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TEACHING BRIEF

Business Acumen: Proposal Writing in the Student Firm

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ABSTRACT

This teaching brief presents an experiential learning assignment that enables undergraduate students who work in a student firm to develop business literacy, soft skills and hard skills such as persuasive writing and cost estimating. The Commission on Public Relations Education reported agreement among employers that it is important for entry-level practitioners to have business acumen, and that such knowledge is lacking (Commission Report, 2018, p. 56). This entrepreneurial learning activity helps to address a gap between what the typical public relations curriculum offers and the business skills and knowledge that employers value, particularly in agencies.

Keywords: soft skills, public relations, advertising, entrepreneurship

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In many student firms, students assume the responsibility for bringing in clients, both pro-bono and fee-for-service. Winning new client accounts is a daunting challenge for many students, and it offers a rich opportunity for learning how the agency industry operates, gaining basic financial knowledge and developing soft skills such as listening, teamwork, flexibility and being assertive.

The complex effort also helps students develop an entrepreneurial mindset, which may be helpful given that today's students are graduating into a "gig" economy, a self-employment trend that appears to be accelerating in the U.S. and elsewhere (Alton, 2018). The Bureau of Labor Statistics does not offer current data on independent contractors, but a McKinsey Global Institute study found that between 20% to 30% of working-age adults in the U.S. and Europe engaged in some form of independent work (Manyika et al., 2016).

In an agency, developing new business requires identifying, researching and meeting with a potential client, asking good questions, listening carefully and probing to assess the client's situation. It requires determining the services that can help the client achieve its business goals, developing a scope of work, estimating costs based on the time required to do the work (and outside costs), and writing a persuasive business proposal. Agency professionals must present the proposal, respond to the client's feedback and persuade the client to hire the firm.

In one student firm, the instructor developed an ungraded assignment that would help students develop these skills as they worked to bring in new clients. For the assignment, students would need to develop cost estimates based on the number of hours that would be required to produce deliverables, plan events or post on social media throughout the semester, for example. Students were required to read several chapters of The Art of Client Service to deepen their understanding of pricing and billable time (Soloman, 2016). To lay the groundwork, the advisor introduced the concept of billable hours and presented the financial calculations that agencies use to determine an employee's productivity. This information helped students understand agency operations and profitability, and to view the time they spent in the student firm as billable. The advisor also helped students understand their monetary value to agencies if they decided to intern or work at an agency after graduation.

As learning objectives, the instructor aimed for students to:

- Understand the concept of billable time and see themselves as professionals whose skills and abilities contribute to an agency's profitability.
- Learn how to identify a new business opportunity, set up a business meeting and meet face-to-face with a potential client.
- Learn to frame questions and listen carefully in a meeting to determine a client's situation and business goals.
- Define the specific strategic communication deliverables services that would help a client achieve its business goals, and the metrics for evaluating outcomes.
- Develop a detailed scope of work for a client and assess the amount of time that will be required to produce the work. Estimate the cost-range for based on the time required or perceived value of the service.
- Write a persuasive, two- to three-page proposal that includes cost estimates. (For pro bono clients, students were to present the cost estimates as donated).
- Gain experience in presenting a proposal to a client in person, receive client feedback and revise accordingly.

Rationale

Many employers value business literacy in their new hires, and for this reason the Commission on Public Relations Education has urged undergraduate programs to design curricula and experiential learning that help students understand business processes. In a 2013 survey of

Arthur W. Page Society members, Ragas and Culp (2014) found that 85% of participants (*n*=112) indicated that it was "extremely important" for public relations and advertising professionals to have a strong grounding in business fundamentals as part of their education and training. They and the Commission on Public Relations Education have recommended adding business concepts to existing, required courses such as public relations management and campaigns, and developing new, stand-alone courses in business fundamentals. A student firm provides another opportunity to introduce business concepts and processes as an experiential, hands-on learning experience.

The Commission reported agreement among employers that it is important for entry-level practitioners to develop business acumen, but such knowledge is lacking (Commission on Public Relations Education, 2018). The report provides a vague definition of business acumen: "understanding how business works, to provide the contextual significance of public relations" (Commission on Public Relations Education, 2018, p. 28).

