or memo
- Title page or cover
- Reference to authorization
- Table of contents
- List of illustrations
- Proposal summary
- Purpose
- Problem or need
- Background
- Benefits of the proposal
- Description of the solution
- Evaluation plan
- Qualifications of personnel
- Time schedule
- Cost
- Glossary
- Appendixes
- Reference list

Although all these elements are important for many large proposals, the key elements are the purpose, problem or need, benefits of implementing the solution, description of the solution, qualifications of personnel, time schedule, and cost. All the proposal elements are described in the following sections.

COVER LETTER OR MEMO

NOTE 11.7
The cover letter or memo highlights the contents and encourages action.

The **cover letter** or **memo**, also referred to as a *transmittal message*, introduces the proposal to the reader. A letter is used for an external proposal and a memo for an internal proposal. The cover letter or memo should include content that provides coherence for the reader, reviews the highlights of the proposal, and encourages action.

TITLE PAGE OR COVER

The information contained on the **title page** or **cover** of a proposal can include some or all of the following items: title of the proposal, name and location of the receiver, name and location of the submitter, date of submission, principal investigator, proposed cost, and proposed duration of the project. Consider the image and culture of the receiving organization, and design the cover with those factors in mind. Design features such as color and graphics may be appropriate for some receivers but not others.

The title should be concise, preferably under ten words. Consider which of the six “W and H” questions—what? when? where? who? why? how?—must be answered by the title. The title of the proposal should attract the reader’s attention and, because it will be used to identify the proposal, easy to remember. Eliminate meaningless words such as “A Study of” or “An Examination of”; use descriptive adjective–noun combinations.

REFERENCE TO AUTHORIZATION

If the proposal is solicited, the request should be noted in a **reference to authorization**—the permission or request for the proposal. The information contained in the reference to authorization depends on the RFP. For an informal or short RFP, the reference could be as simple as listing the RFP number on the cover or including a line in the cover letter or memo stating “This proposal is in response to your telephone call of May 5, 200–.” For a formal RFP, the reference to authorization could be one or more pages following the title page or cover. A lengthy RFP may require an abstract as a reference to authorization.

NOTE 11.8

If the proposal is solicited, its authorization should be noted.

TABLE OF CONTENTS

The **table of contents** lists the titles and page numbers of all the major sections of the proposal. It will assist in orienting readers and will help them locate specific information. The names and page numbers of the appendixes are also included in the table of contents.

LIST OF ILLUSTRATIONS

The titles and page numbers of any tables, figures, graphs, or other illustrations are placed in a **list of illustrations** immediately following the table of contents.

PROPOSAL SUMMARY

The **proposal summary** is the proposal in capsule form. This section, which contains the most vital information from each of the major sections of the proposal, is prepared after the proposal has been written. It should be short. The summary is designed to give busy people a quick but complete overview of the proposal. For short proposals, the summary may be just a paragraph. For a long proposal of 100 to 500 pages, the summary might be one to ten pages. If the RFP specifies a length, be sure to make the summary that length and no longer.

NOTE 11.9

The summary provides an overview of the proposal.

PURPOSE

Following the summary, the actual proposal begins. The purpose should be stated first. The **purpose statement** helps the reader understand clearly (a) the reason you are making the proposal and (b) the nature of the proposal—how it will accomplish the purpose. Example purpose statements follow:

NOTE 11.10

The purpose statement clearly describes the reason for and nature of the proposal.

This is a proposal to reduce manufacturing costs 10 percent by replacing the Assembly Line A conveyor system.

The purpose of this proposal is to increase sales by adding commission sales personnel.

The purpose of this proposal is to improve the environment of the Madison Animal Shelter by securing funding to replace the unreliable, 20-year-old air-conditioning system.

These purpose statements may stand alone or they may be followed by brief explanations. The amount of explanation given depends on the reader's knowledge and his or her need for information.

PROBLEM OR NEED

NOTE 11.11
State the problem being solved or the need being met.

The next section should describe the problem being solved or the need being met. This section should use coherence techniques to link it to the section in which the purpose was stated. For example, the first purpose statement given in the previous section might be followed by a problem statement such as the following:

Manufacturing costs for the second quarter are up 5 percent over the first quarter. Most of this cost increase can be attributed to the new labor agreement that became effective March 1. To meet competition, we must find new ways to reduce manufacturing costs.

BACKGROUND

NOTE 11.12
Limit background information to what the reader needs.

If necessary for your reader's complete understanding, you should provide background data on the problem. The background section may be combined with the problem/need section or, if both sections are long, it can be presented separately. In the **background** section, you may explain the problem—how it developed, its magnitude, and the consequences if nothing is done.

BENEFITS OF THE PROPOSAL

NOTE 11.13
Benefits of implementing the solution must outweigh the costs.

The **benefits of the proposal** represent the outcomes of implementing the proposed solution. The benefits must be stated in the you-viewpoint; they must clearly serve the interests of the reader and/or the reader's organization. The benefits must outweigh their cost. (The cost data will be given later in the proposal.) If your proposal is competing with other proposals, the benefits you cite must be more cost-effective than your competitors' benefits for your proposal to be the winning one.

When presenting the benefits of the proposal, use the emphasis techniques discussed in Chapter 4, but be careful not to overstate the benefits. Make them concrete, realistic, and honest.

DESCRIPTION OF THE SOLUTION

The **description of the solution** should specify what you are proposing be done, who will do it, when it will be done, where it is to be done, how it will be done, and why it should be done. As mentioned earlier, proposals submitted in response to an RFP must provide all the information called for in the request.

Because the solution to the problem is the most important section in the proposal, it will likely be the largest section. This part of the proposal must tie coherently to

the information given previously in the proposal. The writer must refer to the purpose, the problem or need, and the benefits of the proposal. The solution must be presented so clearly that readers will understand it and be convinced that it achieves the purpose, solves the problem, and provides the benefits cited earlier.

