

Cost of proposals

How much should you be investing?

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Strategic Proposals

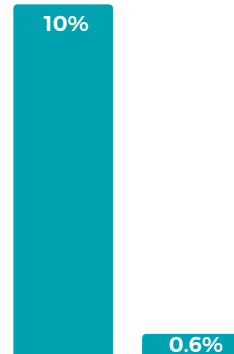
Cost of proposals

For as long as we can remember, there's been debate about the cost of bidding. How much should we be spending on each compared to the value of the contract? Indeed, one previous report with the University of Reading showed that the number of hours spent by winning firms in the construction sector was 45% higher than the hours spent by losing firms.

But how much of that covers the cost of your proposal specialists – proposal managers, writers / editors, designers working together to craft a compelling written submission? There's not much industry-wide data to help you think about the size of your proposal team.

To try to shed some light, we looked at the data gathered from the 450+ organisations that have completed our free-of-charge online Proposal Benchmark™ in the past two years. And it reveals some fascinating facts!

Anecdotally, we've seen anything from 0.6% of the total contract value, to as high as 10%.



Proposal versus sales people

How big is your proposal organisation – proposal managers, writers, designers and more – compared to the overall size of the sales team you support?



Our data shows us that for every **nine salespeople** there is **one proposal specialist**

Number of proposals per team member

How busy is your team of proposal specialists? How many proposals do you expect each person to work on per year?



52

Average number of proposals issued per year per proposal specialist



Roughly 4 days

Average number of working days by proposal specialist per proposal, taking into account holidays, sickness, training and downtime

That's not giving much time to craft tailored responses, is it?

There's a noticeable variation by sector, naturally. Here's data on a few key market sectors. What's most striking here is that the level of investment in proposal specialist time and effort on average is extremely low.



Challenge

What's your ratio? Do you even know? Do you think you have the right number of proposal people to support your sales team effectively and efficiently? Have you given enough thought to this, or just evolved to your current team size over time?



Challenge

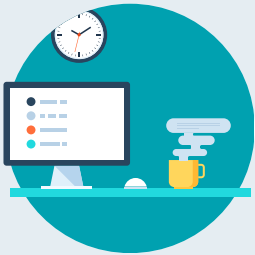
What's it like in your organisation? Do you have the resource needed to produce first-class proposals every time, or do resource constraints compromise quality and hence your win probability? Or are you continually up against the clock, sending out documents that are merely "good enough" because that's all your proposal factory can do in the time available?

Conclusion

Our previous white paper, "How the best win", showed the direct correlation between proposal capabilities and win rates. And it revealed that far too many organisations don't treat proposal development seriously enough. When you look at this new data on resourcing, with too few proposal specialists spending too little time on too many deals, many companies are losing out to their competitors unnecessarily.

An average of four days' proposal specialist effort per deal suggests that teams are only doing the basics of submitting complete, compliant and inevitably slightly dull documents. It's a worrying story.

You can assess your own proposal capabilities online, free, using our Proposal Benchmarker™ tool at proposalbenchmarker.com



A finalist in the Sales Innovation category at the 2018 British Excellence in Sales Management Awards. You'll receive a report analysing your scores against best practice, with key recommendations for improvement.

We hope that you found this white paper interesting. If you'd like to participate in a deeper dive in to the costs of bidding, follow the link and anonymously contribute to further research:



A bit about us...

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with a win rate of more than



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clients have worked with SP for 4+ years



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