



Sample Proposal (Annotated)

| <i>The actual proposal</i> | <i>Notes</i> |
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| Prepared 30 September 2009 for Bionics, Inc. at the request of Geoff Daniels, the COO. | <i>This opening line merely tags the proposal.</i> |
| Introduction | |
| We understand that you would like our assistance in assessing and eventually fixing a worsening problem in project performance. Over the last few years the proportion of projects that come in within budget and on schedule has slowly but steadily declined. The vision for this project would be to reverse that trend and install a process that would lead to steadily improving performance. | <i>This paragraph captures the essence of their request and the focus of their concern. It states the problem and the desired outcome.</i> |
| As a company that specializes in contracted pharmaceutical research, your reputation for reliable delivery is one of your major selling points. While you have generally been able to rein in projects to make delivery, it has come only through extraordinary effort and ad hoc solutions that seem to be making the problem worse rather than building a more robust and efficient process for project management. Some PMs have come to rely on last minute heroics to make their dates rather than using well-tested project management principles from the beginning. | <i>This paragraph makes it clear you understand the reason for their concern, and the importance of the problem. It also identifies the unintentional dynamic of making the problem worse by offering interim solutions.</i> |
| If this situation is not reversed, it could threaten Bionic's reputation and your subsequent ability to secure project work. That reputation has also been the key to your ability to attract top talent. | <i>Perhaps the main role of the proposal is to focus the client on the value to be delivered rather than just the cost of the engagement.</i> |

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| <p>Over the last two years, attempts to articulate a comprehensive model of project management has met with mixed success. While most applauded the effort, few PMs were eager to take on the constraints imposed. They complained that the process contained too many senior reviews, creating unnecessary delays. The day it was launched there were numerous calls for “PM lite” and statements about “just guidelines, not requirements”. And the few contract PMs uniformly refused to abandon their own style of project management.</p> | <p><i>This section summarizes the key history of the problem, making it clear you have listened thoroughly to the client’s concerns.</i></p> |
| <p>While it is tempting – and quite understandable – to frame the problem as one of work process design and skill development, that approach has proved disappointing. Other perspectives seem equally worthy of consideration:</p> <ul style="list-style-type: none"> • The cultural backdrop for project management may honor the “cowboy” project manager and denigrate the “bureaucratic” project manager. (You mentioned that the annual employee dinner gives an award for the “best save of the year”.) • The increase in the number of projects has rendered portfolio management more daunting, possibly leading to greater confusion in priorities and delays in schedule. • The relatively new emphasis on consistency, planning, and process controls may conflict with the actual amount of uncertainty and the difficulty of managing essentially creative tasks. • The number of new hires and the use of contract PMs has introduced more variety into the project management strategies that employees experience. | <p><i>This paragraph introduces different possible conceptual frameworks. It also shows that the consultant is familiar with typical distortions in project oriented work. It not only provides the client with a new perspective, it highlights the potential value of working with the consultant. If we do only what the client asks, then we’re a vendor. A consultant – ideally – brings real value to the understanding of the problem and then translates that into some corrective action.</i></p> |
| <p>It is too early at this point to speculate on which – if any – of the dynamics mentioned above are limiting Bionic’s project management performance. Whatever the causes are, however, they are probably much more visible to those on the front line than they have been to the executives and managers concerned with the problem.</p> | <p><i>This provides a rationale for the scope of work to be outlined below.</i></p> |

| Scope | |
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| <p>Many consultants propose a process of assessment, design, and intervention. Treating those activities as linear and modular often blunts their effectiveness. Our approach is to blend those 3 activities in an action research model. We propose forming a small task force of project managers, preferably some very seasoned, some relatively new, and some new to the company regardless of their years of experience. We would facilitate that task force in defining the problem, gathering additional information needed, and initiating some pilot efforts to install a better system of project management.</p> | <p><i>This rationale not only justifies the scope definition, it also suggests you have more to bring to the table than just facilitation skills.</i></p> |
| <p>The rationale for this approach is to maximize the adoption of new procedures by engaging the users in the understanding of the problem and the design of the change. Using small pilot efforts rather than comprehensive total solutions (such as project management process designs or new software packages) keeps the PMs engaged in adjusting the solution in response to new information. It puts them in the position of orchestrating their own improvement rather than responding to something imposed from above. (Cowboys like to saddle their own horse.)</p> | <p><i>More than the details of the project, the client needs to understand the reasons for the scope. If you provide a detailed listing of events, it invites the client to negotiate the operational and tactical details. What they need most is confidence that you understand the challenge and can adjust the tactics to ensure a positive outcome.</i></p> |
| <p>The facilitation strategy is to have PMs talk to other PMs about the obstacles to more reliable project performance, and to define pilot efforts that would test out their analysis of the problem and the effectiveness of their proposed solutions. The goals and constraints for this effort come from the management team, but the substance comes from those who have to live with the solution. We also anticipate using short, fast-turnaround surveys to supplement the team's work. For example, we might ask 6-8 questions only of the PMs who have had projects significantly over budget and schedule. We also expect to post information from the effort on a special site on your intranet.</p> | <p><i>The client should be able to see the flow of the projects as well as the components. This paragraph sketches out roughly what would be happening.</i></p> |
| <p>This approach also teaches the PMs how to work together on project management techniques and tools. It is the skeleton for a continuous process improvement team.</p> | <p><i>It is one thing to solve the problem; it is something even more valuable to help the client find increasingly better solutions over time.</i></p> |

