

# **Sample Proposals**

## **Typical Approach**

Proposals can vary a great deal, and we've provided examples that cover the range from formal contracts to informal letters of agreement. However, all were based upon previously-established conceptual agreement, and all provide a single fee for the project (or for each choice of yeses).

The normal framework for the value pricing proposal should encompass this basic sequence:

**Situation Appraisal:** Summarize and reconfirm the conceptual agreement concerning the condition to be improved and the desired state.

**Objectives:** The outcomes expected, both tangible and intangible, quantifiable and non-quantifiable. These should be expressed in terms of impact on the client's business, and sometimes are expressed again in the "values" category, if used.

**Value:** Either clearly stated or implied through buyer conversations, what is the value of achieving the objectives. This sometimes appears in the "objectives" category.

**Metrics:** How will the client evaluate success? What are the indicators that the objectives have been met? Simply stated: How would clients know it if they fell over it?

**Timing:** Projects are finite. When do we begin, when do we end, and are there progress measures in between?

**Accountabilities:** What is the client expected to provide (documents, access, administrative support) and what do we provide (focus group facilitation, product, reports)? What is the nature of the collaboration?

**Credentials (optional):** Why is Zenger Miller (and you) the best alternative for this client? This is usually already covered during the relationship-building. Sometimes this area includes the credentials of the individuals who will work on the project.

**Terms and Conditions:** What is the fee (including the options) for the project, how is it to be paid and under what conditions? How are expenses to be reimbursed, and what is included and excluded?

**Acceptance:** The sign-off by the economic buyer.

The following samples don't rigidly adhere to this format, but all of the elements have been agreed upon either implicitly or explicitly. They range from the short-term and relatively low-priced, to the extended, relatively high-priced. Some are pure consulting interventions, other include deliverables. None is meant to be

“perfect.” Use them as templates to guide you in creating value-rich, high fee proposals for your clients.

Note that tasks are rarely specified in detail. The “what” and the outcome are important. The “how” and the input are up to the experts—the consultants. If the project is value-priced correctly, the margins will more than support unanticipated client requests.

## **Sample Proposal #1**

# **Proposal to Assist in Reorganization at XXXXXX**

## **Situation Summary**

You must “jump start” people so that a new manner of working cross-functionally—in a matrix organization—is not merely accepted, but is exploited as a high-productivity way of life. Although reorganization has not been the norm, there is likely to be resistance, both from those inside and from those outside the new organization. A key factor—perhaps *the* key factor in success—is the ownership and appropriate behaviors of all key managers and exemplars, so that people have the proper leadership, and accountabilities will be accepted.

The primary transition is from a project-oriented, transient approach, to a program-oriented permanent approach in managing the business. Standards, measurement, tracking, feedback loops and ultimate ownership must be created and embraced. The *process* of ownership is central to success. Collaboration in a matrix structure with accountability thrust downward are important goals.

## **Objectives**

Among the results to be achieved are these key objectives:

- Managers’ skills are developed and behaviors are directed toward achieving and exploiting results that the new organization affords.
- Accountabilities are clear at the individual job (micro) level.
- Communications flow is rationalized so that people are able to deal within the “matrix” clearly, easily and willingly.
- Key exemplars develop and exhibit collegiality that demonstrates support for and participation in the new organization.
- Group interactions are facilitated and continually honed.
- Obstacles presented by systems, procedures and culture are identified and removed as appropriate.

## **Methodology/Interventions**

The assistance in achieving the objectives would include, but not be limited to, the following activities:

- One-on-one assistance for all key managers in skills and behaviors required by the new organizational relationships.
- Group facilitation where needed in meetings and cross-functional teams.
- Group observation and feedback, with recommendations on how to improve the process.
- Assistance with written communications and meetings, so as to maximize ownership and accountabilities and minimize resistance.
- Recommendations for procedures, cultural norms (i.e., meeting types and durations) which will remove obstacles and strengthen the matrix structure.

- Assistance in creating ownership that encompasses standards, measures of success, monitoring means and feedback to those accountable.
- Observation and recommendations for interactions with “non-matrix” groups whose adherence to the new system is key to overall success.
- Attendance at large (off site) and small (on site) meetings to provide feedback on acceptance and recommendations on follow-up actions.

### **Measures of Success**

We'll know we're successful when the following are manifest:

- New programs are introduced in a synergistic fashion.
- Other XXXXXX functions accept and utilize the new structure.
- People are focused beyond merely getting something working toward getting it working to a degree previously designated which constitutes success. (It's not just running, it's running the way it should be running.)
- There is group approval, and a lack of cynicism; the programs show multiple sign-offs from diverse team members.
- Meetings and discussions clearly reveal that others were included—and valued—in the decision making process, and that such inclusion was mandatory for success.

### **Timing**

I'm available to begin working with you this month and, at the moment, the February 23 meeting date is one I can make. I'd suggest a 90-day initial phase, after which we'd evaluate progress in light of the above and make an assessment as to what further assistance is necessary. Our initial project would therefore begin now and last until April 15.

### **Joint Accountabilities**

I would work with Cheryl (and anyone else designated) in conjunction with the project so that the interventions I'm involved in could be transferred entirely to internal people, if desired. We would jointly make determinations during the initial 90 days as to whether some of the objectives and interventions required more emphasis than others, and/or whether new needs arose that were unanticipated. In that case, we would redirect our efforts accordingly.

### **Terms and Conditions**

My fees are always based upon the project, and never upon time units. That way you're encouraged to call upon me without worrying about a meter running, and I'm free to suggest additional areas of focus without concern about increasing your investment.

The fee for the assistance detailed above would be \$15,000 per month, payable on the 15th of February, March and April. If you choose to pay the entire amount at the outset, I'm happy to provide a 10% reduction in the total fee. Expenses are billed

as actually accrued at the conclusion of each month, and are payable upon receipt of our statement.

At the end of the 90 days we would make a joint evaluation as to whether to continue the relationship and, if so, under what conditions.

**Acceptance**

Your signature below indicates acceptance of this proposal and its terms.

