

PandaDoc eBook

# The 10 essential elements every sales proposal must have





In the world of B2B selling, sales proposals sit at the heart and soul of every deal. After all, sales proposals ultimately summarize the problems your prospects face and outline your approach to providing a solution to them. So, when pursuing a hot lead, a carefully planned and well-written sales proposal is the best tool you have at your disposal to land new business.

Successful sales proposals convincingly make a case for an understanding of a potential customer's problem and why your company is the best choice to provide a solution — leading to a closed deal.

However, without a solid, compelling sales proposal, even the best solutions can face rejection due to a lackluster pitch.

No matter what you sell, there are certain key elements that make up every winning sales proposal, and although each sales proposal must be unique to your client, there are some proven best practices that can be applied to any bid.

Here are ten vital elements of a proposal that will nudge your potential customers toward saying *Yes*.

# 1

## Personalized cover letter

Of all the elements of a proposal, the personalized introduction is one that far too many B2B salespeople overlook. Many people who played no role in the discovery process but are heavily involved in the decision-making will see this.

Your cover letter is, arguably, the most important part of your entire proposal — its job is to capture your prospect's attention, make them want to read on, and kick-start the creation of those crucial emotional bonds between buyer and seller.

Nothing can accomplish these goals better than *Personalization*. To blow your potential customers away, follow these cover letter best practices:

1. To show the value you offer, succinctly start by restating your customer's goals to demonstrate that you understand their needs, using bullet points with differentiating details about your company and solution (two or three compelling reasons why they should select your ...offer).
2. For clarity, always include a reference to the customer's account number, document number, project name or cited initiative.
3. Stay client-focused by always using your client's name more frequently than your company's name.
4. Provide information to reach the principal point of contact (POC) in your company, making it easy for customers to connect with the right person.
5. Use your company's branded letterhead to strengthen the brand experience. Never let sales reps reinvent your brand with generic or ad-hoc branding.
6. Keep your letter to a single page to allow your prospect to quickly absorb the most vital and compelling information.



# Know your customer's motivations

The first unofficial, but very crucial, element of a winning sales proposal is the foundation of knowledge upon which it's built. Every successful relationship is founded on both understanding and trust. So, truly knowing your customer will go a long way toward helping you nurture great relationships with them.

As *Harvard Business Review (HBR)* pointed out last year in an article about B2B value,

*"Since many people can be involved in buying decisions, especially at larger organizations, it's worth mapping who is on the buying team, who has influence on it, and the different priorities and sources of value for each."*

To better understand your customers and appeal to their motivations, HBR suggests:

## **Benchmarking**

Surveying customers your products and services performance compared with your competition on the table stakes of a broad range of elements.

## **Communication**

Talk with customers to understand their experience with your offerings, and conduct follow-up interviews to drill down on their needs and sources of satisfaction and frustration, as well as the compromises they make in using your products and services.

## **Increasing value**

Find ways to increase the value you offer customers. Once you have identified a set of elements that need attention, hold daylong ideation sessions to determine which core elements to focus on first.

## **Mapping**

Map out exactly who is on the buying team and the different sources of value for each individual with purchasing responsibility.

## **Refinement**

Take the best ideas from the ideation session and by discussing their appeal with customers and your ability to deliver on them. That will allow you to revise value concepts, understand how they fit into the customer experience and refine your approach.

When you know who the decision-makers are inside a company, you give yourself a huge advantage in the sales process—you know exactly who your proposal is for and with whom it needs to resonate.

When you understand where that company is positioned within its space and what their needs are going to be over the next several years, then you give yourself the insights you need to accomplish that.



# Executive summary

First impressions matter. So use the knowledge you've uncovered in your research to aim for a powerful executive summary in your proposal focused on the value you bring to the customer and projected outcomes.

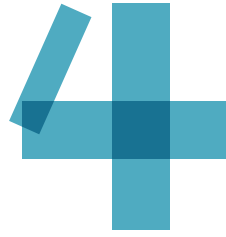
Unlike your cover letter, which provides a broad overview, this section should be more tightly-focused, clearly and succinctly describing how you plan to implement your solution and include a timeline and details about the resources that will be required.

