Proposify

STATE OF PROPOSALS 2020

Analysis and Insight From More Than 1.6 Million Proposals

A note from Proposify CEO Kyle Racki

May 2020

If the start of 2020 could be reduced to one word, unpredictable would be it.

When we originally published this report late last year, we had no idea that sales, the way we work in general, and even life as we know it was about to change in a massive way.

Now, businesses around the world are in a state of flux. Sales teams have transitioned to remote, and the processes they work by have moved into the cloud.

We're navigating a new normal. One where no one really knows what's next, or how long we'll be feeling the effects of this pandemic. So how do sales leaders make informed decisions in this dynamic landscape? The same way they always do: with data.

In early May 2020, our team jumped back into the Proposify database to search for trends that may help sales teams make more accurate decisions concerning their business proposals and sales activity in the time of a pandemic.

We compared proposal data from the 111,000 documents sent between mid-March and early May 2020 to the dataset from our original report. What we found offers a glimpse into how the way we do business is evolving and how high-performing teams are adapting and finding ways to win.

We also surveyed our amazing Proposify customers to get boots-on-the-ground insight from top reps and sales leaders from dozens of countries and industries about how the state of proposals is changing.

You can find the results of both these analyses at the end of this report here.

I hope the data in this updated State of Proposals helps provides some of the predictability needed to help rebuild your pipeline and your process, and helps set you and your team up for success for the remainder of 2020 and beyond.

All the best, and stay safe.

Kyle Racki
Proposify CEO & Co-Founder

Here at Proposify, we know business proposals.

(After all, it's kinda in the name...)

We love proposals because they are the lifeblood of businesses great and small.

And that moment when you deliver one to a potential customer is one of the most exciting in the entire sales cycle.

It represents all the hard work from every deal making moment on the journey
to transform an uncertain lead into a ready-to-sign potential customer.

But for such an important tool—one that ultimately decides the fate of the deal—proposals are shrouded in mystery and speculation.

What goes into proposals that close? What is it about a winning proposal that convinces the viewer to seal the deal? And how are my competitors beating everyone else to the punch every single time?

Until now, that is.

As business proposal experts, we wanted to know exactly what it was that transformed a proposal from average to ace.

So, we analyzed the 1.6 million proposals in the Proposify database to see how businesses in more than 75 industries and from 35 countries around the world put together their deals.

And with a close rate of more than 36%, these killer documents secured over $2 billion worth of won business.

Want to know what gave them an edge over the competition?

Grab a coffee, settle in, and join us as we examine the anatomy of the perfect proposal and offer a ton of actionable tips and advice so your next proposal has what it takes to seal the deal.

1.6 Million

75 Industries

35 Countries

$2 Billion

① How long is the ideal proposal?

Deciding what to include in a proposal is a tricky business.

You need to include enough info so your lead has what they need to make a decision. But, not so much that they get bogged down in unnecessary information.

The average proposal contains **11 pages** spread over **7 sections.**

When it comes to the length of your proposal, it's not about detailed writing; it's about *persuasive* writing. You need to be clear about how you solve your lead's pain, why they should choose your company over the competition, and consistently prove and defend those points throughout.

11 PAGES
7 SECTIONS

As for the 7 sections, these are the most common to keep your information organized and provide a logical structure to your proposal:

1 Proposal cover

2 Executive summary

3 Approach/ solution

4 About us

5 Project deliverables

6 Budget

7 Terms & conditions /sign off

Every business proposal is different, but most follow a similar flow.

Some other common sections include case studies, testimonials, project milestones, and a team page. What's important is deciding which sections are appropriate depending on the nature of the deal.

You only have a handful of pages, and a short attention span, to convince your prospect to pick you and not your competitor. The key is keeping information **concise**, **convincing**, and **organized into sections** so your proposal is not overwhelming for the reader and it's easy to consume.

❷ Does including images affect the close rate?

Adding images to your proposal improves the close rate by 23%.

Proposals with images stand out. And proposals that stand out win deals.

Compelling imagery reinforces your brand's message and shows your prospect you care about presentation in every aspect of your business.

A beautiful, well-designed proposal demonstrates your company's dedication to the customer experience and offers a snapshot of the standard of quality to which you can be held.

23% HIGHER CLOSE RATE

❸ Does time of year affect proposal close rates?

One month stands well above the rest when it comes to closing deals.

That month? **December.**

December has the **highest close rate at 38%.**

On the other end of the spectrum sits **July** with the **lowest close rate at 33%.**

Now, here's the rub. We're not recommending waiting until December to send all of your proposals while avoiding July like it's cursed.

