

Sales Article #42

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How to Increase Your Proposal to Sales Ratio

It is natural to feel excited when a client asks you for a proposal. We consciously or unconsciously jump to the next step and assume it will be more business. Great feelings, but the reality is proposal to **closing ratios are around 15 – 20%**. That is considerable time and resources to achieve this outcome. So what is a closing ratio? It is the measure of the number of sales closed compared to the number of proposals given.

Let us look at common reasons why proposals do not convert to a sale.

- A standard proposal with only minor details changed, and it shows. The process may be efficient from the company's perspective but **from the clients it is impersonal**, just another supplier. They will more than likely get competitor proposals
- The specifics of the client's difficulties, concerns or opportunities and the expected outcomes inadequately outlined.
- Emailing the proposal. This could appear to save time and or a false belief it is standard practice. However, **this is an illusion**. What if the client has questions? Why should they have to call you? It will require follow-up that can take multiple attempts. You have no way of gauging how receptive the client will be when you do follow-up.
- Presenting a proposal to a screener who cannot make the decision and will need to discuss with the decision maker. You are asking the screener to do your job for you. You have the product and industry knowledge the screener does not, so what happens when the decision maker asks questions, and the screener has no answers. This can become messy **you have lost control**.
- The salesperson does not know the client's budget and or has not given the client an estimate of the cost.

What can you do?

To save time and be efficient means prioritising and allocating your time and resources to focus on building client relationships, expand existing business and develop new business.

Converting more proposals to sales requires you to:

- Personalise proposals where you can
- Use vertical questioning to gain detailed information about the client's current situation including setbacks, financial costs, serious concerns and the personal impact this could be having, for example sleepless nights, stress. At the other end of the spectrum it could be opportunities the client is pursuing and would need your help. Ensure this is in your proposal
- Before leaving a client's office ask for an appointment to present the proposal. From the client's point of view they will appreciate your professionalism. This will allow you to respond to their questions in person, you will have greater opportunities to continue to build the relationship and convert the proposal to more business

- In complex sales there are often multiple people involved in the decision process, so ensure the person who can provide a definitive 'yes' the decision maker, is present.
- Discuss the financials of the impending proposal. Is it within their budget, could money from another allocation be used and or provide the client with an estimate of the cost? They **will be more receptive** when they know what to expect



Kurt's expertise is in improving his clients' sales performance by generating more sales in a more profitable manner. He has guided companies to increase sales 10-56%. Clients range from small to multinational companies in Australia, the Middle East, Asia, and Europe.

If you have any questions about this article or want to discuss a specific sales situation then contact me directly on +61 412 252 236 or email kurt@salesconsultants.com.au.