It is helpful to think about the concept of business acumen a bit differently, and to consider Merriam-Webster's definition of acumen: "keenness and depth of perception, discernment or discrimination, especially in practical matters" (Merriam-Webster, n.d.). This definition echoes some of the soft skills that researchers have found are important in the workplace.

DiStaso et al. (2009) found agreement among professionals and academics that entry-level public relations employees bring both hard and soft skills to the workplace, and the latter should include creativity, flexibility, initiative, interpersonal skills and the ability to take criticism. Employers across numerous industries have reported that they desire new graduates to be good listeners who are self-aware, adaptable, assertive and collaborative (Commission on Public Relations Education, 2018, p. 55).

According to Windels et al. (2013), vital soft skills in the advertising field include critical thinking, persuasion, interpersonal, verbal communication and presentation ability.

For the training and development field, Gargiulo et al. (2006) wrote a practical guide to developing business acumen and described it as encompassing three critical areas: relational, communication and financial. Relational skills are needed to build and sustain professional, trusting relationships with peers, clients and customers. Communication skills needed for business acumen include writing memos, e-mails, white papers, proposals and presentations. Financial skills include developing budgets and cost estimates.

The proposal-writing assignment helps students develop these relational, communication and financial skills while learning a core business process in the agency industry. Students work in pairs to develop their proposals, engage with clients, and collaborate with teammates to estimate the time required to complete tasks. They must develop listening skills in order to assess a client's situation, needs and concerns. They work on their persuasive communication skills, both verbal and written, that are important for entry-level jobs across industries. Writing a persuasive proposal is a sophisticated and challenging exercise, and students need as much writing experience as possible to be successful in the public relations field. Students learn to develop cost estimates and present basic financial information to clients, and this experience may set them apart from other entry-level practitioners in all types of work settings. By definition, the agency industry exists to serve clients, and clients come and go. The author of this article worked at two mid-sized agencies, and all employees were expected to be alert to new business opportunities and prepared to participate in new business pitches. This assignment helps to prepare students to be valuable members of an agency team right from the start.

The learning experience also helps prepare students for the vagaries of the “gig” economy and those difficult times when they may find themselves unemployed. They learn how to identify a potential client, put a price tag on the deliverables and services they can provide, and follow a formal business process to sell these services.

Learning Outcomes

While an ungraded assignment, students received feedback on the first draft of their proposals. The advisor evaluated the proposals for writing style, in particular clarity and persuasiveness; conventions such as grammar and punctuation; professional formatting; thoroughness in the scope-of-work description; and accuracy for cost estimating.

Several students remarked that the assignment was the most valuable and exciting learning activity of the semester. Many displayed a sense of exhilaration, even joy, when they succeeded in bringing in a new client. The revenue from fee-for-service accounts helped to pay for perks such as student stipends, pizza days and an awards program, and students understood that their entrepreneurial efforts made these benefits possible.

Some students began freelancing while in college, and others developed business cards and websites for freelancing after graduation. The author reached out via LinkedIn to several former students to learn what they may have gained from the experience. One 2017 graduate responded in this way: “I learned to anticipate needs in advance as well [as] develop solutions to meet those needs. It was also a great experience learning business processes at this stage of schooling (introduced me to some real-world learning experiences).” A 2016 graduate who works at a global PR firm wrote:

> That exercise was my first foray into thinking about pricing a service. Goods tend to have an obvious value. Services tend to have a relative value. A lot of what we end up needing to do in pitches is to justify our estimates and the rates we quote our labor

at. The [student firm name withheld] exercise got the gears turning in my head.

This proposal-writing activity is ideally suited to a student firm where students get to work directly with external clients and develop new business. Important relational and interpersonal communication skills are gained from meeting with potential clients and determining their problems and specific needs for strategic communication services. Pitching and presenting the proposals in a business setting caps off the learning experience, as students receive feedback from an actual client (not just the instructor).

Nevertheless, a modified version of the activity could be used in a PR writing or campaigns class with a mock client. One approach could be to present students with a brief that outlines a client problem in detail. Students could then work in teams to develop a persuasive business proposal that addresses the problem and includes cost estimates based on the estimated amount of time required to do the work. Students could role-play the initial meeting with clients, and later the pitch.

