PandaDoc

How to optimize your proposal process

propose → **close**
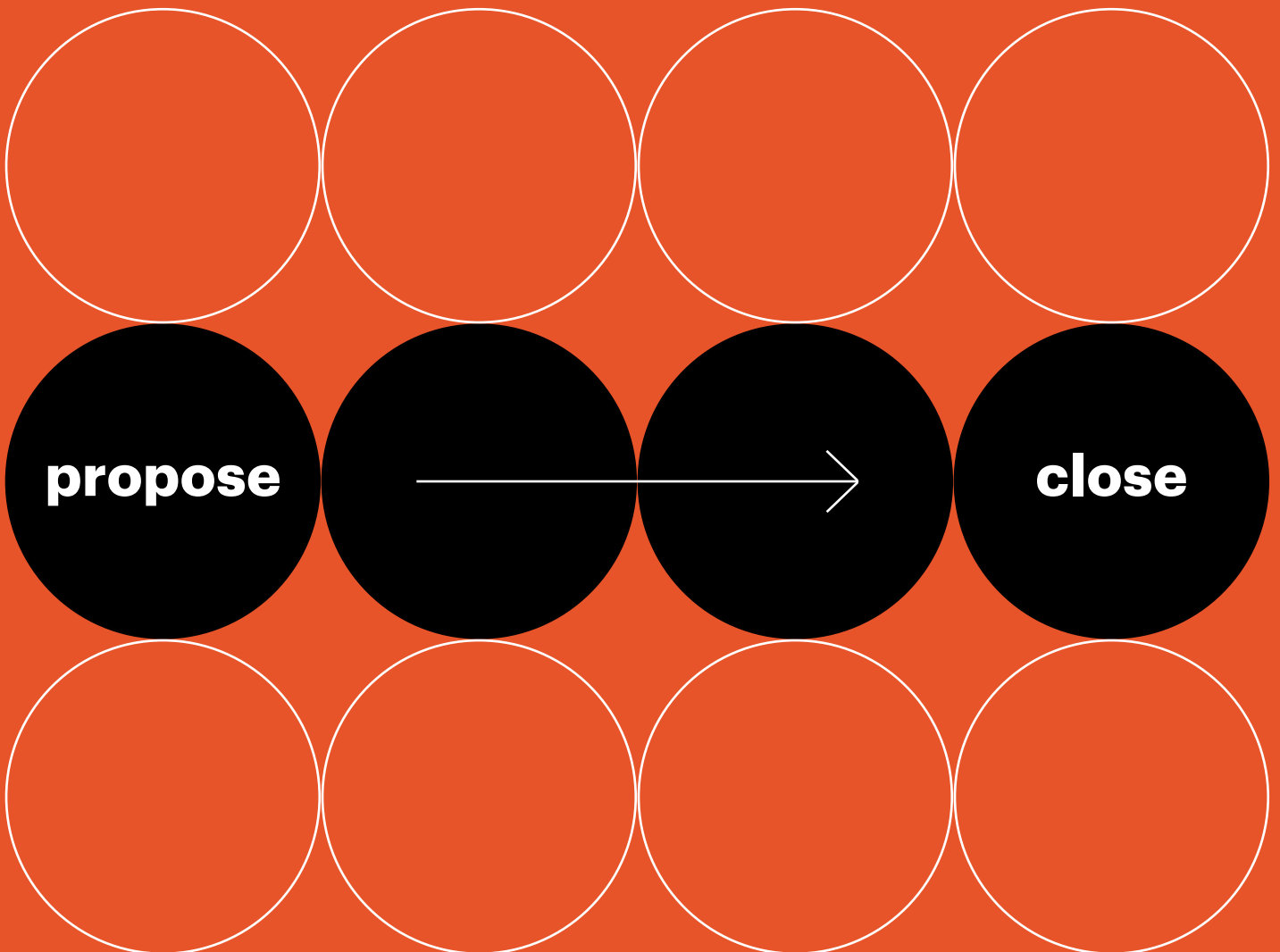
Intro

Your sales proposal process is fine, right? Your team has a passable close rate, and the procedures are tolerable. But small inefficiencies can add up to big, and often unseen, problems. **Your team's "just fine" approach is costing you thousands of dollars in revenue.**

Functional does not mean optimal.

If your proposal process isn't as streamlined as it could be, you may be experiencing opportunity cost — meaning you must give up X to achieve Y. **You have less time to spend on building your funnel, meeting with prospects, training new hires, and implementing new technologies.** It's possible that your less-than-best proposal process is affecting your entire sales department.

To help you optimize your proposal process, we're sharing ways to turn an okay proposal process into one that's world class.

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Harness psychology

Every sales proposal is read by real people, and real people need to be kept engaged from the start. Just as you are more likely to put down a book if the first couple of pages bore you, a prospect is going to disengage if your proposal doesn't capture their attention.