This proposal is accepted and forms an agreement between XXXXXXXXXXXX (you) and Summit Consulting Group, Inc. (we/us/I) as represented by Alan Weiss.

For Summit Consulting Group, Inc.:

For XXXXXXXXXXXX:

Alan Weiss  
President

\_\_\_\_\_

\_\_\_\_\_

Date: January 31, 1995

Date: \_\_\_\_\_

## **Sample Proposal #2**

### **Proposal: XXXXXXXXXXX XXXXXXX—Performance Appraisal Skills Building**

This constitutes a proposal tendered by Summit Consulting Group, Inc. to assist XXXXXXXXXXX XXXXXXX, Inc. in the research, design, implementation and refinement of a performance evaluation process which is understood, supported, and effectively executed by designated members of management.

#### **Objectives**

The objectives for the project include:

- XXX management will possess the knowledge to execute performance reviews
- XXX management will possess the skills to execute those reviews
- Reviews will be conducted in conformance with company guidelines
- Reviews will provide useful and honest feedback to performers
- Performance improvement will be detailed and monitored

In achieving these objectives, the following parameters will be met in establishing and implementing the processes:

- alignment between individual and organizational goals
- linking tasks to output; that is, focusing on and measuring results
- seeking competitive advantage; the process must enhance business goals
- creation of a dialogue between performer and manager
- participation by and commitment from the performer and the manager
- simplicity of administration and avoidance of bureaucracy
- metrics for a *process* and not an *event*; follow-through and support
- combine skills and behaviors in the development focus
- global applicability, allowing for local cultural variations, as appropriate
- minimize disruption in implementation of and training for the process

#### **Measurement**

The success in meeting the objectives would be measured by factors which include:

- Creation of developmental plans for all employees evaluated
- Improvement in performance measures during the year following the first review period<sup>1</sup>
- Evaluations are performed and submitted by deadlines
- Minimum of grievances/reviews requested over disagreements in evaluations
- Random sampling of population indicates acceptable frequencies of monthly and/or quarterly feedback sessions during the year

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<sup>1</sup> Note that this need not be represented by increased *ratings*, since the goal is to improve relative to current performance, and forced-distributions may still be applied.

- Minimum returned and/or “overruled” evaluations by senior management

## **Methodology**

### Option 1: Skills Building for Managers

We would work with you to research and design a classroom intervention which could be delivered by our staff acting as facilitators and by your own people as internal instructors. This option would entail:

- Investigation of the types of jobs and performance currently required by XXX and those jobs and performance anticipated by XXX.
- Assessment of current managerial competence/success/failures in contemporary performance evaluation efforts.
- Incorporation of XXX business and strategic goals so that performance and assessment are aligned with organizational need.
- Creation of a one-day program, including concepts, exercises, XXX examples and support (“take-away”) materials which would include:
  - how to coach and counsel
  - how to provide informal feedback on a regular basis
  - how to create performance objectives (behavioral and outcomes)
  - how to create measurement criteria
  - how to create developmental plans
  - how to engage the performer as “owner” of the process
- Creation of a “train-the-trainer” workshop of 2-3 days’ duration, in which XXX people would be trained to conduct the one-day sessions.
- Creation of appropriate reference material and job aids for both sessions.
- Facilitation of sessions, as requested.
- Monitoring of results over ensuing six months and refinements as necessary as process is implemented.

### Option 2: Skills Building for Remote Locations (Optional)

We would create a set of self-paced, objective-based (criterion-referenced instruction) materials to be provided in those cases when:

- Remote locations preclude classroom interventions.
- Small numbers of people preclude classroom intervention.
- Language difficulties require varying speed of learning.
- Refresher capability is required to update skills.
- New promotions or new hires cannot be accommodated in classes rapidly.

In this case, we would adapt the option 1 program into a set of print and video materials which contain their own criteria for successful completion, and can be validated by an off-site party, if desired. We estimate that this program would require from 16 to 24 hours to complete, and would be completely modularized. (We generally recommend half-day exposures.)

### Option 3: Skills Building for All Employees in Performance Appraisal (Optional)

There is an opportunity to expose all employees (not just managers conducting reviews) to the need for two-party commitment to the process and ownership of it. By exposing performers to the basics covered in option 1, they are empowered to participate with a commensurate set of skills, and not be reliant on the reviewer and his or her prior training.

We recommend a three-hour session which fulfills the following:

- Employees are able to understand and question the process
- Employees understand their accountabilities and role in the process
- Exercises are provided in objective setting and measurement criteria
- “Receiving feedback” skills are developed (people respond best when they know *how to be coached*)

These sessions can provide for an equal dialogue between manager and performer, and increase the frequency of feedback since the employee understands the need and his or her accountability in asking for feedback.

### Option 4: Integration with the Performance System (Optional)

As a part of our research and design activities, we can “extend our reach” somewhat and recommend and design the best ways in which to integrate the performance evaluation process into areas such as:

- compensation and incentive rewards
- developmental plans, training programs, and career development
- identification of high potential people
- succession planning
- recruitment
- performance improvement/probation/remedial/termination needs
- culture and morale issues

Since the performance system seldom operates in isolated parts, but rather in a dynamic interaction, the improvement of the performance evaluation process can serve as a catalyst to enhance the other aspects of the performance system. This is a relatively straightforward undertaking when we are engaged in option 1 and asked to examine the interrelationships concurrently.

### **Timing**

Option 1: Implementation by June 30, 1995

- Option 2: Implementation by September 1, 1995
- Option 3: Implementation by June 1, 1995
- Option 4: Implementation by September 1, 1995

**Resource Commitments**

Summit Consulting Group, Inc. will provide Alan Weiss, Ph.D. as the project leader. He will be continually involved in all aspects of the project, and serve as primary interface with XXX management. Summit’s credentials have been provided in previous materials. We will sign non-disclosure agreements as requested, and all work in this project becomes the sole property of XXX. All of our work is conducted within strict bounds of confidentiality.

We will also provide all materials, audio/visual aids, computer work and other support services as required. We will provide masters of the final, approved materials for ownership and reproduction by XXX.