You will want to stress the innovative aspects of your proposal, the special nature of the resources you are recommending, and the strength of your solution's rationale. Show how these features of your proposal fit your reader's needs or mission. A good way to do this is to relate your solutions directly to each of the benefits given earlier. Those benefits might be listed individually, with each followed by an appropriate part of the description of the solution. The intent is to show clearly that (a) you have carefully thought through all aspects of the proposed solution; (b) it represents a realistic, feasible, and desirable way of solving the problem or meeting the need; and (c) you, your department, or your organization is capable of implementing the solution.

NOTE 11.14

Be sure the description is realistic and persuasive.

EVALUATION PLAN

If appropriate for your proposal, you will want to include an evaluation plan. The **evaluation plan** is a way to measure the degree of success achieved if your proposal is implemented. The evaluation plan could consist of a recordkeeping system; a review by a panel of experts; statistical analysis procedures; a reporting system; or any number of control, analysis, measurement, or judgment techniques.

An evaluation plan is a major element in proposals for research studies. In other proposals, such as increased staffing proposals, the evaluation system might be an employee performance review procedure already in place. In this case, only a brief reference to the existing plan would be needed.

NOTE 11.15

An evaluation plan provides a way to judge the success of proposal implementation.

QUALIFICATIONS OF PERSONNEL

In the **qualifications of personnel** section, you provide biographical information about each key participant involved in implementing the proposal. You show his or her qualifications to provide the services proposed. The information should include the education, experience, accomplishments, successes, and evidence of achievement that directly relate to each participant's involvement in the proposed solution. You are justifying to the reader that these persons are fully qualified to serve in their assigned roles. The appropriate types of data are discussed in detail in the résumé preparation section of Chapter 16.

Depending on the nature of the proposal, the amount of data presented for each individual will vary from a few lines to several pages. In some proposals, brief summaries are presented in the qualifications of personnel section and full résumés are provided in an appendix. If you are responding to an RFP, provide exactly the amount and type of personnel information specified.

TIME SCHEDULE

The **time schedule** is a realistic indication of when activity is to start and when it is to be completed. For simple proposals, the time schedule may consist of a listing of activities and their beginning and ending dates. For elaborate proposals, it may be necessary to use more complex task-time analysis charts such as Gantt, PERT (Program Evaluation Review Technique), or Milestone. If you need assistance in selecting a time-schedule format, most libraries have good reference materials you can use.

COST

The **cost** is the price of the proposed solution. This section may be labeled *Cost*, *Prices*, or *Budget*, or it may be given another appropriate title. The cost may be presented in logical parts, such as personnel, supplies, equipment, and facilities, or it may be organized by benefits, parts of the description of the solution, time phases, or other appropriate categories.

The cost of the proposed solution must cover your expenses and, if appropriate, a profit. It also must be reasonable in relation to the benefits and the products or services to be provided. If you are following the guidelines in an RFP, the format for the cost section will likely be specified and should be used.

GLOSSARY

Based on a careful analysis of your readers, you may decide to include a glossary in your proposal. A **glossary** lists alphabetically and defines the unfamiliar terms used in the proposal. Include a glossary only when many unfamiliar, specialized, or technical terms have to be used. If there are only a few such terms, define them the first time they are used.

APPENDIXES

NOTE 11.16
Complex supporting
information is shown in
the appendixes.

To keep the body of the proposal as short and readable as possible, it is sometimes appropriate to place complex supporting information in an appendix. An **appendix** contains items that are indirectly related to the proposal but are excluded from the body to improve readability.

It was suggested earlier that résumés of key personnel might appropriately be placed in an appendix. Other information that might be placed in appendixes includes your organization's history, product specifications, records of past successes with similar projects, letters of support, details that support information in the description section, a questionnaire to be used for the proposed research, or other supporting and reference materials.

NOTE 11.17
Limit appendixes to
information that is
essential to the
reader's needs.

An RFP may specify what appendixes are to be included. Be sure to include only those appendixes essential to the reader's understanding and decision making. If the proposal becomes too bulky, it will be less acceptable to a potential approver, funder, or purchaser.

REFERENCE LIST

If you think it strengthens your case, include a reference list in the proposal. A **reference list** is an alphabetical listing of all sources of information in the proposal, including those items presented as text citations or footnotes.

Writing a Proposal

The task of writing a long, complex proposal may be assigned to a team. When proposal writing is a collaborative effort, it is important to have one chief writer—someone who will be responsible for ensuring consistency and coherence within the document. As suggested in the Tips and Hints feature at the top of page 317, a solo author may ask others to read the proposal before it is finalized and submitted.

Whether written by one person or a team, proposals—like correspondence and reports—require planning. The principles of business communication must be applied as the document is planned, drafted, and finalized.

tips and hints

Get a Cold Reader Review

Writers can become so involved with proposals that they are unable to judge them objectively. To avoid the problem created by close association with the work, a proposal writer should seek the help of a “cold” reader—someone who hasn’t worked on the project. The reader should review the RFP or

selection criteria and then read the proposal to determine whether all points have been addressed clearly and completely. Asking the reader to summarize the major sections will help determine which, if any, parts of the proposal need to be revised.

Format, too, plays a part in readability and can help to generate interest in the proposal. Headings, margin notes, bullet points, outlines, charts, and diagrams can serve as signs to guide the reader. White space can help to highlight important items.

Figure 11.2 is an example of a **poor** internal proposal. This chapter’s suggestions for writing successful proposals are not implemented in this memo. An improved proposal for the same situation is shown in Figure 11.3. This example of a **good** informal proposal follows the guidelines for developing and writing successful proposals.

