

Don't Get Hired, Get Engagements! Develop Winning Value-Based Proposals

CONFAB 2005

Allen Peterson, CMC
Peterson Associates

Business Case Definition

- **Purpose:** Assess present and future business value and risks in order to make a decision
- **Content:**
 - Objectives
 - Assumptions
 - Recommendations
 - Benefits/Value
 - Evidence/Support



Temp to Celebrity Spectrum



Getting Hired—Time-Based

- Daily or hourly rate
- Focused on deliverables
- Client defines tasks and rates → gets consultant agreement
- Focused on consultant's "ability to do"
- Fees based on competitive rates

Getting Engaged—Value-Based

- Value-based fee
- Focused on improved outcome for client
- Consultant defines engagement and value-based fee → gets client agreement
- Focus on client's ability to improve
- Fee is based on outcome value to client

Source: "Value Based Fees—*How to Charge and Get What You're Worth*, Alan Weiss

Four Steps to Sell to the Decision Maker

1. Diagnose the PAIN



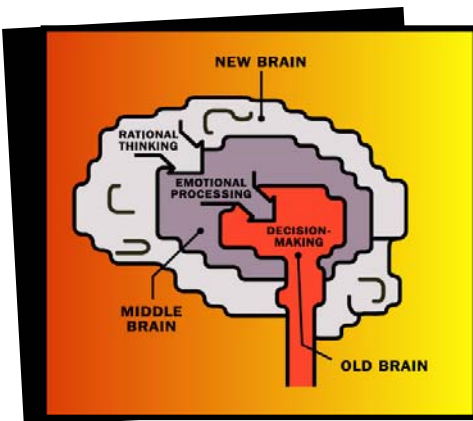
2. Differentiate your CLAIMS

3. Demonstrate the GAIN



4. Deliver to the OLD BRAIN

SalesBrain 2002, All rights reserved



Proposals as Winning Business Cases



Aligned
Simple
Different
Proof
Emotion

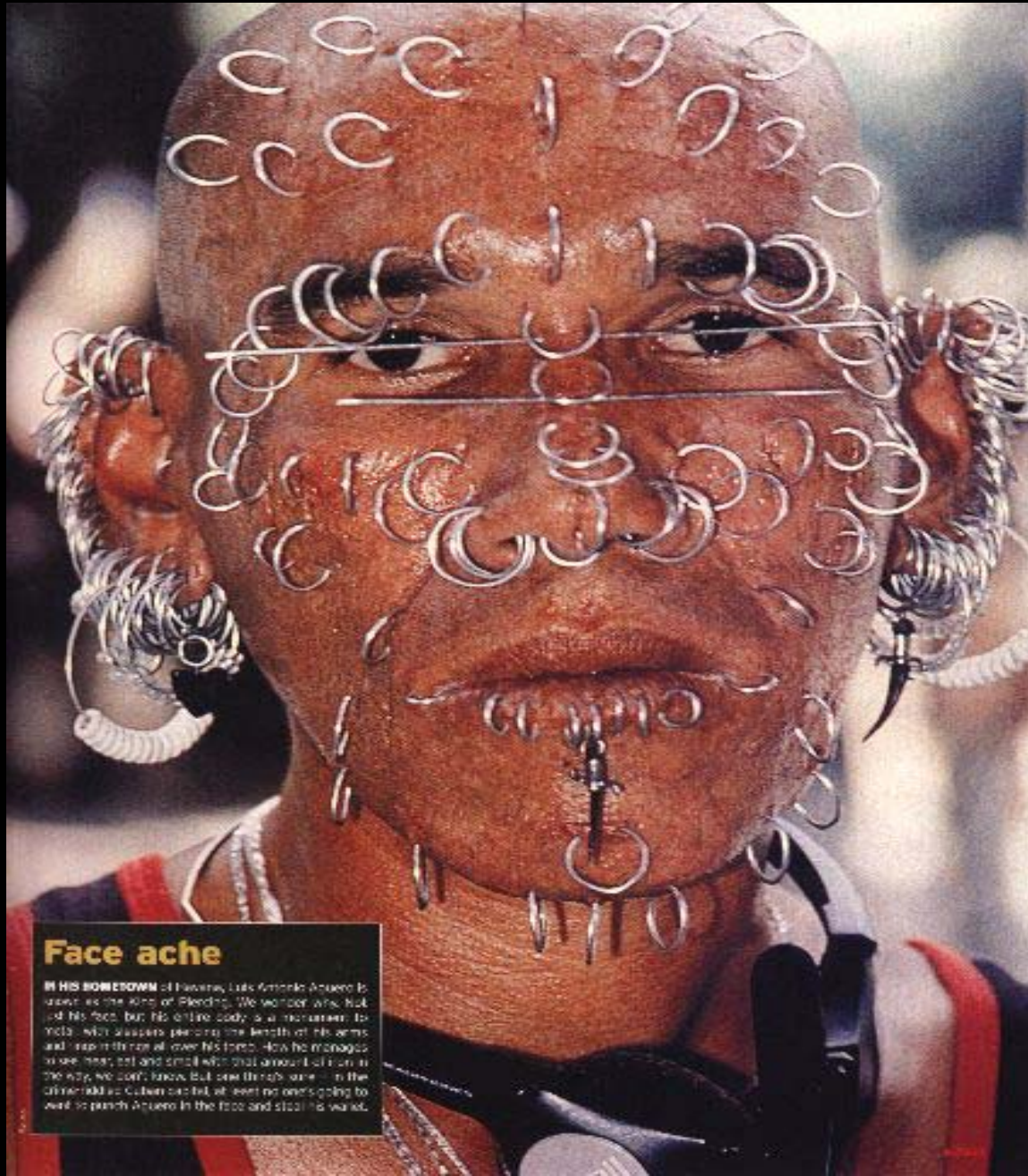
How We Behave



PAIN vs. Want & Need



PAIN is Good!



Face ache

IN HIS HOMETOWN of Hawaii, Luke Aiono's Aneko is known as the King of Bleeding. We wouldn't wish that just on his face, but his entire body is a mountain of holes. With swappers piercing the length of his arms and legs, he has one all over his torso. How he manages to see, hear, eat and drink with that amount of pain is the only, no sorry, faces. But even though some of the different Aneko culture can't all seem to be going to well to punish Aneko in the face and stomach, we all

FEAR is Best!

Want

Need

Motivation

Behavior

Pain

Fear

GOLD FEAR

PMI Matrix Assessment Tool

	Areas of Pain	Fear/ Anxiety	Measurement Methods	Improvement Solution
Financial				
Strategic				
