

## Sample Proposal for Organizational Development Services

*This sample proposal might be a useful reference for you and your client as you both specify and communicate a project plan for change. Information in the proposal will be useful to external and internal consultants. In this example, the organizational development and change activities are conducted in the overall context of development and implementation of a Strategic Plan. Ongoing coaching during the project guides the successful organizational change and learning that results during, and shortly after, implementing the Strategic Plan. Of course, the final content of your proposal depends on the preferences of your client and you.*

*Note that many consultants do not include estimated numbers of hours for project activities in their proposals, as in this sample. These consultants base their consulting fees on the project’s overall value to the client, rather than on the number of hours required in the project. These consultants believe that information about the number of hours in the project detracts clients from focusing on the total value of the project.*

### **Background**

The consultant, OD Bob, met with the client contact, ED CEO of the Transitioning Business (TB), on July 1, 2005 regarding a possible organizational development project. Also in attendance at that meeting were two Board members who, together with Ed, comprised the Search Committee. During the meeting, Ed described TB’s current challenges, which included the need for attention to strategic planning, finances, staffing and public relations – and probably more areas, but Ed was not sure which yet. Ed explained that TB had experienced recurring cash shortages and recurring conflicts among members of the Board and among employees. Ed added that things seemed to be getting worse.

OD Bob described how an overall systematic approach to organizational development would be the most effective approach to addressing TB’s major problems. He added that, during times of major change, it often is best to include some Board and leadership development in the project to help leaders understand and guide the change throughout the organization. OD Bob added that the organizational development activities would best be conducted in the overall context of short-term, internally strategic planning, including the development and implementation of the Strategic Plan.

After some discussion, participants agreed that a systematic approach to overall organizational development would be highly useful to TB. Ed asked OD Bob to provide a proposal that described more specifics on how OD Bob might work with TB. This proposal itemizes OD Bob’s proposed project and includes: outcomes, overall activities and deliverables, work plan, evaluation plan, schedule, roles and responsibilities of the consultant and client, costs and payment terms. The proposal also includes description of OD Bob’s qualifications as a consultant, along with reference to relevant clients whom Ed could contact regarding the quality of OD Bob’s work.

### **Project Outcomes**

The following outcomes are typically achieved from implementation of a realistic, relevant and flexible Strategic Plan with focus primarily on addressing internal priorities:

1. Effective Board governance, including oversight and operations.
2. Clear delineation and coordination of Board and employee roles.

Adapted from “Field Guide to Consulting and Organizational Development” – to obtain the entire book, select “Publications” at <http://www.authenticityconsulting.com>

3. Common vision and goals for all leaders in the organization.
4. Structures and processes to guide the Board and all employees toward achieving the new vision.
5. Stronger financial management, analysis and decisions.
6. Stronger marketing, including research, advertising and promotions.
7. Enhanced credibility and image among stakeholders.
8. Overall, more proactive direction-setting, decision-making and problem-solving.

### ***Initial Project Activities and Deliverables***

1. Organizational assessment and development planning, including initial assessment and recommendations, resulting in a written Assessment Report and an Organizational Development Plan to address issues described in the Report.
2. Board development, including engagement, staffing and organization of members, along with comprehensive, step-by-step guidelines and materials for all critical and ongoing Board activities, resulting in a written Board Development Plan.
3. Strategic planning, including customizing planning process, identification and/or clarification of all critical issues and specific strategies to address each issue, resulting in a written relevant, realistic and flexible Strategic Plan.
4. Leadership and supervisory development, including identifying performance goals for each position, clarifying roles and organization, and customizing employee performance management system, along with comprehensive, step-by-step guidelines and materials for all critical leadership and supervisory activities, resulting in an Organization Chart, a Staffing Plan, job descriptions and an updated handbook of Personnel Policies.

### ***Project Work Plan***

#### **Ongoing Coaching for Change Management and Learning**

Coaching will be focused on the successful implementation and evaluation of the Strategic Plan, resulting in an overall successful organizational development and change effort. Learning will be identified, documented and shared on an ongoing basis during the project.

1. Half-hour coaching sessions with Chief Executive Officer every two weeks for approximately 7 months.
2. Monthly, half-hour coaching sessions with Board Chair for 7 months.

#### **Phase #1: Organizational Assessment and Development Planning**

1. Review organizational information, for example, history, products and services, and current activities.
2. Coordinate quick, comprehensive, practical organizational assessment of all internal functions, preferably with input from key Board members and employees, and then produce written Organizational Assessment Report.
3. Provide written Organizational Development Plan that addresses issues described in the Organizational Assessment Report.

