10 STEPS

A Beginner’s Guide to Tendering

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When you want to submit a tender response, it is tempting to start writing straight away, without taking the time to develop a clear strategy for your submission.

Next time, before jumping straight in, use this 10-step guide to make sure you develop a response that answers all the purchaser’s questions and positions you as worthy of being shortlisted.

And if this e-book whets your appetite to learn more, consider TenderLink’s comprehensive bid response training seminars.

**Shortlist Strategies - The Fundamentals** - Learn practical tools, tips and advice to start getting you shortlisted more often.

**Shortlist Strategies - The Masterclass** - Integrate your experience & skills to develop a consistently effective bid response system.

For more information visit www.tenderingforsuccess.com.
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Alert to Opportunity

There are a number of ways you can be alerted to tender opportunities:

**Accessing your own networks** - this is one of the most powerful ways of sourcing new business, yet is often neglected because people are too busy to schedule regular time for networking. The simplest way is to have a list of key contacts who could be valuable to you and record specific follow-ups you might make with each of them. For smaller lists, you can easily record key information on a card, together with a date when you plan to next make contact. That way, you will have something specific to talk to each person about, as well as a reminder for you to do it.

**Public notices** - these are easy sources of new opportunities but will require you to read newspapers, trade publications and relevant websites to find them. But remember, in many industries only a small number of opportunities are actually publicly advertised.

**Select invitations** - in many cases, an opportunity won’t be publicly advertised if it is below a certain dollar value. However, some purchasers may always do business with a small group of preferred suppliers. It is important you find out who the major purchasers are in your industry and find out how they conduct most of their procurement. For many purchasers the vast majority of tenders are issued via select invitation.

**Tender notification services** - TenderLink’s notification service informs you of public tender opportunities within your specialist industry area. This saves you the time and cost involved in finding this information yourself and, due to their high capture rates, provides you with the confidence that you are not going to miss opportunities. In addition to the 3300+ external sources monitored, TenderLink also provides e-tendering websites for over 500 purchasing organisations across Australasia. As a notification subscriber, you will receive public tender opportunities originating from these websites, as well as having streamlined access to this content.
Is This for Me?

The notice above is a typical summary notice you will either receive through the TenderLink e-notification service, or via a newspaper advertisement. Before you can decide whether it is worth obtaining the documents for this tender you should identify the key performance criteria from the summary. In the case above it is “…suitably qualified and experienced suppliers for the delivery, installation, commissioning/certification, training and maintenance of explosion detection system (EDS) capable CBS X-ray equipment at [NAME] Airport.”

There are two key parts to this tender. Firstly, the supply of the equipment itself and secondly, its installation and maintenance. If you could do either one of these it may be worthwhile submitting a response, as long as you can partner with other organisations to subcontract or, alternately, submit a joint tender response.

The notice also gives you a hint of other criteria that might be important: “suitably qualified and experienced” – this should alert you to the need to supply references and examples of similar work you have successfully completed. Most purchasers will use a weighting system to determine the successful tenderer, so don’t underestimate the importance of a statement like the last one, which in this case might be the most important criterion.

Having identified the criteria - what can you do yourself and are there any gaps that can be filled profitably? For example, will subcontracting part of the works still enable you to submit a competitive bid and make a profit?

*If the answer is “Yes”, then download or request the documents.*
Component Analysis

Before you start writing, break down the tender opportunity into its individual deliverables. Using the example noted at the beginning of step two, these are:

- Supply
- Installation
- Certification
- Maintenance

- Delivery
- Commissioning
- Training

Each of those categories might also consist of separate sub-components. This is particularly important to understand, because you need to request prices from subcontractors for various elements. At this point, you should also make notes of anything you are unsure about.

