

**CHAPTER 10**

**Proposals and Formal Reports**

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Business Communication, 8e Chapter 10, Slide 2

## 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

Mary Ellen Guffey

**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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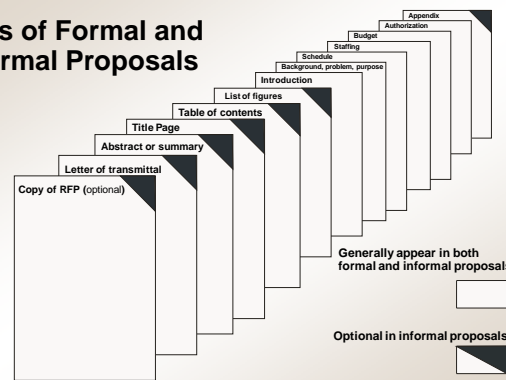
## Formal Proposals

- 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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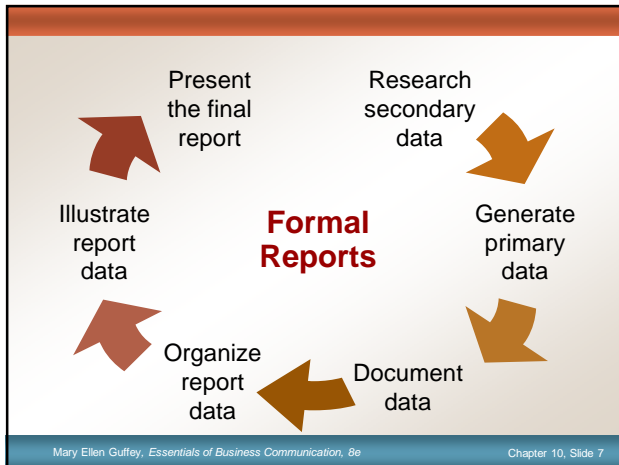
## Parts of Formal and Informal Proposals



Generally appear in both formal and informal proposals:

Optional in informal proposals:

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## Researching Secondary Data


Print Resources	Electronic Databases
<ul style="list-style-type: none"> <li>Books</li> <li>Periodicals</li> <li>Bibliographic indexes such as <i>Reader's Guide</i></li> </ul>	<ul style="list-style-type: none"> <li>Collections of magazine, newspaper, journal articles</li> <li>Examples               <ul style="list-style-type: none"> <li>EBSCO Business Source Premier</li> <li>Factiva</li> <li>ABI/Inform</li> <li>LexisNexis</li> </ul> </li> </ul>

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## 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

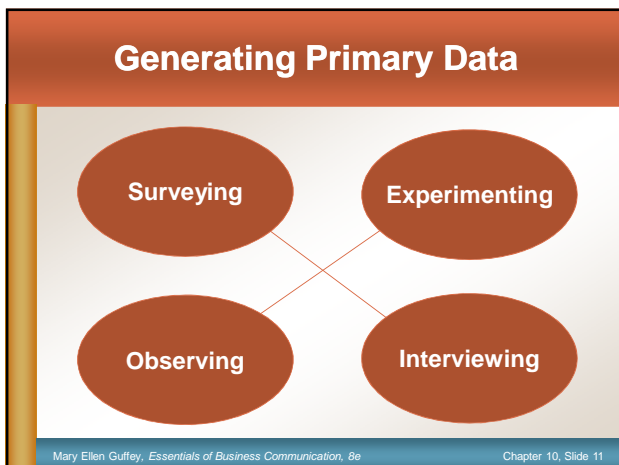


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## Web Search Tips and Techniques

- 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.

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## 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.

