

Andrew Morrison | AM Bid Services

A TACTICAL APPROACH TO BIDDING



Currently working with bidders in diverse sectors ...

| | | | |
|---------------------|-----------------------|---------------------|--------------------|
| Accountancy | Care Services | Construction | Contact Centres |
| Energy & Efficiency | Facilities Management | Grounds Maintenance | Higher Education |
| Highways | Infrastructure | IT & Telecoms | Legal |
| Marketing | Media Services | NHS | Plumbing & Heating |
| Rail | Renewables | Social Housing | Water |

What to look forward to ...

- ▶ What kind of bidder are you?
- ▶ To bid ... or not to bid?
- ▶ How to use the new procurement legislation to your advantage
- ▶ How can you make your bid stand out?
- ▶ Who is marking your bid?
- ▶ What can bidders learn from marginal gains?
- ▶ How to deploy strategic clarification questions
- ▶ Current trends in bidding e.g. community benefits
- ▶ How to deal effectively with TUPE in bids
- ▶ Bidding, Brexit and indyref2 - what to look out for
- ▶ How and when to seek external assistance
- ▶ Discussion and Q&As

What kind of bidder are you?

Waitrose

MARKS &
SPENCER

Sainsbury's

TESCO
Every little helps

ASDA

**CO
OP**



Iceland

Scotland's new procurement legislation – will it come to UK?

Sustainable Procurement Duty

- Improve social, economic and environmental wellbeing of authority / area
- Facilitate the involvement of SMEs, third sector bodies and supported businesses
- Promote innovation

Increased Provision of Information to Prospective Tenderers

- Procurement Strategies and Annual Reports
- More contracts broken down into Lots
- Minimum turnover requirements to a maximum of 2x contract value
- Duty to provide more detailed feedback information
- Greater use of open procedure, with ESPD (SQ)

Community Benefits (Social Value)

- More detailed and onerous community benefit requirements - now contractual

Use a Bid / No Bid Decision Tool (simple example)

| Criteria | Score / 10 | Weighting | Total |
|---------------------------|------------|-----------|-------|
| Existing Relationship | | 2.5 | |
| Client & Competitor Intel | | 1 | |
| Size of Opportunity | | 1.5 | |
| Price / Quality split | | 1 | |
| Profitability | | 2 | |
| Strategic Fit | | 1 | |
| Deliverability | | 1 | |

Consider **SMART** bidding; sometimes **BID LESS** to **WIN MORE!**

How can you make your bid stand out?



Client Hot Buttons

- ▶ What is important to the Client and their Service Users?
- ▶ Efficiencies; Customer Service; Managing Risk; Innovation; Added Value; Corporate Social Responsibility

Win Themes

- ▶ Better, Faster, Cheaper - can you do all 3?
- ▶ Linked to Client Hot Buttons
- ▶ Like chorus of a song

Key Differentiators

- ▶ What is different about your services?
- ▶ Do you have USPs?
- ▶ Customer Value Proposition - turns features into benefits
- ▶ What can you guarantee?

Who is marking your bid?

- ▶ Usually a panel of 3-8 people; sometimes more
- ▶ It's not just Subject Matter Experts ... so watch jargon
- ▶ Procurement likely to be in the driving seat
- ▶ Also think about Strategy, Finance, Health & Safety, Legal, HR - what are their Hot Buttons?
- ▶ Panels can include service users e.g. tenants



Marginal gains



- ▶ Prioritise - decide what you want to win, and when
- ▶ Analyse every part of your bid process
- ▶ Try to improve every little thing by 1%
- ▶ Pay attention to the details
- ▶ Ensure you get meaningful feedback
- ▶ Know when to get external assistance

How to deploy strategic clarification questions (CQs)



- ▶ Check portals and all documents - ensure you have everything and that you fully understand the requirements
- ▶ Note the CQ deadline
- ▶ Aim to get CQs in as early as possible
- ▶ Use CQs to sense check with client
- ▶ CQs can be used to level the playing field and ensure apples are compared with apples
- ▶ Keep a respectful tone and show that you understand why the client may have put things in a certain way
- ▶ When posting on a portal, load the questions individually
- ▶ Can use Bidder Confidential questions relating to your Solution
- ▶ This is usually the time to ask any questions you may have on the contract
- ▶ Ensure you are checking the portal regularly for CQ responses and bid document updates