WON
38%

WON
33%

DEC   **JUL**
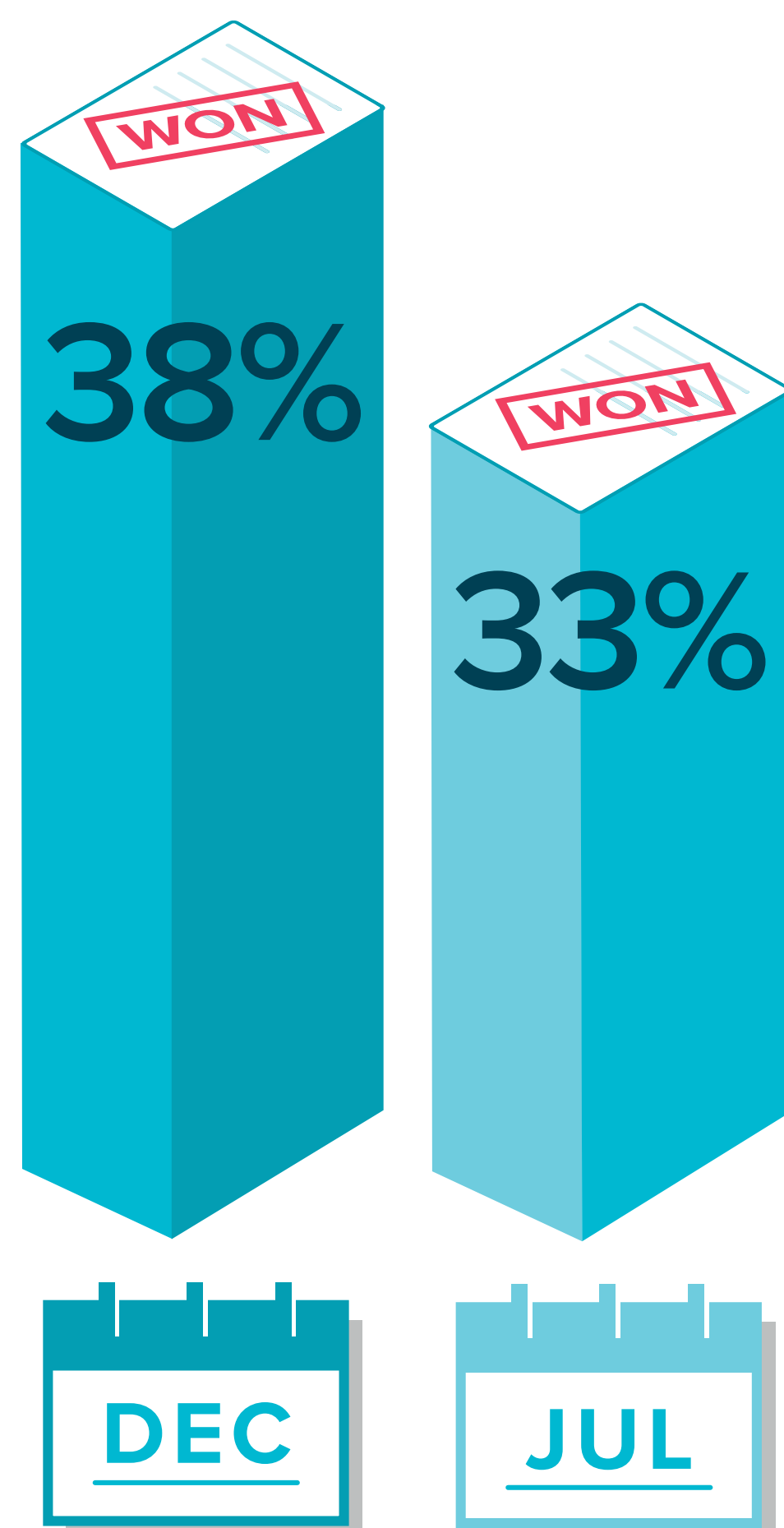
Savvy proposal senders possess an intimate knowledge of their potential client's buying cycle.

An understanding of when big purchasing decisions are on the table can help you parse out leads who are ready to buy from those who are just kicking tires.

❹ When should I send my proposal?

We all know that timing is critical in sales. So, we wanted to find out if there was a golden hour to send a proposal that might improve the chances of closing.

As it turns out—to quote Max, our head data-cruncher at Proposify—"there's no statistically significant difference in when a winning proposal is sent".

That was the case when we analyzed both the day and the time of day it was sent.

In other words: there's no silver bullet.

But, we did notice something interesting...

We found that, regardless of when they are sent, the majority of winning proposals close either the day they're sent, or the following business day.

Proposals sent on Monday through to Thursday share a slight advantage over those sent on Friday, and things really drop off on the weekend.
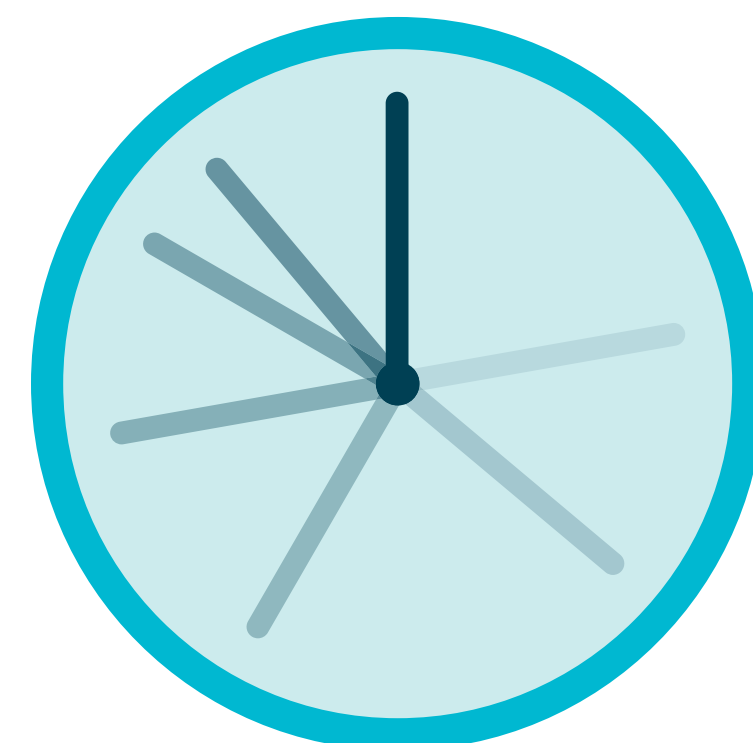
The key takeaway for how to best to time the delivery of your proposal is to get it out as soon as possible. As we're about to see, the longer you wait to get a proposal to your prospect, the less likely that deal is to close...

From creation to close: the proposal journey.

59 min
60% of all proposals sent through Proposify are created and sent within 59 minutes.

80 min
50% of proposals are opened within 80 minutes of sending.

2 min
10% of proposals are opened within 2 minutes of sending.

11 min
30% are signed within 11 minutes of opening.

24 hr
50% are signed within 24 hours of opening.

