

Model Document: Proposal

Proposal cover letter on company letterhead.

The Waters Corporation

17 North Waterloo Blvd.
Tampa, Florida 33607
Phone: (813) 919-1213 Fax: (813) 919-4411
www.waters.corp.com

September 1, 20--

Mr. John Yeung, General Manager
Cookson's Retail Stores, Inc.
101 Longuer Street
Savannah, Georgia 31499

Dear Mr. Yeung:

The Waters Corporation appreciates the opportunity to respond to Cookson's Request for Proposal dated July 26, 20--. We would like to thank Mr. Becklight, Director of your Management Information Systems Department, for his invaluable contributions to the study of your operations that we conducted before preparing our proposal.

It has been Waters' privilege to provide Cookson's with retail systems and equipment since your first store opened many years ago. Therefore, we have become very familiar with your requirements as they have evolved during the expansion you have experienced since that time. Waters's close working relationship with Cookson's has resulted in a clear understanding of Cookson's philosophy and needs.

Our proposal describes a Waters' Interactive Terminal/Retail Processor System designed to meet Cookson's network and processing needs. It will provide all of your required capabilities, from the point-of-sale operational requirements at the store terminals to the host processor. The system uses the proven Retail III modular software, with its point-of-sale applications, and the superior Interactive Terminal, with its advanced capabilities and design. This system is easily installed without extensive customer reprogramming.

Opening expresses appreciation for opportunity and assistance.

Author acknowledges previous experience with customer.

Details of proposed system are described.

Header appears on second page.

Closing paragraph expresses confidence.

Mr. J. Yeung
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The Waters' Interactive Terminal/Retail Processor System, which is compatible with much of Cookson's present equipment, not only will answer your present requirements but will provide the flexibility to add new features and products in the future. The system's unique hardware modularity, efficient microprocessor design, and flexible programming capability greatly reduce the risk of obsolescence.

Thank you for the opportunity to present this proposal. You may be sure that we will use all the resources available to the Waters Corporation to ensure the successful implementation of the new system.

Sincerely yours,

Janet A. Curtain

Janet A. Curtain
Executive Account Manager
General Merchandise Systems
JCurtain@netcom.TE.com

Executive summary provides consolidated version of proposal's main points.

Emphasizes collaboration with customer.

Demonstrates how customer's needs have been surveyed.

Costs and projected savings are noted.

EXECUTIVE SUMMARY

The Waters' 319 Interactive Terminal/615 Retail Processor System will provide your management with the tools necessary to manage people and equipment more profitably with procedures that will yield more cost-effective business controls for Cookson's.

The equipment and applications proposed for Cookson's were selected through the combined effort of Waters' and Cookson's Management Information Systems Director, Mr. Becklight. The architecture of the system will respond to your current requirements and allow for future expansion.

The features and hardware in the system were determined from data acquired through the comprehensive survey we conducted at your stores in February of this year. The total of 71 Interactive Terminals proposed to service your four store locations is based on the number of terminals currently in use and on the average number of transactions processed during normal and peak periods. The planned remodeling of all four stores was also considered, and the suggested terminal placement has been incorporated into the working floor plan. The proposed equipment configuration and software applications have been simulated to determine system performance based on the volumes and anticipated growth rates of the Cookson's stores.

The information from the survey was also used in the cost justification, which was checked and verified by your controller, Mr. Deitering. The cost effectiveness of the Waters Interactive Terminal/Retail Processor System is apparent. Expected savings, such as the projected 45-percent reduction in sales audit expenses, are realistic projections based on Waters' experience with other installations of this type.

General description-of-products section.

Customer's exact needs are addressed.

Short, concise paragraphs help reader comprehension.

Headings used to separate topics.

GENERAL SYSTEM DESCRIPTION

The point-of-sale system that Waters is proposing for Cookson's includes two primary Waters' products. These are the 319 Interactive Terminal and the 615 Retail Processor.

