

# SMART CONFERENCE

## Building Business in the South East

The River Centre, Tonbridge

11<sup>th</sup> February 2010



# Bid Writing

**“How to win tenders - at the right price”**

Presented by

***Tim Colman***

Director – Partnership Working Limited



© Partnership Working Ltd. 2010

The information contained within this presentation may only be used by the participants in today's workshop and may not be used in any form for third party presentations.



This presentation is in three parts:

“Are you bid ready”

“Finding the opportunities”

“The Ten Golden Rules of Bid Writing”

# PART ONE

## ARE YOU BID READY?

Many organisations charge into bid response without being properly prepared.

This approach will almost always lead to failure.

Key issues are:

Policies

Insurances

References

Finance

Willingness

# POLICIES

There is an increasing requirement for bidders to provide details of a large number of policies and procedures – particularly at the PQQ stage.

You absolutely must have:

Health & Safety Policy

(even if you have less than five staff)

Equal Opportunities Policy

Quality Management Statement (QMS)

Environmental Policy

Confirmation that you are registered for  
Data Protection.

But other policies may be required

Ethical Sourcing (for importers)

Sub-contracting Policy

Recruitment Policy

Business continuity (or disaster  
recovery) plan.

Sub-contracting Policy

# INSURANCES

You must also have the following insurance policies:

Public Liability

Employers liability

Professional Indemnity

If you are bidding as a consortium “Joint and Several Liability” may be something you can offer to reduce risk for the procurement managers.

# REFERENCES

You must understand the difference between  
a Reference and a Testimonial

A Reference will include specific details of the work carried out or the service provided.

That will include:

Where?

What?

When?

How much was it worth?

Contact details of a referee.

A testimonial will basically be an unsolicited letter or comment from a satisfied client.

For example:

*“Tim gave a very useful insight into Public Sector procurement process. Tips and guidance should prove invaluable for future bids”.* DJ – Leapfrog International

# FINANCE

You will generally be asked for 3 years accounts.

If you don't have these, you could explain why not and provide:

As many Accounts as you can

A Cash Flow Forecast

Management accounts

A Statement from your accountant

A Bank reference

Consider the “20% rule”.

This is an informal rule but basically says that you shouldn't expect to win a project that is worth more than 20% of your turnover.

There are sound reasons for this:

You may not have the infrastructure to cope.

One large project will distort the whole stability of the organisation.

You may have cash flow problems.

There is a real risk of underperforming on existing projects.

# WILLINGNESS

Competing in a tender can be a substantial commitment – both financially and in terms of management time.

You must be willing to allocate resource to the bid process which could potentially include a PQQ, Bid and Presentation.

The whole process could take many man-days of hard work and possibly the direct cost of preparing drawings, printing and binding your offer, delivery by courier and travelling to give a presentation.

But you also need to be willing to fulfil the terms of the contract regarding delivery of your product or service – whilst not forgetting your existing clients.....

# PART TWO

# FINDING THE OPPORTUNITIES

**One problem with uncovering the opportunities is that there are so many places to look!**

**There are over 1000 websites in the UK alone that carry details of tendering opportunities.**

**Some are market sector specific –  
for example**

**[www.bluelight.gov.uk](http://www.bluelight.gov.uk)**

**or**

**[www.tenders.ac.uk](http://www.tenders.ac.uk)**

**on a more general basis you could  
consider**

**[www.supply2.gov.uk](http://www.supply2.gov.uk)**

**or**

**[www.businessportal.southeastiep.gov.uk](http://www.businessportal.southeastiep.gov.uk)**

or for Olympic™ tenders

[www.competefor.com](http://www.competefor.com)



**for “OJEU” tenders**

**<http://ted.europa.eu>**

**or use a tender finding service!**



# **PART THREE**

## **THE TEN GOLDEN RULES OF BID WRITING**

# The Ten Golden Rules Of Tendering

1. Before you start typing.....
2. Don't lie!
3. Go through commercial conditions with a fine toothed comb....
4. Timescales
5. Know what your client really wants
6. Know your competitors
7. Plan the bid presentation and make it look good.
8. Spend serious money if working on a serious bid!
9. Don't bid if you can't cope.....
10. Finally – what to do if you don't win.....

# 1. BEFORE YOU START TYPING

Quite apart from the tender documents themselves, there will be some instructions on exactly how the tender should be handled.

Very often this information is only mentioned in the covering letter that accompanies the main tender document.

# 1. BEFORE YOU START TYPING

The type of issues that could be mentioned are:

Acknowledge of receipt

The return envelope

Time limit for questions

A pre-tender meeting or site visit

The number of copies of the bid itself

## 2. DON'T LIE!

If you don't meet the exact specification given in tender documents – then admit it.

Don't pretend you meet all the requirements if you don't – you will simply get into trouble later. However, don't simply say “I don't comply” – stress the benefits of your solution.

### **3. GO THROUGH COMMERCIAL CONDITIONS METICULOUSLY**

Don't cut corners.

If there are many pages of technical or commercial conditions then go through each one line by line and put "confirmed" or "comply" by each one you accept and explain any that you do not or cannot meet.

This will save you problems in the future and will also demonstrate to the client that you have taken the bid process seriously.

# 4. TIMESCALES

Many official tenders – particularly in the public sector – will have very tight deadlines.

Sometimes they will only give a few days to prepare the bid itself and will then promise to make a decision quickly and – in turn – place an order very quickly.

Invariably this does not happen!

# 4. TIMESCALES

So don't be bullied into accepting a risk on materials cost and exchange rates based on the assumption that everything will be settled in a few days.

