

## Tendering Process - Part 1 : Guidance 22

### Tendering Process - Part 1 How to improve your chances of tendering success

Let us assume your company is in a tendering situation and look at some of the practices and policies you should implement to improve your tendering performance.

#### Location

First and foremost, you should define the precise geographical and operational area you are capable of supplying. For some companies this may be only within their immediate locality, for others it will be nationwide and beyond.

When making the decision you **MUST** ensure that the area you select can be supplied by your company at the optimum level.

There is no point in securing a large contract outwith your capacity to supply. Bad news in the public sector carries far and quickly; by failing to deliver good service you can adversely affect your company's prospects for years to come.

#### Recognition

Secondly, appreciate the importance of recognition. A request to tender received from a company about which the recipient knows nothing is unlikely to receive a positive response.

The more the client knows about you and your company, the better. There is no need, however, to bombard potential clients with volumes of promotional literature. You simply have to get across to your potential clients a series of key elements pertaining to your product, be it a supply or a service.

#### Key Factors

Quality

Reliability

Delivery

Function

Expertise

Innovation

Awareness

Co-operation

Value for Money

Energy

Convince potential clients of your ability to satisfy all these key factors and you are well on your way to successful tendering.

Promoting Your Image

Quality

It almost goes without saying that quality counts. However, many companies still do not consider BS EN ISO 9000 to be a necessity. It is!

One of the first criteria in evaluation is reassurance on quality.

BS EN ISO 9000 gives that assurance. Although contract documents may state that if you do not possess quality certification you may provide other information which supports your offering of a quality process, when it comes to comparing those with certification against those operating an unrecognised system, the unrecognised system will be at a disadvantage every time.

The achievement of BS EN ISO 9000 does not need to be expensive. Any costs will be repaid many times over through efficiency savings, if not through tender successes. Regardless of the size of your company, quality certification is beneficial.

All Government departments are dedicated to achieving Investors in People. They recognise the importance of training to ensure their operations are carried out at the optimum level. In hotels it can be observed within moments whether the establishment has IIP or not, and the impact of IIP on any company working directly with the public can similarly be appreciated.

Your dedication to achieving IIP will not only help your company directly, but it will also be seen by others as the sign of a dynamic, forward-looking company.

Similarly, also consider working towards achieving the Business Excellence Model. It will help you measure performance and build continuous improvement into all your company produces, whether service or supply.

Reliability

How can you convince your client that your product or service is reliable?

You have started the process by achieving BS EN ISO 9000 and IIP. These demonstrate that you are offering a quality product produced by quality people.

Now you have to provide further assurance and guarantees.

If you were buying double glazing for your home you would wish to deal with a reputable company. Double glazing companies' brochures invariably go to great lengths to convince potential purchasers that their products are reliable, for example by inviting you to inspect their product in home settings within their showrooms; by offering a

10-year guarantee; by having the process covered by quality procedures; by emphasizing the quality of the materials used; or by providing endorsements of their products from past clients.

You must do the same.

Provide guarantees, backed by an insurance policy if necessary, and make sure that every time you complete a job the client signs a 'Satisfaction Certificate'. Ask past clients to provide further written acclamations. When first expressing an interest in a contract, forward two or three Satisfaction Certificates to the potential client from past clients of a similar nature. Demonstrate the product in an environment within which it would be used. Provide samples if possible. Provide copies of any articles that have appeared in the trade press regarding your products or information on test results where your products have been evaluated against those of your rivals.

### Gaining Entry to the Market

If you are a small company and have yet to win any substantial contracts from the public sector, you should try to build up a track record of small supplies to the public sector.

First target local Government offices within your immediate area. Check Yellow Pages - you will be surprised how many local and central Government offices there are within a reasonable radius of your company, e.g. Benefits Offices, Tax Offices, Prisons, MoD establishments, Libraries, Theatres and Museums, Hospitals, Nursing Homes, etc. Virtually all will have an authority to purchase low-value commodities up to several thousand pounds, and in many instances without any complex tendering process.

### Local Public Sector Sales Opportunities

The Ministry of Defence alone has some 200 local purchasing offices throughout the UK, each one empowered to deal directly with suppliers. The value of most of their requirements will be in the region of several hundred pounds to a few thousand pounds. These supply requirements provide small businesses with many opportunities and with such low-value contracts there is minimal formality, such contracts often being awarded on the basis of oral or faxed bids.

A list of all MoD local purchasing establishments with contact names, addresses and details on their principal requirements is available by telephoning Freephone 0800 282 324.

