

- Organize your proposal into sections that help readers identify and follow its various parts—for example, problem, solution, budget, timetable, personnel. If the RFP asks you to include certain sections, follow these instructions exactly. Otherwise your proposal could be rejected.
- Use clearly marked, logically ordered, and consistent headings (or, if necessary, sub-headings) to separate sections of your proposal to help readers follow and understand your work easily, quickly, and clearly.
- Insert extra spacing between sections of your proposal so they stand out and show readers your work is organized.
- Use a professional-looking and easy-to-read font and type size. Do not try to cram more information in by resorting to an 8-point type.
- Include easy-to-follow indented lists, each item preceded by a bullet or an asterisk.
- Clearly label and insert all visuals in the most appropriate places in your proposal. See Figure 13.5, which does an especially effective job.
- Put budgets in easy-to-read tables; do not bury numbers in a paragraph of prose. Make sure each item in a budget is identified and highlighted or relegated to a footnote or an appendix.
- Keep your paragraphs to five to six sentences. Heavy blocks of prose slow readers down and make them think your work is dense and hard to follow. Consider your readers' comfort level.
- Do not fail to include and label any supporting documents or materials that are not a part of your proposal proper, for example, schedules, surveys, or samples, as in Figure 13.6.

INTERNAL PROPOSALS

The primary purpose of an internal proposal, such as the one shown in Figure 13.5 (pages 530–534), is to offer a realistic and constructive plan to help your company run its business more efficiently and economically.

On your job you may discover a better way of doing something or a more efficient way to correct a problem. You believe that your proposed change will save your employer time, money, or further trouble. (Note how Alissa Bond and Stacy Holton identified and researched a more effective and efficient way for Challenger Sports to manage its inventory and to satisfy its customers in Figure 13.5.) Or your department head, manager, or supervisor may call your attention to a problem and ask you for specific ways to solve it.

Regardless of who identifies the problem, your proposal, generally speaking, will be an informal, in-house message. A brief (one- to three- or four-page) memo, as in Figure 13.5, or even a shorter email, should be appropriate.

Some Common Topics for Internal Proposals

An internal proposal can be written about a variety of topics, including the following:

- purchasing new or more advanced equipment to replace obsolete or inefficient computers, appliances, vehicles, and the like, or upgrading equipment technology
- obtaining new software and offering training sessions to show employees how to use it
- recruiting new employees or retraining current ones on a new technique or process
- eliminating a dangerous condition or reducing an environmental risk to prevent accidents—for employees, customers, or the community at large
- cutting costs—for services, supplies, transportation, advertising, etc.
- improving technology/communication within or between departments of a company or agency
- expanding work space or making it greener, more private, ergonomically comfortable and efficient for employees, or more inviting to customers
- providing better safety and security, safeguarding a company's records

As this bulleted list shows, internal proposals cover almost every activity or policy that can affect the day-to-day operations of a company or an agency.

Following the Proper Chain of Command

Writing an internal proposal requires you to be sensitive to office politics. It may be wise first to meet with your boss to see if she or he has already identified the problem or has specific suggestions on how to solve it. If given the go-ahead, then you and your team need to provide your boss with a draft and ask for feedback.

But do not assume that your readers will automatically agree that there is a problem or that your plan is the only way to tackle it. Remember that your employer will expect you to be very convincing about both the problem you say exists and the changes you are advocating in the workplace under his or her supervision. Don't rock the corporate boat by going over your supervisor's head, questioning his or her authority, or suggesting a plan that is too costly.

Ethically Anticipating and Resolving Corporate Readers' Problems

When you prepare an internal proposal, you need to be aware of the ethical obligations you have and the ways to meet them. Here are some important guidelines:

1. **Consider the company wide implications of your plan.** The change you propose (transfers, new budgets or technology, new hires) may have sweeping and potentially disruptive implications for another office or division in your company.
2. **Do not discount the possible impact of your change on co-workers from cultural traditions other than your own.** In addition to speaking to your employer, consult your human resources or cultural diversity director.
3. **Find out whether your proposed plan is within your company's budget.** How much can your department, branch, or office spend (e.g., on hardware,

software, updates)? Check with your boss, and always monitor the price of your company's stock orders to make sure any expenditures are likely to be approved.

4. Realize that your reader may feel threatened by your plan. Your plan may sound just right to you, but your boss may regard it as criticism leveled at him or her, your department, or even the company as a whole.

5. Take into account that your reader may have “pet projects” or predetermined ways of doing things. Address them respectfully. You may even find a way to build on or complement such projects or procedures.