Faculty members with agency experience are uniquely qualified to lead the learning activity. Alternatively, an agency professional could be invited in to meet with students, introduce the concept of billable hours and describe the process for new business development.

Whether for an actual or mock client, the proposal-writing activity helps students gain an understanding of business processes as well as develop professional writing skills. It is the type of experiential learning activity that follows recommendations by the Commission on Public Relations Education that the undergraduate curriculum help students gain business acumen before they graduate.

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Assignment
Go Get It! New Business Proposals

Working in pairs, develop a two- to three-page professional proposal after meeting with a potential client.

1. You and your partners will:
   - Talk among yourselves. Determine: What's your passion? What are you into? What's a local business or nonprofit that you like or that you've always wanted to learn about?
   - Try to hone in on a business or nonprofit that you believe would benefit from our services and that you think would be a good fit for a student agency. Other ideas about how to find clients:
     - Find companies whose external communications appear to be weak
     - Find companies that are growing rapidly or that are opening
     - Use your personal network and the firm's existing clients
   - Research the business or nonprofit. Read the mission statement. Study the website. Learn as much as you can.
     - The first few minutes you research a company are when your best ideas will flow. Write them down. Your first impressions are important.
   - You must contact the potential client **this week** to set up a meeting next week, or no later than the following week. Aim to meet with a decision-maker (owner, manager, marketing director, etc.)
     - When you meet, learn the WHY. In other words, why they started the business, or why the organization exists.
     - Connect our values with the client's values. Our values: relationships, ambition, challenge, collaboration, learning. Are we

a good fit?
- Ask good questions.
- Be encouraging. The more they talk, the more you learn.
- Tell them about the student firm.
- Find out what challenges or opportunities they face (so that you can determine whether they would benefit from our services, and which services they really need).

2. The essential question for you to understand before you start drafting the proposal is: *"What challenges and opportunities does this business face?"* If you can find out the answer to this question, your imagination and creativity will take off. As a team, you can then brainstorm and determine the answer to the next essential question: *"What services can we provide that will help this business/nonprofit take advantage of these opportunities and achieve its business objectives?"*

3. Jointly write a proposal. Your proposal should be written in a compelling, conversational, straightforward manner using AP Style. Read pp. 11-121 in The Art of Client Service for guidance. Specify the costs for each element, activity or deliverable that we can provide to help the business/nonprofit achieve its goals.

4. Consult with all the appropriate staff members to get a ballpark estimate of how much time it will take for each person to do his/her particular piece of the project.

5. Include in your proposal any outside costs, such as printing, postage and packaging, and digital or print advertising. If outside costs are impossible to procure or estimate, then include a line that says something like *"Outside costs such as printing, digital advertising, web hosting, etc.*

are not included in the estimate."

6. Your pricing should be based on the amount of time that a project will realistically take, using the rate of $50/hour or $25 for project management. Pricing can also factor in the perceived value of the service or deliverable. For example, a client might be willing to spend much more on a website redesign than on an annual report, even though the projects may require the same amount of time. Be sure to include time for the AE's "project management." This is the time required for weekly phone calls, setting up meetings, problem-solving, delegating work, etc. Project management can be billed at $25/hour.

7. Your estimate should include a brief description of the firm and a convincing "why hire us" statement. You can find good, succinct language on our website.

8. Include your goals for the client project, a detailed description of the scope of work and all the deliverables to be included, cost estimates for each element and total cost, and the estimated timeline for completion. The proposal should end with a thank you and signature line for you and the client to sign and date. It should be concise, written in short paragraphs with headers or sub-heads. Bullets are ok.

9. Write in plain English. A conversational tone is warmer and more inviting.

10. Use professional letter format with the firm's logo, date, client contact's name, title, company name, complete mailing address.

HELPFUL TIPS:

On making phone calls to prospects to set up meetings:

Try to make it a "warm" call rather than a cold call. Warm: "So and so suggested I call you." Make it short. Leverage being a student. Have an elevator pitch ready: "We'd really like to do some work for you. We noticed …. Can we meet … it won't take more than 15 minutes of your time."

The elevator pitch:

Prepare a one-minute pitch that says: This is who I am, this is who the student firm is. This is why I'm here. This is how we can help you. Sound intelligent. Bring solutions. Be prepared to use this on the phone or in a meeting (or maybe on the elevator!).