CHAPTER 10

Proposals and Formal Reports

Mary Ellen Guffey

ESSENTIALS of Business Communication 8e

Instructor Only Version
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Understanding Business Proposals

Definition
A proposal is a persuasive document designed to motivate the reader to spend, make, or save money.

Kinds
- Internal – May take the form of justification/recommendation report
- External – Solicited (responding to RFP) or unsolicited (prospecting for business)
- Formal – long, many parts
- Informal – shorter, six main parts

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Proposals are persuasive offers to solve problems, provide services, or sell equipment.

Both large and small companies today often use requests for proposals (RFPs) to solicit competitive bids on projects.

Informal Proposals

1. Introduction
2. Background
3. Proposal
4. Staffing
5. Budget
6. Authorization request

Informal proposals are usually presented in 2- to 4-page letters or memos and have six main parts.

See Informal Proposal on page 6 fig.10.1

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Informal Proposals

- Introduction should provide "hook" to capture reader's interest.
- Background section identifies problems and goals of project.
- Proposal discusses plan and schedule for solving existing problem.
- Staffing section describes credentials and expertise of project leaders.
- Budget indicates project costs.
- Authorization asks for approval to proceed.

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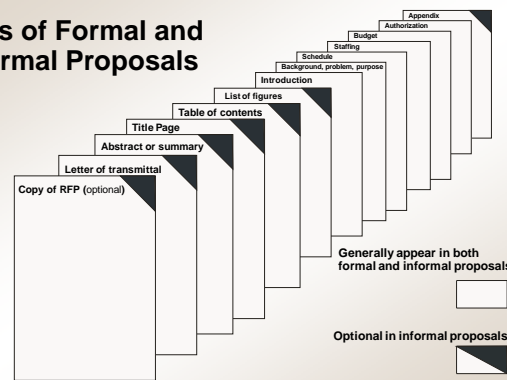Chapter 10, Slide 4

Formal Proposals

- Formal proposals include all the basic parts of informal proposals but may have additional parts.
- Possible additional parts:
  - Copy of RFP
  - Letter or memo of transmittal
  - Abstract and/or executive summary
  - Title page
  - Table of contents
  - List of figures
  - Appendix

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Parts of Formal and Informal Proposals

Copy of RFP (optional)
Letter of transmittal
Abstract or summary
Title Page
Table of contents
List of figures
Introduction
Background, problem, purpose
Schedule
Staffing
Budget
Authorization
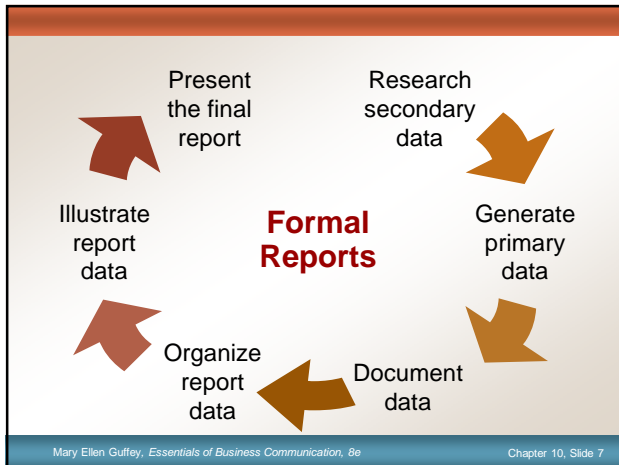Appendix

Generally appear in both formal and informal proposals:

Optional in informal proposals:

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Slide 7

Present the final report

Research secondary data

Illustrate report data

Formal Reports

Generate primary data

Organize report data

Document data

Researching Secondary Data

Print Resources

- Books
- Periodicals
- Bibliographic indexes such as *Reader's Guide*

Electronic Databases

- Collections of magazine, newspaper, journal articles
- Examples
  - EBSCO Business Source Premier
  - Factiva
  - ABI/Inform
  - LexisNexis

Researching Secondary Data

The Web

- Product data
- Mission statements
- Staff directories
- Press releases
- Company news
- Article reprints
- Employment information
- Facts of all kinds
- Blogs (weblogs) for consumer reviews and opinions

Web Search Tips and Techniques

- Use two or three search tools.
- Know your search tool.
- Understand case sensitivity in keyword searches.
- Use nouns as search words and as many as eight words in a query.