6. Keep in mind that your boss may have to take your proposal farther up the organizational ladder for commentary and approval. You cannot disregard the chain of command at your company or organization.

7. Never rely on someone else to supply the specific details on how your proposal will work. For example, do not write an internal proposal that says the marketing, technical support, or human resources department could supply the necessary details for your proposal to work. That unfairly pushes the responsibility onto others.

CASE STUDY

Drafting an Internal Proposal to Create a Mobile App for a Health Food Store

Jaclyn Tan, an evening shift supervisor for a small chain of health food stores, realized from conversations with staff and customers, as well as from marketing surveys conducted through the company website and posts to blogs and Facebook, that her employer was missing many opportunities for sales by not having a free mobile app available for customers.

Tan sent a memo through email to her boss, district manager Arnold Maddox, identifying some of the benefits to the company in having its own app and requested permission to investigate more formally the options and costs involved in creating the app. After several discussions with Maddox, in person and online, Tan got approval to draft an internal proposal to create a customer app.

Brainstorming with her fellow employees, she identified the key functionalities needed for the app, such as allowing customers to

- check the availability of favorite products
- pre-order/pre-pay for items that were difficult to keep in stock
- alert them to sales and new products
- establish and maintain a charge account status

She also found that their customers would appreciate

- information on relevant Food and Drug Administration (FDA) and United States Department of Agriculture (USDA) reports
- special events, such as the store hosting speakers and sponsoring healthy cooking classes
- community events where her company's products might be promoted.

Armed with this information, she contacted several mobile app consultants to investigate the time and costs involved in creating an app to meet her customer's needs and respect her company's history and mission.

Working with the consultants via Skype and email, Tan was able to estimate the following:

Estimated hours of work needed to create the app, test it, and link it to the store's website	150
IT consultants cost	x \$75/hr. (on average)
TOTAL COST	\$11,250

Having gathered relevant technical and financial information, she shared her findings with her co-workers. She was then ready to write an internal proposal that respected her employer's chain of command and that would better promote her company's products and services.

Organization of an Internal Proposal

A short internal proposal follows a relatively straightforward plan of organization, from identifying the problem to solving it. Internal proposals usually contain four parts, as shown in Figure 13.5: *purpose*, *problem*, *solution*, and *conclusion*. Refer to the figure as you read the following discussion.

Purpose

Begin your proposal with a brief statement as Alissa Bond and Stacy Holton do to their supervisor: "I propose that . . ." State right away why you think a specific change is necessary now. Then succinctly define the problem and emphasize that your plan, if approved by the reader, will solve that problem.

Problem

In this section, prove that a problem exists. Document its importance for your boss and your company; as a matter of fact, the more you show, with concrete evidence, how the problem affects your boss's work (and area of supervision), the more likely you are to persuade him or her to act.

Here are some guidelines for documenting a problem:

- Avoid vague (and unsupported) generalizations such as these: "We're losing money each day with this procedure." "Costs continue to escalate." "The trouble occurs frequently in a number of places." "Numerous complaints have come in." "If something isn't done soon, more problems will result." Figure 13.5 focuses on an inventory tracking system.
- Provide quantifiable details about the problem, such as the amount of money or time a company is actually losing per day, week, or month. Document

FIGURE 13.5 An Internal Unsolicited Proposal to Purchase Updated Inventory Software



www.challengersports.com
 Waveland 591-727-6079
 Addison 591-650-2362
 Turnersville 591-936-2290



www.facebook.com
 @challengersports
 www.pinterest.com/challengersp

Date: October 1, 2015

To: Michael Sapientia, Owner

From: Alissa Bond and Stacy Holton

RE: A proposal to purchase and implement new inventory-tracking software within the next 30 days

Purpose

We propose a cost-effective solution for a growing problem at our stores: the lack of an accurate, easy-to-use inventory tracking system. We propose that you approve the purchase and installation, within the next month, of the Inventech software program as well as the necessary hardware to make the system operable. Our company will benefit from an up-to-date inventory system that serves customers better and regains lost revenue because of inadequate inventory procedures.

The Problem with Current Inventory Systems

Since we expanded last year from just our Waveland store to two additional locations, our inventory ordering methods have not accurately reflected customer demand. Up until now, we have relied on our employees to gauge ordering needs, but because of our recent expansion, the salesforce we had last year at our Waveland store is now divided among all three Challenger stores. To staff these new locations, we hired 15 part-time employees (most of whom are new to the retail sporting goods business). Table 1 below shows our current staffing situation compared to last year.

