**POM 12 – Developing Winning Proposal**

*Definition Proposal:*

* legally binding
* formal and comprehensive offer to a client
* to solve a business problem
* by defining an appropriately tailored project

*General structure of proposals:*

* Understanding the client‘s problem
* Describing the solution to the problem
* Work plan (tasks, time, budget and personnel)
* Prerequisites (Voraussetzungen) for the client (client time, client personnel involvement,…)
* Pricing (possibilities 🡪
  + Fixed Price for fixed scope („all included“)
  + Bonus for ahead of time delivery
  + Value based billing)
* Legal issues 🡪 important part (Werkvertrag vs. Dienstvetrag, involve a lawyer,…)

1. Goal
2. Approach and Results
3. Provisioning of Infrastructure for the Project and participation Obligations
4. Project Organization
5. Milestones and Cost
6. Additional Agreements

*Winning proposal:*

* Understand your client`s intention and have him/her understand you
* Understand your client’s need and boundaries
* Build the **right** relationships (who is the real buyer, his/her motivation for the project)
* The team need a right skill-mix and has to be flexible to adjust
* Learn form every proposal – including failures
* Careful with the language of your proposal (best 🡪 good, highest 🡪 our standards, …)
* Do not forget: the proposal is only the first step of the project (promise only what you can deliver)
* offer a good price
* gain the trust of the client

*Other questions:*

**Value based billing:**

* The payment is proportional to the resulting financial benefits for the client

**Bidding for a proposal:**

* You currently do not have the required skills or capacity
* Similar proposals you made to this client were all rejected in the past

**Proposal process:**

* Analyze the client's needs & situation
* Build client relationships
* Test-run the proposal presentation