Humans are so hardwired to seek engagement that they will self-administer electric shocks just to evade monotony.

Avoid

Blocks of text full of business jargon. This will put the prospect's brain into autopilot mode, where they scan the words without really digesting the content.

Embrace

Compelling calls to action, interesting stories, and surprising bits of insight.

Psychological literature also has revelatory insights into the power of repetition. A classic study showed that repeating a statement increases the believability of that statement.

Avoid

Burying your main offer deep in the proposal and mentioning it only once.

Embrace

A few well-placed phrases, repeated with conviction. Make your most compelling offer stick in their brain.

$20

↓

$19⁹⁹

We can look to psychology for pricing advice, too. You might think that most people are too clever to be influenced by something as subtle as a .01 cent difference between two offerings, but the scientific literature is full of examples that prove otherwise.

For instance, use "charm pricing" by using prices that end with the number 9 — charge $19.99 instead of $20. A series of MIT studies on retail pricing found that this increased buyer interest by a substantial amount in every one of their experiments.

Or use "anchoring." This is when you present someone with a high-priced offering before presenting a lower-cost solution (which is the one you want them to buy). It's been proved influential through studies on home buying and retail purchases.

$ $ $ $

Many of us have experienced this effect when walking into a big-box retailer such as Costco. They put the expensive TVs on display right when you walk in so that the TVs you see later seem cheap in comparison. Similarly, SaaS companies often use anchoring as a way to nudge the reader toward a more reasonable looking middle tier priced point.

Follow Costco's lead and present your most expensive package first, followed by your most commonly purchased package.

It's a win-win because if the prospect goes for your most expensive option, that's even better.

$340 $160 $89 ^{99} $70

Avoid

Round numbers, anchoring the prospect at a low price point, and a rolling out a less than stellar pricing strategy.

Embrace

Charm pricing, creative anchoring, and a dynamic, customized pricing methodology.

To be clear, these tactics are not guaranteed to work when adopted wholesale. But they provide the basis for exploration and testing, and you can tweak your sales proposal strategy based on the results.

Your process is broken if: Your proposals are dry and formulaic and don't take into account the quirks of human nature.

Analyze the past, personalize the present
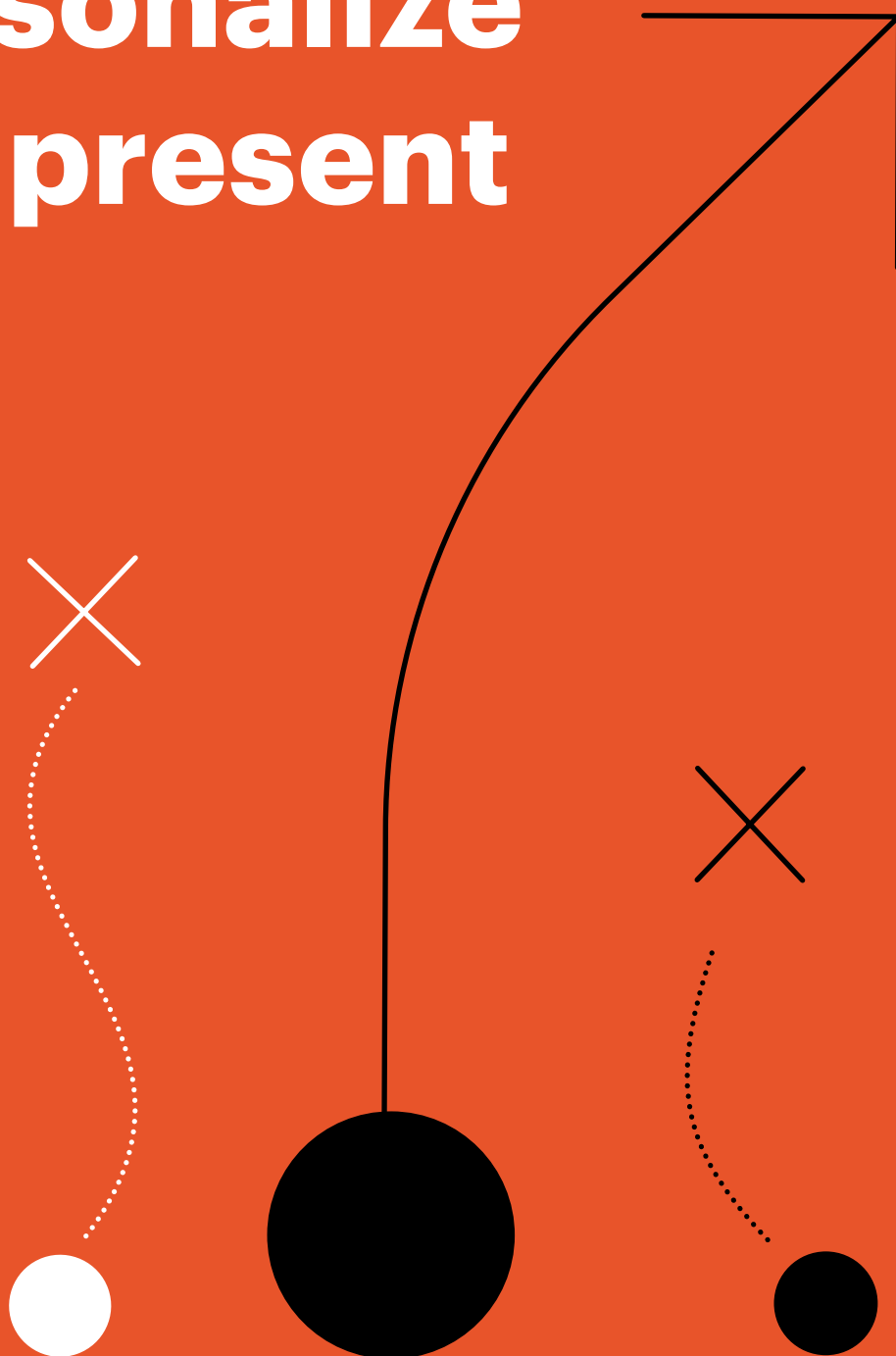
It's never been easier to provide your customer with multiple options in your proposal. Modern tools allow for editable documents that can mix and match deliverables and price offerings. This is mostly wonderful, but it also comes with challenges.