Once you are a supplier to these bodies you can promote that fact when tendering for other public sector contracts of a larger nature. The public sector likes nothing better than a supplier already working with other public sector entities.

### Delivery

As stated above, you must only seek to supply those whom you know you can supply effectively. You should seek to provide evidence of your past supply record and assurances on how you ensure your suppliers deliver efficiently to yourself.

Prior to tender identify the client's needs regarding delivery – just in time, stockholder etc. Seek information on how and when and where deliveries could be made to best serve the client's requirements – seek information from their stores personnel through a personal visit, if possible. The more you understand about and can satisfy your potential client's real needs the better.

### Function

It goes without saying that the product you provide must be fit for its purpose. Your product/service has to satisfy the actual need of your potential customer, not the need that you perceive your customer to have. It is vital, therefore, to have a thorough appreciation of your potential client's requirements.

### Expertise

It is vital that you express at all times knowledge not only of your company's product, but also of the market in which it operates; new developments, concerns, etc. Show the expertise of your company through promoting its knowledge. Issue reports, guidances and provide articles and comment to trade press and newspapers. Enter debates, even start them; all will help express the expertise of your company and reflect positively on your company and its products.

Public sector purchasers are keenly aware that the supply of a product or service does not end on the date of delivery. Therefore, issues such as technical support, after-sales service, maintenance and re-supply are essential considerations.

Tell the customer how you will ensure the highest standards and most comprehensive service. Again, the after-sales aspect should be addressed in your promotional literature, letters of acclamation and, where appropriate, Satisfaction Certificates.

### Innovation

It is very likely the product/service you offer can be offered by others. So in order to achieve competitive advantage you must provide added value, such as innovation.

Government wants innovation, but is for obvious reasons scared of the risks it may involve. You have to overcome this concern by addressing it in your tender proposal and supportive product literature. Your client should also be made aware of your product development programme and how you will continue to monitor products to ensure they develop in line with client requirements.

Provide them with a view of the future, and the positive impact you envisage your product and its future developments will have for the benefit of the client.

You should also be proactive in identifying and promoting practices and processes which clients could use to increase performance and value.

Emphasise how your proposal addresses environmental issues/concerns.

#### Awareness

When you meet friends, you do so to speak of their news, not just your own. Clients are exactly the same. It is important to become aware of their needs, concerns, developments and pressures. Within the public sector there are many such pressures coming from various directions such as legislation, Government initiatives, finance and personnel.

Your understanding of these will enable you to appear a much more responsive contractor. Read the publications they read; follow press items regarding policy and processes; show understanding, care and consideration; and formally audit your relationships at all times throughout the contract period. Winning the next contract starts with carrying out the current contract effectively and efficiently and, just as importantly, being seen to do so.

Ensure your clients are consulted whenever you seek to change the product/service being offered. If you do not, the likelihood is that they will perceive change as potential risk.

#### Co-operation

The partnership approach rather than the 'them and us' scenario is very much flavour of the month. The Government has recognised that

the public sector working with the private sector is the only way to achieve Best Value. There may be many instances where you could provide a service which would complement or enhance those provided by a public body.

Do not hesitate to make an approach to those bodies, with a suggestion for partnership.

Promote an atmosphere of partnering within your tender proposal. Offer to share savings identified during the operation of the contract. Offer to share any IPR developed through the contract. Support the client in other areas wherever possible. There are always ways of doing so.

## Value for Money

Value for Money does not mean lowest price. This is increasingly being recognised by public sector purchasers. The lowest initial price may in the end be the highest. You must demonstrate to clients why your product offers best value over its lifetime. Promote your understanding that Price does not equal Cost and ensure you clearly identify cost issues, not price issues.

Emphasise how using your product/service can save on whole-life costs. Show how you can, through understanding a client's practices and processes, increase their internal efficiencies, driving down their costs, by facilitating better practices in areas such as receipt of goods, invoice process, disposal, etc.

## Energy

It may seem an odd title, but there is no doubt that companies who express energy in their relationships succeed. This involves always actively generating new ideas and developing processes and actively seeking a better understanding of your client's changing needs. Keeping close to clients throughout the tender. Keeping them informed of all developments good or bad. The sooner problems are identified and addressed by both parties the better. It is in the client's interest to help you overcome problems so share them and settle them quickly.

A future Guidance will focus on auditing and measuring client/customer relations.