XXX will provide us with reasonable access to key management people, documentation and company information, as appropriate, within the time-frames outlined. XXX will be responsible for all scheduling of classes, facilities, equipment, and related support for training and development purposes. XXX will also adhere to the fee structure and reimbursement procedures outlined below. XXX professionals will assist in some data gathering, development of relevant examples and critique of materials.

**Note: Facilitation of programs will be billable at rates shown under “terms.”**

**Terms and Conditions**

We assess a single project fee for our work, so that there is never a “meter running,” and you can control expenses tightly. Within the objectives and parameters described above, we will commit as much time as necessary to fulfill the objectives and meet the time-frames. You and we may request additional time be spent on aspects of this project without any additional fees or charges, except for travel expenses.

Our fees for the options above are:

Option 1: Skills building for managers:	\$68,000
Option 2: Self-paced study for managers:	
print materials only	24,000
print materials and video	46,000
Option 3: Skills building for employees:	12,000
Option 4: Integration into performance system:	18,000

Facilitation by our staff, any option: \$3,500 per day, U.S., \$5,000 non-U.S.

Training-the-trainer facilitation: included in the fee for option 1.

Payment terms:

Full payment of \$68,000 at acceptance in return for reduced fee structure.

Further payment alternatives:

We will honor the fees for the optional methodologies through calendar 1995.

Reasonable travel and living expenses are submitted monthly as actually incurred, and payment is due upon presentation of our invoice. There are no charges for fax, phone, postage, duplication, etc.

This project is non-cancelable, and agreed-upon payment terms are due as described. However, you may postpone or delay any part of the work in progress without penalty. In addition, our work is guaranteed. If we do not meet your objectives, and cannot meet them after your notification and an attempt to correct the shortcoming, we will refund your full fee. This has been our commitment to our clients for over a decade.

<b>Acceptance</b>
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This proposal is accepted and forms an agreement between XXXXXXXXXXXX XXXXXXXX, Inc. (you/XXX) and Summit Consulting Group, Inc. (we/us).

For Summit Consulting Group, Inc.:

For XXXXXXXXXXXX XXXXXXXX, Inc.:

Alan Weiss  
President

\_\_\_\_\_  
\_\_\_\_\_

December 6, 1994

Date:\_\_\_\_\_

### **Sample Proposal #3**

January 21, 1994

XXXXXXXXXX  
President  
XXXXXXXXXX  
XXXXXXXXXX  
Pittsburgh, PA 15230

Dear XXXX:

I'm providing a summary of our discussion of January 19 which provided the basis for our working relationship for 1994. There are to be ten areas of involvement:

1. Monthly meetings between the two of us to discuss strategy, longer-term issues and personal growth goals.
2. Personal development for each business head, based upon a series of ongoing meetings I plan with Tim, Frank, Bob and Brian. These will be individualized and mutually-agreed. In addition, I'll serve as a "sounding board" for them as they work to achieve their business goals. You will apprise them of this support.
3. Partnership with Jim XXXXXX, wherein I will assist him in contributing to the business as a senior manager and internal consultant, not merely as a human resource facilitator. This will focus globally, and will include improving the calibre of human resource professionals and hires. I have already established a preliminary discussion.
4. Responding to other key managers on an "as needed" basis. You (or the business heads) will apprise them of this support.
5. Work with Jim to set-up and facilitate the next top-level review group, to assess value-added of people and positions.
6. Specifically work with the relevant managers to establish:
  - a succession plan, and ensuing development plan
  - a comprehensive educational plan for the organization
  - clarity of field management's role, development, and key personnel
  - sales analysis tools for effectively monitoring and managing business
7. Situational responsiveness to needs which arise and you deem require my assistance, which are not covered elsewhere.
8. Assistance in the preparation and delivery of the February sales meeting.
9. Working with the relevant managers to strengthen employee communications, particularly in areas of trust, credibility and recognizing the importance of everyone's contribution.
10. Quarterly meeting with Trevor to provide assistance as he sees fit, including suggestions for what he can be doing to enhance performance.

To accomplish these goals, I will increase my time allocation to XXXXXX by about 20%. Historically, we've both honored schedules very well, and some months might be close to 75% and others 10%, but the average will hold.

The total fee will be \$100,000, of which \$32,500 has already been paid. The remaining \$67,500 will be paid in 10 equal installments of \$6,750 from March through December. Expenses will be billed monthly, as they are now. I'll provide a monthly summary sheet of focus and results.

Let me know if I've missed anything. I've already received a call from Ron, and I'll be seeing him on some IS issues in February. I'll also be scheduling our time together with Fran in the next day or so.

It's a pleasure to have somewhere to go once again during such cold weather...

Sincerely,

Alan Weiss  
President

AW/cca

## **Sample Proposal #4**

July 20, 1994

XXXXXXXXXX

Executive Director, Sales

XXXXXXXXXXXXX Division

Box 2000

XXXXXXXXXXXXX

Dear Carrol:

Thanks for your support and interest in this work. It will be a pleasure working with you and your colleagues. As promised, here is a summary and confirmation.

I will conduct 12 focus groups: two in St. Louis on August 7, two more in St. Louis on September 7, six in Woodbridge on September 21-23, and two in New Hampshire on September 19. I will also critique the survey you send me, provide mailers for it to be returned here, correlate and analyze the results according to the "cuts" you desire, and provide evaluation and recommendations as a result of the survey and focus groups. I will plan to send the report to you in writing late the week of October 3, meet with you to discuss it on October 11, and be available if needed for a presentation on October 19. During this period, I am available for consultation, fine-tuning and discussions as you deem necessary.

Among other issues, we will focus on:

- hiring and retaining minority employees
- creating a diverse population
- promotion of diverse peoples
- turnover among female employees
- status and perceptions of employees age 40 and over
- work and family life issues

The total fee for this project is \$35,000, payable on or before September 1, 1994. Expenses will be billed monthly as actually incurred, and will include only reasonable travel and living expenses.

I will be arriving in St. Louis on August 7 at 11:04 on TWA 177 out of Boston. Please advise the dress code, since I like to dress as the participants do. Also, it would be fine to schedule the focus groups from 1-3 and 3-5, since they will actually run about 90 minutes.