When Henry Wolcot was assigned the task of locating and negotiating a contract for accommodations for an annual meeting for his company, he sent an informal but detailed e-mail request to 14 hotels in six major cities on the East Coast. Figure 11.4 is an example of one of the responses he received—it is an example of a **good** external proposal.

The situation surrounding the message in Figure 11.4 involved representatives of two for-profit businesses. Not-for-profit organizations also engage in proposal writing. An example of a proposal from Goodwill Industries to a private foundation is posted at the website for this text: www.thomsonedu.com/bcomm/krizan.

Proposals are the way that new ideas are conveyed to decision makers. Most of the recommendations in this section on proposals apply to both written and oral proposals. Successful businesspeople develop and submit many proposals during their careers. They are not deterred by rejections. Instead, they follow the suggestion in the Tips and Hints below and try to improve their skills. They keep developing and submitting proposals and realize professional and personal gains when their proposals are accepted.

NOTE 11.18

Use format to enhance readability.

NOTE 11.19

Well-written proposals can help you advance your career.

tips and hints

When the Answer Is No

If your grant proposal is turned down, learn from the experience:

- Contact a representative of the funding agency and ask to see the reviewers’ comments. The comments will help you identify things you will want to change in future submissions.
- Read the summaries of projects that were funded. What did those proposal writers do that you didn’t?
- Revise the proposal and submit it to another agency.

needs work

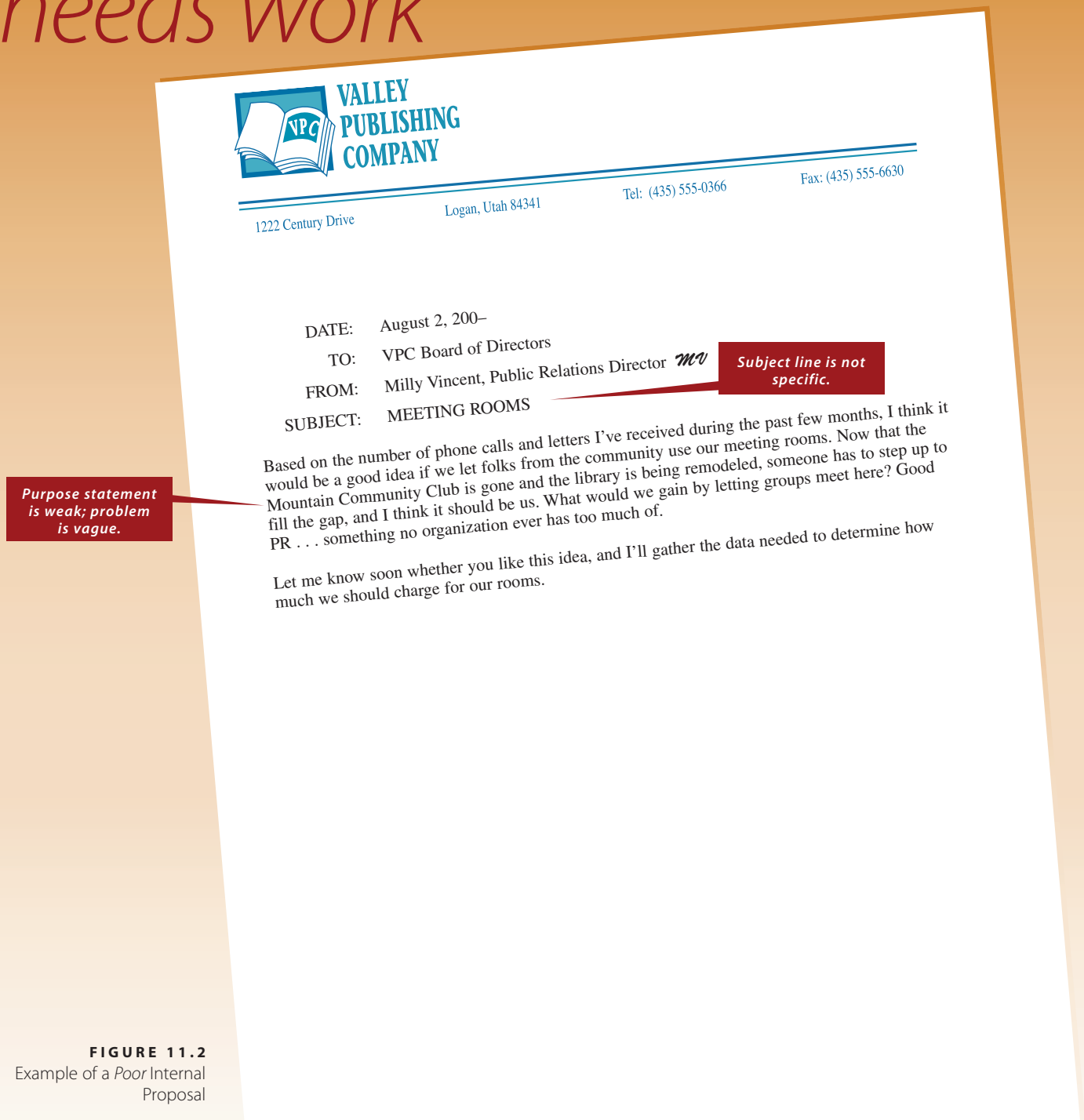


FIGURE 11.2

Example of a Poor Internal Proposal

Business Plans

LO 4

Draft a business plan.

NOTE 11.20

Business plans are special-purpose proposals.

A **business plan** is a special type of proposal, one designed to persuade a financial institution or a private party to invest money to support a particular venture. The investment may be in a start-up company or in a business that wishes to expand. The plan provides all the information necessary for the project to be evaluated by the funding source.