Personal				

Pain and Fear

	Examples of Pain	Fear/Anxiety
Financial	Lack of cash Poor profitability, ROI Low revenues	Loss of money
Strategic	Non-compliance Product delays Market share drop Poor quality Costs increasing	Loss of business control
Personal	High risk, stress, discomfort	Loss of personal control

Measurement and Improvement

	Measurement Methods	Improvement Solution
Financial	Financial data analysis ROI, ROA analysis Dash boards	Financial controls Cash management Profit improvement
Strategic	Regulatory/compliance exceptions (SOX, FDA) Dashboard reports Market studies Customer complaints Surveys	Alerts Internal audits Strategic planning, Scorecard Training Process Improvement
Personal	High risk, stress, discomfort	Coaching, mentoring Team building

PMI Exercise Instructions

For one of your prospects or clients, profile the situation by circling/checking areas in the matrix below:

Column

2

3

4

5

Circle or Check

Client PAINS

Client FEAR/ANXIETY

How to MEASURE

Your SOLUTION

Feel free to add other descriptions.

Your CLAIMS Must be...

- **Unique**
- **Tied to PAIN**
- **Provable**

Three Sources of Value

1. Financial



2. Strategic



3. Personal



GAIN Matrix Tool

Proof	Customer Story	Demo	Data	Vision
Gain				
Financial				
Strategic				
Personal				

GAIN Matrix for Management Consultants

Proof GAIN	Customer Story	Demo	Data	Vision
Financial	Testimonial	Template	ROI, TCO	Projections
Strategic	Full story	Software	Client statistics	Expectations
	Flyers	Method	Surveys	
	Seminars	Video	Audits	
		DVD	Studies	
		CD		
		Sample	Complaints	Projections
Personal		Example	Surveys	Expectations
			Assessments	

Consulting Proposal Template

Situation Appraisal	General environment PAINS
Objectives	GAINS in client improvement
Metrics	How Client will measure success
Value	GAINS
Methodologies and Options	CLAIMS Plus their options
Timing	Start/completion
Accountabilities	Who provides what
Terms and Conditions	Payment, Code of Ethics reference, etc.
Acceptance	Signature block