Deals move fast. When it comes to closing, you have a matter of *hours* to get in ahead of your competition and land that winning proposal in your prospect's inbox.

The old sales adage *time kills deals* holds true. Now more than ever, speed is the ultimate competitive advantage.

The bottom line is simple: proposals that get to clients faster, close faster.

❺ How do customers view online proposals?

It's not surprising that the majority of proposals are opened on a desktop. After all, the speed with which you can pull a proposal together and get it to a customer means you're likely catching them at their desk during work hours.

But, for **one-quarter** of potential buyers, their first interaction with your proposal is on a mobile device. That is a significant chunk of potential business, all riding on whether or not your proposals are easy to open, view, and sign on any device.

No matter where we are or what device we're using, we expect intuitive use of and access to every business tool we deploy; think email, calling and messaging platforms, banking apps... you get the idea.

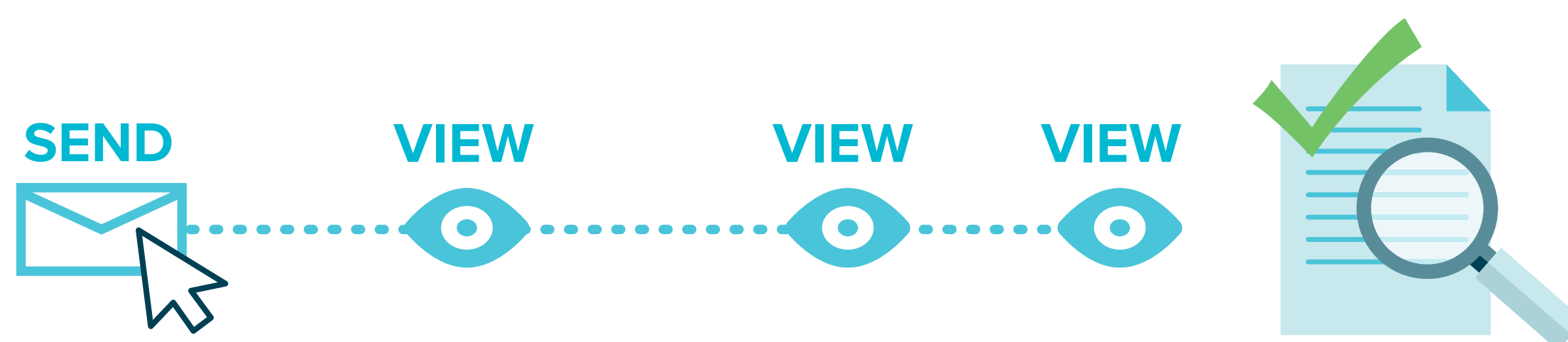**Why should proposals be any different?**

74%

24%

2%
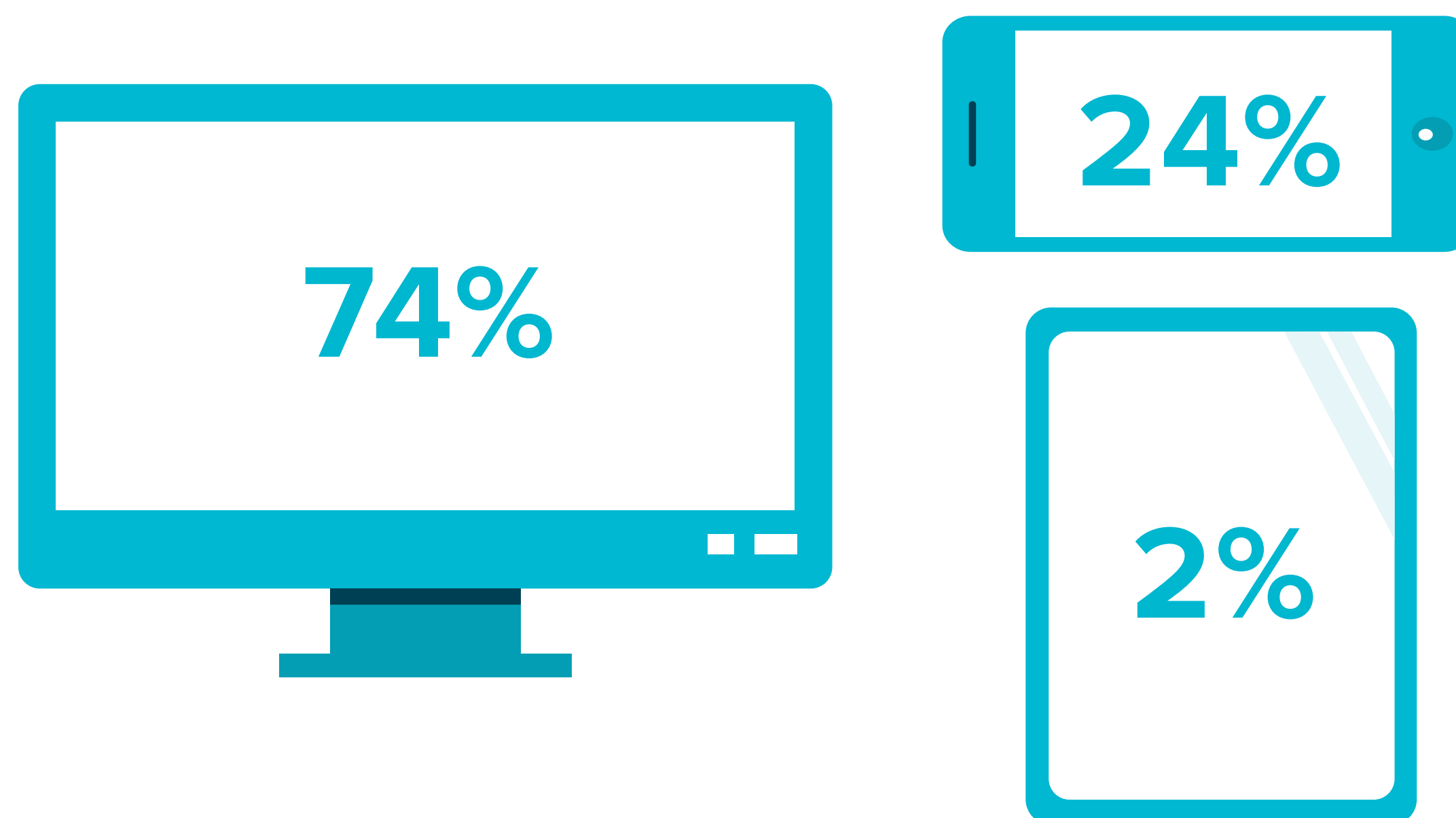
The point to be made here is straightforward: If your proposals aren't optimized for mobile, you're losing deals.

