

new the new business

by Dave Hunt
& Dave Treacy

In these tough times business development is changing. Sales made on relationships and the magical words of slick aces are declining. Buyers are turning to tenders as pressure increases to manage cost and demonstrate due process. Businesses need the right tender strategy. To win a tender is not all sharp pricing; you need to be competitive, complete and compelling.

In the first quarter of 2009 there has been an extraordinary amount of tender activity. TenderLink who publish 98% of all public tenders report a 24% uplift in the number of tenders listed compared to Quarter One 2008. There are three forces driving this; firstly businesses are reviewing their procurement spend seeking cost savings, secondly new government spending programs are emerging and thirdly councils, state and federal governments are tightening their procurement practices. These provide an opportunity and a threat for vendors. There is more opportunity, but vendors need to select their targets carefully to avoid wasting time and effort on unsuccessful tenders. This is particularly important as their core business may also be under review and they may be asked to put in a tender to keep it.

The tightening of procurement practices cannot be ignored by those wishing to be successful. In the current environment, key client contacts are less willing to sidestep procurement procedures as no one wants to be seen to be doing the wrong thing. A tradesman who previously would agree a quote with their contact, will now often need to submit a tender and in doing so demonstrate appropriate disciplines in Occupational Health and Safety, Industrial Relations,

Environmental and Waste Management and Quality Management.

Winning tender submissions are Competitive, Complete and Compelling. Being competitive is a given; unless the tender is competitive on price, functionality and service it will not win. The key is to understand what to compete on; the companies who consistently win tenders will price the core work at the margin or even as a loss leader, to buy the job, and will then make their money on other items. However many competitive tender responses do not win, as they are incomplete or do not present a compelling case.

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In our experience the most common downfall is completeness; you must comply with all tender conditions and criteria and include everything that is relevant to the tender. The conditions of tender will tell you much of this, but not everything can be documented. If you are not complete you will be rejected, as otherwise the integrity of the process will be called in to question. No one is above the rules; Telstra's non-compliant tender was rejected from the National Broadband Network.

Finally and crucially, winning tenders must be compelling; you must give them a reason to select you. Compelling tenders are concise, well structured and persuasive. A compelling tender drives home the reasons to select you through every section. Writing compelling tenders

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is a unique skill; it requires the right balance of sales and compliance, of detail and big picture. A compelling tender centres on a small number of key proof points which add up to the reason to select you.

There is a significant amount of work in creating a winning tender. Requirements need to be deciphered and a plan to win developed. New processes may need to be written, detailed methods of operations created and a significant amount of documentation gathered. In general once this has been developed it forms a strong foundation for future tenders, making them quicker and easier to prepare. Those looking at preparing or applying for tenders should discuss it with tender writing experts, who can help with tender strategy, standard formats, tricks and tips to ensure they get the best result from their tender. Tender writers who are well connected in the industry will also be aware of upcoming tenders and inform you of other new business opportunities.

Organisations wishing to defend and grow their business should look to tenders, these are increasingly important for new business. To develop winning tenders focus on ensuring they are competitive, complete and compliant

Straterjee's top six tips for preparing a tender:

- 1. Plan carefully;** select your tender carefully; can you win it, do you want to? Develop a plan for how you will win and dedicate resources to winning
- 2. Create a schedule of requirements;** go through the documentation in detail and prepare a list of everything you must return for each section, and use this as a checklist
- 3. Price to win;** review your pricing and ensure you are as sharp as you can be on the key elements, have a clear plan to deliver value from this pricing
- 4. Answer the question honestly;** directly answer their requirements, demonstrating you understand their needs and highlighting the benefits you offer, make sure you are being realistic as you must be able to deliver
- 5. Talk to the experts;** speak to a tender writer, they will be experienced and able to help you develop a winning tender and will help you find new tenders
- 6. First impressions count;** a tender should look professional, invest in making it look good

Dave Hunt is the Managing Director of Straterjee. Dave Treacy leads the Straterjee Tender Practice. Straterjee is a team of General Managers who are proven in delivering leading business results. Straterjee supports clients in procurement reviews, tender writing and assessment.

For more information go to www.straterjee.com