This section contains a brief description of what a business plan contains and offers several presentation suggestions. When faced with the task of developing a busi-

looks good



**VALLEY
PUBLISHING
COMPANY**

1222 Century Drive

Logan, Utah 84341

Tel: (435) 555-0366

Fax: (435) 555-6630

DATE: August 2, 200–

TO: VPC Board of Directors

FROM: Milly Vincent, Public Relations Director *MV*

SUBJECT: **PROPOSAL TO CHANGE FACILITY-USE POLICY**

Subject is clear.

VPC could enhance its public image and strengthen relationships with its employees by permitting outside groups to use the company's meeting rooms.

Background

During a typical three-month period, VPC receives one or two requests to use its meeting rooms. These requests come from employees, customers, and representatives of the general public. In accordance with Policy No. 102, which was enacted for financial and liability reasons, we refuse these requests.

Purpose is clear and focuses on benefits.

Problem

Problem is stated clearly.

In the three-month period May 1 through July 31, we received 27 requests to use our facilities. Thirteen of these requests came from our employees or from representatives of organizations that VPC supports through financial or in-kind donations.

The increased request activity can be attributed, at least in part, to the fact that two popular meeting sites are no longer available: Fire destroyed The Mountain Community Center in April, and Central Library began a major remodeling project in mid-June.

Background sets context for the problem and solution.

Recommendation

I recommend that we make our three main-floor meeting rooms available to local groups between 6 and 10 p.m. weekdays on a cost-recovery basis until other facilities are again available (approximately nine months). By doing so, we will provide a valuable public service and build on our already strong reputation in the community.

Benefits are clear; costs are specific.

Information gathered from our insurance carrier, our maintenance manager, and our security chief suggests that a \$35 per hour fee will cover our costs.

If you approve this recommendation, I will issue a news release, notify those whose requests have been processed that our policy has changed, and draft internal procedures for your review.

Subsequent action is identified.

FIGURE 11.3
Example of a Good
Internal Proposal

ness plan, most people consult an accountant or a business development specialist. Numerous print and electronic resources are also available to provide background information beyond what is available here. In addition, agencies such as the Small Business Administration (SBA) provide free or low-cost services. The SBA's website at <http://www.sba.gov> is one of many online that provide sample business plans.

Although the actual format and organization may vary, a business plan will contain the following elements:

NOTE 11.21
Financial institutions
expect business plans
to contain certain information.

FIGURE 11.4
Example of *Good*
External Proposal

The Harbor Hotel

546 West Cork Street Baltimore, MD 21214



March 14, 2006

Mr. Henry Wolcot
Travel Director
Columbia Engineering
672 Elm Drive
Springfield, MO 66806

Dear Mr. Wolcot:

CONFERENCE ACCOMMODATION PROPOSAL
September 26 – October 4, 2006 (arrival/checkout)

Thank you for your interest in holding your 2006 meeting at The Harbor Hotel. We are excited about the possibility of hosting your group.

The net, non-commissionable rates quoted in this proposal (including attachments) are valid only for the dates specified in your RFI; should the dates of your meeting change, we request the opportunity to submit a new proposal.

Guest Rooms
60 Single/Double Deluxe Rooms (25-room minimum) \$155 + 12.5% tax (each)

Your attendees will appreciate the comfort and convenience The Harbor offers. Each room has two double beds; a sofa; a desk area; two multi-line telephones with speaker, data ports, and voice mail; and an in-room safe. Coffee and the daily newspaper are complimentary. Guests may purchase day passes (\$10 each) to Harbor Gym, located within a block of the hotel.

The Harbor is conveniently located near tourist attractions, downtown shopping, and numerous five-star restaurants.

Meeting Space
The following meeting spaces have been tentatively reserved for your group. Because we appreciate your room and catering business, *meeting rooms are complimentary.*

Date	Time	Number of Participants	Room Setup
Wednesday, September 27; Thursday, September 28; Friday, September 29; and Monday, October 2	8 a.m. to 5 p.m.	60	Classroom (tables and chairs)
Wednesday, September 27; Thursday, September 28; Friday, September 29; and Monday, October 2	8 a.m. to 5 p.m.	20	Classroom (tables and chairs)

Mr. Henry Wolcot

-2-

March 14, 2006

Catering (See enclosed menus for choices and pricing.)

Date	Event	Time	Number of Participants
Wednesday, September 27; Thursday, September 28; Friday, September 29; Monday, October 2; and Tuesday, October 3	Lunch Buffet	Noon to 1:30 p.m.	60
Wednesday, September 27; Thursday, September 28	Dinner Buffet	7 p.m. to 11 p.m.	80
Weekdays September 27 through Tuesday, October 3	Breaks	10 to 10:30 a.m. 3 to 3:30 p.m.	80

Contract

The rates in this proposal are available through 4:30 p.m. (EDT) April 15, 2006. After receiving confirmation that you accept our proposal and after learning your catering preferences, we will submit a contract for your signature. A 50 percent deposit will be due when the signed contract is submitted.

We are very interested in having Columbia Engineering hold its event at The Harbor Hotel. To learn more about our property and to view photos of our guest and meeting rooms, visit our website at www.TheHarborHotel.com. Should you need additional information, we will provide it.