❻ How long do customers view proposals?

Tracking makes it easy to see how much time your prospect spends looking at a proposal.

But what does the way your prospect interacts with your proposal say about how likely they are to sign?

SEND — **VIEW** — **VIEW** — **VIEW**

**On average, winning proposals are viewed
2.5 times before they're signed.**

SEND — **VIEW** — **VIEW** — **VIEW** — **VIEW**

**Proposals that didn't close are viewed
3.5 times before the viewer decides not to sign.**

Prospects require less time to consider a proposal they'll sign. If it's a winner, it'll get signed quickly. That helps explain why 50% of all winning proposals close within 24 hours of being opened.

But proposals that don't close aren't dismissed without scrutiny. Rather, those that don't win receive more attention than those that do, both in the number of times they are viewed and the time spent viewing them.

Why is this important? If your prospect needs to look at the proposal a third time, that's a pretty good sign that proposal is not doing so hot.

If a prospect is spending longer than usual considering your proposal, let the metrics inform you when you need to **jump in and rescue the deal** rather than sitting back and throwing your hands up in defeat.

Some clarification at the critical time may be all it takes to get a hesitant lead across the line.
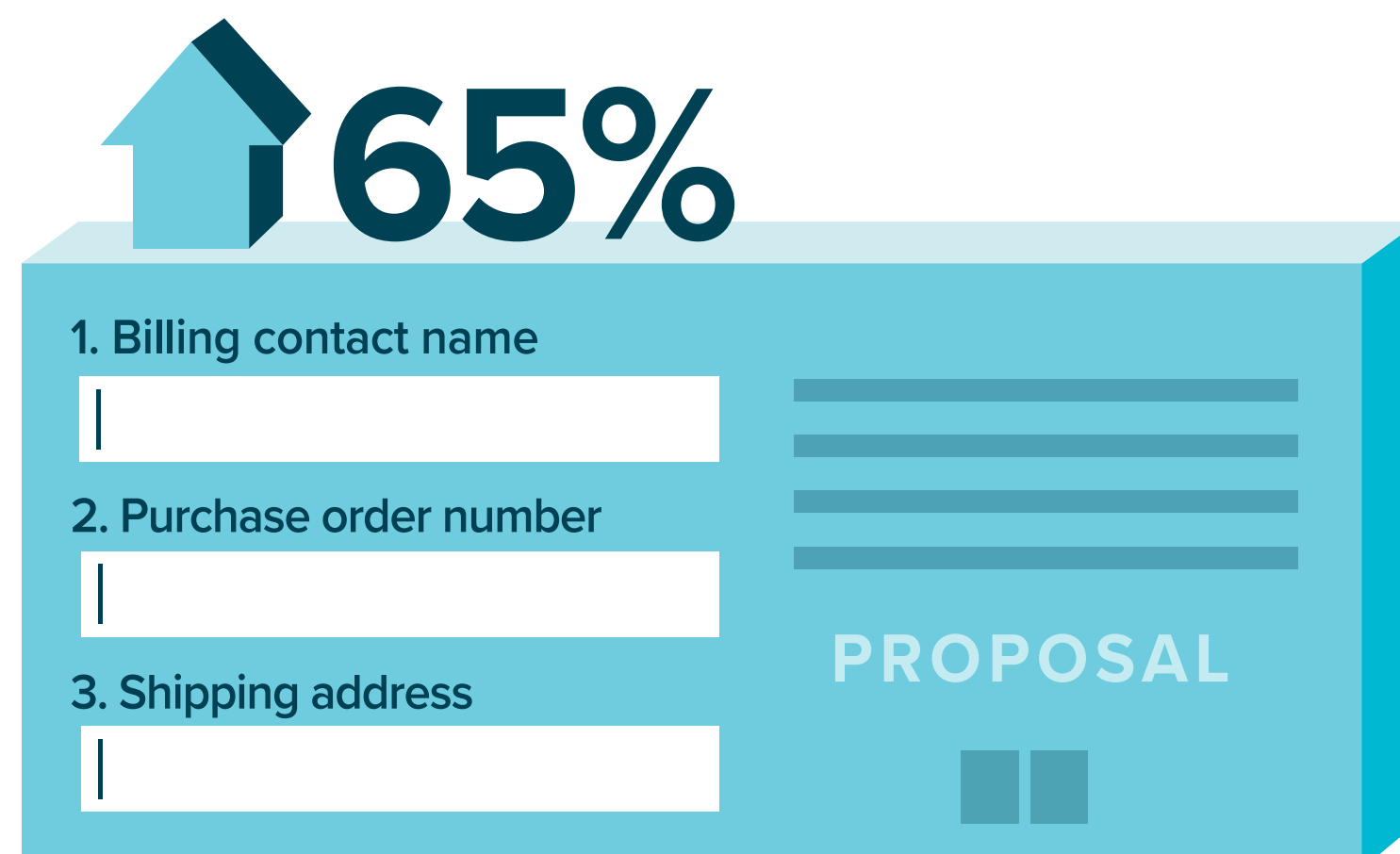
❼ How do client input forms affect the time to close?