Use a strong, compelling opening statement that clearly spells out the results you can help your prospect achieve through your solution.

## **Other things to consider:**

1. Avoid buzzwords, industry jargon and starting with a list of deliverables or pricing.
2. Focus on how you can solve their problems and reduce pain points, NOT the products or services you're selling.
3. Position yourself as a partner and teacher, not as a merchant or vendor.

In a nutshell, you should concisely lay out the problem, need or goal; describe your proposed solution; explain how you'll overcome risks, and paint a picture of the desired outcome.



# Outcomes

B2B prospects are in the market for outcomes, but they're equally concerned with the specifics of how you can deliver those results. Your proposal should bolster your executive summary (opening statement) by clearly explaining how you're going to approach your solution.

Offer as much detail as possible when laying out your scope of work, highlighting exactly what steps your company plans to take, leaving no room for miscommunication or subjective interpretation. This serves a two-fold purpose: it proves you have a well-thought-out plan and reduces the potential for misunderstanding down the line if you win the bid.

Show your unique value proposition *without overcomplicating* your offer. Say, for example, you're competing with several companies who offer similar products and services at a nearly identical price point. What makes you stand out? Instead of obvious boilerplate descriptions and product pitches like *"our top-of-the-line products will help you reach your goals"* or *"we'll work hard to satisfy your needs"*.

Be as specific as possible about what truly sets you apart from the competition by positioning

your product with your client's needs and wants in mind.

## Here are some examples:

*"Our G-Suite-compatible CRM can help you to build more sustainable relationships, reduce the cost of sales, increase employee productivity and offer better customer service."*

*"With NewCo's product analytics solution, you can generate useful, actionable insights from your users' behavior at a lower price point than Acme Co's product analytics tool."*

*"Our hiring system can help you alleviate 30% of the costs of hiring freelancers on a by-project basis by providing you with access to a constantly replenished, liquid supply of contract workers."*

Don't simply list your product offerings, explain what they are, why they're important and what value they hold for your prospect. Rather than just listing your services, explain how you plan to approach providing them, along with a proposed timeline for completion.

But don't reveal pricing just yet. Save that for the next section.



# Interactive pricing tables

If you've been successful in the first four steps, your customer is already sold on your product or service by the time they get to this point. You've done your homework, shown a strong understanding of their needs and offered an ideal solution for them, so now they're ready to buy before even seeing the financial costs.

In this section, lay out the costs with clear, easy-to-understand pricing breakdowns for your solution. Communicate the financial costs and detail the payment terms.

Keep things short and to-the-point and use Interactive pricing tables that let your prospects and customers edit item quantities,

select the products or services that best fit their needs and include optional items, allowing them to customize your solution.

How much you charge is less important than your justification for charging it. For example, if you're proposing a new software solution, instead of simply stating the final cost of \$15,000, break down pricing with line items that show how you arrived at the price (licensing costs, work phases, estimated hours to be spent and specific services rendered, etc.).





# Compelling imagery

Whether or not to include any photos or videos in your proposals depends on your industry best practices, but PandaDoc research shows that proposals with visuals are *32% more likely* to close.

Powerful imagery won't just make your proposal more aesthetically pleasing. Data from 3M has shown that people process images *up to 60,000 times faster* than text. Carefully including imagery (and ample white space) in your proposal will not only help attract your prospect's attention but present valuable, actionable messages in a more succinct form.

Using images, videos, flowcharts and infographics will also help break up the flow of the text – without any visuals, you're asking people to slog through a wall of text in order to take in a proposal that you want them to be paying their utmost attention to.

One way to form some emotional bonds with your prospect, for example, is to introduce them to the team that they will work with if they start using your product. Consider including photos of your team, along with a short bio for each member.



# Make an action plan

Since most B2B solutions require some level of setup, training or other support – as well as collaboration from the customer — here's where you explain how you'll pull everything together.

Use this section to outline in detail how your solution would be implemented in your prospective customer's business. Be sure to convey that you have a thorough strategic plan in place focused on delivering maximum value to the customer.