Taken too far, this hands-off approach can lead to complacency amongst a sales team. It's almost too easy to create a blank slate document that gives a variety of options to the prospect and relies on them to make all the right decisions. In the worst case scenario, your prospect isn't even sure what deal you think is best. They are left feeling like the patron of one of those restaurants with 90 menu items that aren't even organized by category.

You can ameliorate these concerns by paring your proposal down to the necessities and leveraging personalization tools.

Analyze data from past proposals you used to close customers in a similar industry, then use the same template.

Similarly, you can leverage your case studies and reviews not only as a means of social proof, but to subtly show the prospect deal structures that worked for similar companies.

Some might argue that tailoring the docs in this way is risky, as the prospect might feel constrained. But personalization is proven to work, so be direct and confident.

Your process is broken if: The prospect tells you that they were confused by your offer, and, on the next call, they want to go over a list of a dozen follow-up questions.

Leverage tracking tools

Most companies take certain sales analytics very seriously. They track email open rates, test ads, and use services like Gong to improve their phone skills. If you are not applying the same level of analytical rigor to your proposal process, it's time to start.

Document tracking is a key area that is often overlooked in the sales proposal process. At many companies, once a proposal is sent, it's "out of sight, out of mind." The rep has no idea whether their proposal was opened or, if it was, by whom, and it restricts their approach to one that's reactive.

Use sales analytics

Document tracking software opens up a new world of opportunity for the modern, proactive sales rep. Once implemented, the rep can see in real time when a proposal is opened, who opened it, and how long they spent viewing each page. That level of granular detail gives reps an edge.

Reps can use tracking information to figure out the best time to reach out.

If three executives from an organization read the proposal in quick succession, that could mean the buyers are close to making a decision. A rep might want to reach out to their point of contact while the proposal is fresh in their minds.

Reps can learn to craft better proposals based on the data they collect.

Imagine you learn from your tracking reports that the section where you talk about the history of your company consistently gets skipped. Now you know that to craft the best possible experience for your buyers, you need to either make that section more interesting or remove it.

By tracking, iterating, and optimizing, your team can find the right outreach cadence and style of proposal that closes the most deals.

Your process is broken if: You consistently send proposals that prospects do not open nor do not spend much time reading. Worse, you don't even have access to this information, so you are unable to optimize your proposals by incorporating performance data.