Sincerely,

Natalee G. Former

Natalee G. Former
Sales Manager

Enclosures: Menus

FIGURE 11.4
Example of *Good*
External Proposal
continued

- *Executive summary.* The executive summary describes the highlights of the plan and helps capture the interest of the reader. It provides a brief, crisp introduction that discusses the nature of the business and its proposed location, how much funding you need and why, and the period for which money is needed.
- *Ownership/management/staffing description.* This section describes the proposed ownership and legal structure; it gives information about the experience, skills, training, and qualifications of key personnel.
- *Product/service/market identification.* This section identifies the size, location, demographics, and other relevant information about your market. It explains your pricing strategy and how you plan to advertise and market your product or service.
- *Administration/production factors.* This section provides information about equipment and facilities, production techniques, quality control mechanisms, management structure, accounting systems and controls, and any other factors specific to your product or service.
- *Growth and development potential and plans.* This part of the business plan presents a one- or two-year projection linked to improving or expanding products, services, or markets. It describes changes in required staffing and identifies additional investment that might be required.
- *Financial information.* The financial section provides detailed, realistic information about how much the project will cost, money that will be provided through other sources, and what financial security you can offer lenders. This section contains a one-year monthly operating budget and cash flow projection. It also forecasts a first-year return on investment, identifies the breakeven point, and supplies projected income statements and balance sheets for two years.
- *Appendixes.* Documents that relate to or further explain or support the plan are included in an appendix or appendixes. Résumés of key personnel, letters of intent, and copies of contracts or leases are among the items that may be included.

As you can tell from the item descriptions, the business plan is a complex document—one that poses a writing challenge. Like other forms of business writing, the business plan should reflect the principles of business communication and show evidence of thorough planning. Because a business plan is a persuasive message, it should contain the attention, interest, desire, and action elements described in Chapter 9. It also should be designed to reflect a professional image. The Tips and Hints offers suggestions related to these topics. A business plan related to the establishment of a

tips and hints

Business Plan Do's

- Keep your plan concise—20 to 40 single-spaced pages plus appendixes.
- Make sure the plan is easy to read and to understand—use headings and tabbed dividers.
- Eliminate typographical and grammatical errors.
- Accurately describe the market opportunities for the business.
- Acknowledge and address the risks involved.
- Convey the strength and depth of your management team.
- Explain your assumptions; make certain they are realistic.
- Limit your use of jargon and technical details. Define any terms you must use.
- Refrain from providing highly confidential or proprietary information.
- Use professional packaging (cover sheet, binding) that reflects the type of business you are proposing; gimmicks detract from content.

permanent structure for a farmers' market is begun in Figure 11.5 and shown in full on the Web at www.thomsonedu.com/bcomm/krizan.

Special Reports

Some business reports require special content or format considerations. Three common special reports are policies, news releases, and performance appraisals. A fourth common special report, minutes, is included with the discussion of meetings in Chapter 13.

LO 5

Develop clear policy statements.

Policies

A **policy statement** serves as a guideline for employees, customers, or others to follow.

Policy statements affecting employees normally will be assembled into a manual or posted to the Web. This manual can be used to orient new employees and can serve as a reference for long-time employees. Policies affecting customers may be posted in a highly visible location or printed on transaction documents. A retail store's return policy, for example, could be printed on a cash register receipt or on a card that is attached to the receipt at the time of sale. An emergency closing policy such as the one shown in Figure 11.6 might be contained in a manual, posted at a prominent place in the building, and/or posted to the organization's website.

Policy statements should be written in the third person and should be clear, concise, and complete. Policies written for managerial personnel are broad guides that allow flexibility; policies for nonmanagerial personnel are narrower and more restrictive.

NOTE 11.22

Policies should be broad for managerial personnel and specific for nonmanagerial personnel.

News Releases

A **news release** is a special business report containing information that will be of interest to the public. News releases need to be newsworthy, accurate, timely, concise, and positive. Common subjects for news releases include employee hires, promotions, or achievements; business expansion; employee layoffs; product recalls; and introduction of new products.

