Learn how to craft a winning proposal.

By Matthew E. Singer

In the past, a marketing research project might have simply been awarded to a firm based on client preference and informal discussion. However, in today’s marketplace there is an increased focus on proving return on investment for marketing expenditures. Procurement departments are becoming more involved in the management and oversight of outsourcing decisions, including marketing research services. The process of vendor selection is becoming more structured, and for many clients, more complex. As organizations strive to ensure that the highest-quality marketing research service is delivered at the most economical price, the competitive bidding process is becoming commonplace. In this environment, the request for proposal (RFP) plays a vital role—shaping the context for vendor selection.

Clients are employing additional tools to help simplify the vendor selection process: the “preferred vendor list” (to reduce the effort required to track varying levels of competencies among vendors) and the “master agreement” (to make the establishment of contracts for individual projects less labor-intensive for frequently called-upon vendors). Although these are proving useful, neither is supplanting the RFP.

The RFP and its value. The RFP outlines general research parameters and project-specific needs. It can be delivered in written form (e.g., e-mail, formal document) or verbal form (e.g., telephone conversation, voice-mail message). The client’s goal is to submit an RFP to multiple vendors, and receive comprehensive proposals that are logically and consistently structured—for easy head-to-head comparison. This development process can be labor-intensive, and requires an expenditure of resources from both parties. However, the benefits are worth the time and effort. (See “Benefits of proposal” sidebar on page 38.)

Vendor response. When you receive an RFP, you must plan an effective response—one that accomplishes two main objectives: (1) furthering your understanding of the client’s needs and (2) making a positive impact on the client, one that favorably positions your firm for winning the business. How can you do this? Learn to write a winning proposal!

The subsequent recommendations involve sequential activities. Predictably, success will become more common when you follow several suggestions. My knowledge comes from collective successes and failures.
In an environment where the vendor selection process is becoming more structured and complicated, the request for proposal (RFP) plays a crucial role. When you receive an RFP, you must respond effectively—with a winning proposal. A systematic and consistent approach to proposal development allows you to forge new client relationships and expand current ones.

1. Reflect on the Client
Organizations vary in their reasons for, and approaches to, outsourcing marketing research. Therefore, your approach to developing a proposal must incorporate any unique perspectives that define the individuality of a potential client. If you have submitted proposals or worked with an organization, then you should have a good sense of what contributes to proposal acceptance, and why previous proposals were rejected.

2. Read and Decipher
Don’t review the RFP once; do it a number of times, with an eye toward identifying areas that might require additional clarification from the client. Build a checklist: Record conclusions that you can safely make based on the RFP’s information, keep assumptions to a minimum, and establish question areas. Your checklist serves as a tool for guiding a directed conversation with the client.

3. Make Preliminary Contact
Before you write a draft, arrange for such contact with the RFP’s author. There are multiple objectives for establishing dialogue at this early stage; the most important one is to convey gratitude for considering your firm for the project. Confirm that you represent your firm’s interest in submitting a proposal, establish your desire to gain more specific information about the upcoming marketing research, and determine a convenient time to engage in further conversation.

4. Use Your Checklist As a Guide
The goal of a teleconference is to verify conclusions and address all those question areas from the RFP. Use your checklist to ensure that you don’t overlook any important issues.

The following discussion points represent important areas for proposal development that should comprise your checklist. Although the flow of the conversation might not exactly reflect this outline, you should address each topic with the client.

Understand the client’s objectives. Review the project background and proposed objectives with the client, to ensure the accuracy of your comprehension. Develop a thorough understanding of the information gaps that drive the need for research; bring to the surface underlying business issues that must be considered when designing a methodology.

If not clearly addressed in the RFP, discuss objectives with the client. Consider asking:

- What are the key questions/information needs that research must address?
- What are the vital business decisions that the research findings will affect?
- How will the results be used?
- What other marketing factors are contributing to the need for research?
- Has previous research been conducted on related topics?
- Are there secondary or tertiary objectives that also need to be addressed?