optimizing

iterating

tracking
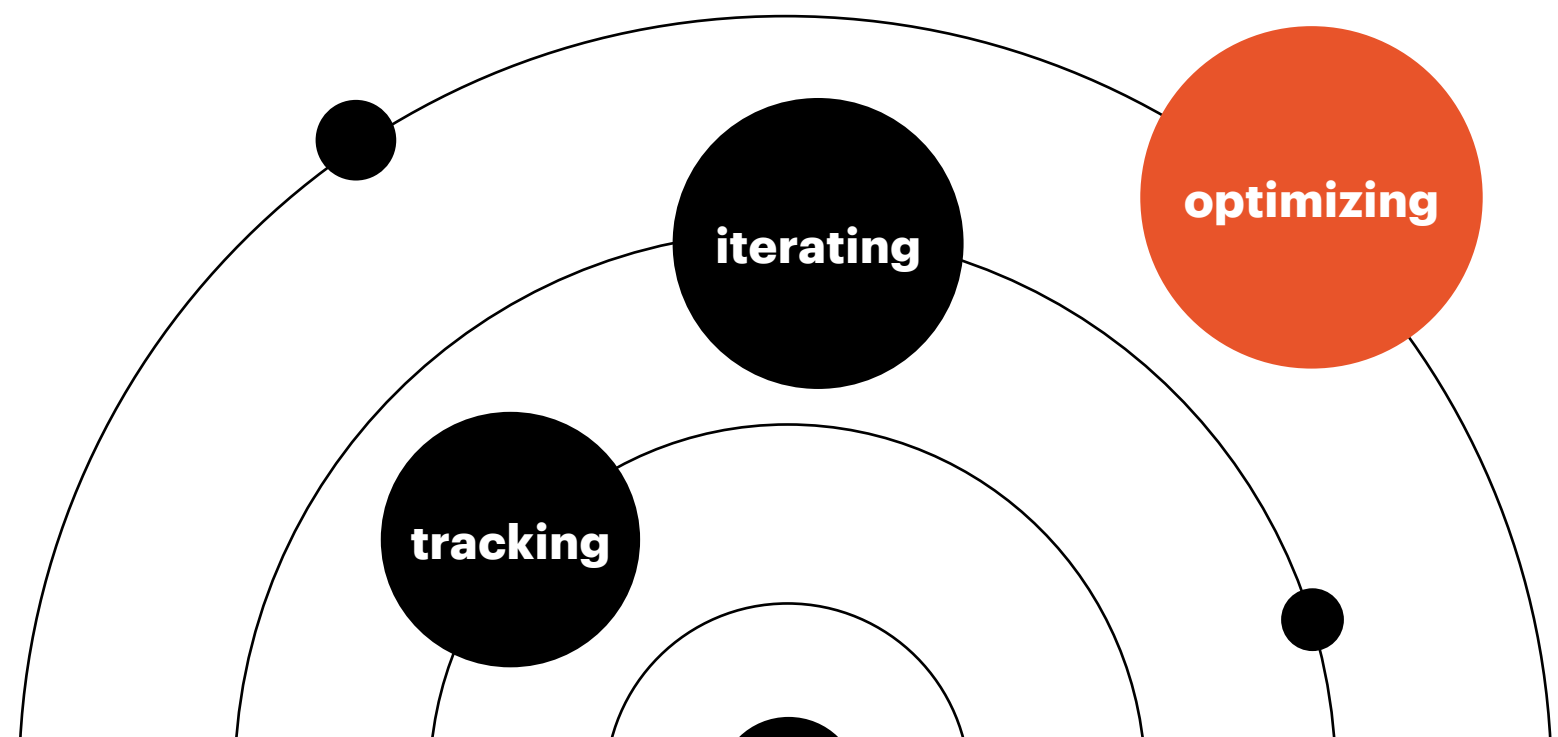
Make communication easy — conversation improve

A proposal can involve a lot of back and forth communication between decision makers, both internally and externally. It's paramount to shore up any cracks in this if you want deals to close quickly.

The key to efficient communication between you and the prospect is to provide options. You want the prospect to get in touch with you in whatever way is most comfortable to them.

Phone — Voice calls are still the lifeblood of a healthy sales team. Make sure that your proposal emphasizes that you'd be happy to hop on a call to talk through any issues. This might sound obvious, but it's all too common to de-emphasize the potential of ongoing phone interactions in an effort to speed the deal along. You can include a link that allows the prospect to throw time on your calendar without even having to send you an email.

Email — Provide the emails of multiple decision makers on your team, including the CEO. This shows that your entire org is excited about the proposal and that even the highest level team members are ready to jump in to answer questions.
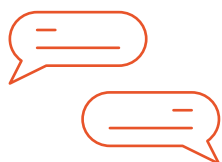
In-doc comments — When emails start flying around, there is a risk that important information can get buried in the deluge. Rather than relying on emails to resolve issues and make updates, you can implement a proposal that allows anyone with access to leave comments. In such a case, all parties involved will be instantly notified when changes are made. Similarly, with an optimal setup, you can automate all of your approvals.

As powerful as email can be, if your company is still using it as the sole means of communication, you might be letting deals slip away.