Lots of deals require more from your client than just a signature, but the tedious exchange of vital information like billing addresses, project start dates, and invoice numbers can hold up deals from closing and projects getting underway.

So we wanted to know if proposals that include space for clients to enter this information close faster than those that don't. Turns out these client input forms have quite an impact.

Proposals with client input forms close 65% faster than those without.

Impress your new clients by whisking them through unavoidable administrative processes right inside the proposal. They'll love seeing you're ready to get down to business, and you're free from mind-numbing manual data entry that chews into your selling time.

65%

1. Billing contact name

2. Purchase order number

3. Shipping address

PROPOSAL

Client input forms help slash the time to close, meaning you can seal the deal faster and set your sights on the next big win.

⑧ Signatures

It's not official until it's got a signature. And when it comes to signing, the data is crystal clear:

Proposals with esignatures are 3.4x more likely to close than those without. Deals also close 32% faster with esignatures.

Putting a physical signature on an electronic document just doesn't compute. For your potential client, it's a time-consuming, tedious hassle to print, sign, scan, and return a document. In a highly competitive industry, that time can be better spent... on things like considering offers from your competitors.

X 3.4

↑32%
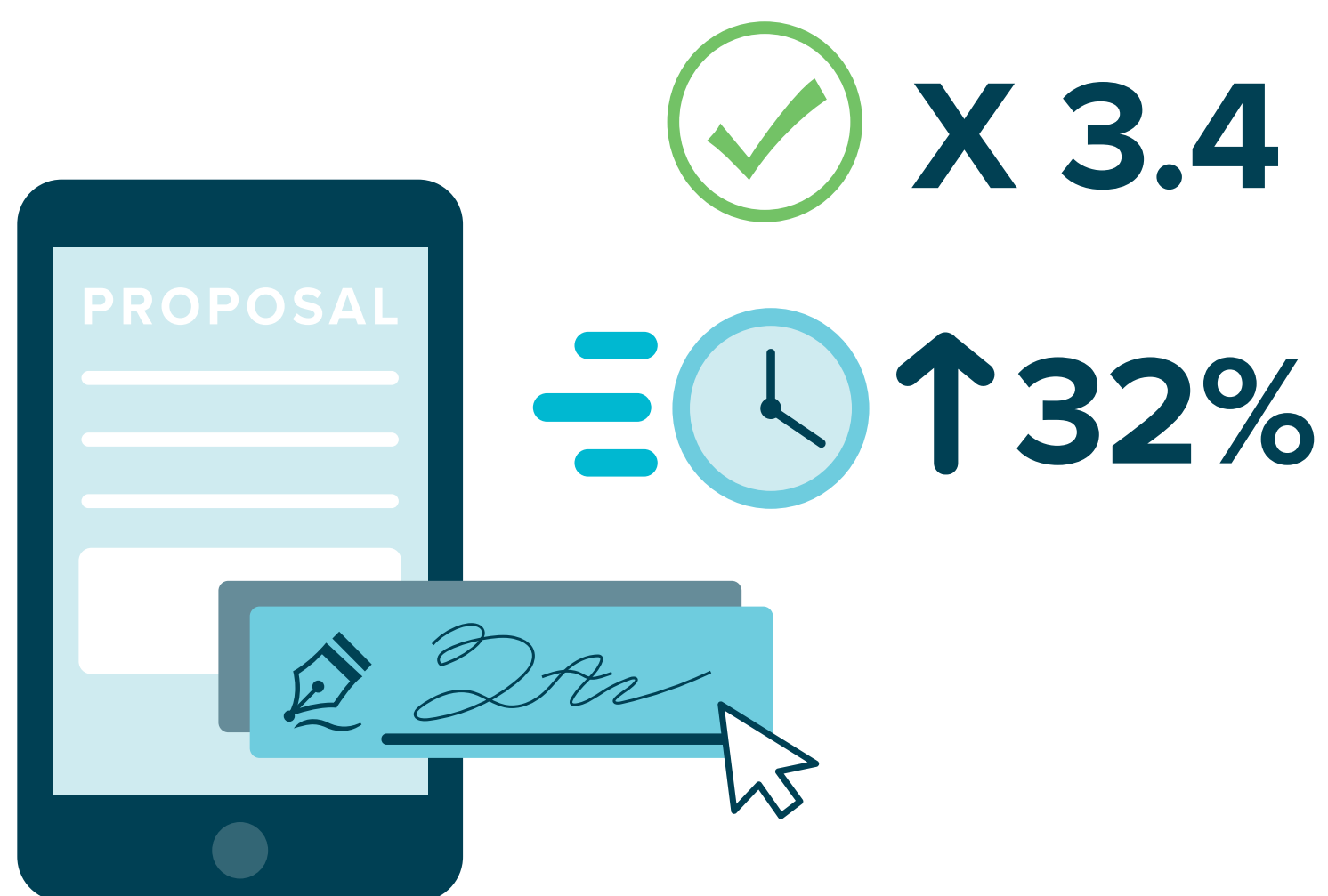
Proposify pro tip: If the proposal also requires your signature, signing it before sending it increases the close rate by 12%.
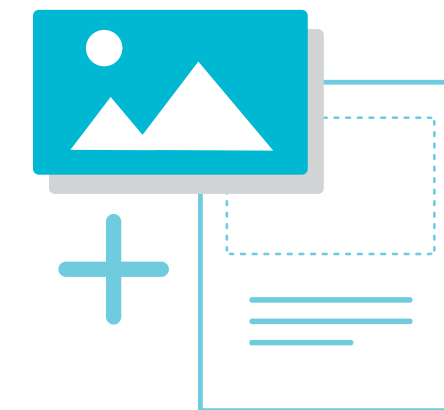
Esignatures became a legally-binding method of signing documents in 2000. Read: **almost 20 years ago.**

Forget hours; if your prospects are still signing your proposals with a pen, you're **decades** behind.