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## 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

Journalism Pattern	Arrange information in paragraphs devoted to <i>who, what, when, where, why, and how</i> . 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

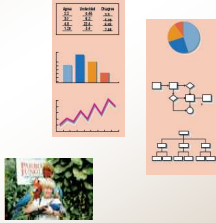
### Reasons to use visual aids

- 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)

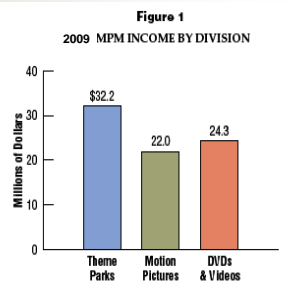
	Theme Parks	Motion Pictures	DVDs and Videos	Total
2006	\$15.8	\$39.3	\$11.2	\$66.3
2007	18.1	17.5	15.3	50.9
2008	23.8	21.1	22.7	67.6
2009	32.2	22.0	24.3	78.5
2010 (projected)	35.1	21.0	26.1	82.2

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

## Matching Visual Aids With Objectives

### Bar Chart

To compare one item with others

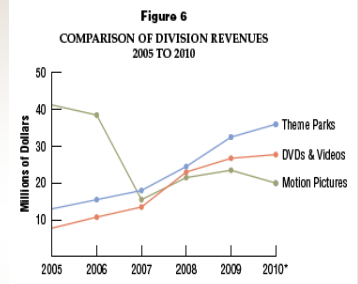


Source: *Industry Profiles* (New York: DataPro, 2009), 225.

## Matching Visual Aids With Objectives

### Line Chart

To demonstrate changes in quantitative data over time

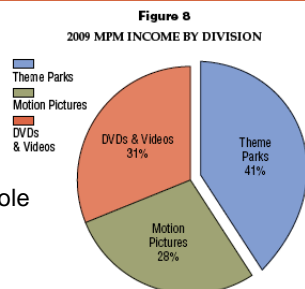


\*Projected  
Source: *Industry Profiles*.

## Matching Visual Aids With Objectives

### Pie Chart

To visualize a whole unit and the proportions of its components

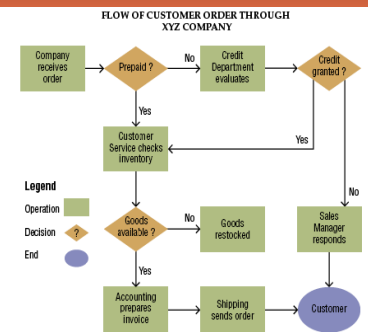


Source: *Industry Profiles*.