Tip: Identify and address all of the key decision points that the research must target. Ultimately, this additional information will contribute to greater levels of client satisfaction. There will be fewer modifications to methodology subsequent to project initiation, and a decreased likelihood of cost overruns.

Pursue a research method. Your leeway is restricted when the client outlines the approach to research in specific terms. Yet even when the RFP specifies a desired methodology, determine how receptive the client might be to receiving additional recommendations—especially if you believe a different approach would be better-suited to accomplish objectives. Consider asking:

- Are specific needs driving the suggested research design outlined in your RFP? (1) Are in-person interviews the preferred method because you want team members to have the opportunity to observe feedback firsthand, or because real-time communication among team members in the back room is an important part of an iterative testing process? (2) Are telephone interviews desired because you want to quickly address a geographically diverse sample population? (3) Is a Web-based survey the most efficient way to ensure that important respondents, with many demands of their time, are able to participate at a convenient moment?

- Will respondents be presented written documents or other product-related materials to review during the interview, such as a product profile, product labeling, messaging, product packaging, creative concepts/storyboards for advertising, or a sales aid?

- Is the desired research approach qualitative? Should the research be designed with an emphasis on gaining an understanding through an interview—a focused discussion/examination of patterns of meaning that emerge from the data, often presented in respondents’ own words?

- Is the desired research approach quantitative? Should the research be designed so that closed-ended questions are primarily utilized, to ensure reproducibility?

- Given the objectives and likely topics of discussion, what is a reasonable interview/survey completion time? How long can respondents expect their participation to last?
Tip: When you are advocating a singular methodology, clearly delineate reasons for your recommendation. Indicate the potential for flexibility in your approach. Also, plainly articulate how your recommendations will translate into more actionable results.

If several approaches to research are tenable, then present the alternative methodologies in the proposal while outlining their implications for timeline, deliverables, and project cost.

Discuss and review desired sample size. Determine whether the client has a minimum number of respondents required for analysis. Consider asking:

- Given the objectives, what is a reasonable assumption for sample size? (A larger sample promotes statistical significance.) What defines an acceptable range of participants for this project?
- If multiple respondent types are to be included in the research, what is the desired/acceptable cell size for each respondent group?

Tip: When the client does not specify sample size, develop and present cost estimates based on two different sample sizes: the absolute minimum you believe is necessary to accomplish objectives, and the ideal sample size—one that would afford you greater confidence when reporting results.

Identify a target audience and recruitment approach. Determine necessary respondent qualifications, and review a plan for meeting recruitment requirements. Consider asking:

- Will respondents vary in their backgrounds or specialty areas? Do the research goals include identifying differences (if any) among respondent segments, or will the data be analyzed by total sample?
- Is the supply of qualified respondents infinite or restricted? Are there special screening criteria that might limit the size of the potential respondent pool?
- Will a target list be provided for recruitment?
- If a list of qualified respondents won’t be provided, then what other sources may be used to accomplish recruitment objectives? For example: facility databases, “rented” lists from professional associations, and industry panels.
- Is over-recruitment necessary to ensure that minimum goals for sample size are met?

Tip: When you are suggesting over-recruitment, clearly identify this in the body of the proposal and in the presentation of the project costs. This disclosure assumes greater

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importance in a competitive bidding situation, where costs associated with over-recruitment might seem disproportionately higher than projected costs submitted by other vendors, who might not be employing this approach.

If recruitment is not an in-house function for your firm, then obtain reasonable estimates of expected incidence levels of qualified respondents, among the various sources you intend to use for recruitment. If low incidence levels could influence recruitment costs, then report expected incidence levels in the proposal—and disclose the potential for project costs to increase if actual incidence is less than expected.

Segmentation analysis requires a greater investment in time and resources compared with reporting on results for the total sample. When it is requested, clearly identify this in the body of the proposal (e.g., in the description of deliverables) and in the presentation of the project costs.