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| <p>One role of the consultants is to keep the senior management team informed of how work is progressing, and to bring back information on how their behavior may be contributing to the problem. For example, adding more gates to the project process may give executives a greater sense of visibility and control, but it also means that PMs are spending a greater percentage of their time preparing PowerPoint decks and plotting how to “manage upward”.</p> | <p><i>This is laying the foundation for asking the management team to consider their own role in the problem. So the proposal is being used to seed the thinking about the problem and possibly to surface some of the likely stumbling blocks in the project.</i></p> |
| Staffing and Resourcing | |
| <p>The primary staffing for this project will be myself and my colleague, Dan Madison. He has his own independent practice in process improvement, but on this project he will be subcontracting through me. He and I are long-time friends and colleagues and know each other’s work well.</p> | <p><i>Larger consulting houses often send one person to close the deal and then bring in more junior members to do the work. One of the values of being a solo consultant is that you are the one doing the work. The other point of this paragraph is to assuage any concern that the team might not work together well.</i></p> |
| <p>We are assuming that a small group of project managers (some of whom may be your key performers) can be available for a 1-2 hour meeting each week. We will also need to rely on the cooperation of an administrative staff person for scheduling meetings and rooms. Additionally, we will need a list of contact information (name, position, email, phone) for all project managers.</p> | <p><i>Not all of the staffing comes from the consultant. Be explicit about the resources you are assuming from the client company. I often mention the contact information because some companies are almost paranoid about releasing an internal phone list.</i></p> |
| Schedule and Costs | |
| <p>The estimated cost for this project is up to \$17,000. We would charge for actual time and expenses, so the fee will (hopefully) be less, but any increase in scope would have a corresponding increase in cost.</p> | <p><i>Projects can be “not to exceed” or estimates against actual charges, or a number of other contracting agreements. It’s important to be clear about the arrangement you would like.</i></p> |
| <p>The main components that determine the overall project cost are:</p> <ul style="list-style-type: none"> • Running internal task force (~\$8500) • Up to 4 small surveys (~\$5000) • Periodic update meetings with senior management team (~\$2000) | <p><i>I generally don’t give too much detail. Most clients look for the total cost to see if it’s within their signing authority and if it fits with their expectation.</i></p> |

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| Dan and I are available to start the project as soon as the contracting work is done. We expect that the biggest scheduling constraint will be the availability of Bionic's PM staff. | <i>Clients often want to know if you can “start immediately”. This is just to remind them that consultants can usually move much quicker than staff. After all, they have day jobs.</i> |
| In Closing | |
| I have tried to capture your concerns and translate them into a viable project to address them. If I have missed something important, I look forward to a chance to discuss it further with you and possibly amend the proposal. | <i>Often it takes a proposal to get a client to be more candid about their budget constraints, so a revision in scope and cost is highly likely.</i> |

In summary, the proposal has to answer some key questions for the client:

- ✓ Does this consultant understand our problem?
- ✓ Are they going to bring some new insight or skill to the discussion? (Or will they just borrow my watch and then tell me the time?)
- ✓ Have they captured the value we desire from the project?
- ✓ Have they outlined a credible sequence of activities that seem likely to generate a positive outcome?
- ✓ Are they using resources (both theirs and ours) in an efficient way?
- ✓ Is the cost proportional to the value to be delivered?

Remember that your contact may have to take the proposal to someone else – who was not in the initial discussion – and “sell” the project to them. Your proposal will be your only voice for that new person.