Even with something as simple as a contract for earth moving you can break down the work into components that document the process you go through and then you can demonstrate ways in which you are superior to competitors. For example:

- Site assessment
- Earth moving
- Clean-up
- Handover

- Briefing meeting
- Disposal
- Make good

Structuring the deliverables into separate components means you are better able to address the questions in the tender documents and also ensure your answers cover all the necessary parts of the tender.
Identifying Key Performance Measures

Each of the identified components will have a number of specified performance measures. Purchasers will use these measures to evaluate your bid. Common criteria include:

Cost efficiency - this does not necessarily mean the cheapest price. It will often take into account the total cost of ownership, rather than just the initial purchase price.

Bid compliance - non-compliant bids won’t pass the first evaluation stage gate. You must ensure you have signed and completed all the relevant forms and addressed all the evaluation/selection criteria, including pricing, insurance requirements, disclosure, reporting, intellectual property, warranties and OH&S.

Your viability - purchasers will also want to ensure that you are financially viable and have the resources available to complete the works. In some cases, there will be retentions in the contract for a period of time. Sometimes this amount could equal your whole profit on the job!

Your experience - are you able to supply references for work you have successfully completed?

Added-value offerings - do you have an alternative method of completing the work? In many cases, a purchaser is looking for cost-efficient alternatives. If they don’t specifically ask for them, always make sure you find out whether they will accept an alternate tender.

Of course, not all the criteria will carry the same weight. In some cases, the weighting will be specified in the project documentation; but if it isn’t, you will need to look at the RFT carefully for clues and also look at other information sources (e.g. the Internet) to give you a better sense of the things that might be important to the purchaser.
STEP 5
Skills / Resources
Skill / Resource Matching & Allocation

At this point, you have identified the various components of the job and how your performance in delivering these will be measured/evaluated.

Next, you must determine what it will take to address each component by listing all the skills and resources necessary to complete the work and identifying who (in the case of internal staff) and/or where (in the case of works requiring subcontractors) they will come from.

Also consider ways in which you think the work could be done better. If you can show that you can exceed minimum requirements and still provide a cost-effective solution, it will generally be very attractive to a purchaser.

What skills/resources do you have available within your firm?

What skills/resources do you need to acquire?

Who can you source them from?

Once you have a list of requirements, you need to prepare your own requests for information/prices etc. Don’t leave it till the last minute, as subcontractors will need time to prepare their submissions to you.
Supporting Documents & Clarification

Sometimes, a purchaser will request specific documents be attached to the tender (e.g. reference or example). Make sure you comply with these requests, but also consider what other documents you could add that would support your case.

However, a word of warning: Don’t just throw in a bunch of brochures and general information that isn’t specific to the opportunity. Purchasers are looking for people who meet their criteria. If you make it too hard for them to do this by having them wade through piles of irrelevant information – your submission may be passed over.

It is worth developing a set of standard information that is asked for in most tenders, e.g.:

- Company structure - including list of directors
- Insurances - policy numbers and coverage
- Polices - OH&S; quality; environmental
- Accreditations
- Financial statements

Remember, no matter what information you provide, it should be customised to answer a question or show how you meet the requirements of a particular evaluation criterion.

It is important to clarify things you are unsure of. If the purchaser has general briefings, make sure you attend or ask for a meeting (if it’s appropriate). Purchasers who use TenderLink’s e-tendering system often use online Q & A forums that you can participate in.

By not following up on things you are unsure about, you run the risk of making costly mistakes in your submission. Asking questions is also an opportunity to make your presence known to the purchaser.
Writing Your Submission

Purchasers are looking for a supplier who stands out from the competition. They are looking for companies who are customer focused and innovative. Before you start writing, have a copy of the performance measures listed in the document in front of you. Then:

• Address each criterion as a heading in your response (or use a template, if it is supplied).
• Use clear, simple English to aid understanding.
• If the document uses certain keywords, reflect these in your response. For example, if the words “cost-effective” are repeatedly used, make sure you use them wherever it is relevant. So, if you are discussing your management systems, part of the value from the client’s perspective could be the fact that your systems enable you to be more cost-effective.
• Give examples of how you have previously met the same criteria in similar jobs you have successfully completed - this is your opportunity to sell yourself. A written reference from the satisfied customer will add weight to this.
• Make sure you emphasise areas within your response where you have particular expertise.
• Never just say “yes” in answer to a question - provide supporting information.
• If you can’t do something, offer an alternative and explain why this is better. However, seek permission from the purchaser if you are going to submit an alternative solution. In such cases most purchasers will also require you to submit a conforming tender as well.
• If you are including supporting documents, make sure you refer to them in your submission, otherwise they might seem irrelevant.
• Be careful not to overpromise. A purchaser will ‘blacklist’ you if they find you cannot perform as promised.
• Don’t use ‘boilerplate’ text. Customise your response to make sure it clearly addresses the relevant criteria.
• Before you submit your response have it proofread by someone other than yourself.
• Lastly, have someone critique your response. Is everything clear? Can it be improved? This is particularly important with your Executive Summary, which is your opportunity to sell yourself.

Writing persuasively is a skill you can learn - it just takes a bit of practice and, above all else, a good understanding of the target audience for your communication.
Submission Checklist

• Have you addressed all the key criteria? Use your checklist and tick off each item.

• Is your response in the required format? If a format has been specified, make sure you follow it.

• Have you completed the relevant schedules? Often schedules and other content are separated and reviewed by different people. If you have included the schedule information in the body of response but not completed the schedule, your tender could be discarded.

• Have there been any amendments to the original request? If so, have you addressed these in your submission?

• Have you included all the required supporting documents? Sometimes you may be asked to name the submission files in a certain way. Make sure you understand what documents are required and how they are to be presented.

• Have you clearly demonstrated your ability to do the work? Just saying you can do it is not enough. You must provide supporting evidence.

• Have you double checked all your pricing and expressed it in the format requested?

• Have you contacted any referees to make sure they are happy to answer questions if they are approached?

• Are you offering an alternative bid? If so, have you sought permission and also determined whether you must also submit a conforming one?

• Have you proofread your submission and had someone else review it for you?
Response Submission

The global trend is toward electronic response submission. Some purchasers allow multiple submission methods, while others allow only one. Make sure you comply with the stated method.

There are three main ways to submit a bid response.

1) By hard copy to a physical tender box.
2) By email.
3) By uploading your response files over the Internet into an electronic tender box.

Irrespective of the required submission method, one golden rule applies:

**Give yourself enough time.**

If it has to be delivered to a physical tender box, make sure you allow enough time for you (or a courier) to get there. Allow extra time for traffic congestion and other unforeseen delays (e.g. flight cancellation).

If you are submitting electronically, be aware of the time it will take to upload your documents. This time will vary dramatically depending on your technical ability, the speed of your connection, the size of your files and the current load on the system you are trying to submit to. You can’t afford to be late, so give yourself enough time.
Outcome, Review & Refine

Congratulations if you were the successful tenderer. But if you weren’t, you shouldn’t view it as a failure. Now is the time to critically review the process you have been through.

• What did you learn that could help you with future submissions?
• What contacts have you made?
• Have you built credibility with the purchaser so that you get included in future select tender opportunities?

Make sure you review your internal processes as well as request feedback from the purchaser after each submission. Some purchasers will be more forthcoming than others about commenting on unsuccessful bids. But, at the very least, you will have shown a keen intention to improve and you’ll have made another connection to add to your network.

The process of reviewing and refining is a way to close the loop and to ensure that you get better with each submission. If your process stops at the tender box, then you’ve missed the opportunity to learn how to become more successful.

You need to have systems in place to ensure that future submissions don’t repeat the same mistakes.

*Good luck!*
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Throughout his career, Philip has written and won tenders within the construction, advertising and government sectors. Philip’s practical experience is supported by a postgraduate Diploma in Business Marketing and a Master of Management degree.