Set a reasonable and appropriate amount for honoraria. Research facilities with in-house recruitment capabilities and independent service providers specializing in recruitment are valuable resources for determining this amount—based on respondent background, time commitment required for participation, and geographic location. Use recommendations from recruitment experts, and historical data that your firm has collected, when suggesting the amount. Consider asking:

- Will respondents be required to prepare for their involvement? Will they have responsibilities beyond simply completing the interview or survey, such as recording product consumption in a daily diary, downloading stimuli materials, or completing a pre-interview/post-interview questionnaire?
- Are there other considerations, such as respondent background, that we need to take into account? Will the sample include extremely busy corporate executives, thought leaders with high levels of exposure through media coverage, early adopters who are highly visible and influential among consumer segments, or heavy category users?

Tip: Extremely short timelines, rigorous preparation, an extensive respondent time commitment, or difficult-to-achieve recruitment requirements might dictate slightly increased levels of honoraria. In these situations, educate the client that high-end honoraria can have serious cost implications for future research. Respondent expectations do not decrease over time.

Determine the preferred deliverables. You need this understanding to project the cost for data acquisition, data tabulation, data analysis, and report writing. Consider asking: What level of reporting will satisfy your information needs?

### Benefits of proposal

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<tr>
<th>Client</th>
<th>Vendor</th>
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<td>Serves as a road map for the project</td>
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<td>- specifies research methodology</td>
<td>- identifies specific responsibilities of the vendor</td>
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<td>- specifies timeline</td>
<td>- identifies the role the client has in fielding the research</td>
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<td>- specifies deliverables</td>
<td>- allows for planning-team member involvement and resource allocation</td>
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<td>- specifies projected costs</td>
<td>- contributes to delays or revises project timeline</td>
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<tr>
<td>- allows for planning-team member involvement and resource allocation</td>
<td>- mandates changes to project scope</td>
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Ensures competing vendors carefully consider:

- project specifications
- research design/methodology
- project cost

Ensures the selected vendor has an explicit understanding of business decisions the research will affect

Prompts the client to consider unique capabilities that individual firms offer, which might contribute to project success

- Verbal debrief: a teleconference immediately following the research, in which the moderator and client team share insights based on their recall of respondent feedback.
- Top-line summary: a bulleted outline in Word format, approximately 3-5 pages, without quotations.
- Top-line report: a synopsis of key issues, about 10-12 pages (Word format) or 15-20 slides (PowerPoint format), that includes a brief executive summary with implications/recommendations and a few relevant quotations.
- Detailed final report: a thorough discussion of results—based on an in-depth analysis of each interview/survey question. It should be approximately 30-40 pages (Word format) or 40-60 slides (PowerPoint format). And it includes an executive summary with implications/recommendations and an overview of relevant quotations (pertaining to numerous question areas).
- Final presentation: a presentation of the findings, either in person or via a Web-assisted teleconference.

Tip: In a competitive bidding situation, the client must clearly understand the depth of analysis and level of detail you intend to provide.

Ensure that the timeline is realistic. Sometimes timing is the key factor for vendor selection. You must determine whether
the client’s suggested timeline for a project is practical and/or whether the project will gel with your current schedule of activities. Consider asking:

- Are there ideal dates/times for fielding the research?
- Are there dates/times that need to be avoided?
- Are other factors driving the suggested timeline? Do sales collateral materials need to be finalized for a national conference/convention, or do findings need to be presented at an upcoming sales meeting?
- Is there any flexibility in the timeline outlined in the RFP?

Tip: When presenting a timeline in the proposal, specify the timing of particular milestones and deliverables. Also, remind the client that timelines might be affected if the project intersects with secular/religious holidays, or major conferences for professional associations of which respondents might be members.