I've always worked on a "handshake" with XXXXX and a single payment in return for lower fees. However, I'll be glad to sign any agreements you need. Also, please don't hesitate to call me at any time on our toll-free number: 800/766-7935. If I'm not here, I'll get back to you promptly.

Thanks again for your business. I'm happy to be involved with you on such an important project for XXXXX.

Sincerely,

Alan Weiss, Ph.D.  
President

AW/cca  
Enclosures

<b>Acceptance</b>
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This proposal is accepted and forms an agreement between XXXXXXXXXX (you) and Summit Consulting Group, Inc. (we/us/I) as represented by Alan Weiss.

For Summit Consulting Group, Inc.:

For XXXXXXXXXXXX:

Alan Weiss  
President

\_\_\_\_\_  
\_\_\_\_\_

Date: July 20, 1994

Date:\_\_\_\_\_

**(Originals to follow by Fedex.)**

**Sample Proposal #5**

April 8, 1994

XXXXXXXXXXXXX  
Training and Development  
WP53B-405  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX

Dear Burnette:

This is to confirm that I'll conduct six focus groups for you at XXXXXXXXXXXX on June 14-16 to provide feedback for your diversity education plans. I will work with you and your colleagues prior to those dates to formulate questions, determine group composition, comment on your questionnaire, and help in whatever other ways I can.

The total fee is \$18,000, plus actual travel expenses. The fee includes all of the preparatory work, the facilitation of the groups, analysis and feedback of the data, a written report, and a personal presentation of the findings. Travel expenses should be minimal. The fee is due on or before June 1, 1994. Expenses are due subsequent to the project, upon receipt of our statement. We will invoice the fee in a few weeks.

In view of the volume of work we've performed for XXXXX, this letter of agreement is sufficient for our purposes. Would you please have someone sign one copy and return it, and let me know at your convenience when you would like to begin the preparatory work. Thanks for your help. I'm looking forward to assisting in your diversity plans.

Sincerely,

Alan Weiss, Ph.D.  
President  
AW/cca  
Enclosures

**Acceptance**

This letter of intent is accepted and forms an agreement between XXXXXXXXXXXX (you) and Summit Consulting Group, Inc. (we/us/I) as represented by Alan Weiss.

**For Summit Consulting Group, Inc.:** **For: XXXXXXXXXXXX**

Alan Weiss  
President

\_\_\_\_\_  
\_\_\_\_\_

Date: April 8, 1994

Date: \_\_\_\_\_

## **Sample Proposal #6**

Date: April 15, 1994

To: XXXXXX

From: Alan Weiss

Subject: Proposal to Manage Transformation

### **Memorandum of Understanding**

The purpose of this letter is to establish a clear understanding of the roles and responsibilities of the Order Fulfillment core consulting team and agreement on the outcomes of the consulting engagement.

#### **Proposed Approach**

We propose a three phase approach to meet the objectives of the Order Fulfillment program. Phase 1 has already started in accordance with our MOU of April 5 and will continue for 90 days. Phase 2 will take approximately six months. We estimate Phase 3 will require an additional 90 days. These phases are described as follows:

##### **1. Mobilization Phase**

- Create the umbrella vision through facilitation with appropriate team participants.
- Resolve what issues can be "packaged" in common priorities, what conflicts exist, what opportunities present themselves, and what approaches are most tenable for resolution.
- Create an action plan for each issue - whether structural, cultural or interpersonal, including its priority, accountability for resolution, measure of successful resolution, and monitoring points. This will enable senior management to assess progress quickly and be assured that all key issues are being managed proactively.
- Assist in the preparation for, facilitation of, and evaluation of the May 17 worldwide XXXX meeting, so that participants contribute and derive ownership, leave with a common vision and expectation for the changes, and serve as role models for the district managers.

Additional outcomes or deliverables for this phase will include an accepted umbrella statement and vision, determination of how internal and external resources can be best allocated and coordinated and buy-in by key managers at the May meeting. Ongoing resolution of the priority issues identified will carry over into Phase 2.

##### **2. Transition Phase**

- The key priority in this phase will be the interventions, assessments, reinforcement and support for district managers to accept, embrace and support the vision over the ensuing several months. They will be the key leverage points for the successful transition to the new.

- This phase will also include the implementation of the remainder of the action plans identified in Phase 1; the identification and implementation of "re-skilling" required for the new organization; identification and initial resolution of employee, customer, vendor, supplier, cultural and systems issues which must be addressed; continuation of a comprehensive communications strategy based upon ongoing progress; and exploration of XXX and other linkages.

### **3. Follow-up Phase**

Since we can be certain that "we don't know what we don't know" in such a comprehensive new effort, this phase will leverage successes and correct problems discovered in Phase 2, including education, rewards, systems and related factors. It is in this phase that we would provide for the effective transfer of skills derived over the course of the project to internal resources.

#### **The Core Consulting Team**

The Core Consulting Team will consist of XXXXXXXXXX and three senior outside consultants: XXXXXXXXXXXXXXXX, Alan Weiss of Summit Consulting Group and XXXXXXXXXX of XXXXXX Consultants.

#### **Engagement Management**

XXXXXXXXXX will be the engagement manager. With the core team members, she will set objectives, master plans, tasks, methodologies, responsibilities and measurements. Under her direction the core team will provide objective assessment of program status and propose guidance on linkages and leverage points. The core consultants will follow-up tasks for achievement and work with the Order Fulfillment team members to keep the program in focus and on schedule.

Marilyn will recommend and obtain additional specialized resources (including internal XX) as needed to implement the Order Fulfillment program. As engagement manager, she will coordinate and synthesize work of these special resources for efficiency and cost purposes, and for quality of contribution. The core team will recommend and obtain methodologies needed to implement the Order Fulfillment program, and advise on alternative methodologies when appropriate. This will include visibility on practices outside of XX.

#### **Specific Responsibilities and Role of the Consulting Team**

The consulting team will assist the Order Fulfillment Team in achieving its objectives over the term of the engagement. These include beginning the following activities in Phase 1 and completing them in Phase 2:

Preparation for May 17th Meeting

We will work with you to create an "Umbrella Strategy" to present to XXXX managers

in which a common vision of the Ideal Order Fulfillment System is presented, showing the integration and coordination between the four component initiatives.