## Prior to Contract Announcement

### Key Points

- a) Identify potential new customers - read publications used by the public sector: Government Opportunities, LG Chronicle, Municipal Journal, etc.
- b) Increase their awareness - promote your products, samples, open events, demonstrations, exhibitions, advertise in public sector publications, issue press releases, promote editorial.
- c) Build personal relationships - Remember, People Purchase.
- d) Secure accreditations and Satisfaction Certificates from all past clients, large and small.
- e) Clarify current suppliers and products used:
  - check their strength and weaknesses.
  - use contract award information such as that published by BiP to identify other contractors' successes.
- f) Research the market.

g) Identify potential new opportunities quickly – use a contract information service that helps you find contracts that match your company’s offerings, such as BiP’s email contract information service Tracker, which sends to you on a daily basis tender opportunities that are bespoke to your company.

h) Sensitise the prospective client to your company.

i) Build trust - reduce risk.

j) Keep clients in touch with your products, their development and issues affecting your products – be their unpaid advisor.

### Selling through a Central Supply Organisation

The total purchasing of supplies and services by Government in all its guises - central, local, education, health, police, fire, etc. - runs into £billions. Every conceivable product and service is consumed by the public sector at some time.

Within the UK there are over 74,000 prime points of procurement. The job of marketing industry’s products to such a diverse range of purchasers is daunting. The days of being able to conduct negotiations with a central bureaucrat, able to dictate to hundreds of end users what they will order, are now long gone.

Procurement has been devolved almost to the point of use, giving individuals like teachers, nurses, office staff and care assistants the power to purchase.

So how can your company reach these new power players?

Part of the answer, for many companies, lies in their association with consortia and other public sector central supply organisations.

Consortia and central supply organisations provide end users with a comprehensive source for virtually all their needs. By using such supply organisations, purchasers reduce the time and effort spent on buying, whilst gaining the knowledge that the products they are buying have been evaluated by others, probably with better specific product expertise than they could provide.

Their use removes from purchasers the necessity to undertake specialised evaluation of products and in many instances allows them to purchase without the requirement for instigating formal competition as directed by the EC, because the products they are interested in have already been open to tender through the use of call-off contracts (framework agreements) let by the central supplier from whom they are purchasing.

For public bodies, large and small, it makes sense on many occasions to use a central supplier’s catalogue to purchase their needs.

By doing so they also gain the added advantage of receiving the benefit of bulk buying in addition to the expertise provided.

The ability of a central supplier to purchase across the board in volume and then split the purchase amongst their customers provides low-cost, high-value returns to their customers.

The time-consuming work of advertising contract opportunities, evaluating products and dealing with tenders and negotiations is a cost factor that can be removed at a stroke. So for the public sector clients, purchasing from a central supplier provides many benefits.

For suppliers, an association with such central suppliers means their products are being marketed on their behalf to thousands of central purchasers who are also at the forefront of electronic commerce, initiating ordering, invoicing, stock control on-line. Many require their suppliers to be able to facilitate these electronic interchanges.

The benefit of electronic catalogues can easily be seen when you consider a published paper catalogue may only be able to be updated once or twice a year, whereas the electronic catalogue can be updated almost daily. In the future, electronic catalogues, via the world-wide web, will further benefit suppliers as their information is made accessible to even more potential customers.

For suppliers large and small, their association with a consortium and central Government supply organisations can provide an instant and cost-effective access to the public sector market. Serious consideration should be given to how your company can make the most of the opportunities they provide.

Being in a central supplier's catalogue is also a seal of approval, which can then be promoted by sales personnel, given that central suppliers are respected sources of supply.

Some central suppliers are specialists in what they provide. Others, such as Eastern Shires Purchasing Organisation (ESPO) and the

Central Buying Consortium (CBC), are loose arrangements of local authorities and other dedicated purchasers of virtually all services and supplies.

OGCbuying.solutions, based in Liverpool, source, evaluate and negotiate competitive prices on a wide range of goods and services, solely for use by the public sector. These cover virtually all sectors, building and engineering products, construction materials, energy and environmental services, catering equipment, accommodation services, electrical goods, etc.

Another consortium is The Consortium for Purchasing and Distribution Ltd (CBD), based in Wiltshire. It was originally a consortium set up and controlled by local councils, but has since developed into a fully fledged private sector company. Though still primarily dedicated to supplying the public sector, its client base now includes utility companies and other private sector bodies. Whilst based in the South West, its customers are spread throughout the four corners of Britain. The CBD provides its customers with a comprehensive range of services and supplies.

Many of these organisations can also help companies develop products to meet clients' specific needs and assist with new product testing and launch.

A future Guidance will identify Consortia and provide contact information.

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