Outline client responsibilities and preferences. Depending on your relationship, the client might want to exercise greater or less oversight responsibility. Clearly document the client’s specific role in fielding the research and upholding the timeline. Also make note of any special client requests. Consider asking:

- Will you be reviewing and approving the screener, discussion guide/survey instrument, interviewer instructions, and so on?
- If necessary, do you intend to supervise or assist in administering interviewer training?
- Do you plan to track the progress of interviews? How? Is it necessary to schedule the interviews as tele-sessions to allow for real-time monitoring, or are recordings sufficient? Is it essential to reserve research facilities with substantial backroom viewing capacity, or to arrange for the use of videoconferencing/Internet broadcasting services such as FocusVision or ActiveGroup?
- Do you need to preview the final report/presentation?

Tip: The client’s failure to fulfill responsibilities can jeopardize your ability to meet timeline requirements, and affect project costs. Too often, the client delays the approval of documents or submission of study-related materials—and expects the research firm to somehow make up the time. Clearly identify submission and/or approval dates as part of the timeline. Also, include language in the proposal specifying that if the client fails to meet these deadlines, then the timeline might need to be revised.

Additionally, if the timeline and research methodology allow, recommend a “soft launch”; a small subset of interviews that is first completed under the client’s close supervision. This approach (1) allows the client team to gauge the utility of the questionnaire/survey in the actual research setting, and (2) provides the vendor sufficient time to incorporate any necessary revisions before large-scale rollout of the project.

Explore project budget. Cost drivers are typically apparent at the point when methodology, timeline, and preferred deliverables are discussed. When cost drivers are in question or project cost seems high, explore concerns proactively. And when employment of alternative research methods or modification of project execution might provide cost savings, underscore the favorable impact such revisions could have on project cost. Consider asking:

- Is there a budgetary constraint for the research, which might influence your ultimate recommendation on either methodology or deliverables?
- Are there special needs or logistical matters that might affect project costs? Does the client team require the ability to listen in on telephone interviews in real time? Will stimuli materials need to be sent to respondents overnight or posted to a password-protected Web site?
- Would you be receptive to altering research design to benefit from cost savings? Are you willing to reduce the total sample size/individual cell size for each respondent group, decrease the interview time/survey length, field a portion of the research online or over the telephone (vs. in person), or forgo an extremely detailed final report/presentation-ready slide deck for a bulleted summary of key findings?

Tip: Highlight any recommendations that might provide cost savings while accomplishing objectives. Clarify the reasoning for them, and show the possible reduction in project cost. Demonstrate your flexibility by providing options.

Agree on the terms of payment. If you have previously worked with—or submitted a proposal to—the client, then you might be familiar with such stipulations. Certainly, if permissible, employ your organization’s terms. However, it’s your responsibility to determine whether the client has any specific terms to which vendors must adhere. Also establish how additional project costs and out-of-pocket expenses will be recorded and reimbursed. Consider asking:

- Are you receptive to individualized payment terms that unique vendors recommend?
- Does your organization have any special requirements when it comes to defining a billing schedule for this project?
- Are any of the following terms of payment preferable? (1) 75% at project initiation and 25% at project completion; (2) 33% at project initiation, 33% at project midpoint (to be defined), and 33% upon delivery and approval of the final report/presentation; or (3) 25% at project initiation, 25% after recruitment, 25% after interviewing, and 25% upon delivery of the final report/presentation.

Tip: Because honoraria generally aren’t marked up and immediately distributed to respondents when they complete their interview responsibilities, the payment terms should include language outlining that the honoraria are billed at cost and due upon initiation of the project.

There are instances when substantial changes to design/project scheduling or termination of the research occurs after a project has been initiated. Therefore, the payment terms should also
explain that once a project has been awarded, such client changes might result in additional facility and administrative costs.