## Matching Visual Aids With Objectives

### Flow Chart

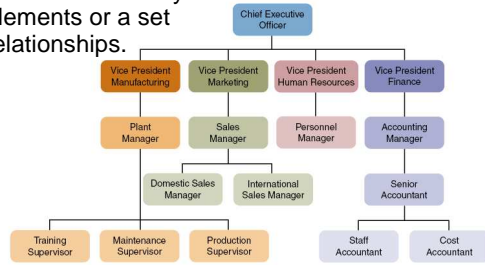
To display a process or procedure



## 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

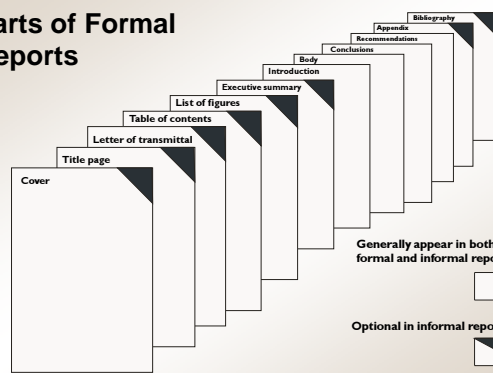
### Body of Report

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

### Supplementary Parts of a Formal Report

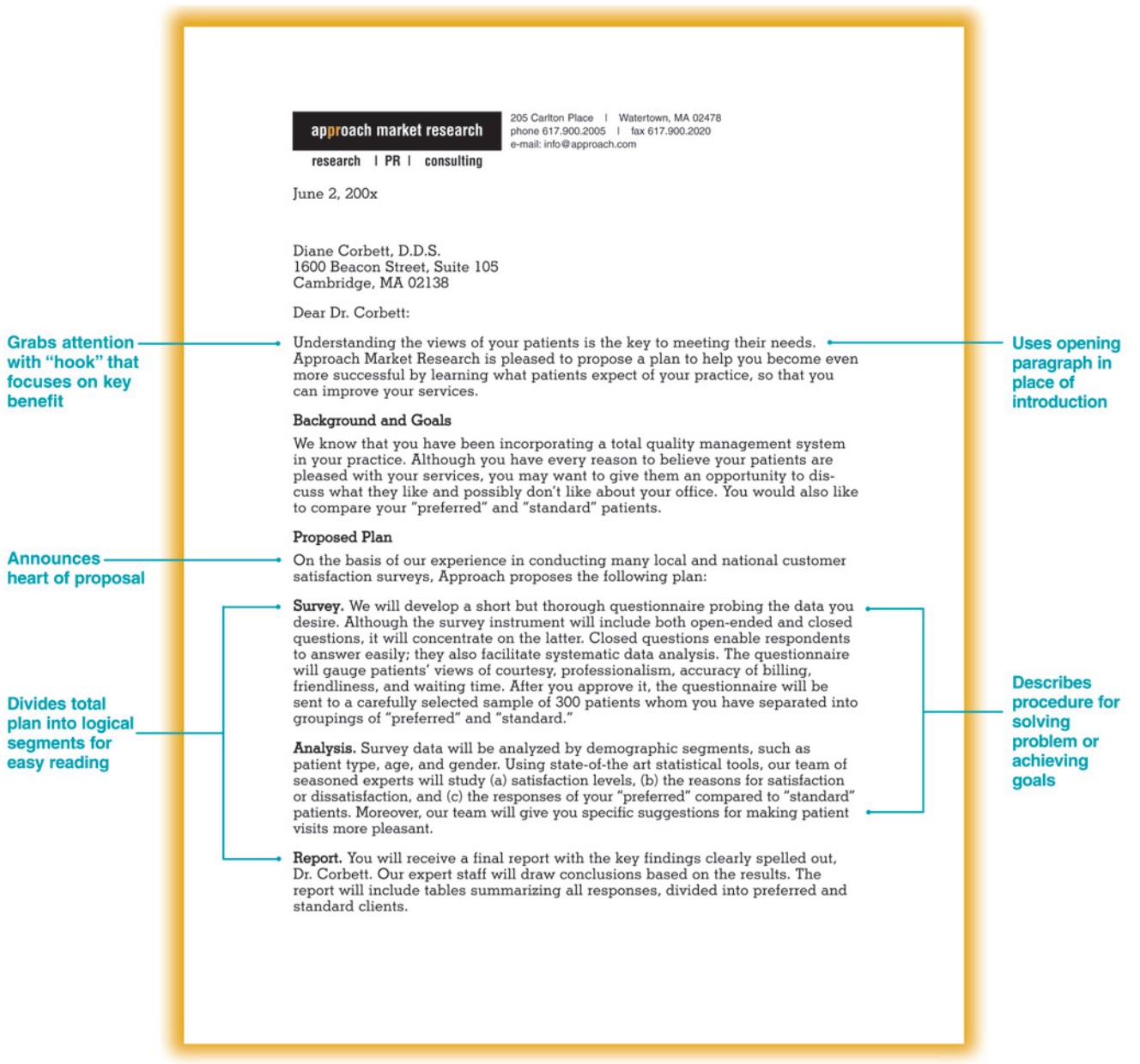
- Footnotes or endnotes
- Works cited, references, or bibliography
- Appendix

## Parts of Formal Reports





**FIGURE 10.1** Informal Proposal



Grabs attention with "hook" that focuses on key benefit

Uses opening paragraph in place of introduction

Announces heart of proposal

Divides total plan into logical segments for easy reading

Describes procedure for solving problem or achieving goals

**FIGURE 10.1** Continued

Dr. Diane Corbett Page 2 June 2, 200x

**Schedule.** With your approval, the following schedule has been arranged for your patient satisfaction survey:

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**

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.


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**

	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**

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.

Sincerely,  
  
 Allen Ward, President  
 AEW:mem  
 Enclosure

Includes second-page heading

Uses past-tense verbs to show that work has already started on the project

Promotes credentials and expertise of key people

Builds credibility by describing outstanding staff and facilities

Itemizes costs carefully because a proposal is a contract offer

Closes by repeating key qualifications and main benefits

Makes response easy

Provides deadline

**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