#### Coordination of the Four XXXX Initiatives

We will continue to provide assistance in coordinating the four XXXX reengineering initiatives, linking them to each other, to current programs and to short term improvement projects as appropriate.

#### Facilitation

We will provide facilitation assistance to the Order Fulfillment team as needed, including developing agendas, processes and documentation to support the facilitation

#### Governance & Coordination

We will validate and refine the governance structure to manage and implement the Order Fulfillment program. This will include coordinating and defining roles, responsibilities and protocols at the steering and operating committee levels as well as for the Order Fulfillment and consulting teams.

#### Sponsorship

We will develop a plan to create, secure, maintain, educate and measure sponsorship for the Order Fulfillment program at the Ideal, First, and Migration levels. This includes not only sponsorship by senior management, but by middle management throughout all of XXXX. Implementation of the plan will identify behavioral objectives and activities for sponsors to engage in as well as the involvement of Order Fulfillment and consulting team members. Throughout the engagement we will monitor effectiveness of the sponsorship plan and recommend additional measures as appropriate. We will also be available to personally counsel and guide senior executives and sponsors.

#### Risk & Opportunity Management

We will assess the risks which need to be managed, and develop a strategy for mitigating risk. This strategy will include not only the risk of failure to achieve expected outcomes, but the failure to capitalize on opportunities. During the development of strategy we will identify the factors impacting organizational effectiveness and change-related risks, including identifying those who will feel threatened by the changes. This process will involve one-on-one interviews with stakeholders and the employment of diagnostic tools. During the implementation of the strategy we will constantly monitor the environment, identify unanticipated threats and opportunities that develop as the project unfolds and recommend additional courses of action as necessary.

#### Transition/Change Management

We will define areas of change, identify leverage points, and assess readiness for change. We will identify key psychological, interpersonal, cultural and systemic change challenges and recommend interventions to meet them. We will determine how individual behaviors and attitudes have to change and what must be done with rewards and measurements to achieve these changes. This work will be through one-on-one interviews, focus groups and diagnostic tools. On the basis of our findings we will develop transition plans to build alignment where rewards and consequences are mutually reinforcing of the behaviors desired. We will identify reskilling options for employees with attention to integrity, their self-esteem and the value system of XX. We will assist with the implementation, monitor progress and modify actions as needed. In some areas we may provide specific educational sessions on how to manage people in a transition to obtain desired behaviors.

### Communication

We will develop with you a communication strategy and plan that includes the means, media and measurements appropriate for success. The strategy will encompass both formal and informal communication avenues and provide a means of dialogue and feedback. It will focus both on internal and external audiences including customer segments. We will actively participate with the XX resources charged with implementing the plan and selling the changes the Order Fulfillment program will bring.

### **Products or Outcomes of the Engagement**

The outcomes of these eight major activities are as follows

- A credible umbrella story to present to XXXX managers
- Continuing development of a coordinated Order Fulfillment effort
- A governance structure that coordinates steering and operating committee resources and roles
- Active cascading sponsorship and field support that fosters and sustains changes in behavior
- Risks of failure minimized and opportunities maximized
- Controlled transition with positive behavior modification, conflict resolution and minimal disruption to on-going operations
- Rewards, measurements and consequences aligned to jobs, skills, behaviors, and culture
- An active communication program that meaningfully involves people internally and externally to proactively build commitment
- Finally, an organic system documented to transfer these competencies to XX for managing future initiatives.

**Fee**

As quoted in our original letter of agreement, the fee for Phase 1 of this engagement is \$55,000 a month. Expenses will be billed monthly as actually accrued.

We appreciate your interest in our consulting approach and look forward to working with you and your team to deliver a successful and coordinated solution for XXXX.

Sincerely,

Alan Weiss, Ph.D.  
Summit Consulting Group, Inc.

## **Sample Proposal #7**

### **Proposal for XXX**

#### **Situation Appraisal**

You have begun a major reorganization with the intent of improving supervision. You are seeking to ensure at minimum a continuation of the present levels of effectiveness during the approximately six-month transition period, and to improve that effectiveness still further upon completion of the new structure.

The new organization will rely heavily on a matrix management approach, and will necessitate the active support and ownership of virtually all employees at every level for ultimate success. You are seeking objective, skilled, third-party assistance to safeguard the transition and guarantee the efficacy of the approaches used during the transition period. In addition, you require ideas, insights, and proven methods used in similar situations elsewhere to deal with known dynamics such as a somewhat cynical employee base (by nature of the job), perceptions by some of diminished responsibilities, a loss of focus on the work product itself, etc.

#### **Objectives**

The objectives of this consulting assistance include, but are not limited to:

- Adding value to the supervisory process for the XXXX
- Increasing the effectiveness of supervision.
- Securing employee ownership of the changes, especially among formal and informal leadership.
  - Bringing to bear world-class techniques from superb organizations which have undergone similar transitions.
  - Preventing problems before the more expensive and sometimes embarrassing contingent actions must be used.
  - Using the opportunity to improve teamwork, prevent elitism, and build skills in matrix resource sharing and apportionment.
  - Institutionalizing knowledge and keeping turnover of needed talent to a minimum.

#### **Measures of success**

Progress toward the objectives will be measured by:

- Feedback opportunities created for employees to inform management.
- Actual observations and anecdotal information collected by management.
- Anticipation of and responsiveness to supervisory priorities.
- Over the longer term, more effective supervision which XXXX
- Completion of the transition within a six month period.

## **Value to XXX**

The value of this project appears to be multi-fold, including:

- Improved supervision.
- Faster and more appropriate responsiveness.
- Protection and retention of key talent.
- Demonstration that major changes can be managed by existing staff without loss of focus or effectiveness on normal priorities.
- Avoidance of productivity loss by employees by focusing on the future and the job outputs, and not the transition and perceived disadvantages.
- Even greater stature in the eyes of XXX

## **Timing**

The transition itself is estimated to take six months, which is a reasonable expectation, barring unforeseen developments. I am able to begin within a week of your approval, provided that it is forthcoming by mid-February.

