

Topic:
Marketing

Structuring a successful tender bid and winning more business

Can all organizations gain a competitive edge when bidding for Government tenders?

What makes the difference between a successful tender bid and a fruitless one?

Is the Public Sector a clear-cut opportunity or is it a financial minefield?

Marc Wood, CEO of Exor Management Services, the UK's leading Public Sector accreditation body advises.

iCT is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunications sectors.

The tender process can be an extremely time consuming and financially draining process, however it can be immensely lucrative and satisfying, when you get it right. Each year the Public Sector awards close to £140bn worth of lucrative recession proof contracts to organisations within the government supplier network. However, the small to medium sized business (SME) has always viewed these opportunities with a sceptical eye as rumours of favouritisms abound. If the SME is prepared to put some effort into the process and handle a more formalised tendering procedure, the success can be rewarding.

Before one starts to consider the tendering process there are a number of considerations that one should make:

Compliance

Your business must comply with the necessary guidelines of compliance to work within the government sector. Some Local Authorities place additional requirements for particular categories of work or supply. This procedure involves providing evidence of the appropriate financial strength of the company and ensuring that relevant insurances, health and safety and equal opportunities policies are in place. You may also be expected to provide a number of references for the types of work or supply you would like to bid for.

Which tender

To find out more about the type of tender you may wish to apply for, visit the Local Authority website. There are also a number of online journals that publish upcoming tenders across the country, you need not respond to the tender if you do not wish to, but you will be able to see the type and level of detail required to bid.



What & Where

Choose the geographical area in which you wish to work. Start locally and work further a field. Secondly, position your business with a typical order or contract value you want to bid for and can provide references for. Additionally think carefully and understand the category of work or supply that you can provide. EXOR can provide a full listing for these categories and the specific tenders offered.

Supplier briefings

Agree to attend a Supplier Briefing Session. Most Local Authorities run these, typically in association with organisations such as Business Link. There is a huge campaign underway at the moment to engage the Business Community with the 'Local Government Online' initiative. The goal of this project is to be able to communicate with Suppliers electronically over the Internet to place orders and make payments by 2005. This initiative will also have the effect of opening up far more opportunities to companies that have not worked within the government sector before. More information can be found at <http://www.localgov.gov.uk>.

Tender types

All local authorities employ similar rules regarding procurement. Although the limits may vary between authorities there are four ways an authority spends money with external companies, these are called their Standing Orders. They fall into four distinct types of tenders.

1. **Discretionary** - authorized procurement officers may spend up to £5k to £10k without any onerous approval process
2. **Quotations** - above the 'Discretionary' limit a number of written quotations are sought, typically for projects up to £20k
3. **Tenders** - above the 'Quotation' limit it is necessary to put out a formal tender and follow the appropriate and exacting procedure
4. **OJEC** - normally above £100k this will require following the OJEC procedure which is an EEC requirement to allow any company in the EEC to bid for government contracts. There are some exceptions, in particular categories where this limit may be even lower



Completing the tender

On receipt of an invitation to tender there are a number of factors to consider. Firstly you must take into account the size of the task and how many (if any) other organisations are being invited to tender. You may decide if the competition is too fierce, then if the time, effort and resources you employ far outweigh the feasibility of attaining or benefits of gaining the contract. Consider the deadlines, when does the work have to be carried out? How long is it going to take? How long do you have to respond to the tender? How critical is it for you to secure the contract?

Ask questions

Once you have read all the necessary documents thoroughly, produce a list of questions or points that need clarification. Never make assumptions. If you have not been offered a question and answer session for clarification of any areas, ask if you can meet them to clarify any questions you may have. It is a good idea to take the whole team along to these sessions. If it is unfeasible for such a meeting to take place and a more practical solution lies in a telephone conversation, make sure all communication is confirmed in writing to clarify any miscommunication.

Pricing

Understand and determine on your costs. When pricing the service, if a pricing grid has been supplied use it to respond, however it is worth producing a list of all the costs associated so that you are very clear about how much the service will cost you from start to completion, do not forget on-going management and any other in-house costs. If you wish to submit your own pricing mechanism you should do this in addition to the clients pricing grid.

Be different

Your presentation should not just be a repetition of the tender response, the client organisation already has this information, so focus on your unique and differentiating points, identify anything the client is concerned about so that you can address the major issues. Do not finish the presentation with a question and answer session, you want to leave the presentation on a high and you may have to answer some awkward questions

Ask them to visit

The client organisation may wish to come to your site to see your set up, if this is the case, once again, ensure you know who will be undertaking the visit and what it is they want to see. If the client organisation does not set an agenda for the day, make it your business to do so and make sure they receive a copy before the event so changes can be made. This will ensure that you cover all the items you wish to raise and also provide the client organisation with an opportunity to list their items.



Summer 2004

Be professional

A professional appearance is compulsory, this includes making sure the premises are clean and tidy, the meeting room is prepared and the receptionist is aware of the visit in advance. You must ensure that all the items on your agenda are covered and that the people that you wish the client to meet must be made fully available and informed of the project.

Be web enabled

Lastly, if you are bidding for Public Sector Authorities (PSA) tenders ensure that you have a website that enables you to accept orders and take payments online. Also check the websites of all local authorities, as the openness with which the Local Government marketplace works extends in many cases to publishing the minutes of Cabinet Meetings, which are the final approval stage for procurement, here you will see how your bid is going!

Following the above guidelines will ensure you are well on your way to winning a successful tender bid.

Exor Management Services can be found at <http://www.exorgroup.co.uk>

Ends

Written by Marc Wood, CEO, Exor Management Services Ltd.

About Exor Management Services

Exor Management Services is an established Accreditation Body providing Supplier and Contractor Accreditation Services for more than 10% of Public Sector Authorities (PSAs) in the UK. Exor is the only Accreditation Body providing a world-class capability across all categories of public spending and all types of supplier, from Sole Traders through to FTSE 100 Companies.

Many of Exor's Public Sector clients are now using our Supplier Accreditation Service as a fundamental component of their procurement strategies in order to achieve Best Value Audit goals, assist in Urban Regeneration, support Inward Investment schemes and lay the foundations for 2005 e-Government initiatives such as the NePP project.



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Summer 2004

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Alternatively you can subscribe to a third party accreditation Company such as EXOR Management Services, many Local Authorities now use third party accreditation organisations the idea being that Companies that register with companies such as EXOR are taken through the pre qualification accreditation process once and the supplier and the Authority do not have to go through the same checking and form filling every time a tender is issued. Suppliers are also able to get registered on multiple Local Authority Supplier lists, in EXOR's case this is now over 40 out of some 350.

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