Your process is broken if: You hear from a prospect that they drafted an email but never sent it and that they'll circle back to you when they get a chance, or your negotiation thread becomes long and unwieldy because all parties are sending emails instead of using in-doc commenting.
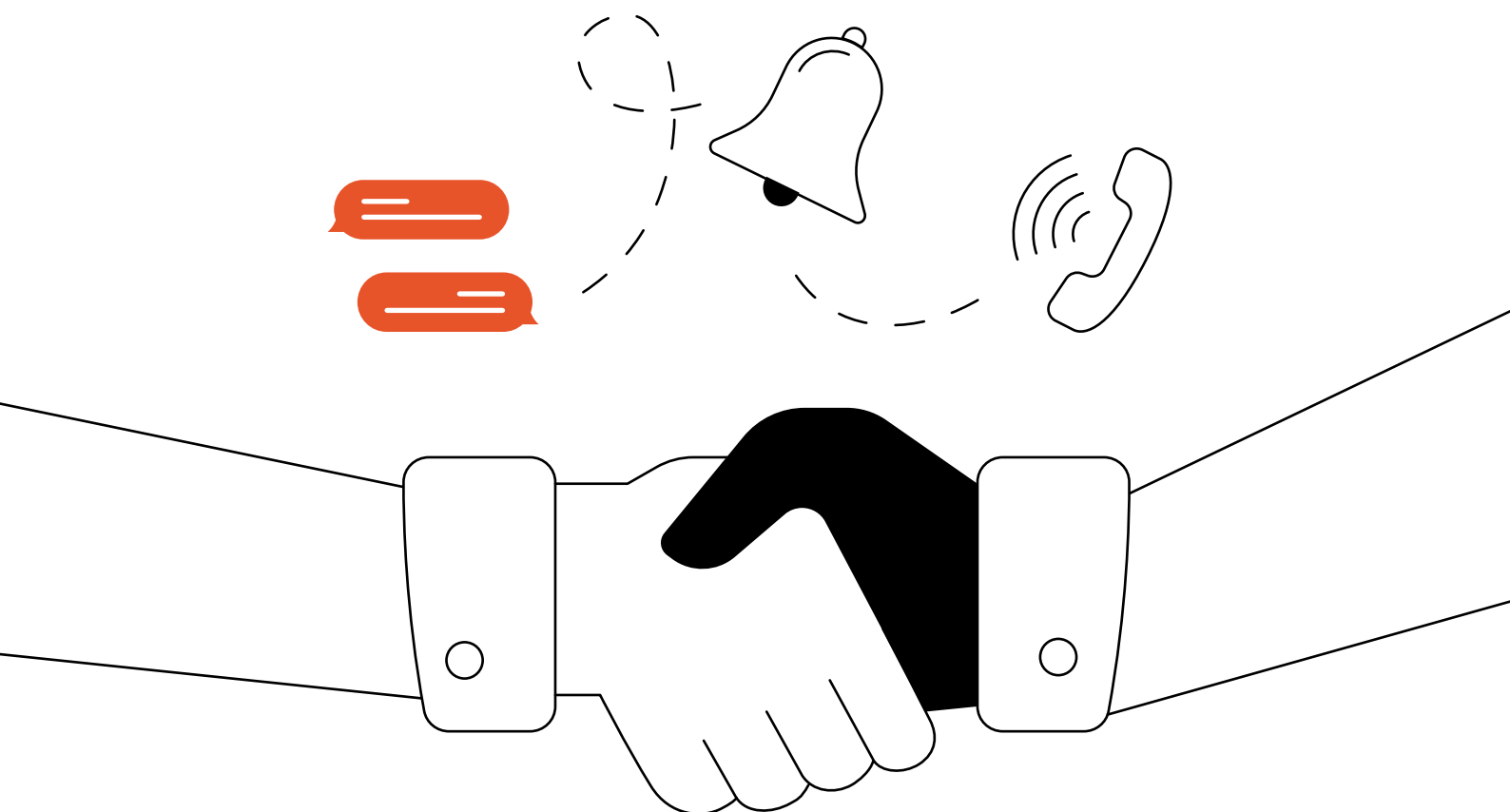
Focus on pipeline precision