- Use quotation marks.
- Omit articles and prepositions.
- Proofread your search words.
- Save the best.
- Keep trying.
- Consider searching blogs, wikis, and social networks.

Generating Primary Data

Surveying

Experimenting

Observing
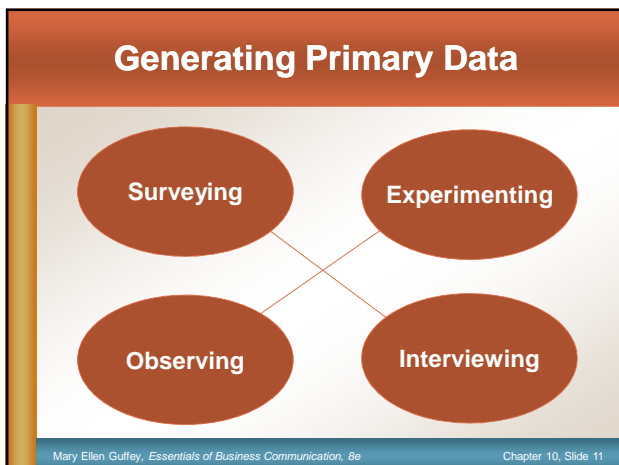
Interviewing

Generating Primary Data

Surveying

- Develop questions, conduct trial.
- Work in person or online.

Interviewing

- Locate an expert.
- Consider posting an inquiry to an Internet newsgroup.
- Prepare for the interview.
- Maintain a professional attitude.
- Prepare objective, friendly questions.
- Watch the time.
- End graciously.

Generating Primary Data

Observing
- Be objective.
- Quantify observations.

Experimenting
- Develop rigorous research design.
- Pay careful attention to matching experimental and control groups.

Documenting Data

What to document
- Another person's ideas, opinions, examples, or theory
- Any facts, statistics, and graphics that are not common knowledge
- Quotations of another person's actual spoken or written words
- Paraphrases of another person's spoken or written words

Organizing Report Data

Pattern	Development	Use
Chronology	Arrange information in a time sequence to show history or development of topic.	Useful in showing time relationships, such as 5-year profit figures or a series of events leading to a problem
Geography/ Space	Organize information by regions or areas.	Appropriate for topics that are easily divided into locations, such as East Coast, West Coast, etc.
Topic/ Function	Arrange by topics or functions.	Works well for topics with established categories, such as a report about categories of company expenses
Compare/ Contrast	Present problem and show alternative solutions. Use consistent criteria. Show how the solutions are similar and different.	Best used for "before and after" scenarios or for problems with clear alternatives

Organizing Report Data

Pattern	Development	Use
Journalism Pattern	Arrange information in paragraphs devoted to *who, what, when, where, why,* and *how.* May conclude with recommendations.	Useful with audiences that need to be educated or persuaded
Value/Size	Start with the most valuable, biggest, or most important item. Discuss other items in descending order.	Useful for classifying information in, for example, a realtor's report on home values
Importance	Arrange from most important to least importance or build from least to most important.	Appropriate when persuading the audience to take a specific action or change a belief
Simple/ Complex	Begin with simple concept; proceed to more complex idea.	Useful for technical or abstract topics
Best Case/ Worst Case	Describe the best and possibly the worst possible outcomes.	Useful when dramatic effect is needed to achieve results; helpful when audience is uninterested or uninformed
Convention	Organize the report using a prescribed plan that all readers understand.	Useful for many operational and recurring reports such as weekly sales reports

Levels of Headings in Reports

- The main points used to outline a report often become the main headings of the written report.
  - Major headings are centered and typed in bold font.
  - Second-level headings start at the left margin.
  - Third-level headings are indented and become part of the paragraph

see page 7 fig 10.3, and page 8 fig 10.4

Illustrating Report Data

Reasons to use visual aids
- To clarify data
- To summarize important ideas
- To emphasize facts and provide focus
- To add visual interest