Make it clear that your price and delivery schedule will depend on the client meeting his own deadlines.

# 4. TIMESCALES

Tied into this is the issue of penalty payments for late delivery or failure to meet specifications.

Do not accept unrealistic penalty clauses.

(These are typical in the construction industry)

# 5. KNOW WHAT YOUR CLIENT REALLY WANTS

You must understand the tender documents.

If you don't understand – then ask.

Getting it wrong may mean you are too expensive - but winning the job and not understanding what is really required could bankrupt you!

# 6. KNOW YOUR COMPETITORS

If you really know your competitors you highlight their weaknesses to your benefit.

Don't "name and shame" - but if they have a weakness then stress your strength in this area.

If they have a strength, then explain why your way is better.

# 7. PLAN THE BID

If the bid is substantial then plan the presentation of documents before you start.

You may need to present special drawings or plans so consider reserving some Drawing Office time in advance.

# 7. PLAN THE BID

Don't merely fill your presentation with photocopied brochures. If they are relevant then include them – but never copies.

You may want to incorporate 2 or 3 technical or commercial options and alternatives – make sure that this is obvious to the client.

# 8. SERIOUS BIDS COST SERIOUS MONEY

If it is a big project then expect to spend serious money on the bid itself.

The London 2012 Olympic Bid (which was actually a response to an RFP) cost more than £80 million.

Whatever some may say it is a £20 billion project!



# 9. DON'T BID IF YOU CAN'T COPE.....

Many companies have been brought to their knees by successfully bidding for big projects.

They may have missed commercial or technical issues in the tender document.

They may not be able to actually raise enough money to finance the project.

## 9. DON'T BID IF YOU CAN'T COPE.....

They may have a client who goes bankrupt on them.

They may simply be unable to cope with the size of the project or could have underestimated costs.

# 9. DON'T BID IF YOU CAN'T COPE.....

Making more of a product does not necessarily reduce unit costs.

There come “break points” in manufacture where you may need to invest in another production line or even factory.

You may need to employ specialist project managers or pay higher salaries to attract more staff.

# 10. IF YOU DON'T WIN.....

The other issue is influencing the specification of a future project.

By entering a non-compliant, yet financially interesting, bid there are several potential outcomes.

The whole tender may be cancelled, the specifications changed, and then the tender re-opened.

If it is a multi-stage project, your specification may be very seriously considered for the next phase.

# CLOSING THOUGHTS.....

Winning a tender is not a matter of the lowest bid or necessarily the best product.

# The following factors can also influence the final decision...

- Professional presentation
- A demonstrable understanding of the clients needs.
- Service and reliability of the product offered.
- Innovation – or the opposite (tradition)
- Quality
- References
- Client trust and personal relationships
- Going the extra mile.....

# SHAMELESS SELF PROMOTION

What do we mean by “Shameless Self Promotion”?

Your competitors are not going to tell the client how good you are. So you must!

Assume the client doesn't know who you are. Because the person or people making the decision may not have any idea who you are or what you do!

# SHAMELESS SELF PROMOTION

Enhance your image (but DON'T LIE!)

# SHAMELESS SELF PROMOTION

Enhance your image (but DON'T LIE!)

Tell the client who you are.

# SHAMELESS SELF PROMOTION

Assume the client doesn't know you.

This is relevant even if you are a market leader, or you have known the client and his representatives for years.

Your contacts may leave, or not be involved in the decision on this project.

Or if it is a big project, the final decision could rest with accountants or even external advisors, who don't know anything about you or your products and services.

# SHAMELESS SELF PROMOTION

Enhance your image (but DON'T LIE!)

Tell the client who you are.

Tell the client what you have done.

# SHAMELESS SELF PROMOTION

As already mentioned, the decision makers may not know much about you.

So prepare a good, and relevant, experience list (not necessarily a reference list).

And choose your wording very carefully.....

# SHAMELESS SELF PROMOTION

Enhance your image (but DON'T LIE!)

Tell the client who you are.

Tell the client what you have done.

Tell the client about your best customers.

# SHAMELESS SELF PROMOTION

You may wish to include a client list with the experience list, but there are some subtle differences.

For example, if you have supplied the Army with a thousand pounds worth of ink it is far more impressive to list the Army as a client than it is to say, specifically, that you sold them a thousand pounds worth of ink.....

# SHAMELESS SELF PROMOTION

Enhance your image (but remember DON'T LIE!)

Tell the client who you are.

Tell the client what you have done.

Tell the client about your best customers.

Tell the client about the experience of your  
key staff.

# SHAMELESS SELF PROMOTION

Giving information about your key staff can be very powerful.

Tell the client about their industry experience.

Tell the client if they have published papers.

Tell the client about their project or product experience.

Tell the client about any professional qualifications.

# SHAMELESS SELF PROMOTION

Enhance your image (but DON'T LIE!)

Tell the client who you are.

Tell the client what you have done.

Tell the client about your best customers.

Tell the client about the experience of your key staff.

Tell the client about your company policies.

# SHAMELESS SELF PROMOTION

In many cases, the tender documents (or the PQQ) will call for a statement regarding company policies. Or they may even ask for you to enclose copies of appropriate documents.

But sometimes it will be appropriate to include relevant information even if the client hasn't asked for it.

# SHAMELESS SELF PROMOTION

Examples of relevant policies are:

Health and Safety Policy.

Environmental Policy.

Equal Opportunities and Harassment Policy.

Quality Management Policy.

Sub-contracting Policy.



OFFENDING COMMAND : ~

STACK :