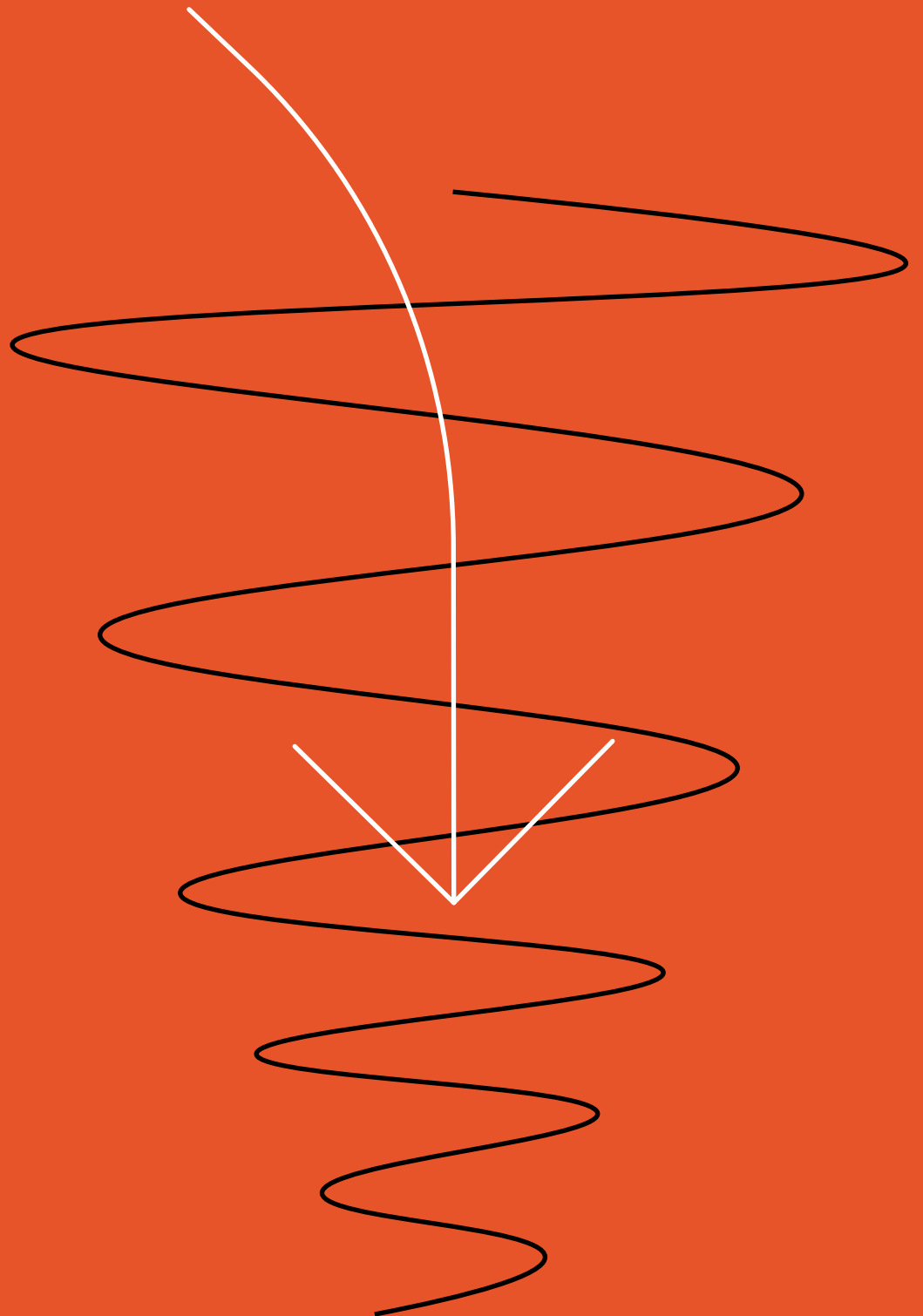
A thriving sales team will have multiple proposals in the works, each in various stages of completion. It's time-consuming and cumbersome to manage this sort of workflow via email, personal note-taking, or even your traditional sales CRM. That's where a sales proposal dashboard comes in.