Illustrating Report Data

Most common types of visual aids

- Tables
- Charts
- Photographs, maps, and illustrations
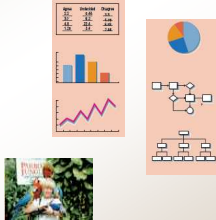
Matching Visual Aids With Objectives

Table

To show exact figures and values

Figure 1
MPM Entertainment Company
Income by Division (in millions of dollars)

	Theme Parks	Motion Pictures	DVDs and Videos	Total
2006	$15.8	$39.3	$11.2	$66.3
2007	18.1	17.5	15.3	50.9
2008	23.8	21.1	22.7	67.6
2009	32.2	22.0	24.3	78.5
2010 (projected)	35.1	21.0	26.1	82.2

Source: *Industry Profiles* (New York: DataPro, 2009), 225.

Matching Visual Aids With Objectives

Bar Chart

To compare one item with others

Figure 1
2009 MPM INCOME BY DIVISION
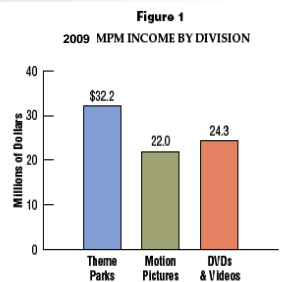
Source: *Industry Profiles* (New York: DataPro, 2009), 225.

Matching Visual Aids With Objectives

Line Chart

To demonstrate changes in quantitative data over time

Figure 6
COMPARISON OF DIVISION REVENUES
2005 TO 2010

*Projected
Source: *Industry Profiles.*
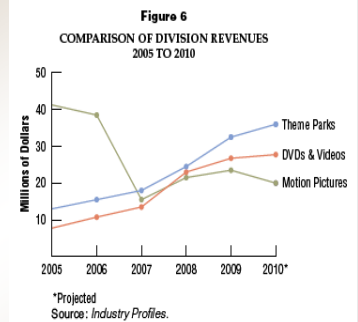
Matching Visual Aids With Objectives

Pie Chart

To visualize a whole unit and the proportions of its components

Figure 8
2009 MPM INCOME BY DIVISION

Source: *Industry Profiles.*
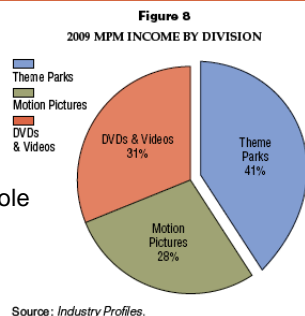
Matching Visual Aids With Objectives

Flow Chart

To display a process or procedure

FLOW OF CUSTOMER ORDER THROUGH XYZ COMPANY
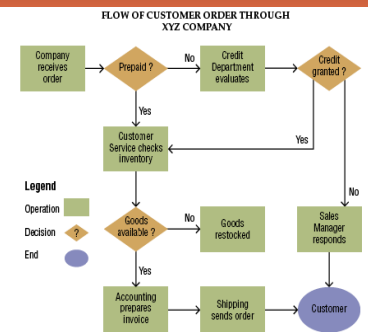
Matching Visual Aids With Objectives

Organization Chart

To define a hierarchy of elements or a set of relationships.
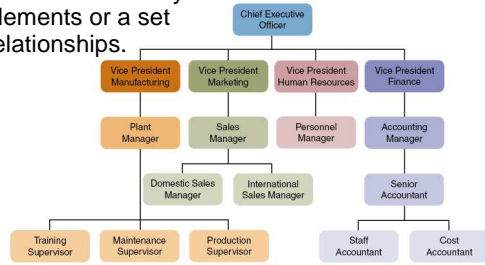
Matching Visual Aids With Objectives

Photograph, Map, Illustration

To achieve authenticity, to spotlight a location, or to show an item in use.

