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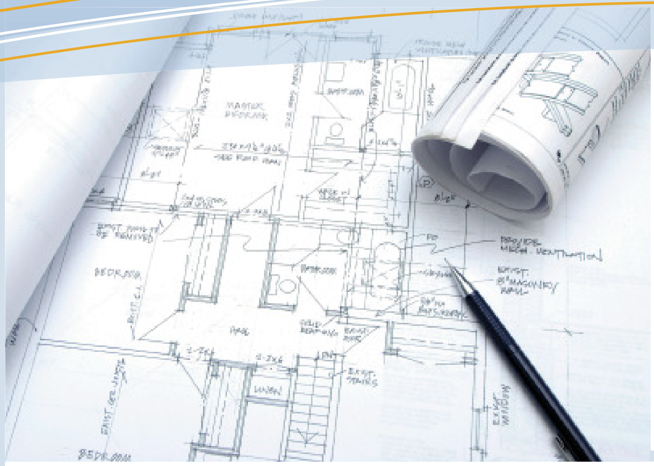
Risk Management Tools for the Design Professional



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The Proposal Preparation Myth, What's Missing?

By Kevin J Cooley, PE, President, OSCG and Hugh McAllister, President, Spirit Consulting

When your office receives a request for qualifications (RFQ) or a request for proposal (RFP), do you immediately hear "Get the project descriptions! Who has the resumes? Show them how great we are…we have done hundreds of these projects. Get on it!" This represents the proposal preparation process for most firms. However, this approach may inhibit a firm's objective: to attract clients and increase their loyalty to the firm. In turn, the common approach may actually interfere with rather than promote selection for a project! The assertion that qualifications and experience earn projects is a myth.

A myth is a story grounded in reality containing some underlying truth. Roman mythology, for instance, reflects mortals' observations in nature as attributed to the various gods and goddesses. Unable to rationalize their observations through scientific method, they concluded that the explanation must lie in the supernatural. Many A/E firms exhibit a similar mythological reasoning when it comes to proposal preparation. Firms observe that they win jobs when proposals include project descriptions, carefully prepared resumes, and examples of great submissions. However, this information, the boilerplate of proposals, is often not the reason we win jobs. In fact, boilerplate may even hinder us from winning certain jobs!

Unfortunately, many clients hire consultants who favor a *kitchen sink* approach, believing the best response to an RFQ or RFP is a proposal laden with boilerplate information. These consultants seem to measure the quality of submittals by the pound rather than by attention to the client's needs. Consequently, clients have become incredibly prescriptive in their RFQ's and RFP's, demanding respondents adhere to a rigid outline and to specific formatting and page limitations. They have a well defined evaluation process based on comparative grading, with grading criteria that seem to favor the *kitchen sink* approach. However, do not let criteria like "*Firm's recent experience performing similar projects (list 5 examples)"* steer you to submitting a compilation of pretty project cut sheets. This will not improve your chances of landing a project.

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So, how should professional service firms respond to this dilemma? Consider these thoughts: Clients hire people. They hire people with whom they like to work. They like to work with people who understand their businesses, who listen to their concerns and who bring solutions to those concerns. Thus, the questions facing A/E firms are these: "Why do clients hire professional services firms?" "On what bases do clients hire firms?" and "How can firms deliver proposals that increase their chances of selections?"

LISTEN & LEARN

Each project requires specific responses to client concerns. One thing that clients consistently dislike is boilerplate proposals that fail to address their specific needs. One thing we continue to give them is these boilerplate proposals. In order to prepare boilerplate-free proposals, firms need to understand the project from the client's point of view. How then should firms approach the proposal process to satisfy their intent to prepare the best possible documents, those that will best elicit a "yes" response and a contract from the client?

Simply knowing the technical scope of project is not sufficient for creating a targeted proposal. You need to know the issues behind the technical details as well. Suppose, for example, you know that the New York Times plans to write a feature on a given project once completed. What the Times will say about the project is now an issue. Therefore, you need to know what the client would want the Times to say in order to address this issue. Of course, the client will not provide you with an answer in the RFP! You need to interview the client and listen for its concerns. In general, try to remember two things when you first address an RFP:

1) Take time to understand the real issues, and
2) Deliver an approach that solves those issues.

Firms that do these two things position themselves to be distinguished in the clients' minds. Clients assume technical strength when they present a firm with an RFP. If a firm does not have the technical horsepower required for a project, it should not enter the race. All competitors will have the horsepower required as demonstrated to the client by the boilerplate each firm provides. Consequently, it will take more than technical ability alone to win the race. The ability to respond to client concerns is a powerful tool that can provide a firm with a significant competitive advantage in the race for a clients' business.

The data gathered from a client interview tells a firm what is important to that client. Perhaps the client's primary concern relates to the project budget. If the client's job depends on its ability to stick to a budget, the client wants to know you have a budgeting process that works! In contrast, maybe the shortest possible permitting cycle is imperative in order to get a construction project underway, a project that the client, an elected official, needs to complete before elections. These are the sorts of issues that concern clients and are the keys to distinguishing a firm from its competitors, not technical issues.