Waters' 319 Interactive Terminal

The primary component in the proposed retail system is the Interactive Terminal. It contains a full microprocessor, which gives it the flexibility that Cookson's has been looking for.

The 319 Interactive Terminal provides you with freedom in sequencing a transaction. You are not limited to a preset list of available steps or transactions. The terminal program can be adapted to provide unique transaction sets, each designed with a logical sequence of entry and processing to accomplish required tasks. In addition to sales transactions recorded on the selling floor, specialized transactions such as theater-ticket sales and payments can be designed for your customer-service area.

The 319 Interactive Terminal also functions as a credit authorization device, either by using its own floor limits or by transmitting a credit inquiry to the 615 Retail Processor for authorization.

Data-collection formats have been simplified so that transaction editing and formatting are much more easily accomplished. Mr. Sier has already been provided with documentation on these formats and has outlined all data-processing efforts that will be necessary to transmit the data to your current systems. These projections have been considered in the cost justification.

Waters' 615 Retail Processor

The Waters' 615 Retail Processor is a minicomputer system designed to support the Waters' family of retail terminals. The processor will reside in the computer room in your data center in Buffalo. Operators already on your staff will be trained to initiate and monitor its activities.

Emphasizes reliability and flexibility.

The 615 will collect data transmitted from the retail terminals, process credit and check authorization inquiries, maintain files to be accessed by the retail terminals, accumulate totals, maintain a message-routing network, and control the printing of various reports. The functions and level of control performed at the processor depend on the peripherals and software selected.

Software

The Retail III software used with the system has been thoroughly tested and is operational in many Waters customer installations.

The software provides the complete processing of the transaction, from the interaction with the operator on the sales floor through the data capture on cassette or disk in stores and in your data center.

Retail III provides a menu of modular applications for your selection. Parameters condition each of them to your hardware environment and operating requirements. The selection of hardware will be closely related to the selection of the software applications.

Detailed solution section.

Opening states customer problem.

Proposed solution to problem is stated.

Benefits to customer are stated.

Savings total is highlighted using capitals and underline.

PAYROLL APPLICATION

Current Procedure

Your current system of reporting time requires each hourly employee to sign a time sheet, which is reviewed by the department manager and sent to the Payroll Department each Friday. Because the work week ends on Saturday, the employee reports the scheduled hours for Saturday and not the actual hours; the department manager must then adjust the time sheet for employees who do not work the number of Saturday hours scheduled.

The Payroll Department employs a supervisor and three full-time clerks. To meet deadlines caused by an unbalanced work flow, an additional part-time clerk is used for 20 to 30 hours per week. The average wage for this clerk is \$8.00 per hour.

Advantage of Waters' System

The 319 Interactive Terminal can be programmed for entry of payroll data for each employee on Monday mornings by department managers, with the data reflecting actual hours worked. This system would eliminate the need for manual batching, controlling, and data input. The Payroll Department estimates conservatively that this work consumes 30 hours per week.

Hours per week	30
Average wage (part-time clerk)	<u>x8.00</u>
Weekly payroll cost	\$240.00
Annual Savings	\$12,480

Elimination of the manual payroll tasks can save 0.25 hourly units. Timely data input will improve work flow and efficiency, and reduce the number of hours needed to disburse payroll checks.

Eliminate manual tasks	0.25
Improve work flow	0.75
40-hour unit reduction	1.00
Hours per week	40
Average wage (full-time clerk)	<u>9.00</u>
Savings per week	\$360.00
Annual Savings	\$18,720

TOTAL SAVINGS: \$31,200

COST ANALYSIS

This section of our proposal provides detailed cost information for the Waters 319 Interactive Terminal and the Waters' 615 Retail Processor. It then multiplies these major elements by the quantities required at each of your four locations.