Table 1

Last Year

Waveland (6 full-time, 3 part-time)

This Year

Waveland (2 full-time, 6 part-time)

Addison (2 full-time, 6 part-time)

Turnersville (2 full-time, 6 part-time)

Because we had to spread our experienced full-time staff among three stores we have not been able to gauge our inventory needs as accurately as before our expansion. The problem of effectively tracking and ordering adequate inventory was compounded by assuming that the two new stores would mirror the purchasing decisions of customers at the Waveland site. Instead, our records show that customer demands have differed greatly from store to store, and often by a disturbingly large amount. For example:

- The Addison store sells three times the number of football-related jerseys and gear than Waveland does.
- The Turnersville store sells almost four times as many fishing-related items as either the Waveland or Addison stores do.
- The Waveland store sells almost double the amount of golf-related items as the Addison and Turnersville stores do combined.

Clearly states why proposal is being sent

Acknowledges company's stated goals and projects outcome of adopting their recommendation

Identifies problem by giving reader essential background information based on primary research

Table provides quick synopsis of current staffing situation

Divides the problem into parts: financial and customer service

Bulleted list of succinct examples of basis for the inventory problem

FIGURE 13.5 (Continued)

Page 2

By stocking the Addison and Turnersville locations with the same inventory as Waveland, we fell short of meeting customer demand during the key Fall and Christmas selling seasons. Moreover, even when employees referred customers to one of our other two stores, we often lost business to competitors, as only 35 percent of our same-store referrals would up purchasing an item from us. We also saw a surge in negative tweets and posts on Facebook. Research shows that when consumers have a negative buying experience the first time they try a new business, more than half of them will not give this business "a second chance to make a first impression" (Maynard et al., 2014).*

Cites important research

But having too much inventory is as unprofitable as stocking too little. A surplus of merchandise takes up costly warehouse and showroom space, while stocking too few items can drive our customers elsewhere. But whatever the case, we are losing business and revenue because of the dated and inefficient ways we purchase and stock merchandise.

Provides sourcing and background information for the table that follows

Table 2 below, based on a detailed internal audit (made on September 14th in preparation for the 2015 tax year), breaks down the losses we have incurred since January 2015 due to overstocking in all three stores.

Note that in the table,

- **Revenue Loss from Discounting** represents the loss we actually experienced when we sold these items at a deep and necessary discount as opposed to their full retail prices.
- **Revenue Loss from Unsold Inventory** documents the revenue forfeited when the inventoried items did not sell at all.

Table 2

Sport	Revenue Loss from Discounting	Revenue Loss from Unsold Inventory	Total Loss
Golf	\$17,835	\$7,715	\$25,550
Football	\$16,545	\$4,455	\$21,000
Fishing	\$8,355	\$11,390	\$19,745
Soccer	\$9,650	\$3,850	\$13,500
Cycling	\$8,625	\$3,570	\$12,195
Baseball	\$5,225	\$3,730	\$8,955
Basketball	\$4,010	\$4,715	\$8,725
Swimming	\$7,110	\$890	\$8,000
Hockey	\$5,135	\$2,680	\$7,815
TOTAL	\$82,490	\$42,995	\$125,485

Accumulates important financial information in easy-to-read table

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*To save space the references section has been omitted.

(Continued)

FIGURE 13.5 (Continued)

Diplomatically identifies cause of the problem without assigning blame

Emphasizes possible future problems

Problem is clearly stated before giving reader supporting evidence

Relates solution to both parts of the inventory problem

Bulleted list makes benefits and recommendations easy to follow

Page 3

Lost revenue comes from discounting plus unsold inventory. Our total losses amount to 12.6% of our expected revenue from all these items, or \$125,485 across the three stores. In our city-wide sales area, competing sporting goods stores lost only 6.6% of expected revenue, as opposed to our 12.6%, because of unsold inventory or deep discounting.

The explanation for such losses is our not having a comprehensive inventory tracking system, compounded by our opening two new stores. This not only hurts the Challenger brand in the marketplace; it cumulatively means greater losses this coming fiscal year. Deep discounting undermines our marketing strategy of being a premiere sporting goods store that gives customers a one-stop-shopping experience. It also jeopardizes our long-term goal to expand our customer base effectively through the two new stores in Addison and Turnersville.

A Solution to the Problem

Purchasing and installing a comprehensive inventory tracking system will allow Challenger to reclaim a sizable percentage of the revenue we have lost by upgrading our inventory procedures and considerably reducing discounting and carrying unsold inventory. A relevant study of small businesses by Lapka and Harper (2014) found that when businesses began using a tracking system, they were able to reclaim almost 33% of revenue losses due to inventory issues in the first year.