When you have a bird's-eye view of all your proposals, it's easier to keep track of everything. You are easily able to see the status of any proposal, as well as the relevant contact information. This gives you a more accurate picture of your pipeline, which improves your ability to predict when deals will close and allows you to better manage the steps you need to take to get them over the finish line. In turn, your forecasting will improve and you can spend more time on strategic planning, such as deciding when to divert resources toward building up your sales funnel.

Also, a good dashboard can also be accessed by your whole team, so information is not siloed with any one individual. If a rep goes on vacation and someone else has to step in, it does not require much to get the new person up to speed.
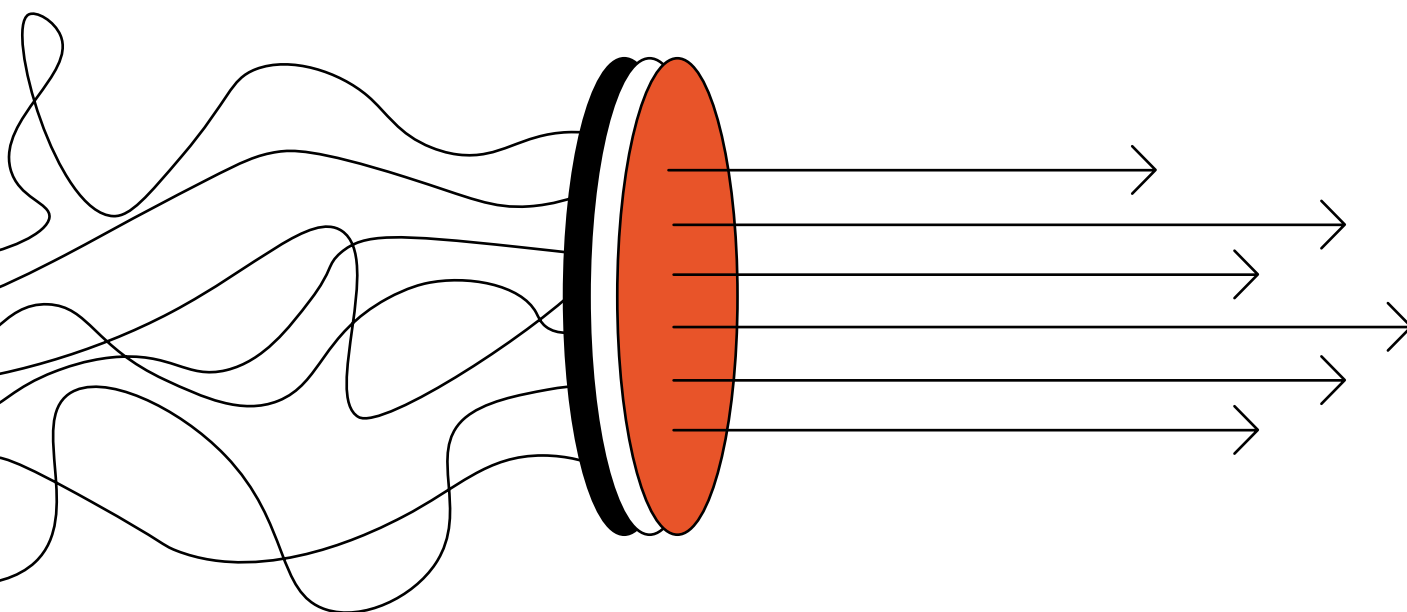
Finally, when rolling out a proposal dashboard, train your team to use it like a mini, laser-focused CRM. Your team should closely monitor who is opening the proposal, when they are opening it, what pages they are viewing, and how long they are lingering on each page. These insights help you determine the health of a deal and can be key to knowing when to nudge the prospect.