## **Phase #2: Develop “Plan for Plan” for Strategic Plan**

Plan-for-Plan will specify parameters for developing the Strategic Plan, and will address at least the following priorities.

1. Orient Board members about strategic planning, its purpose and their role in the planning.
2. Focus the Strategic Plan for a one-year period for the development of internal systems to address the issues described in the Organizational Assessment Report.
3. Establish a Planning Committee to oversee development of Strategic Plan. Ideally, the Committee is comprised of Board Chair, Chairs of committees, Chief Executive Officer and key employees.
4. Analyze how members of Board and employees can realistically take part in strategic planning, and then refine a three-month schedule of planning activities to develop and approve a Strategic Plan document.

Shortly after this phase, various groups will be assigned homework to identify strategic goals and strategies.

## **Phase #3: Identification of Strategic Goals and Objectives**

Based on the issues described in the Organizational Assessment Report, goals in the Strategic Plan might pertain to following areas that are in addition to those itemized in the previous section, “Initial Project Activities and Deliverables.” Note that achievement of all of the strategic goals will not necessarily be done within the four-month time period in which the Strategic Plan document will be developed and approved. Also note that planners might modify the following list during planning.

1. Establishing financial policies and procedures, especially regarding zero-based and balanced budgeting, product-based budgeting, and amounts of cash reserves per year, resulting in an approved “Fiscal Policies and Procedures,” guided by the Board Finance Committee.
2. Staffing analysis, including identifying and organizing expertise needed to implement the Strategic Plan, support desired products and services, modification of job descriptions, analysis of employee performance management and compensation systems, resulting in approved up-to-date job descriptions, employee performance management practices (in Personnel Handbook), and compensation practices (in Personnel Handbook), guided by the Board Personnel Committee.
3. Sustained public relations to key stakeholders, to convey the “transformed” Transitioning Business, resulting in a public relations campaign, guided by the Board Marketing Committee.

Shortly after this phase, various groups will be assigned homework to identify action plans.

## **Phase #4: Action Plans to Implement Strategic Plan**

1. Action plans, in the Strategic Plan, will specify for each strategic goal:
  - a) Objectives
  - b) Responsibilities
  - c) Deadlines for completion

Adapted from “Field Guide to Consulting and Organizational Development” – to obtain the entire book, select “Publications” at <http://www.authenticityconsulting.com>

2. Action plans will also include:
  - a) Staffing plans
  - b) Operating budget
3. Action plans will also include development of a one-year schedule during which the Strategic Plan will be implemented, with provision of status reports to the Board and key employees.

Shortly after this phase, various groups will be assigned homework to begin drafting the Strategic Plan document.

### **Phase #5: Development and Approval of Strategic Plan Document**

Includes:

1. Drafting Strategic Plan document
2. Review by Board and senior management
3. Approval by Board of Directors

### ***Approaches to Evaluating Project***

#### **Focus of Evaluation Plan(s)**

Evaluation planning should be based on the project’s goals and outcomes. After the goals and outcomes have been finalized, the consultant and client will work together to establish the focus of each Evaluation Plan. Plan(s) could focus on:

1. Project activities, as those activities occur (a formative, process evaluation).
2. Project deliverables (proposed deliverables are listed in the above section, “Initial Project Activities and Deliverables”).
3. Outcomes achieved by the project (the proposed outcomes are listed in the above section, “Project Outcomes”).

#### **Contents of Evaluation Plan(s)**

The consultant and client will work together to design the content of each Evaluation Plan, which will include evaluation questions, information needed to answer each question, and methods to gather and analyze that information.

## ***Proposed Project Schedule to Develop Strategic Plan***

### **Approximate Time Required to Produce Strategic Plan Document**

Week of...

Phase	Aug 4	Aug 11	Aug 18	Aug 29	Sep 1	Sep 8	Sep 15	Sep 22	Sep 29	Oct 6	Oct 13	Oct 20	Oct 27	Nov 3	Nov 10
1. Organizational assessment and report															
2. “Plan for Plan”															
3. Identify goals and strategies															
4. Develop action plans and resource needs															
5. Draft, review and approve Strategic Plan															

(Time is in hours. Board meeting time is included. Travel time is not included.)