8 essential takeaways to make sure your next business proposal is a winner.

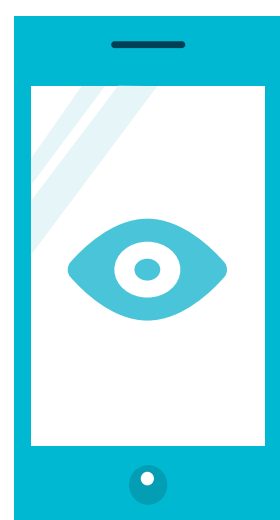The average proposal contains **11 pages** organized into **7 sections**.

Adding images to your proposal improves the close rate by **23%**.

December has the highest close rate at **38%**.

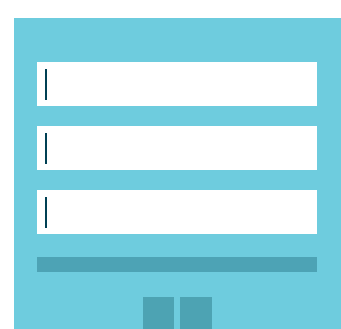**Time kills deals.**
Proposals that get to clients faster, close faster.

One quarter of potential buyers will view your proposal on a mobile device first.

On average, winning proposals are viewed **2.5 times** before they're signed.

Proposals with client input forms close **65%** faster than those without.

Proposals with esignatures are **3.4x** more likely to close than those without.

PROPOSALS IN THE TIME OF A PANDEMIC

HOW THE COVID-19 CRISIS IS CHANGING THE WAY WE DO BUSINESS.

2020 So Far:
Sent Proposals vs. Close Rate

The number of sent proposals certainly dipped as the effects of the coronavirus took hold in mid-March. However, close rates stayed fairly steady.

Proposals Won

Proposals Sent

01/06 01/20 02/03 02/17 03/02 03/16 03/30 04/13 04/27

Week (2020)

Total close rate & open rate.

An overview of vital proposal metrics, comparing proposal data from our original data set to data from March 16 to May 5, 2020.
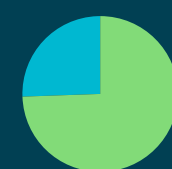
CLOSE RATES

Pre-COVID-19: **36%**

Post-COVID-19: **27%**

OPEN RATES

Pre-COVID-19: **82%**
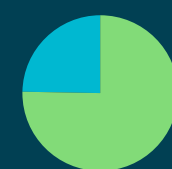
Post-COVID-19: **83%**

With fewer proposals sent, what are sales reps doing instead?

We asked Proposify customers how they're changing their sales processes since COVID-19 struck. Here's what they said:

Social Media Participation

Virtual Events

Video

Lead Qualification

Offering Advice

Prospecting

Content Marketing

Lowering Prices

Virtual Meetings

Research

Project-Based Services

More Empathy

Marketing

Onboarding

Outreach

Fewer Follow-ups

Lead Generation

Email Nurturing

Industry Webinars

Helping Clients Pivot

Build Proposal Templates

Sales teams have changed when, where, and how they sell.
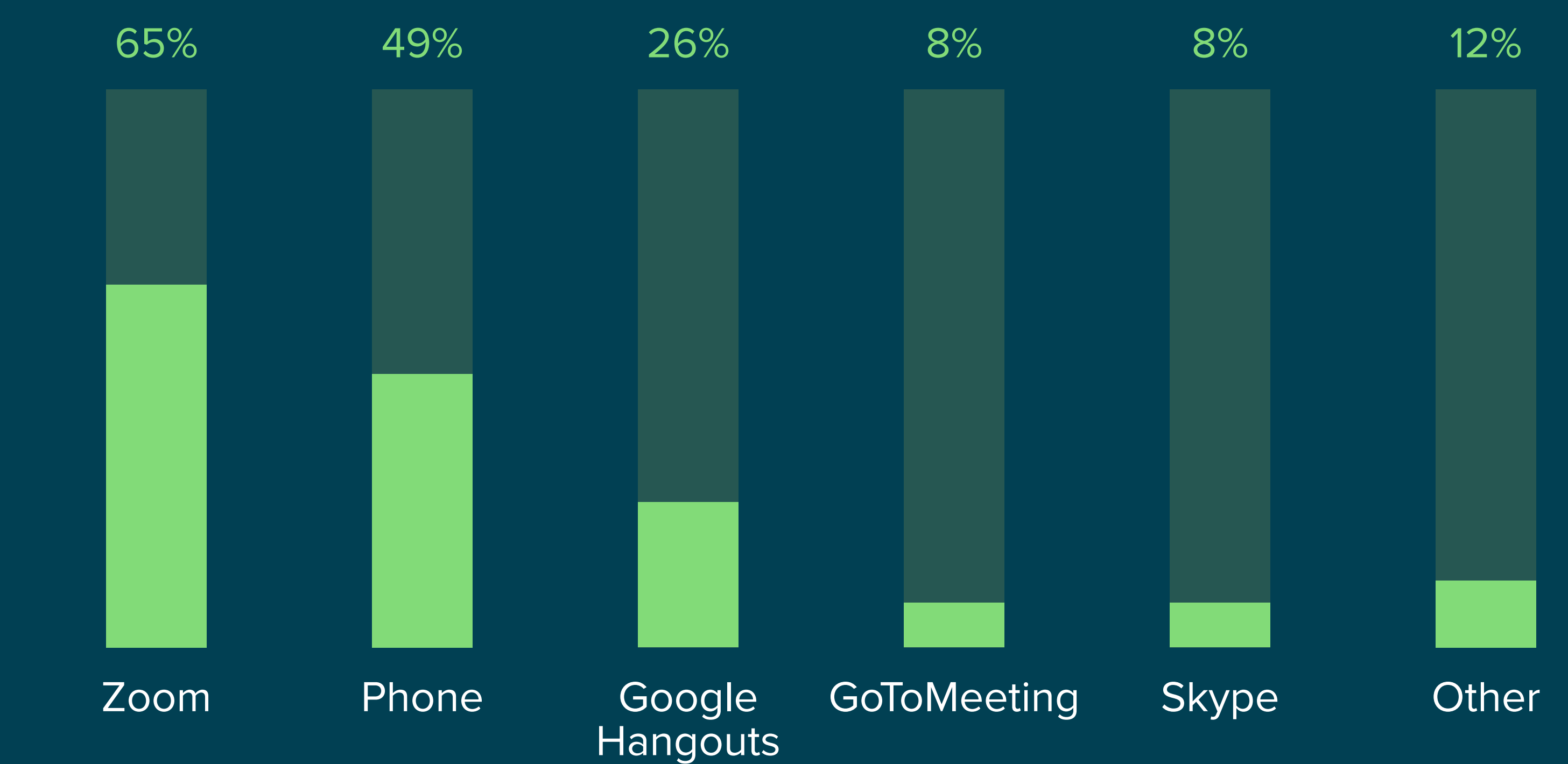
When: Proposals that are being sent are going out 135% faster.