Your process is broken if: A sales rep leaves the company and, in the ongoing handoff, no one remembers to dig through their emails to determine the status of outstanding proposals. A deal slips away.
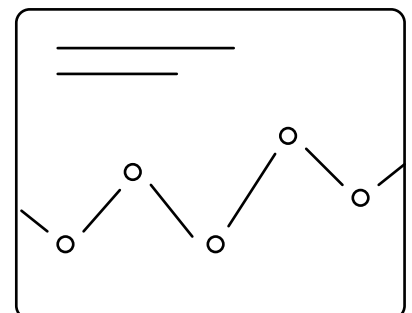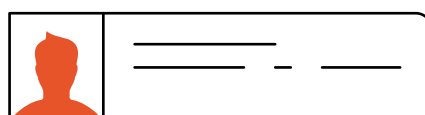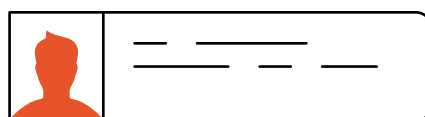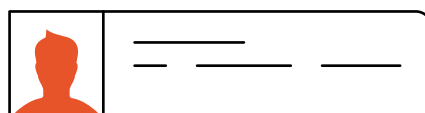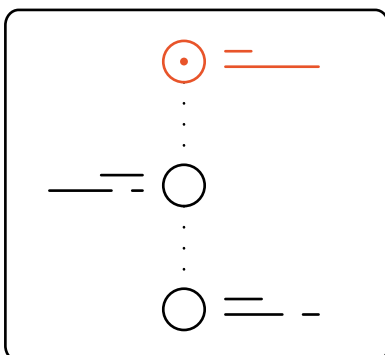
Create proposals that look professional
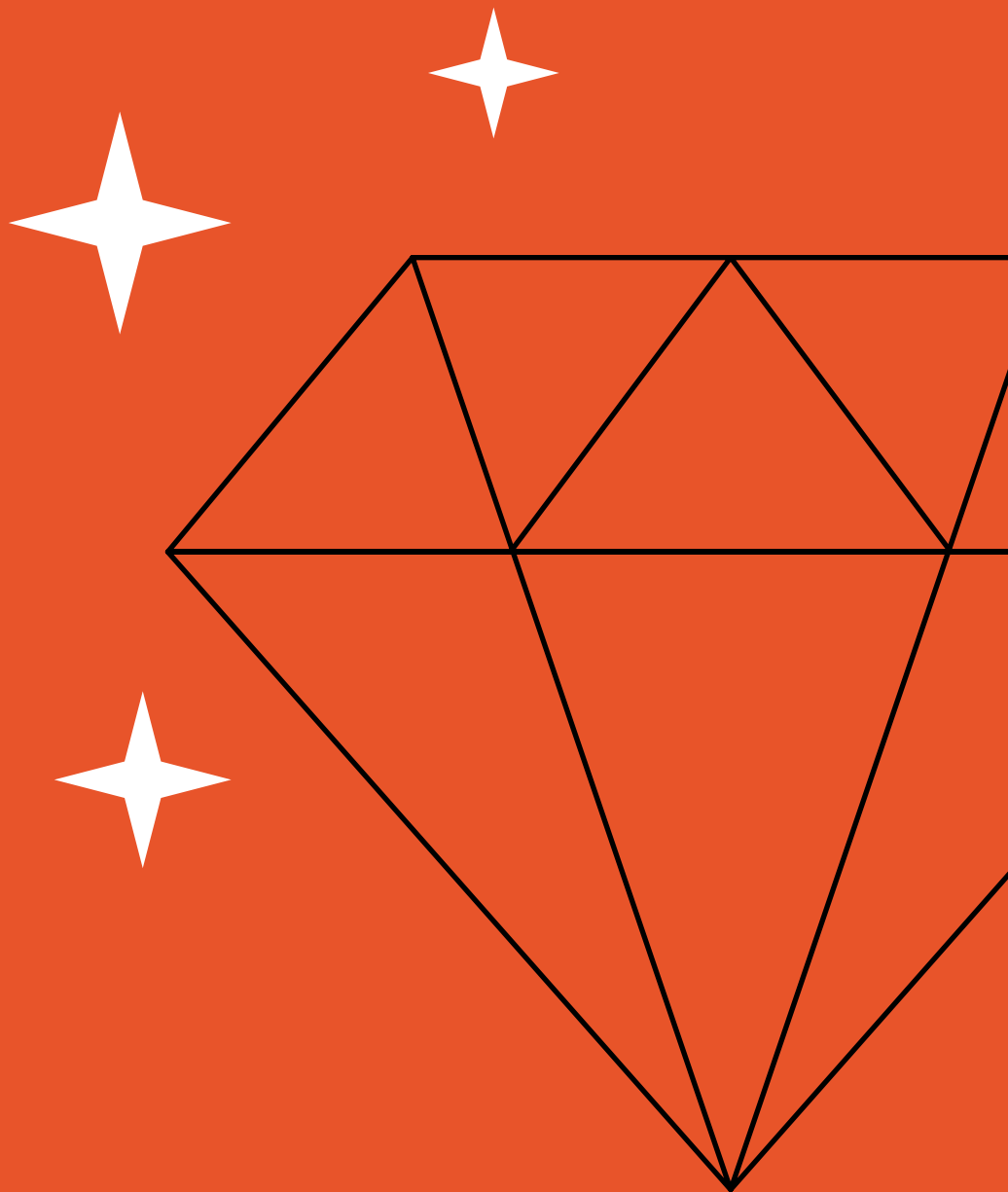
The proposal itself should be framed like a piece of sales collateral. You're still trying to close the deal. Therefore, many common tactics that are known to boost your sales and marketing efforts should be applied to your proposal process.

- **Use social proof in your proposal.** These days, almost half of all consumers shopping online look at the reviews before making a purchase. If your proposal includes case studies and customer reviews from relevant clients, you'll satisfy the prospect's natural instinct to know that their peers have validated your service.

- **Weave a narrative into the proposal.** People buy stories as much as they buy products. By inserting a bit of storytelling into the proposal, perhaps about how your services will perfectly combine with the prospect's business to change the world for the better, you will both inspire them and get them to keep reading.

- **Do structured follow-ups.** Just as your sales team relies on its customer relationship management (CRM) software to automate and streamline the follow-up process while building your funnel, they should have an easy-to-implement proposal follow-up process.

- **Personalize your templates.** Generic documents do not spark joy. By personalizing your template, and your sales process as a whole, you show the prospect that they are valued. A good proposal template allows for easy insertion of videos and images, which are proven engagement-boosters.

The proposal is not a formality but an extension of your regular sales efforts. Treat it that way, and watch your close rate climb.

Your process is broken if: Your proposal reads more like a legal form than a pitch deck.

Don't die a death by a thousand cuts

The best of the best care deeply about mastering every facet of their craft. NBA basketball players obsessively practice with their weak hand, 10x software engineers learn and internalize multiple programming languages, and famous authors undertake endless rewrites until their prose is flawless. An elite sales team should hold themselves to that same standard.

If you want to take your team to the next level, start analyzing your sales process to identify aspects that are ripe for improvement but often overlooked.

It will not be catastrophic if you fail to do any one item on the above list. You will close deals, and life will go on. But the accumulation of small inefficiencies leads to time and money wasted in the end.

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Optimize your proposal process with PandaDoc

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