## **Methodology and options**

There are three levels of interaction which can be effective for this project, depending on the degree of help and participation you desire from your consultant.

1. Advisory: In this capacity I would serve as your "back stage" resource, meeting with the small team charged with effecting the transition. The role would include sounding board for plans, idea and technique source for implementation steps, devil's advocate on key moves, third-party objective review source, and facilitator of the transition process itself. We would meet as often as needed and without constraint, I would be constantly accessible by phone and e-mail for document review and advice, and I estimate the time together to encompass about 90 days, or the first half of the transition period.
2. Consultative: In addition to the responsibilities and contributions of option #1, I would also work with selected managers, team leaders, and others to help them individually with their role in the transition and with their accountabilities as exemplars to others; recommend adjustments to systems and procedures that require modification to work optimally within the new structure; attend pre-determined work meetings to evaluate the effectiveness of critical elements (e.g., resource sharing, responsiveness, honesty, equality of various elements, etc.); and be available to selected others at their request in addition to the primary team. I estimate that this involvement would endure for the duration of the transition period, about six months.
3. Collaborative: In addition to the roles described in both options #1 and #2, I would recommend specific work distribution changes; recommend appropriate personnel changes; provide specific skills development and/or counseling to any employees identified as requiring it by the primary team; and XXX. This option includes an

audit at a future point determined by you (I suggest six months after the completed transition) to measure results against the baseline previously established. The involvement here would entail about nine months (90 days post-transition completion) and the additional later audit.

Note that all options include unlimited access to my time and help within the parameters described.

### **Joint accountabilities**

You would be responsible for internal scheduling, reasonable access to key personnel, on-site administrative support, and reasonable access to past and current documentation that would aid the project. I would sign all required non-disclosure and confidentiality agreements, and would provide all administrative support off-site. We agree to immediately apprise each other of any intelligence or findings that would impact the success of the project so that rapid action could be considered. I am covered by comprehensive errors and omissions insurance.

### **Terms and conditions**

I never assess an hourly or daily fee, since you should not have to make an investment decision every time my assistance may be needed, nor should your people have to seek permission to spend money if they need my help. This is a unique feature of my consulting practice.

Fees for the options are:

Option #1: \$45,000.00

Option #2: \$72,000.00

Option #3: \$126,000.00

These fees are *inclusive* of expenses, so long as all work required is in the general XXX area. All travel, administrative, logistical, and communication expenses are included, so there is no further amount due for any option.

Payment terms for any of the options are:

- 50% due on acceptance of this proposal
- 50% due 45 days after acceptance

We offer a courtesy discount of 10% when the full fee is paid upon acceptance.

This project, once approved, is non-cancelable for any reason, although it may be delayed, rescheduled, and otherwise postponed without any penalty whatsoever. My work is guaranteed. In the event you feel that I am not meeting the standards described herein or based on our mutual conversations and agreements, I will refund your entire fee upon such notification.

**Acceptance**

Your signature below indicates acceptance of this proposal and the terms and conditions herein. Alternatively, your initial payment per the terms above will also represent acceptance of this proposal.

Please check the option you prefer:  #1     #2     #3

For Summit Consulting Group, Inc.:                      For XXX

Alan Weiss, Ph.D.  
President

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: February 3, 2000

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Sample proposal #8**

### **Situational Appraisal**

XXXXX is a thriving, 431 bed teaching hospital preparing to grow to 600 beds, a 28 percent increase. Additionally, over 130,000 people use XXXXX's Ambulatory Services. Taken together, XXXXX's current demand for services and projected growth will have profound impact on many departments within the system. Some areas – including Pharmacy – will be especially challenged.

The Pharmacy Department has taken many positive steps to address these issues:

- Assembling a “Think Tank” including young, “Gen X” pharmacists to identify and prioritize staffing initiatives;
- Identifying the system and personnel impediments to rapid change;
- Modifying the recruiting message to include Portland’s “Cool Community” status;
- Beta-testing the ASHP Change Practice Model.

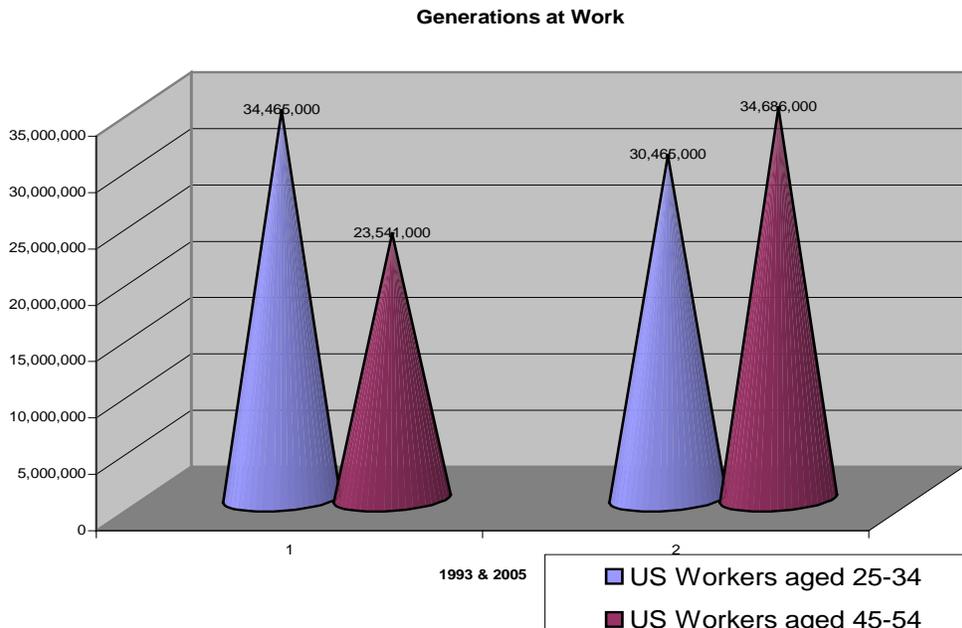
The most important development from all these initiatives is the emergence of a core group of progressive pharmacists prepared to effect change and position their department for unprecedented future success.