Where: 58% of teams have transitioned to remote. 34% have always been remote. 4% are still in the office.

How: Face-to-face meetings are practically non-existent. Instead, reps are meeting with prospects via:*

65%	49%	26%	8%	8%	12%
Zoom	Phone	Google Hangouts	GoToMeeting	Skype	Other

*Respondents could choose more than one response.

Proposal activity is down, but those that are sent close faster.

We compared proposal data from 45 days before and after Monday, March 16, the day much of North America went on lockdown, to assess the immediate impact on proposal activity.

The number of sent proposals dropped **22.5%**.
The number of won proposals dropped **25%**.

But, the proposals that were sent went out, and closed, faster.

The median time it took to create and send a proposal fell by 4 minutes, which is 22% faster.

18 minutes
21 minutes

65 minutes
83 minutes

The median time for a prospect to open a new proposal was also 22% faster; it fell by 18 minutes.

The median time from open and won decreased by 40 hours, which is 62% faster.

23 hours
63 hours

Sales teams are using downtime to improve and simplify their process.

When we asked our customers if they were using certain features more now, the responses showed that teams are improving their process in two key areas: workflow and content.

Workflow

Online Signatures

Notifications & Metrics

CRM Integration

Content

Templates

Content Library

Video
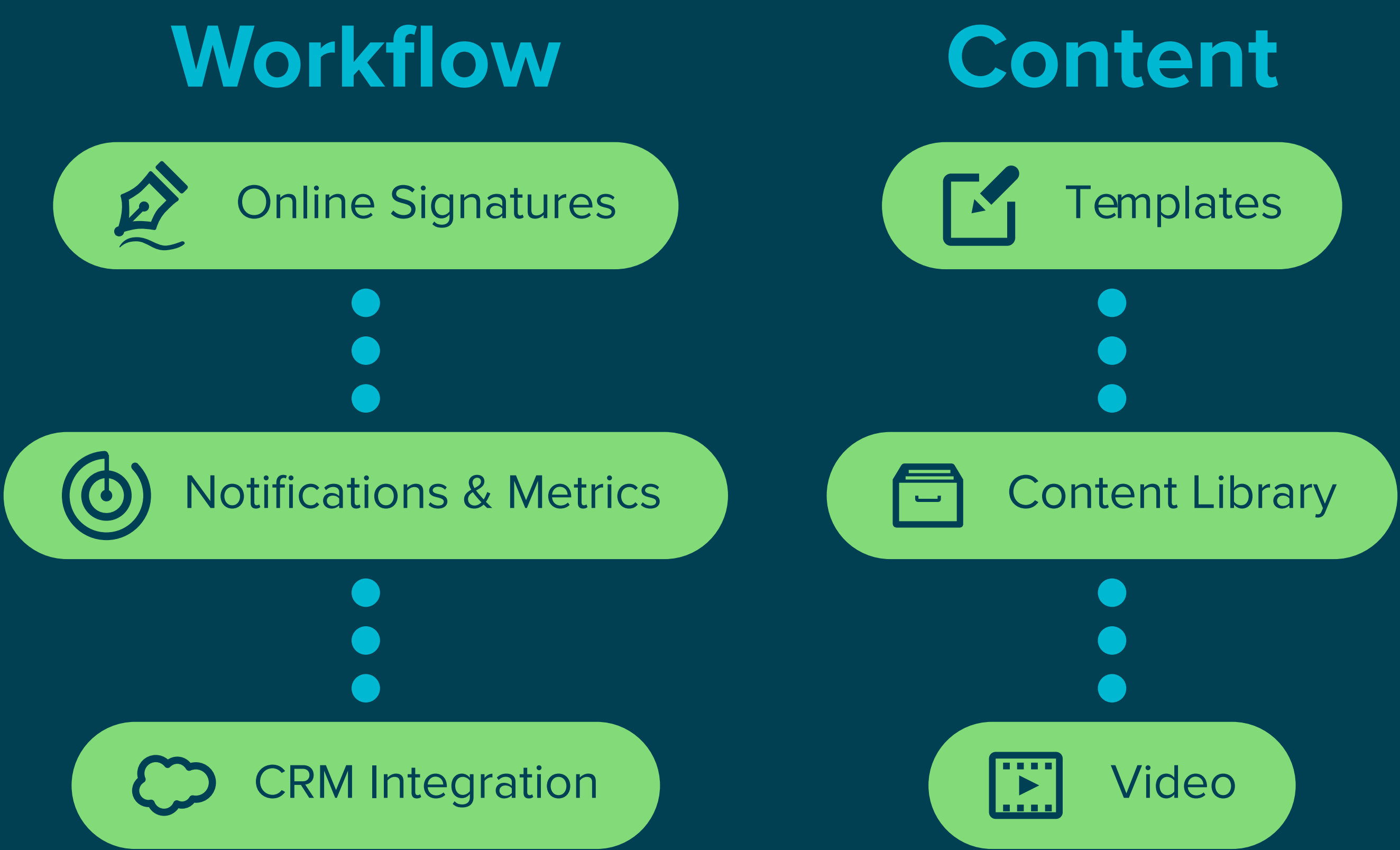
Proposify puts the numbers on your side.