319 Interactive Terminal

	Price	Maint. (1 yr.)
Terminal	\$2,895	\$167
Journal Printer	425	38
Receipt Printer	425	38
Forms Printer	525	38
Software	220	—
TOTALS	\$4,490	\$281

615 Retail Processor

		Price	Maint. (1 yr.)
Processor	\$57,115		\$5,787
CRT I/O Writer		2,000	324
Laser Printer		4,245	568
Software		12,480	—
TOTALS		\$75,840	\$6,679

The following breakdown itemizes the cost per store:

Store No. 1

Description	Qty.	Price	Maint. (1 yr.)
Terminals 16		\$68,400	\$4,496
Digital Cassette	1	1,300	147
Laser Printer	1	2,490	332
Software	16	3,520	—
TOTALS		\$75,710	\$4,975

Store No. 2

Description	Qty.	Price	Maint. (1 yr.)
Terminals 20		\$85,400	\$5,620
Digital Cassette	1	1,300	147
Laser Printer	1	2,490	332
Software	20	4,400	—
TOTALS		\$93,590	\$6,099

Estimated costs of all products and services are itemized.

Totals are emphasized with capitals.

Use of tables helps clarify and organize information.

Uniformity of table style creates professional look.

Store No. 3

Description	Qty.	Price	Maint. (1 yr.)
Terminals 17		\$72,590	\$4,777
Digital Cassette	1	1,300	147
Laser Printer	1	2,490	332
Software	17	3,740	—
TOTALS		\$80,120	\$5,256

Store No. 4

Description	Qty.	Price	Maint. (1 yr.)
Terminals 18		\$76,860	\$5,058
Digital Cassette	1	1,300	147
Laser Printer	1	2,490	332
Software	18	3,960	—
TOTALS		\$84,610	\$5,537

Data Center at Buffalo

Description	Qty.	Price	Maint. (1 yr.)
Processor 1		\$57,115	\$5,787
CRT I/O Writer	1	2,000	324
Laser Printer	1	4,245	568
Software	1	12,480	—
TOTALS		\$75,840	\$6,679

The following summarizes all costs:

Location	Hardware	Maint. (1 yr.)	Software
Store No. 1	\$72,190	\$4,975	\$3,520
Store No. 2	89,190	6,099	4,400
Store No. 3	76,380	5,256	3,740
Store No. 4	80,650	5,537	3,960
Data Center	63,360	6,679	12,480
Subtotals	\$381,360	\$28,546	\$28,100
TOTAL	\$438,416		

DELIVERY SCHEDULE

Waters is able to deliver 319 Interactive Terminals and 615 Retail Processors within 90 days of the date of the contract. This can vary depending on the rate and size of incoming orders. All the software recommended in this proposal is available for immediate delivery.

Projected maintenance costs are included.

Summarizes all costs by location.

Delivery schedule is included.

SITE PREPARATION

Waters will work closely with Cookson's to ensure that each site is properly prepared prior to system installation. You will receive a copy of Waters' installation and wiring procedures manual, which lists the physical dimensions, service clearance, and weight of the system components in addition to the power, logic, and environmental requirements. Cookson's is responsible for all building alterations and electrical facility changes, including the purchase and installation of communication cables, connecting blocks, and receptacles.

Wiring

For the purpose of future site considerations, Waters' in-house wiring specifications for the system call for two twisted-pair wires and 22 shielded gauges. The length of communications wires must not exceed 2,500 feet.

As a guide for the power supply, we suggest that Cookson's consider the following:

1. The branch circuit (limited to 20 amps) should service no equipment other than 319 Interactive Terminals.
2. Each 20-amp branch circuit should support a maximum of three 319 Interactive Terminals.
3. Each branch circuit must have three equal-size conductors—one hot leg, one neutral, and one insulated isolated ground.
4. Hubbell IG 5362 duplex outlets or the equivalent should be used to supply power to each terminal.
5. Computer-room wiring will have to be upgraded to support the 615 Retail Processor.

Specifies modifications required at customer's site.

Required specifications are included.

Numbered list highlights each point.

Training-
requirements section.

Course title is
underlined, and
details and benefits
are described.

Prerequisites for stu-
dents are
recommended.

TRAINING

To ensure a successful installation, Waters offers the following training course for your operators.

