

# Tender Tip

## To Bid or Not to Bid?

**To bid, or not to bid?** That is the question. The answer... well that requires a bit of strategic thinking.

### Is Your Approach Ad-Hoc or Strategic?

Companies that have a more ad-hoc approach to tendering are often tempted to pursue every bid that comes through the door. However, focussing energy on bids you are unlikely to win is a waste of time, people and resources. Half hearted, rushed submissions or long-shots can also have a negative impact on employees and on how your business is viewed by clients.

Having a more strategic approach to your potential bid opportunities and making an informed decision on your prospects for winning is one sure way to win more often. This means that **knowing when NOT to bid** is just as important a decision to make as knowing when to bid.

### Do You Have a Rational Process?

Applying a rational bid / no-bid process at the start of each tender opportunity is an excellent way to be more strategic in your approach. The following five key questions and the Bid Decision Flowchart over the page will help.

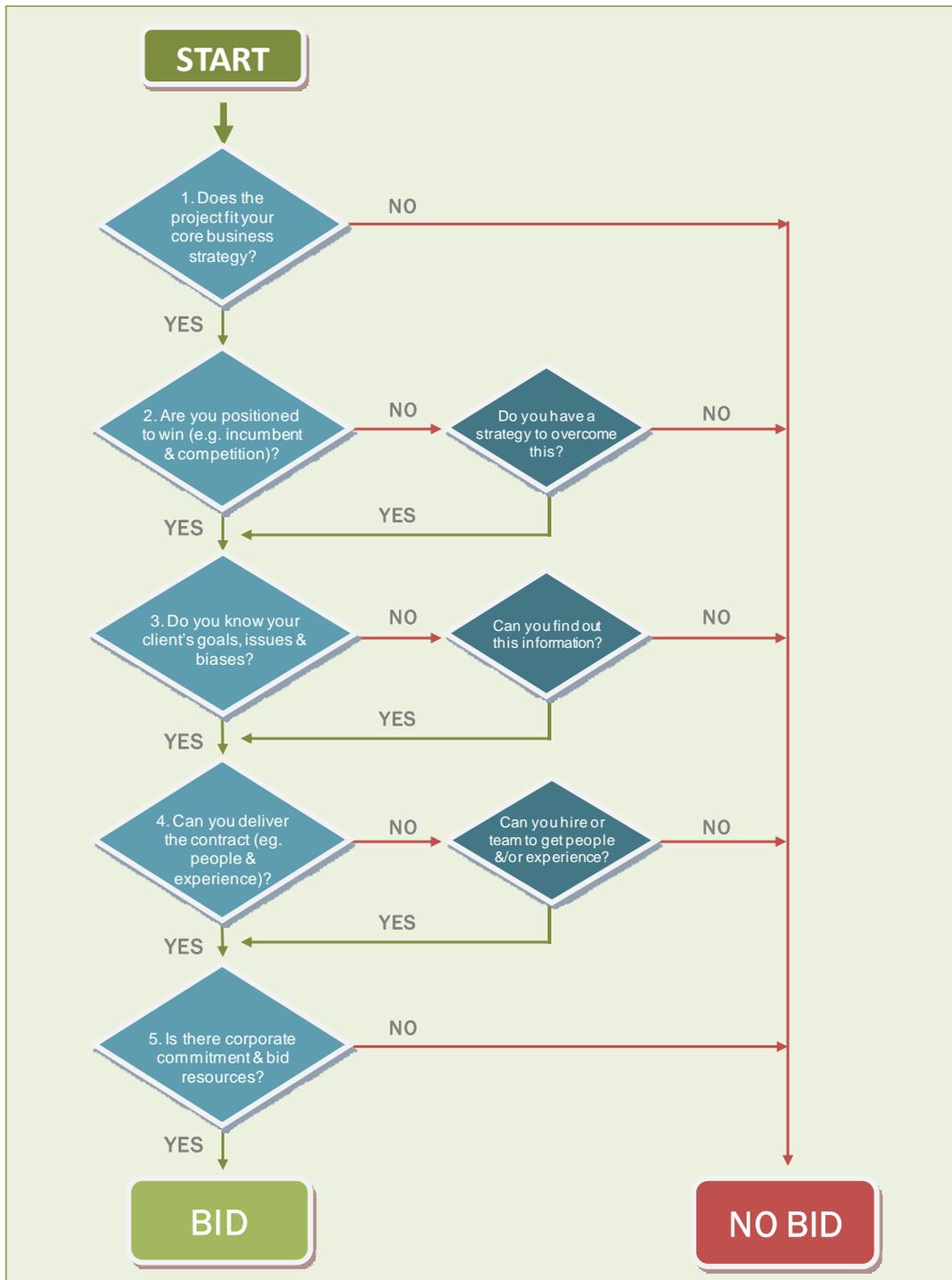
#### Five Key Bid / No-Bid Questions to Ask

1	Does the project fit your core business strategy?	+ The decision on whether to bid or not should be strategic. If this opportunity does not align with your company's strategic plan, why bid? Focus your energy and critical resources on opportunities that are relevant to your core business.
2	Are you ideally positioned to win?	Only bid if you have a potentially strong chance of winning. There are a couple of key areas to consider when assessing your position. + Is this an existing contract? Are you the incumbent and, if not, is the incumbent performing well? It is common knowledge that good performing incumbents win more often than not. + Do you know your competitors' strengths and weaknesses? Do you have a compelling competitive advantage over your competitors that showcases your strengths and that your client will acknowledge?
3	Do understand your client's goals, issues and biases?	+ It is vital to focus on what matters to your client. What are their hopes, fears, and preferences? Your submission needs to deliver a clear solution to the problem; which can only be done if you understand what the real needs are. + Do you have a good, existing relationship with the client? A tender should not be an isolated event and the "thud" of the tender documents hitting your desk should certainly not be the first you hear of an opportunity. You should ideally be building the relationship with a potential client long before a tender is released. If not, get ahead of the next opportunity now.
4	Can you deliver the contract?	+ Is your organisation equipped to deliver the contract? Do you have the past performance, experience, qualifications and resources required? If not, can you team with someone to get this experience and/or people?
5	Do you have the necessary corporate commitment and bid resources?	+ Are your senior managers committed to the bid? Do you have, or can you quickly get, the appropriate resources that can provide the necessary focus on the bid? Is your bid manager experienced in the art and science of winning bids?

## Do You Make Timely Bid / No-Bid Decisions?

Successful bids need to be carefully planned and resourced. A bid / no bid decision should be made in the “critical bid window” just after a tender is released. Delaying a decision to bid beyond that wastes valuable time, gives your competition an advantage and puts unnecessary pressure on bid resources.

Focussing on the right opportunities at the right time will save you time and money, will significantly increase your win rate and will make the whole tender process far less stressful.



Sources: 1. “Bid Decision Tree”, Shipley Associates Proposal Guide, Third Edition, 2008

2. “To Bid or Not to Bid? That is the Question”, Jay Herther, APMP Perspective magazine article, 2006