Increasingly, clients are implementing enterprise software solutions to monitor and manage all research-related costs. Therefore, vendors are being asked to estimate and itemize “other” costs related to project completion—which will ultimately be invoiced to the client, but aren’t specifically outlined in the estimation. Examples include travel, screening a greater number of respondents than expected (to meet minimum recruitment requirements), telephone number/fax number/e-mail lookups necessary when using the client’s recruitment lists, excessive revisions to the questionnaire/survey instrument, additional time essential for analysis and reporting (if deliverable requirements are modified), and charges for facility services such as client food/faxes/shipping/parking. Be prepared to provide accurate estimates for these additional billable expenses, and logical explanations for how they are derived.

Assess the need for supplements to the proposal. If you haven’t worked with the client before, or you have but didn’t submit a proposal for this type of project, then additional information might be required to demonstrate your qualifications. Consider asking:

- How did you hear about my firm?
- What qualities are you seeking most in a vendor, for this type of project?
- Specifically, what caused you to seek my firm’s services?

Tip: Include, as a supplement, any information demonstrating how your firm is in a better position than the competition to address the client’s unique needs and preferences. If stipulations in the RFP prohibit this information from being included in the body of the proposal, then use a cover letter.

Examples include an overview of your firm (including historical background and what makes its approach unique), biographical sketches of individuals who will be involved in the project, and previous engagements that might apply to the research under consideration.

Identify requirements for proposal format and method of submission. Verify stipulations regarding format. Some organizations require a structured format, so that comparing proposals is less cumbersome for those involved in the procurement decision. The client might require that project cost be itemized according to milestones and deliverables, or according to the type of professionals working on the project and the number of hours needed to complete each task.

Also, confirm requirements regarding submission method. Some organizations want a hard copy; others accept a document sent via e-mail.

Tip: Failure to adhere to conditions can eliminate your proposal from consideration. If a structured format is requested but not clearly defined, and you aren’t sure whether your format matches, then inquire about a preliminary review and/or request a more specific example of that format.

Ensure that the deadline for proposal submission can be met. Determine whether there is sufficient time to develop, draft, and issue the proposal, given your current schedule of activities. Inform the client of when you anticipate being able to submit it.

Tip: Sending the proposal after the deadline can generate doubt about your firm’s capacity for meeting critical timelines, or immediately eliminate your proposal from consideration. When your workload prohibits timely preparation, proactively explore the potential for a revised deadline.

5. Draft and Proof

Prepare a rough copy of the proposal, paying particular attention to the aforementioned tips. Reexamine the RFP and your checklist to confirm the proposal is clear and complete, and adequately addresses the key issues discussed with the client. Finally, proof the draft, seek input from a coworker, and correct any errors in spelling or grammar.

6. Submit in a Timely Fashion

Do so using the appropriate method, as early as possible.

7. Follow up on Receipt

Also determine whether the client has any questions regarding your proposal, or additional information needs. Convey your receptiveness to revising the proposal, should modifications be required to best fit the needs of the project.

8. Track Acceptance/Rejection Factors

If the client accepts your proposal, then celebrate—but don’t forget to inquire about the contributing factors. Conversely, if the client rejects it, find out why. Ask about ways to improve your chances of being selected for future initiatives. Then use this feedback to create a catalogue of tools and language that, when employed during proposal development, has affected the decision for acceptance.

Concluding Notes

The RFP/proposal process can be the first step in establishing a relationship with a new client, and a useful tool for expanding your relationships with current clients. Proposal development provides an excellent opportunity to cultivate a relationship and clearly demonstrate your proficiency and breadth of expertise. Your response to an RFP has a substantial impact on your potential for selection as a provider of marketing research services.

Therefore, adopt the aforementioned systematic and consistent approach to proposal development. Over time, your ability to efficiently identify explicit and implicit requirements when reviewing an RFP will improve. In preliminary discussions, you will be more capable of assessing the client’s critical information needs; in developmental stages, you will be better prepared for determining the most effective research methodology. By the time you’re ready to draft the proposal, you will have all the necessary information to write a winning one.

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