We believe that by switching to an updated, comprehensive inventory tracking system our company will benefit in several ways:

- Based on the study above (Lapka and Harper, 2014), we could conservatively reclaim 28% of the revenue lost this year due to inventory problems
- We could recoup maximum use of display room and warehouse space.
- Eliminating a large percentage of surplus stock, we would reduce a lower profit margin from discount sales.
- We would provide better possibilities for each store to specialize based on sales/customer needs.
- We would be better positioned to expand and maintain our customer base at all three locations.
- Our rating on social review sites like Yelp would improve as customer complaints about lack of products decreased.

Feasibility of Installing New Inventory Tracking Software

We researched several tracking software programs and believe that Inventech Inventory Tracking (www.inventech.com/inventory) offers the best and most cost-effective software for Challenger's inventory problems. Inventech will allow us to track, record, and calculate our merchandise efficiently and be in a better position to project orders in fiscal year 2016.

FIGURE 13.5 (Continued)

Page 4

A further benefit is that Inventech allows us to retain historical sales data and to perform many inventory audits that we are currently unable to perform such as:

- Track inventory for each item from each store at the end of every business day.
- Project required inventory levels for the next 7 days based on historical sales data and current inventory levels.
- Automatically place orders for items that we are low on with suppliers who can promise delivery with only a 2-day lead.
- Generate daily recommended transfers of items from high-inventory locations to low-inventory ones, again based on historical sales data and current inventory levels.
- Assist us through customized software to grow and expand as we increase our stores in the future.

Shows problem can be solved and how

Training

Training for all employees can begin as soon as the software is purchased, the necessary hardware and network upgrades are implemented, and the software installed. Another benefit of going with Inventech is that they offer on-site, 6-hour training programs at a cost of \$520 per employee; these programs can be scheduled at our convenience with 2 week's notice—in plenty of time for holiday shopping. Given Inventech's solid reputation for training (verified by checking their references, as well as posts to blogs and Facebook and reviews on Yelp), the system can be fully in-place within the next 30 days.

Provides an overview of the steps required to implement the proposal, and a timeline for carrying it out

Costs

The costs of implementing our proposal are as follows:

Site license and IT Service Plan for Inventech (Version 7.1)	\$5,757.00 (\$1,919.00 per year per store × 3 stores)
6-hour training for all staff (24 employees)	\$12,480.00 (\$520 each × 24 employees)
New external hard drives for each store to run software and keep secure inventory records	\$10,788.00 (\$899 each × 12 registers)
Installation of software and increasing the capacity of the computer network for the company	\$11,200
TOTAL	\$40,225

Itemizes costs

(Continued)

FIGURE 13.5 (Continued)

*Interprets costs
for the reader*

*Proves change
is cost effective;
provides specific
financial
evidence*

*Succinctly
recaps all
major benefits
of buying
the updated
software*

Thanks reader

Page 5

There are other financial advantages in purchasing the new Inventech software. We would also be able to amortize, for tax purposes, the cost of the installation of the inventory tracking software (\$40,225) over 5 years. Our annual expenses would, therefore, actually be:

\$34,468 (\$12,480 for training + \$10,788 for hard drives +
\$11,200 for network upgrades) ÷ 5 years = \$6,893.60
+ \$5,757.00 (annual site license)
\$12,650.60 per year

Compared with the \$125,485 we lost in revenue last year because of insufficient inventory procedures, the amount of annual depreciated costs for the new Inventech system is significantly smaller and well worth our investment. Using the Inventech software will allow us to recoup 28% of the revenue lost due to inventory problems, which means that purchasing the Inventech system will also bring in additional revenue of at least \$35,136 for 2016.

Conclusion

Purchasing the Inventech software is necessary, feasible, and cost effective for Challenger. By approving our proposal, the company can realistically expect to generate at least \$35,136 in additional revenue annually, increase customer satisfaction and patronage at all three stores. We will be happy to discuss this proposal with you at your convenience, and look forward to answering any questions. Thank you.

the financial trouble so that you can show in the next section how your plan offers an efficient and workable solution. See Table 2 in Figure 13.5.

- Indicate how many employees (or work-hours) are involved or how many customers are inconvenienced or endangered by a procedure or condition. The writers in Figure 13.5 researched industry standards for losses related to inventory and used this information to document the importance of the problem.
- Verify how widespread a problem is or how frequently it occurs by citing specific times it occurs. (See the bulleted list at the bottom of page 1 of Figure 13.5.)
- Relate the problem to an organization's image, corporate reputation, or influence (where appropriate). Pinpoint exactly how and where the problem lessens your company's effectiveness or hurts its standing in the market or on social media. Indicate who is affected and how the problem affects your company's business, as the writers do in the problem statement in Figure 13.5.