Here's something else we learned during our deep dive in
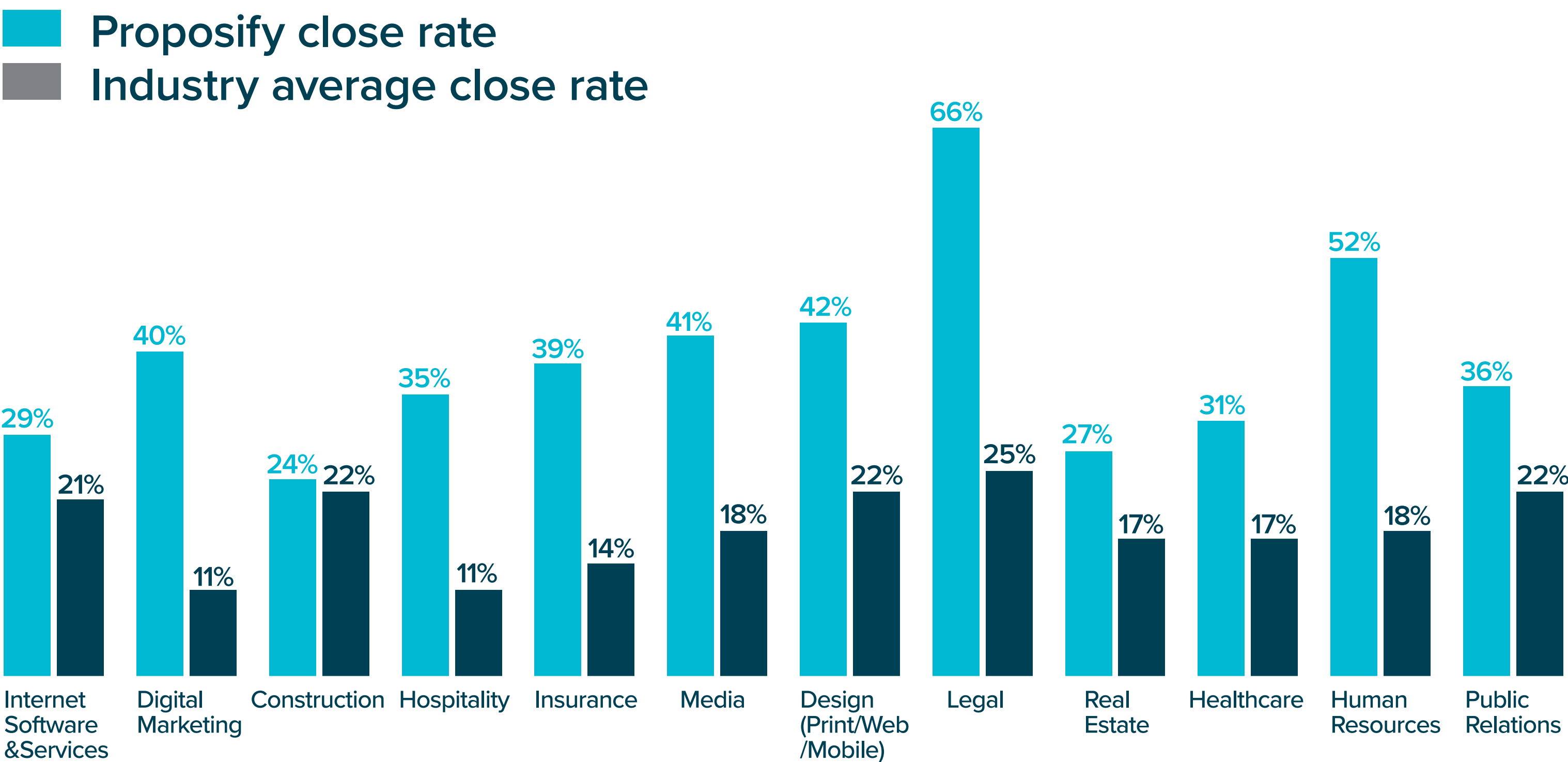1.6 million proposals:

Companies that use Proposify's online business proposal software close more deals than their competitors.

The proof?

Proposals sent through Proposify enjoy an
82% open rate.

Even better?

Proposals sent through Proposify have a higher close rate than industry standards.

■ Proposify close rate
■ Industry average close rate

Category	Proposify close rate	Industry average close rate
Internet Software &Services	29%	21%
Digital Marketing	40%	11%
Construction	24%	22%
Hospitality	35%	11%
Insurance	39%	14%
Media	41%	18%
Design (Print/Web/Mobile)	42%	22%
Legal	66%	25%
Real Estate	27%	17%
Healthcare	31%	17%
Human Resources	52%	18%
Public Relations	36%	22%

Source: HubSpot Sales Close Rate Industry Benchmarks Comparison Tool

Want to skyrocket your close rate and leave the competition behind?

Discover the online business proposal software that makes it easier to create, send, and close professional-looking, on-brand proposals that impress leads and close more deals.

We're Proposify— the secret weapon for more than 9,000 successful sales teams around the world.

Want to make it your secret weapon, too?

Book a demo today at
proposify.com

Proposify