After interviewing a client, a firm has the power to move beyond a boilerplate proposal through the information it collects. When a firm relies on boilerplate as the basis of a proposal, it places primary emphasis on past project as proof of the team's capabilities. The sales pitch hinges on a statement like this: "Hire us, we've done a hundred of these!" The problem with this pitch is that every firm on the short list can make the same claim. This brings us back to the key proposal issue: How do we distinguish ourselves?

COMPILE THE PROPOSAL

Below is a step-by-step process for firms to follow, based on client interviews to clarify the issues, both technical and non-technical and create an effective proposal:

Step #1: Identify the concerns.

By whom: The interview team
By what means: Interview meeting notes.

The interview team presents the clients concerns it identified during the client interview at the pre-proposal meeting, or through whatever channels are customary within the firm.

Step #2: Prepare an approach to solve each concern.

By whom: The Technical professionals
By what means:

1) Prepare an approach with solutions to client concerns, and
2) Identification of examples from previous projects

The technical professionals prepare/document the approach they propose to solve the concerns within the scope of the project. The approach should include proofs by citing examples of similar past successes to support the proposed approach. This method will keep primary emphasis on the client and the client's issues and that is what the client wants.

An ancillary benefit to the firm preparing approaches in this way is that the firm begins to look at processes that address client concerns rather than technical problems. This gives the firm the flexibility to use past projects as examples in which the concerns were the same but the project type was different. The scheduling process on a fast-track bridge job, for instance, may be identical to the best process for a proposed building project. If a firm focuses on identifying processes to solve concerns rather than display vast experience on similar project types, its library of examples becomes a much more valuable tool in the drive to land projects.

Step #3: Prepare proposal documents that address concerns.

Armed with the knowledge of client concerns, equipped with the technical staff's documented approaches to solving the concerns and ready with examples of how similar approaches have worked before, a firm can create powerful proposals that distinguish it from the rest.

PUT IT ALL TOGETHER

The proposal format suggested below will give a firm's proposals a mark of distinction, demonstrating to clients that the firm listened to their concerns and took the time to think through the issues, proving that the firm knows how to solve problems and get the job done right!

The flow of the proposal:

Cover:
Use the client goal as the title then include all the other information usually used (photos, logos, etc.)

Tabs:
Begin with an executive summary or introduction. Title the first tab with the client's primary concern followed by tabs for each concern in descending order of importance. Within each tab, include the following:

- The concern addressed
- The proposed approach and process to address the concern
- Examples of successful implementation of the suggested approach/process

Requested information:
Oftentimes clients have specific requirements for information to include in a proposal. To address these requests, include a tab labeled "requested information" at the end of the proposal. Examples can include resumes, project descriptions, 254/255/330 forms or other specific documents.

This approach aligns the proposal documents with the process discussed above. Predicated on a clear understanding of client concerns, the tabs of the proposal are organized to correspond with the client's concerns in order of importance to the client. This technique employs the principle of an inverted pyramid, dictating that materials should be ordered according to primacy, beginning with the most important. With this method, the least important issues drop out first when a firm faces either time constraints (in a presentation) or space restrictions (in a document), thereby avoiding a failure to deliver the intended message.

This technique also applies to the information presented within each tab/concern. Technical professionals often struggle to convey a clear and concise message, tending to wander and meander in both their writing and their presentations. Remember, get the important points up front! Project examples demonstrating the successful application of the proposed approaches should form the back-end of each tab.

THE RESULTS

Recall our original mission: Identify ways to build proposal that increase the chances of selection. Now, put yourself in the client's shoes. Imagine you have 10 proposals to read, nine filled with boilerplate and little else ("Ugh!"). One, however, comes from a firm that met with you to identify all your issues and concerns regarding the project. The proposal this team prepared addresses your issues and backs up the proposed approaches and solutions with examples of the firm successfully used similar approached and solutions on past projects. What would you think if you were the client?

...and then comes the presentation: You are 90% there!

(*Note: Many public clients expressly prohibit in the RFQ's/RFP's any direct contact between selection committee members and other government officials and firms who will compete for the project. Unfortunately, in this effort to avoid impropriety (and the appearance of it) during the selection process, these clients have severely constrained, but, not prohibited the firm's opportunity to understand the real underlying issues, constraints and objectives that truly define the client's true needs. Responding firms still can and must use alternate sources of information to identify and understand these underlying issues, constraints and objectives for they are the keys to a winning effort.*)

BROKER'S NOTES

Moore Insurance Services - www.mooreinsuranceservices.com is a member of a/e ProNet - www.aepronet.org; a national association of insurance agents/brokers that specialize in providing risk management and insurance services to design professionals. These services included risk management publications, contract language review tools, seminar materials and other useful information to help design professionals manage their risks.

Moore Insurance Services offers many professional liability and property & casualty insurance programs. Many of these programs are endorsed or commended by the professional associations and organizations that we support including: The American Institute of Architects (AIA), National Society of Professional Engineers (NSPE), American Council of Engineering Companies (ACEC), Michigan Association of Environmental Professionals (MAEP) and Michigan Society of Professional Surveyors (MSPS).

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