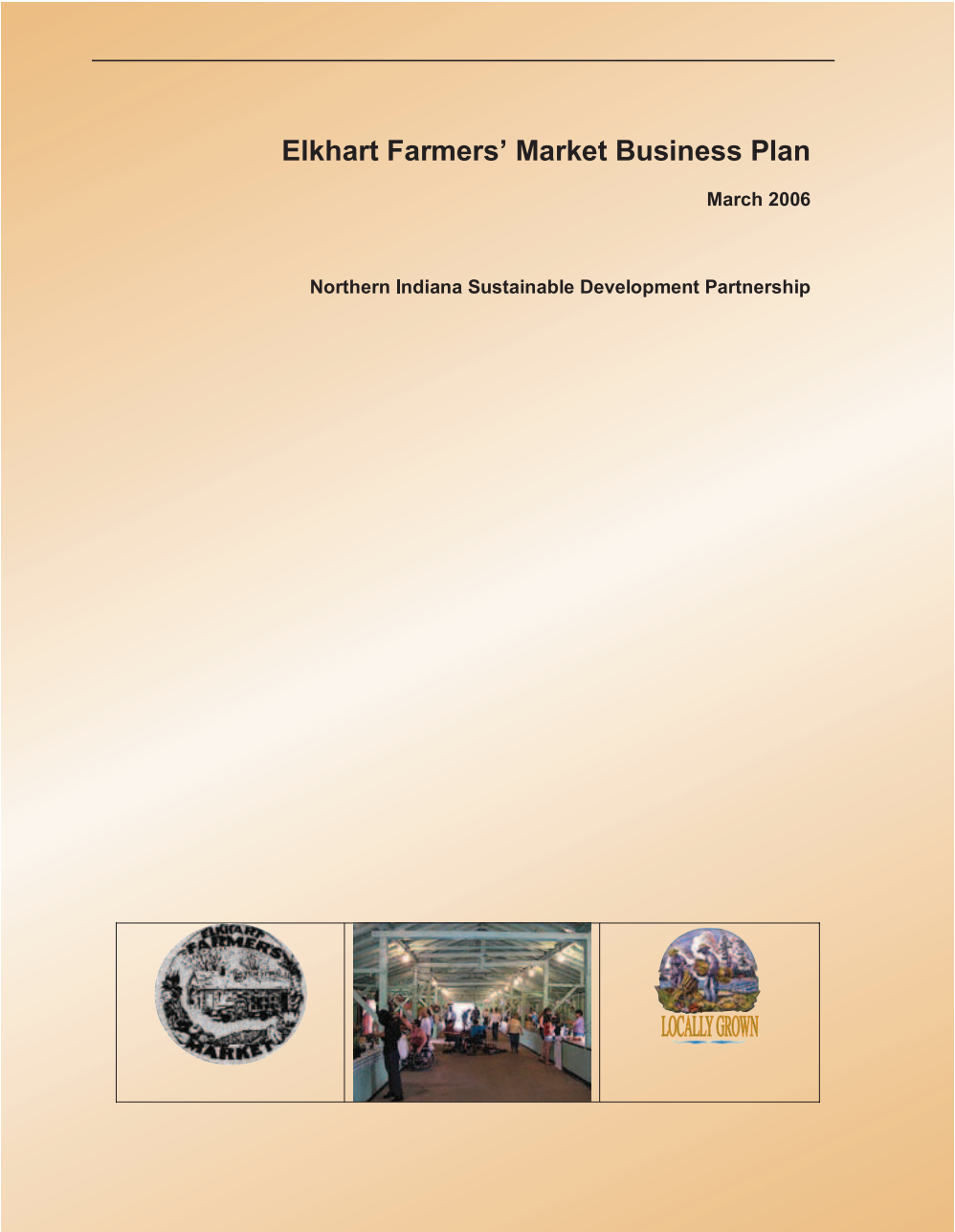
LO 6

Write an effective news release.



A customer returns merchandise to a retail store.

FIGURE 11.5
Business Plan



**Elkhart Market Gardeners' Association
Business Plan
March 2006**



- 1. Executive Summary**
- 2. Business Description and Operations**
 - 2.1. Description of Business**
 - 2.1.1. Mission and Objectives, Including Proposed Building Project
 - 2.2. Market Analysis and Strategy**
 - 2.2.1. Competition
 - 2.2.2. Interpreting Survey Results
 - 2.2.3. Keys to Success
- 3. Financial Plan**
 - 3.1. Historical**
 - 3.1.1. Tax Returns
 - 3.2. Vendor Income**
 - 3.3. Financial Projections**
 - 3.3.1. Key Assumptions
 - 3.3.2. Source and Use of Funds Statement
 - 3.3.3. Income Statement, Balance Sheet, Cash Flow
 - 3.3.3.1. 2005–2006
 - 3.3.3.2. 2006–2007
 - 3.3.3.3. 2007–2008
 - 3.3.3.4. Further 2-Year Projections
 - 3.3.4. Depreciation
- 4. Non-Market Issues**
 - 4.1. WIC
 - 4.2. EMGA and Benefits to the Local Community

FIGURE 11.5
Business Plan,
continued

FIGURE 11.5

Business Plan, *continued*.

The full business plan is available at <http://thomsonedu.com/bcomm/krizan>.




	<p style="text-align: center;">Winter County Library</p>	<p>Policy: 37 Passed: 01/08/1996 Modified: 11/12/2004</p>
<p style="text-align: center;">EMERGENCY CLOSINGS</p> <p>This policy shall apply in the event of an emergency such as severe weather, utility failure, fire, or terrorism.</p> <ul style="list-style-type: none"> • The safety of library personnel and patrons will be the primary consideration in the decision to close. • The Director or Assistant Director, working in collaboration with public safety departments and emergency service providers, shall have the authority to close the facility. • In the event of a closure, the Director or Assistant Director shall notify local news media. • In the event of a closure, the Director or Assistant Director shall prepare and submit a closure report to the Library Board of Trustees. 		

FIGURE 11.6
Policy Statement

The **inverted pyramid format** should be used for news releases. The inverted pyramid format begins with a summary lead that tells who, what, where, when, and sometimes why or how. Develop the body of the release by giving the details in descending order of importance. This organizational pattern respects both news agency personnel, who will cut material from the bottom to meet space constraints, and the general public, who may not read or listen to the entire story because of time constraints. If your release is to encourage people to attend an event, present information about location, day, date, time, and cost early in the message. Including a quote from someone associated with the announcement or event creates interest and gives the news item a personal touch.

The news release should be double spaced with the company's name and address keyed or printed at the top. The contact person's name and telephone number also should be on the news release. Special instructions ("FOR IMMEDIATE RELEASE" or "FOR RELEASE ON MAY 2") should be keyed in all capital letters at the top. Notations such as "Photo attached" should be placed after the text.

Give each release a title appropriate to the content. A lively, funny title such as "Chatham Chili Cookoff is HOT, HOT, HOT!" may work well for an event, but a merger, a promotion, or a product recall needs a more professional, serious, business-like title.

The city, state, and date should precede the text on the first line of the body. Placing the notation "-30-" or "###" beneath the last line of the text informs the news agency that the release is complete; for releases longer than one page, "more" should be printed on the bottom of each page that is to be continued. Figure 11.7 shows a sample news release.

Performance Appraisals

A **performance appraisal** reports a supervisor's evaluation of an employee's job performance. The appraisal is a tool for providing feedback that reinforces positive behavior and identifies areas needing improvement. A written appraisal is prepared and discussed with the worker before it becomes part of his or her employment

NOTE 11.23
News releases should be written in the inverted pyramid format.

LO 7

Prepare a constructive performance appraisal.

NOTE 11.24
Performance appraisals help the employee and the organization.

FIGURE 11.7
News Release



record. Often the employee is asked to sign the appraisal to acknowledge that the supervisor has discussed it with him or her. Employees who disagree with the supervisor's appraisal may have an opportunity to write a response and have it included in the file, too. Information contained in Chapter 13 will be useful in preparing for and conducting the performance appraisal meeting.