Current trends in bidding



- ▶ ESPD/SQ - more single-stage bidding
- ▶ Growing use of Framework Agreements and DPS
- ▶ Public sector spending under considerable pressure
- ▶ Procurement being used to control budgets and generate some revenue
- ▶ Procurement having larger say than ever before
- ▶ TUPE remains a considerable concern on some bids
- ▶ Some protracted decision-making timescales
- ▶ Some last minute extensions being granted - even after client had said they would not be giving any extensions
- ▶ Large variations in Price / Quality split

How to present social value

- ▶ Cannot just be a rehash of what you are doing anyway although you can mention what will be sustained
- ▶ Think how you can contribute to the buying organisation's strategic priorities and preferred community groups
- ▶ The buyer is looking very specifically for what will be **new delivery** due to being awarded this contract
- ▶ A brief description of each social value benefit and **how it will be delivered**
- ▶ The estimated **GBP value** of each social value benefit that you will provide
- ▶ A brief explanation of how you will monitor delivery of each social value benefit and **report** this to the buyer
- ▶ Whilst it is not all about jobs and apprenticeships, these will likely form the centrepiece of any offering
- ▶ Think about potential community use of premises and equipment
- ▶ Enter some dialogue with local community groups prior to submitting the bid to find out what they need



How to deal effectively with TUPE

- ▶ Ask yourself some questions before bid sign-on
- ▶ Try to get as much information as possible - from client and outgoing contractor
- ▶ Ask client if their contract includes a TUPE information clause
- ▶ Describe how you will integrate TUPE staff
- ▶ Is your bid dependent on staff transferring? What if they do not move across?
- ▶ Provide evidence of how you have successfully integrated TUPE staff previously
- ▶ Note that the client will usually take a “hands off” approach to TUPE and leave this between contractors
- ▶ Demonstrate how you will manage any press interest if there are to be redundancies

Bidding, Brexit and indyref2

- ▶ OJEU process is enshrined in UK primary legislation
- ▶ Unlikely to be many early changes to procurement legislation
- ▶ UK public sector had procurement arrangements in place before joining the EU
- ▶ Imagine if no procurement rules existed!
- ▶ Scottish Government strongly in favour of public sector procurement
- ▶ Contractors may need to demonstrate how they will handle price increases due to exchange rates and reduced access to labour markets
- ▶ Think how indyref2 may affect perception of Scottish firms bidding for rUK work, or rUK firms bidding to Scottish clients - may need to factor in how you would deliver services following a Yes vote e.g. currency issues, etc



Bid hints & tips

- ▶ **Maintain** an up-to-date Bid Library
- ▶ **Check** full compliance with client bidding instructions
- ▶ **Assign** responsibilities to appropriate members of the team - disciplined Bid Kick Off Meeting
- ▶ **Differentiate** solutions / service delivery propositions
- ▶ **Relate** your responses to each specific question and answer: Why Us? So What?
- ▶ **Review** your bid in plenty of time before submission to eradicate mistakes (3 pairs of eyes)
- ▶ **Update** your website to make it current, relevant and compelling
- ▶ **Encourage** ALL staff to “Think Bid” - bid gold dust is usually found outside the bid room!



Bid feedback

- ▶ Ensure you get written feedback on all bids
- ▶ If possible, also obtain verbal and face-to-face feedback
- ▶ Evaluate feedback carefully
- ▶ Ensure the feedback is mainstreamed into the business
- ▶ Note feedback in the bid library
- ▶ Get feedback on winning bids, as well as losing ones
- ▶ Don't oversimplify - a winning bid was not all good; neither was a losing bid all bad



When to seek external assistance ...

- ▶ Bid Strategy Planning
- ▶ Bid Gap Analysis Review
- ▶ Bid Training
- ▶ Bid Recruitment
- ▶ Entering new markets
- ▶ 'Must win' bids
- ▶ Bid Scoring / Critical Friend
- ▶ More bids than you can cope with
- ▶ Resource issues e.g. staff absences
- ▶ Interim bid support



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Now... your Bid related Questions please!



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www.apmp.org
www.apmpuk.co.uk
symposium@apmpuk.co.uk