Interactive Terminal/Retail Processor Operations

Course number: 8256

Length: three days

Tuition: \$500.00

This course provides the student with the skills, knowledge, and practice required to operate an Interactive Terminal/Retail Processor System. Online, clustered, and stand-alone environments are covered.

We recommend that students have department-store background and that they have some knowledge of the system configuration with which they will be working.

Statement-of-responsibilities section.

Customer and vendor responsibilities are clearly delineated.

Bulleted lists help separate and organize points.

RESPONSIBILITIES

Based on its years of experience in installing information-processing systems, Waters believes that a successful installation requires a clear understanding of certain responsibilities.

Generally, it is Waters' responsibility to provide its users with needed assistance during the installation so that live processing can begin as soon thereafter as is practical.

Waters' Responsibilities

- Provide operations documentation for each application that you acquire from Waters.
- Provide forms and other supplies as ordered.
- Provide specifications and technical guidance for proper site planning and installation.
- Provide advisor assistance in the conversion from your present system to the new system.

Customer's Responsibilities

- Identify an installation coordinator and system operator.
- Provide supervisors and clerical personnel to perform conversion to the system.
- Establish reasonable time schedules for implementation.
- Ensure that the physical site requirements are met.
- Provide competent personnel to be trained as operators and ensure that other employees are trained as necessary.
- Assume the responsibility for implementing and operating the system.

Description of vendor and organizational sales pitch.

DESCRIPTION OF VENDOR

The Waters Corporation develops, manufactures, markets, installs, and services total business information-processing systems for selected markets. These markets are primarily in the retail, financial, commercial, industrial, health-care, education, and government sectors.

The Waters' total system concept encompasses one of the broadest hardware and software product lines in the industry. Waters' computers range from small business systems to powerful general-purpose processors. Waters' computers are supported by a complete spectrum of terminals, peripherals, data-communication networks, and an extensive library of software products. Supplemental services and products include data centers, field service, systems engineering, and educational centers.

The Waters Corporation was founded in 1934 and presently has approximately 26,500 employees. The Waters' headquarters is located at 17 North Waterloo Boulevard, Tampa, Florida, with district offices throughout the United States and Canada. For a comprehensive listing of Waters' products and services, visit our Web site at www.waters.corp.com.

Subheads help organize information.

WHY WATERS?

Corporate Commitment to the Retail Industry

Waters' commitment to the retail industry is stronger than ever. We are continually striving to provide leadership in the design and implementation of new retail systems and applications that will ensure our users of a logical growth pattern.

Research and Development

Over the years, Waters has spent increasingly large sums on research-and-development efforts to assure the availability of products and systems for the future. In 20--, our research-and-development expenditure for advanced systems design and technological innovations reached the \$70 million level.

Leading Point-of-Sale Vendor

Waters is a leading point-of-sale vendor, having installed over 150,000 units. The knowledge and experience that Waters has gained over the years from these installations ensure well-coordinated and effective systems implementations.

Promotes company and its general capability.

Concludes on an upbeat note.

Proposal's main points are summarized in conclusion opening.

Company's strong points are stressed.

Client provided with contact information.

Conclusion ends on positive note.

CONCLUSION

Waters welcomes the opportunity to submit this proposal to Cookson's. The Waters Corporation is confident that we have offered the right solution at a competitive price. Based on the hands-on analysis we conducted, our proposal takes into account your current and projected workloads and your plans to expand your facilities and operations. Our proposal will also, we believe, afford Cookson's with future cost-avoidance measures in employee time and in enhanced accounting features.

Waters has a proven track record of success in the manufacture, installation, and servicing of retail business information systems stretching over many decades. We also have a demonstrated record of success in our past business associations with Cookson's. We believe that the system we propose will extend and strengthen this partnership.

Should you require additional information about any facet of this proposal, please contact Janet A. Curtain, who will personally arrange to meet with you or arrange for Waters' technical staff to meet with or send you the information you need.

We look forward to your decision and to continued success in our working relationship with Cookson's.