No employee should be surprised by information contained in a written performance appraisal. Good management practice dictates that duties and expectations be conveyed to employees in advance and that informal feedback—praise, criticism, and suggestions for improvement—becomes a routine part of supervision. Nevertheless, supervisors must approach the writing of a performance appraisal as they would any other business document. They must identify the purpose, analyze the receiver, and select the appropriate approach.

An evaluation that will be received positively or neutrally should follow the direct pattern; evaluations that contain negative news should be presented indirectly. Because the appraisal will become the basis for human resource decisions such as pay raises, promotions, discipline, and terminations, assessments must be supported by factual evidence. Saying "Paul has submitted four of his last six monthly reports three to ten days after they were due" is more descriptive than "Paul does not submit reports in a timely manner."

Brevity is also a factor in preparing performance appraisals. Many organizations have developed forms that supervisors must use, and space may be limited. If

Performance Appraisal	
Employee: Darren Corel	Department: Maintenance
Duty:	Vacuum, sweep, or mop/scrub floors and stairs once per day as appropriate for their surface.
Standard:	No visible dirt or streaks; wet surfaces are clearly marked with caution cones.
Evaluation:	Darren performs his duties efficiently. Employees and guests have remarked positively on the condition of our lobby as well as the offices and hallways he maintains. During inclement weather, it can be difficult to complete regularly assigned tasks and keep the lobby safe for employees and guests. Three weeks ago, an employee slipped and nearly fell because the floor near the main door was wet.
Action/Follow-up:	Darren and I will develop a strategy for handling unexpected weather-related cleaning demands and review its effectiveness within three days after the next event.
Employee's Signature: <i>Darren Corel</i> Date Reviewed: June 16, 2007	Supervisor's Signature: <i>Allen Blaizer</i>

FIGURE 11.8
Performance Appraisal

necessary, the writer should continue his or her comments on another sheet and attach it to the form. The organization may ask the worker to sign both the form and the supplement. An honest appraisal, devoid of humor and sarcasm, is most effective. Omit comments such as “He sets low standards and consistently fails to achieve them.” Figure 11.8 represents one section of a performance appraisal.

Summary of Learning Objectives

Identify the different types of proposals.

LO 1

A proposal is an analysis of a problem and a recommendation for a solution. The recommended solution may be products or personnel, a business study, work to be performed, or any of several other ways of solving a problem. Proposals may be informal or formal, internal or external, unsolicited or solicited. External proposals can be directed to prospective clients, government agencies, or private agencies/foundations.

Write formal proposal requests.

LO 2

A Request for Proposal (RFP) is issued to solicit proposals for specific projects, products, or services. A thorough, well-written RFP helps readers decide whether to apply. Proposals submitted in accordance with the requirements of an RFP should contain comparable elements presented in a comparable fashion, which makes evaluation easier.

LO 3 *Write formal and informal proposals.*

Proposals are common in business and must be written as persuasive messages designed to win the reader's approval of the writer's recommendation. Successful proposals must have excellent content and be clearly presented.

LO 4 *Draft a business plan.*

A business plan is a proposal for funding to start or expand a business. The proposal will provide information about the people, products, potential, and financing of the business. A realistic, thoughtful, well-written business plan has the greatest opportunity for success.

LO 5 *Develop clear policy statements.*

Policy statements serve as guidelines for the operation of a business. They should be clear, concise, and complete.

LO 6 *Write an effective news release.*

News releases should be written in the inverted pyramid format. The body should contain the most important facts first and least important facts last. It should not contain a conclusion.

LO 7 *Prepare a constructive performance appraisal.*

Performance appraisals provide feedback to workers and help them improve their performance. Appraisals typically become the basis for human resource decisions such as pay raises, promotions, discipline, and termination. Statements should be concise, clear, and concrete. Comments should be organized directly for positive or neutral evaluations and indirectly for negative evaluations. A written evaluation should be discussed with and signed by the worker to show he or she has reviewed it.

Questions for Discussion and Review

1. Refer to the Let's Talk Business feature that opens this chapter. Decide whether each of the proposals discussed there would be internal or external, unsolicited or solicited, and formal or informal. (Objective 1)
2. In what way(s) does a well-written RFP benefit the organization that issues it? How does it benefit the organization that responds? (Objective 2)
3. How does the Attention/Interest/Desire/Action plan (described in Chapter 9) for writing a persuasive message apply to writing an unsolicited internal proposal? (Objectives 1 and 3)
4. How does the purpose of a proposal's cover letter or memo differ from the purpose of the proposal's summary? (Objective 3)
5. To whom might an entrepreneur present his or her business plan? Why? (Objective 4)

6. Assume you want to start a business in the community in which your school is located. What resources are available to you—locally or through the Internet—as you approach the task of drafting a business plan? (Objective 4)
7. What purposes do policy manuals serve in organizations? (Objective 5)
8. Work with your instructor to select and locate a copy of a policy that applies to students at your school (i.e., adding/dropping a class; using the Internet to download music; posting flyers to bulletin boards) and answer the following questions about it: (Objective 5)
 - a. When was the policy created and/or last modified?
 - b. How are students made aware of the policy?
 - c. Who enforces the policy?
 - d. What, if any, penalty is applied if the policy is violated?
9. What is the inverted pyramid format? Why is it used when composing news releases? (Objective 6)
10. How can a performance appraisal help a worker? the worker's organization? (Objective 7)

