

Appendix A – Sample Proposal Letter

Date

This is a real proposal for a small job that was approved and completed. The answer was that they couldn't do what they wanted to do, but it resulted in additional work in other areas.

Name

Title

Company

Address

City, State ZIP

Sent By E-mail to: Email Address

I usually send proposals by Email as it cuts the cycle time and gets to the prospect while your last conversation is still fresh in their mind.

Subject: *Project Title*

Dear *First Name*:

It was a pleasure to talk with you last week about ways the **XYZ Associates (XYZ)** might be able to help **ABC Company (ABC)** develop a more effective insurance program. This letter addresses your request for information about how XYZ might help you position certain insurance related costs so they can be netted against revenues, lowering ABC's expense ratio.

Our response is organized into five sections:

- XYZ's understanding of the situation.
- Issues to be addressed.
- Our approach to the project.
- Timing and costs.
- XYZ's qualifications.

XYZ'S UNDERSTANDING OF THE SITUATION: ABC, like most publicly traded banks, is focused on improving market value for the shareholders. Management believes that one way to accomplish this is to reduce the bank's expense ratio, to indicate that the institution is efficiently run. The insurance business, which doesn't tend to use the balance sheet of the bank, can have either a very positive or negative effect on the expense ratio depending on how elements of the business are configured. The goal of a XYZ project would be to help the insurance business configure the business for optimum impact on the value of the bank, with a particular focus on the expense ratio.

This section lets them know that you've listened to what they have said and that you understand what they say they want (which may be different from what they need).