Immediate future efforts will focus on staffing the Pharmacy department. Consider:

- Currently, the Pharmacy has 4.1 open positions;
- Replacement costs stand at \$15,000 per opening, and are expected to grow as the market for Pharmacy talent becomes more fierce;
- XXXXX will lose the top third of its Pharmacy department to retirement in the next 3-7 years;
- Historically, the Pharmacy department has not effectively attracted new grads from the College of Pharmacy, a joint collaboration between XXXXX and Oregon State University;
- The majority of new pharmacists leave XXXXX within 5 years of their hire date.

XXXXX's impending talent shortage is even more severe when considering national labor trends. By 2006, two Baby Boomers will retire for every one new employee entering the workforce, as Table 1.1 predicts:

Table 1.1: U.S. Talent Shortage



Two final considerations must be included during any discussion of XXXXX's talent predicament. First, XXXXX's Pharmacy department is unionized, grouped with XXXXX's housekeepers and janitors. Secondly, there exists within XXXXX's Pharmacy department a cohort of senior, established pharmacists who may be unwilling to embrace changes, even those that directly benefit the Pharmacy department. Either or both of these unique cultural considerations may affect implementation of a talent strategy. Next Generation Consulting (NGC) recognizes these cultural attributes and ensures reasonable and fair treatment of them throughout the term of our agreement.

**Talent Strategy Objectives**

To abate its talent shortage, XXXXX must research, plan, and implement a "Talent Strategy" with the following goals:

1. Eliminate current staff vacancies;
2. Attract new grads;
3. Extend staff retention for new talent beyond historical levels;
4. Decrease replacement costs;
5. Improve the interviewing process;
6. Enhance the orientation and training processes;
7. Differentiate XXXXX as an "Employer of Choice" among the next generation of Pharmacy talent.

**Measures of Success**

As we discussed in our conversation on December 8-9, 2002, the measures for this project will be:

- Current staff vacancies will be filled within three months;
- New grads will constitute a higher percentage of new hires than historical levels;
- Eighty percent of new hires will stay at XXXXX for three years;

- Fifty percent of new hires will stay five years or longer;
- XXXXX's Pharmacy department will generate a "waiting list" of Pharmacy talent;
- Replacement and acquisition costs for new hires will fall by 10-15%.

### **Expression of Value**

The value that XXXXX will derive as a result of the successful completion of this Talent Strategy will include, but not be limited to the following:

- A fully staffed Pharmacy will save interim staffing, recruiting, administrative, and overtime costs, estimated at \$108,678 per opening per year, a savings of \$445,579 per year, based on XXXXX's current 4.1 open positions and industry averages.
- Improving retention for new hires beyond three years will shrink XXXXX's replacement and recruiting budgets. We estimate a savings of approximately \$60,000 in the first year, based on XXXXX's current \$15,000 average replacement cost;
- As XXXXX becomes a recognized "Employer of Choice," replacement costs will diminish by 10-15%, a savings of \$1,500-2,250 per vacancy.

### **Methodologies & Options**

There are several ways to achieve these objectives. All of them will work, although some options provide greater value than others. XXXXX has flexibility in choosing the return most attractive in relation to the following options:

#### **Option 1: Designing a Talent Map and Auditing the Recruiting Process**

Next Generation Consulting (NGC) will conduct an online "Talent Retention Survey"\* of all Pharmacy department staff. The results of this survey will be analyzed based on tenure, position, and other factors deemed important by XXXXX's Pharmacy team. Results of the survey will determine where XXXXX's talent retention strengths and opportunities are, and will form a foundation for the "Talent Map" that will be a central component in meeting the recruiting and retention objectives called for in this proposal.

Simultaneously, NGC will conduct a "Talent Attraction Audit" to analyze the current recruiting process and determine its strengths and opportunities. NGC will recommend key enhancements to the process to meet the objectives called for in this proposal.

Deliverables from Option 1 include:

1. A "Talent Map," a large, visual diagram of the client's talent retention strengths and weaknesses, including specific action steps required to achieve the stated objectives called for in this proposal;
2. A set of specific recommendations to enhance the recruiting process, required to achieve the objectives called for in this proposal.

\*A link to a sample survey is being sent under separate email.

### **Option 2 – Charting a New Course**

NGC will complete Option 1, plus NGC will work with XXXXX's pharmacy leadership to design and implement a 12-18 month prioritized action plan to meet the objectives called for in this proposal. NGC would actively collaborate and/or manage the two most important objectives. These may include:

- enhancing XXXXX's recruiting message and interview/site visit process;
- designing a mentoring and/or "buddy" system for new hires; and
- developing a training and development academy curriculum for Pharmacy talent.

### **Option 3**

NGC will implement options 1 and 2 and will make quarterly site visits to actively review the Talent Map, chart progress towards accomplishing the objectives called for in this proposal, and share best practices from other health-systems. Additionally, Matt Hayden and Rebecca Ryan will offer unlimited phone and email support to XXXXX's Pharmacy team for the duration of the project. NGC will re-administer the Talent Retention Survey called for in Option 1 to determine annual progress.

### **Cost-Recovery Option**

NGC recognizes that the talent solutions provided herein may translate well to other critical staffing areas within XXXXXU and across the pharmacy industry. For that reason, NGC will credit XXXXX with a referral fee during the term of this engagement as follows:

- 10 % for referrals to other departments within XXXXX;
- 5% for referrals to other clients outside XXXXX.

In this way, XXXXX's Pharmacy department may save money on its talent solution while positively impacting XXXXX's and the pharmacy industry's talent crisis.

### **Timing**

For all options we estimate a January 13, 2003 start date. Options 1 and 2 would be completed by March 31, 2003. Option 3 would extend for 2 years and be completed by January 15, 2005. The cost recovery option would be in effect from the start of this contract through its end date, depending on which option is selected.

