

Quotes: the cornerstone of your sales contract

This is the second in a series of articles on CRM (Customer Relationship Management) and related topics. In this article, we examine the problems and issues that surround the production of quotations and proposals – in this context the terms “quotation” and “proposal” are interchangeable.

Quotations or proposals are a **key component of any sales process**, in their most basic form they should provide our prospect with comprehensive and unambiguous details of the costs of the products and services being offered. If the quotation is successful, it will form the cornerstone in the contract between you and your client.

Proposals however should go far beyond being a simple statement of costs and services; they are a fundamental part of the sales process. **A good proposal will have the following features.**

- Delivered to the prospect on time and in a format that they can distribute within their organisation.
- Provide them with a clear, concise, accurate and comprehensive definition of the products and services on offer and their costs.
- Define any qualifications to the proposal e.g. “Quote valid for 30 days”, “This application requires Microsoft 2000 or later operating system”.
- Define your terms and conditions for supply, omit this and you may be agreeing to your prospect’s less favourable T&C’s. by default!
- Your contact details so the prospect knows whom to contact, even if the pages in the proposal become separated.
- Supporting statements that reinforce your sales proposition.

Producing proposals is often a complex task and with many companies offering a wide range of products and services, a significant level of product and commercial knowledge is required tying up expensive sales and technical staff resources.

Quotation systems are available either as a module of a CRM or accounting system or more commonly as a standalone application that links with CRM systems such as ACT, GoldMine or Maximiser. A well-implemented system can reduce burden of proposal production dramatically by providing features such as . . .

- Links to a CRM system to pull in contact details without the need to re-enter the data.
- A comprehensive price list, from which the products and services for inclusion in the quote are selected. This should include cost and sales prices so that margins on individual lines and the quote overall are visible.
- Routines to manipulate prices and quantities to reflect the prospects requirements.
- For complex products a configuration tool to ensure that correct components are selected.
- Standard “phrases” for inclusion in the covering letter and caveats.
- The ability to produce the proposal and any associated information sheets in a “standard” layout that can be emailed as a PDF attachment.
- A database that allows any staff member to access the proposal on demand so that they have the information readily available and can respond to any queries.

Links into CRM systems for follow up and sales pipeline management. Many proposals are sent via email and the increasing use of spam filters or even an error on the recipients email address may result in a failure to deliver this critical document. If you fail to follow up you may never know it was not received.

As with any investment, costs have to be justified to ensure a good ROI (Return on Investment) and quotation systems will typically generate a **rapid return**. Revenues will increase because of shorter sales cycle and higher conversion rates. Cost reductions are significant because the time taken to produce a proposal is reduced and the information can easily be shared throughout the company.

RD Associates are specialists in the provision of Customer Relationship Management and quotation systems. Contact **Richard Dodds** on **01234 756011** or via email at richard.dodds@rdassociates.co.uk for a review of your existing proposal or CRM system to see how it could be improved.