Tips for Effective Use of Visual Aids

- **Evaluate the audience**. Consider the reader, the content, your schedule, and your budget.
- **Use restraint**. Don't overdo the color or design.
- **Be accurate and ethical**. Double-check your graphics; don't distort the visuals. Cite sources when using someone else's facts and data.
- **Introduce graphs**. Place the graphic close to where it is mentioned. Explain its significance.
- **Choose an appropriate caption or heading**. Use functional or talking headings. (See Chapter 9.)

Parts of a Formal Report

Prefatory Parts
- Title page
- Letter of transmittal
- Table of contents
- List of figures
- Executive summary

Parts of a Formal Report

Body of Report
- Introduction or background
- Discussion of findings
- Summary, conclusions, recommendations

Supplementary Parts of a Formal Report
- Footnotes or endnotes
- Works cited, references, or bibliography
- Appendix

Parts of Formal Reports

Cover
Title page
Letter of transmittal
Table of contents
List of figures
Executive summary
Introduction
Body
Conclusions
Recommendations
Appendix
Bibliography

Generally appear in both formal and informal reports:

Optional in informal reports:

FIGURE 10.1 Informal Proposal

approach market research

research | PR | consulting

205 Carlton Place | Watertown, MA 02478
phone 617.900.2005 | fax 617.900.2020
e-mail: info@approach.com

June 2, 200x

Diane Corbett, D.D.S.
1600 Beacon Street, Suite 105
Cambridge, MA 02138

Dear Dr. Corbett:

Grabs attention with "hook" that focuses on key benefit

Understanding the views of your patients is the key to meeting their needs. Approach Market Research is pleased to propose a plan to help you become even more successful by learning what patients expect of your practice, so that you can improve your services.

Uses opening paragraph in place of introduction

Background and Goals

We know that you have been incorporating a total quality management system in your practice. Although you have every reason to believe your patients are pleased with your services, you may want to give them an opportunity to discuss what they like and possibly don't like about your office. You would also like to compare your "preferred" and "standard" patients.

Proposed Plan

Announces heart of proposal

On the basis of our experience in conducting many local and national customer satisfaction surveys, Approach proposes the following plan:

Divides total plan into logical segments for easy reading

Survey. We will develop a short but thorough questionnaire probing the data you desire. Although the survey instrument will include both open-ended and closed questions, it will concentrate on the latter. Closed questions enable respondents to answer easily; they also facilitate systematic data analysis. The questionnaire will gauge patients' views of courtesy, professionalism, accuracy of billing, friendliness, and waiting time. After you approve it, the questionnaire will be sent to a carefully selected sample of 300 patients whom you have separated into groupings of "preferred" and "standard."

Describes procedure for solving problem or achieving goals

Analysis. Survey data will be analyzed by demographic segments, such as patient type, age, and gender. Using state-of-the art statistical tools, our team of seasoned experts will study (a) satisfaction levels, (b) the reasons for satisfaction or dissatisfaction, and (c) the responses of your "preferred" compared to "standard" patients. Moreover, our team will give you specific suggestions for making patient visits more pleasant.

Report. You will receive a final report with the key findings clearly spelled out, Dr. Corbett. Our expert staff will draw conclusions based on the results. The report will include tables summarizing all responses, divided into preferred and standard clients.

FIGURE 10.1 Continued

Includes second-page heading →

Schedule. With your approval, the following schedule has been arranged for your patient satisfaction survey: ← Uses past-tense verbs to show that work has already started on the project

Questionnaire development and mailing	August 1–6
Deadline for returning questionnaire	August 24
Data tabulation and processing	August 24–26
Completion of final report	September 1

Staffing

Promotes credentials and expertise of key people →

Approach is a nationally recognized, experienced research consulting firm specializing in survey investigation. I have assigned your customer satisfaction survey to Dr. Scott Wu, our director of research. Dr. Wu was trained at Boston University and has successfully supervised our research program for the past nine years. Before joining Approach, he was a marketing analyst with T-Mobile. ← Builds credibility by describing outstanding staff and facilities

Assisting Dr. Wu will be a team headed by Karen Ploeger, our vice president for operations. Ms. Ploeger earned a BS in computer science and an MA degree in marketing from the University of Massachusetts. She supervises our computer-aided telephone interviewing (CAT) system and manages our 30-person professional interviewing staff.