In this section, help make your case with illustrative charts, tables, diagrams and outlines that support the value of your proposed solution and the steps you plan to take to bring it to fruition.

This is crucial to make your prospect feel that the value your solution offers is worth the time, effort, resources and potential headaches associated with implementing it.

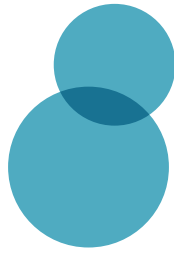
## **Things you want to include:**

In cases where your solution is a replacement for an existing one, demonstrate to your prospect that you have a plan in place to make the transition a smooth and seamless one.

Since implementation is often a long-term and even ongoing process, show how you plan to support your prospect's needs over the long haul.

Use a testimonial or two from an existing customer that highlights how well you handle new accounts.

Speaking of which, it's time to showcase your best work.



# Include social proof

Far too many proposals set unrealistically high expectations without backing them up and without any proof that the product can actually deliver real-world results.

You have clearly spelled out why your solution is the best possible one for your prospect, and now it's time to bolster your claims and make your promised solution feel attainable by showing credibility.

Prospects identify with stories that resonate with them, so walk them through a scenario where your solution helped a similar business achieve success.

Here's where you use case studies, testimonials, references, and third-party reviews that objectively highlight your solution and past successes in situations similar to your prospect's role or company objectives. These relatable material will help show why your solution is best for them.

## **Keys to doing it right:**

Have several case studies ready to go. Regularly debrief clients after each project and assign a team to develop and write them between proposals.

Make sure everything you present is relevant. Ideally, you want to have results-focused shows of credibility that reflect what you're bidding on in the proposal.

Only use fairly recent reviews. Depending on your industry and solution, two to three years tops is a good life cycle for case studies.

Always get client permission upfront. Since some clients don't want their business challenges or practices publicized, be sure to get permission from the customer to feature them.



# Make it easy to close

Now that your prospect is ready to move forward (hopefully) with your solution to help them reach their goals, the time has come to set an offer expiration date and to sign on the dotted line, so to speak.

*Set a clear deadline* for a decision regarding your sales proposal and provide a space for your prospect to place their signature.

*Don't surprise your prospect* with your deadline. Communicate with them upfront and set a mutually agreed upon decision date that's reasonable for both parties.

It helps to always routinely set dates for future action throughout the sales process, so your customer expects you to keep things on a strict schedule.

*Give your prospect the power* to digitally sign your proposal from anywhere — their desk, mobile device or in person — with legally binding eSignature technology.



# Usability & accessibility

The final piece of the puzzle are these intangible elements of a proposal that don't stand alone. Give some thought to the following:

## **Aesthetics**

Think in terms of creating a proposal that looks neat, organized, well-put-together and user-friendly. If you're not willing to put much thought into your proposal, your customer will question how much you care about them.

## **Flexibility**

The best sales proposals are responsive, meaning they look great on all desktops, tablets, mobile devices and in printed form.

## **Security**

Sales proposals contain confidential information for you and your prospect's eyes only, so having a secure document is a must.

## **Trackability**

Being able to track sales proposals in real-time as prospects view and sign them will ensure that you're always kept in the loop and are pushing your deal forward.

There's no one-size-fits-all approach to creating successful B2B sales proposals, but these components give you a starting place for building a proposal that will help you seal the deal.

## Craft a Winning Sales Proposal to Close the Deal

Now that you've covered all the bases, you should be ready to put your best foot forward with a winning sales proposal.

By following the framework of these ten elements of a proposal, you can speak to your prospect and prove why your solution provides value as the best fit to address their pain points.

*"All effective sales proposals should address your audience's needs specifically," said Marie-Therese Joyce, head of sales for Pilot. "Get to know what your prospects want, and describe in clear terms how you are going to deliver it."*

Armed with a highly customized, tightly focused and well-written sales proposal tailored precisely to the needs of your prospects, you'll be well on your way to closing more deals.

Good luck!



**Why not try  
these elements in your next sales proposal?**

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