### **Joint Accountabilities**

XXXXX will be responsible for: making staff available for surveys and interviews, all-staff meetings and focus groups; informing stakeholders of the project; providing space to conduct meetings; for providing information about past initiatives which may impact the project; for adhering to the payment schedules established for this project; for employee names and contact information for interviews and surveys; for reasonable access to XXXXX's leadership for ongoing progress reports, discussions, and problems; and for coordinating work flow and priorities to allow for the project to meet its time frames.

Next Generation Consulting will be responsible for all surveys, data collection, meeting facilitation, evaluation design, assessments and other interventions called for in this proposal; we will sign all appropriate nondisclosure documents; we will ensure minimal disruption in work procedures and adhere to all schedules; we will provide updates and progress reports at your request; we will immediately inform you of any peripheral issues that emerge which we think merit management's attention.

We will both inform each other immediately of any unforeseen changes, new developments, or other issues which impact and influence this project so that we can both adjust accordingly; we will accommodate each other's unexpected scheduling conflicts.

### **Terms & Conditions**

*Fees.* The fees for this project are as follows:

Option 1: \$ 47,500

Option 2: \$ 67,500

Option 3: + \$10,000/quarterly retainer

One half of the fee is due upon acceptance of this proposal and the balance is due 45 days following that payment. As a professional courtesy we offer a five percent discount if the full fee is paid on commencement.

*Expenses.* Expenses will be billed as actually accrued on a monthly basis and are due on receipt of the statement. Reasonable travel expenses include airfare, mileage, meals, and tips. NGC does not bill for fax, courier, administrative work, telephone, duplication, or related office expenses.

The quality of our work is guaranteed. While this project may be postponed or rescheduled with our mutual agreement, it is non-cancelable and all fees are due as indicated in the schedule above.

## **Sample proposal #9**

### **Situation**

Since becoming Executive Vice President for XXXXXXXX four months ago, you have discovered numerous strengths in the organization as well as critical barriers to success. These qualities are even more significant given the goal to grow the business at a rate significantly above the historical. While doing so, you are expected to maintain the culture of the organization that is deemed valuable and productive by both your superiors and subordinates.

Your success depends upon the creation and successful implementation of a powerful strategy through an organization with the right people in the right roles acting in concert with one another. Past success in building successful relationships with clients and peers will serve you well. However, in this role, you must manage a larger and more diverse organization than before. Further, you have a finite amount of time to demonstrate that you are the right person to lead the organization at this time.

### **Objectives**

1. Provide an professional, external sounding board for you
2. Develop and implement an integration process to accelerate your success as the Executive Vice President.
3. Provide a professional, expert view of the talent at the top of the organization.
4. Develop a clear, compelling strategy.
5. Develop and use a simple, though powerful implementation plan.
6. Increase the cooperation and collaboration among the top leaders to ensure attainment of the goals. Specifically, reduce the friction between two of the Executive Committee members, whose talents are each needed to achieve success.

### **Measures of Success**

1. Agreement between XXXXXXXX and yourself regarding the specific outcomes for which you are accountable.
2. Reduced time to make and increased confidence in decisions.
3. Increase in revenue while maintaining profit margin
4. Evidence that the strategy and goals are clear and that behaviors are aligned in support of the plans. Such evidence will include:
  - a. Spontaneous conversations that indicate such
  - b. Increased cooperation
  - c. Increase in the number of ideas that come from the lower levels of the organization to the top
5. Decrease in the number of conversations needed to manage the conflict at the top
6. Positive feedback from the Chief Operating Officer regarding your performance, both financial and leadership

## **Value**

- Increase in sales of 1.5M over last year will add \$300,000 to net profit, taking the total net profit to 1.3M.
- Decrease in conflict at the top level will reduce time spent in conversation with those involved.
- Decrease in time to market of new ideas or approaches.
- Acceleration of your ability to make positive impact.
- Create a useful framework for decision-making, reducing time to do so.

## **Method and Options**

### **Option One**

For a period of six months, conduct face-to-face meetings with you as-needed and provide unlimited telephone consultation.

Meet with each of your direct reports to more fully understand them and the organizational context.

Conduct a meeting of the direct report team to de-brief observations and further accelerate your integration.

Meet with the Executive Committee to ensure clarity of purpose and goals and alignment. Create a strategic framework to ensure the attainment of growth and profitability goals.

Meet with you and XXXXXXXX to resolve the issues between them and among the three of you.

Meet with you and XXXXXXXX to establish goals and expectations, and to achieve alignment and support for your plans.

### **Option Two**

All the elements of Option One, plus:

A follow-up meeting of the direct report group at the 5 month mark, to identify new opportunities, challenges and ideas and solidify your leadership.

### **Option Three**

All the elements of Options One and Two and:

Survey the entire organization to more thoroughly understand the context and any cultural barriers to the effective implementation of your strategy. Analysis and de-brief of results with the direct report team included.

**Timing**

The initial interviews and meetings will be completed within 8 weeks of the commencement of this project.

The consultation to you and the Executive Committee will continue for a total of 6 months.

**Joint Accountabilities**

XXXXXXXXX will provide Constance Dierickx, Ph.D. as the project leader. She will be continually involved in all aspects of the project, and will serve as the primary contact with XXXXXXXXX. We will sign nondisclosure agreements as requested, and all work contents remain the property of XXXXXXXXX.

XXXXXXXXX will provide us with reasonable access to key management people, documentation, and company information, as appropriate, within the time-frames outlined above. XXXXXXXXX will be responsible for scheduling of meetings, obtaining necessary facilities, equipment and related support for meetings. XXXXXXXXX agrees to the fee structure outlined below and will adhere to the reimbursement of expenses procedures as specified.

**Terms and Conditions**

- Option One: \$60,000
- Option Two: \$70,000
- Option Three: \$85,000

Payment terms are one-half fee due upon the signing of this letter of agreement and one-half due 45 days hence.

Reasonable travel and living expense are submitted monthly as accrued, at cost, at payment is due upon receipt of the invoice.

This project is noncancelable, and agree-upon payment terms are due as described. You may postpone or delay and part of the work as you deem necessary. The quality of our work is guaranteed. If we do not meet your objectives, as stated above, we will refund your fee.

**Acceptance**

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XXXXXXXXXX

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Constance R. Dierickx, Ph.D.  
Consulting Psychologist