Budget

Itemizes costs carefully because a proposal is a contract offer →

	Estimated Hours	Rate	Total
Professional and administrative time			
Questionnaire development	3	$150/hr.	$450
Questionnaire mailing	4	40/hr.	160
Data processing and tabulation	2	40/hr	480
Analysis of findings	15	150/hr.	2,250
Preparation of final report	5	150/hr.	750
Mailing costs			
300 copies of questionnaire			120
Postage and envelopes			270
Total costs			$4,480

Authorization

Makes response easy →

We are convinced, Dr. Corbett, that our professionally designed and administered patient satisfaction survey will enhance your practice. Approach Market Research can have specific results for you by September 1 if you sign the enclosed duplicate copy of this letter and return it to us with a retainer of $2,300 so that we may begin developing your survey immediately. The rates in this offer are in effect only until October 1. ← Closes by repeating key qualifications and main benefits / Provides deadline

Sincerely,

Allen Ward

Allen Ward, President

AEW:mem
Enclosure

FIGURE 10.3 Outline Format

FORMS OF BUSINESS OWNERSHIP

I. **Sole proprietorship** (*first main topic*)
   A. Advantages of sole proprietorship (*first subdivision of Topic I*)
      1. Minimal capital requirements (*first subdivision of Topic A*)
      2. Control by owner (*second subdivision of Topic A*)
   B. Disadvantages of sole proprietorship (*second subdivision of Topic I*)
      1. Unlimited liability (*first subdivision of Topic B*)
      2. Limited management talent (*second subdivision of Topic B*)
II. **Partnership** (*second main topic*)
   A. Advantages of partnership (*first subdivision of Topic II*)
      1. Access to capital (*first subdivision of Topic A*)
      2. Management talent (*second subdivision of Topic A*)
      3. Ease of formation (*third subdivision of Topic A*)
   B. Disadvantages of partnership (*second subdivision of Topic II*)
      1. Unlimited liability (*first subdivision of Topic B*)
      2. Personality conflicts (*second subdivision of Topic B*)

FIGURE 10.4 Levels of Headings in Reports

2-inch top margin

REPORT, CHAPTER, AND PART TITLES

2 blank lines

The title of a report, chapter heading, or major part (such as CONTENTS or NOTES) should be centered in all caps. If the title requires more than one line, arrange it in an inverted triangle with the longest lines at the top. Begin the text a triple space (two blank lines) below the title, as shown here.

Places major headings in the center

2 blank lines

First-Level Subheading

1 blank line

Capitalizes initial letters of main words

Headings indicating the first level of division are centered and bolded. Capitalize the first letter of each main word. Whether a report is single-spaced or double-spaced, most typists triple-space (leaving two blank lines) before and double-space (leaving one blank line) after a first-level subheading.

1 blank line

Does not indent paragraphs because report is single-spaced

Every level of heading should be followed by some text. For example, we could not jump from "First-Level Subheading," shown above, to "Second Level Subheading," shown below, without some discussion between.

Good writers strive to develop coherency and fluency by ending most sections with a lead-in that introduces the next section. The lead-in consists of a sentence or two announcing the next topic.

2 blank lines

Starts at left margin

Second-Level Subheading

Headings that divide topics introduced by first-level subheadings are bolded and begin at the left margin. Use a triple space above and a double space after a second-level subheading. If a report has only one level of heading, use either first- or second-level subheading style.

Always be sure to divide topics into two or more subheadings. If you have only one subheading, eliminate it and absorb the discussion under the previous major heading. Try to make all headings within a level grammatically equal. For example, all second-level headings might use verb forms (*Preparing, Organizing,* and *Composing*) or noun forms (*Preparation, Organization,* and *Composition*).

1 blank line

Makes heading part of paragraph

Third-level subheading. Because it is part of the paragraph that follows, a third-level subheading is also called a "paragraph subheading." Capitalize only the first word and proper nouns in the subheading. Bold the subheading and end it with a period. Begin typing the paragraph text immediately following the period, as shown here. Double-space before a paragraph subheading.