Activity	CEO and Other Senior Leaders	Each Project Team Member	Each Board Member (addition to Project Team)	Consultant
Preparation	0	0	0	5
Phase 1: Organizational Assessment (6-week period)	5 for CEO	2	1	5
Phase 2: Plan for Plan (1-week period)	5 for CEO	3	2	5
Phase 3: Goals & Objectives (4-week period)	15 for CEO 15 for other	10	8	30
Phase 4: Action and Resource Planning (4-week period)	10 for CEO 10 for other	3	4	20
Phase 5: Approve Plan (6-week period)	5 for CEO 5 for other	2	5	20
<b>Total Hours Required</b>	<b>40 for CEO 30 for other</b>	<b>20</b>	<b>20</b>	<b>85</b>

## Approximate Time to Completely Instill New Systems

The focus of this project is to instill new systems as a foundation to bring about change, such that the outcomes of the project are achieved. However, the long-term health of the organization depends on how well those new systems are fully integrated and utilized on a regular basis throughout the organization. Complete change often involves changing the culture of the organization – realistically, that can take a year or more. The amount of time to make those new systems an automatic part of operations for the client depends primarily on the leadership and amount of resources that the client can apply to the change effort, and on whether any unexpected major events occur during that effort.

The overall organizational development activities in this project will occur during a seven-month period, including a three-month period of coaching that follows the four-month development of the Strategic Plan document. The coaching will be focused on successfully managing organizational change during that seven-month period. Approximate time for coaching sessions is:

Activity	CEO	Board Chair	Each Board Member (addition to Project Team)	Consultant
Ongoing Coaching (biweekly with CEO; monthly with Board Chair; for 7 months)	15 for CEO	7 for Board Chair	NA	22

## Roles and Responsibilities

### Consultant

1. Provide prompt response to client communication.
2. Provide ongoing coaching to Chief Executive Officer and Board Chair as mutually scheduled during the seven-month period.
3. Administer organizational assessment; analyze results and generate written Organizational Assessment Report and Organizational Development Plan.
4. Generate written Board Development Plan.
5. Facilitate strategic planning process, including customization and development.
6. Review draft of Strategic Plan document.
7. Facilitate staffing analysis, including roles and structures, and review of Staffing Plan.
8. Facilitate development of employee performance management system.
9. Provide complete step-by-step guidelines and materials for organizational assessment, all aspects of strategic planning, staffing analysis, roles and structures, and employee performance management.
10. Generate written status reports shortly after end of all phases of project.
11. Regularly reflect, document and share learning from the project with the client and members of the client’s organization.

## **Client**

1. Provide prompt response to consultant communication.
2. Provide adequate organizational information for consultant to understand the organization.
3. Finish organizational assessment.
4. Board Chair participates in monthly half-hour coaching sessions for 7 months.
5. Chief Executive Officer participates in biweekly half-hour coaching sessions for 7 months.
6. Board and staff coordinate and participate in meetings as planned, including Board training and strategic planning sessions.
7. Promptly finish actions as necessary between meetings, including preparation for upcoming meetings and actions identified from the meetings.
8. Board forms Planning Committee to oversee development of Strategic Plan, including review of status of activities and written reports from consultant.
9. Generate written Strategic Plan, organizational chart, Staffing Plan, job descriptions and arrange for expert review and development of updated personnel policies.
10. Regularly reflect, document and share learning from the project with the consultant and members of the client’s organization.

## **Proposed Costs and Payment Terms**

### **Costs**

<b>Fees:</b>	<b>Cost</b>
Ongoing coaching for seven months	
Phase 1: Organizational Assessment	
Phase 2: “Plan for Plan”	
Phase 3: Identify goals and objectives	
Phase 4: Action and resource planning	
Phase 5: Finalize Strategic Plan	
<b>Total Fees:</b>	
<b>Materials and Expenses:</b>	
Travel expenses (estimated <sup>1</sup> ) for four round trips	
Session materials	
<b>Total Estimated Materials and Expenses:</b>	
<b>Total Estimated Project Cost</b>	

### **Payment Terms**

- \$ XXX invoiced to client upon signing contract (equal to fees for Phase 1).
- \$ XXX invoiced after Phase 2.
- \$ XXX invoiced after Phase 3.
- \$ XXX invoiced after Phase 4.
- \$ XXX invoiced after Phase 5.
- \$ XXX invoiced at end of seven-month period (this fee for coaching after the Strategic Plan has been approved).
- Materials and expenses invoiced within two weeks of incurring them; copies of receipts attached to invoice.
- Payments due from client within 30 days of receiving invoice from consultant.

### **Qualifications of Consultant**

*[In this section, you should insert information, such as your resume, information about your company and a listing of references to past clients.]*

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<sup>1</sup> Travel costs will be reimbursed based on actual incurred costs.