Application Exercises

1. **Technology. Teamwork.** Individually or as a group, develop a proposal on one of the following topics. The proposal is to be sent to the appropriate administrator at your college. (Objectives 1 and 3)
 - a. Installing vending machines in every campus building.
 - b. Creating a separate parking lot for those who carpool.
 - c. Installing more/better lighting in campus parking lots.
 - d. Using pesticide-free lawn treatments.
 - e. Eliminating final exams.
 - f. Establishing a dress code for business students.
 - g. Changing the name of the school's mascot.
2. **Teamwork.** George Urban and Helen Felix graduated from your school and later started their own business. Because they believed their education contributed to their success, they recently pledged \$50,000 to the business division, payable at \$5,000 a year. The only stipulations George and Helen placed on their donation are that the funds be awarded to student groups through a competitive grant process, that students set the criteria for the awards, and that students decide who receives the awards. The head of the business program has asked you to form a five-person committee charged with the task of setting the criteria for and announcing the grant opportunity. Work with four students in your class and prepare a clear, complete informal (memo, e-mail) RFP that announces the grant opportunity. Submit the message to your instructor. (Objectives 1 and 2)
3. **Teamwork.** Refer to Application Exercise 2. As directed by your instructor, work with your group to prepare a proposal that responds to an RFP created by another group in your class. (Objectives 1 and 3)
4. Write a proposal using all 18 proposal elements discussed in this chapter. The subject of your proposal can be (a) permitting employees to bring pets to work, (b) instituting job sharing in administrative support positions, (c) purchasing a Segway® (two-wheeled, self-balancing transportation device) for use by security staff in a shopping mall, or (d) any work-related topic approved by your instructor. (Objective 3)
5. **Technology.** You volunteer at a Boys and Girls Club in your community. The playground equipment at the club is old and potentially unsafe. You've decided to explore the possibility of applying for foundation funding to buy and install new playground equipment. Use the Internet to locate three foundations that fund proposals of this nature. (Objectives 1 and 3)
 - a. Prepare a memo to the club's director, Myron Tulley. Report your findings and volunteer to prepare the grant proposal.
 - b. Prepare a grant proposal that meets the guidelines of one of the foundations.

TECHNOLOGY

COLLABORATIVE

COLLABORATIVE

COLLABORATIVE

TECHNOLOGY

COLLABORATIVE

6. Teamwork. As your instructor directs, work independently or as a member of a team to prepare all or selected parts of a business plan designed to obtain the funding necessary to start one of the following businesses: (Objective 4)

- a. An Internet-based business related to your major.
- b. A consignment clothing store for students on your campus.
- c. A specialty coffee shop.

TECHNOLOGY

7. Technology. Write (or e-mail) three businesses and request copies of their policy on accruing and awarding vacation leave time. Summarize your findings in a memo to your instructor. Describe the format of the policies, including whether they are numbered, dated, and so on. (Objective 5)

8. A student organization to which you belong recently returned from its national conference. One of the highlights of the conference was announcement of "Chapter of the Year"—and your group won! Prepare an appropriate news release; add details to make the release interesting. (Objective 6)

9. Interview a representative of a local newspaper or area radio or television station to learn how the organization uses news releases. If possible, obtain copies of one or two news releases received within the past month. Report your findings to the class and discuss the format/content of the releases class members obtain. (Objective 6)

COLLABORATIVE

10. Teamwork. Work with three or four of your classmates to develop a job description for the role of business communication student. Then, prepare a performance appraisal that discusses whether you meet the standards. If appropriate, include recommendations for self-improvement. (Objective 7)

Web exercises to accompany this chapter are available at www.thomsonedu.com/bcomm/krizan.

MESSAGE ANALYSIS

Revise, edit, and reformat the following pet policy statement for The Shady Lake Inn.

Pet Policy

The Shady Lake Inn is a family-friendly lodging facility. Some of our guests consider their pets to be members of their family and enjoy sharing vacations with them; others have no pets or prefer to vacation without their animals. This policy has been adopted to meet the needs of both groups. Date: February 12, 200—

--only small (under 30 #; easily held or carried) healthy wellmannered dogs and cats are permitted. -- When reserving a room, the guest must state that a pet will accompany them.--Guests with pets will pay a daily \$25 fee to cover the cost of additional time:effort involved in cleaning the room.*Pets may be prohibited during some holidays or during special events.--Pets are not permitted in the lobby restaurant or other common areas;--Pets must be under owner control at all times and kept in carriers or crates at night or while their owners is out of the room. --7 outdoor excess main floor rooms will be designated "pet friendly" rooms; all other rooms will be "pet-Free.--Guests with pets will sign a Responsibility/Release agreement at check-inn.*

Writer's Workshop

The following items may be sentence fragments or contain errors in punctuation, subject-verb agreement, pronoun-antecedent agreement, infinitive use, abbreviations, number display, capitalization, spelling, word choice, possessives, modifier clarity and placement, or parallelism. Rewrite the sentences to make them correct.

1. When ordering refreshments for next weeks' meeting, be sure to request fruit and bagels, as well as donuts and roles.
2. Yesterdays' "Montgomery Monitor" contained an article about hybrid vehicals and how there becoming popularer becuz of the energy crises.

3. Read and draft a proposal to respond too the r.f.p.from Baker Bank/ the dead-line is Thu.,june 31st.
4. Each of the travelers must have their Passport ready for examination when we enter France.
5. Did Sal say it was him whom forgot to turn the copier off before leaving the office last night.
6. Jody planes to ask for a four % raise,but will be happy if she receives 3.
7. After you pass the class we will reimburse your tuition and fees;the from you must complete fill out is availabe at the HR websight.
8. Allen Gardner—the founder of Gardner granite, describes himself as “having a stone face when she tells a joke.
9. Cicily chose new carpet for her office which will be installed the 1st week of Septem.
10. Marvin budgeted allocated \$2,000.00 for his trip to montreal but his expenses actuarially came too 2 thousand two hundred and 30 dollars.