Source of proposal components: *How To Write a Proposal That's Accepted Every Time*, Alan Weiss



Facilitation Proposal

Situation Appraisal (PAINS)	Market—COO, CSO of large high tech firms who have <i>huge revenue growth goals but little influence over purchase plans of very large customers who account for 50+% of sales</i>
Objectives (GAINS)	<i>Increase revenues from large customers by 15-25%/year</i>
Metrics	Sales performance % vs. quota, average sell cycle time, sales quota coverage %
VALUE (GAINS)	More sales/large account sales team revenue through: <i>Opportunity ID, direct customer partnering, mutual action plans, HQ assistance accountability, objective reports</i>
Methodologies and Options (CLAIMS)	<i>Customer priorities/pains analysis, proven customer-centric planning process, ex-sales exec facilitators.</i> Options: added team reporting, expansion to sales partners, volume pricing.
Timing Accountabilities Terms/Conditions Acceptance	<i>Single price for entire service depending on number of account teams and options, paid as sessions are facilitated.</i>

Travel Consulting Proposal

<p>Situation Appraisal (PAINS)</p>	<p>Market is CFOs, with >\$1 M travel budgets, with expense reduction pressure plus exec/sales travel <i>renegades</i>.</p>
<p>Objectives (GAINS)</p>	<p>Reduce travel costs by another 10%+ Improve and enforce corporate travel policy</p>
<p>Metrics</p>	<p>Standard fare, Average fare, Reduced fare Missed savings opportunities (number, \$ value) Sales and executive Travel Admin Time, Productivity</p>
<p>VALUE (GAINS)</p>	<p><i>Savings</i> of typically 10%, <i>Attention</i> (adherence) to corporate policy, <i>Service</i> through less non-productive time</p>
<p>Methodologies and Options (CLAIMS)</p>	<p><i>Proprietary software—Purchase at lowest cost</i> vs. Purchase power, <i>Best Practices tools, Guaranteed savings—paid when client saves!</i> Options: On site personnel, more services</p>
<p>Timing Accountabilities Terms/Conditions Acceptance</p>	<p><i>Base service campaign fee, plus % of travel savings above agreed-to level</i></p>

One Page Proposal Exercise

Instructions

For one of your prospects or clients, fill in key points in the matrix below to describe the client situation and objectives as well as your solution:

- 1. Complete each of the 5 sections.**
- 2. Use section content guidelines (*in italics*).**
- 3. Feel free to use content from the previous PMI exercise.**

Getting Attention: Emotion->Decision

Grabbers

- What ifs
- Props
- Stories
- Mini dramas

Big Pictures

- Getting it at a glance
- * Before/after



Goals

Revenue
(>30%)

Market
Share

Strategies

Product
Development

Channels

Customer
Support

Acquisition

Processes

Customer
Creation

“... enterprise
Account focus...”

Product
Development

Customer
Service

“...will implement
enterprise account
programs...”

Customer
Relations

“ ...become a strategic
partner”

Distribution

Initiatives

Partnering

- 3rd party providers
- Build channel

Solutions

- New high end NAS/SAN
- Low end iSCSI
- More software

Customers

- Improve focus/engagement
- Expand storage share with existing customers
- Expand enterprise marketplace focus
- Expand sales and support staff

Solutions

Sales

Planning

- Identify more opportunity
- Maximize profitable revenue
- Focus/execute 3-5 key initiatives per team

Partner

Planning

- Help partners go to market faster/better

Customer

Collaboration

- Alignment with customer goals/value

Big Picture: Winning Consulting Proposals

Pain, Measurement, Improvement

	Areas of Pain	Fear/ Anxiety	Measure Methods	Improve
Financial				
Strategic				
Personal				

One Page Consulting Proposal

Situation Appraisal	General environment PAINS
Objectives	GAINS --client correction/improvement
Metrics	How Client will measure
Value	GAINS
Methodologies and Options	CLAIMS Their options
Timing	Start/completion
Accountabilities	Who provides what
Terms and Conditions	Payment, Code of Ethics reference, etc.
Acceptance	Signature block



Thank You

Allen (Al) Peterson, CMC

Peterson Associates LLC

Office: 925-284-3880

Mobile: 510-61201689

allenpeterson@comcast.net

al@keiretsuforum.com