# Lecture 27

How to Improve 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 out of your capacity to supply. Bad news in the government 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 purchase officer knows nothing is unlikely to receive a positive response.

The more the purchase officer 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.

# Promoting Your Image

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

Key to Success

* Quality
* Reliability
* Delivery
* Function
* Expertise
* Innovation
* Awareness
* Co-operation
* Value for money
* Energy

# Quality

It almost goes without saying that quality counts. However, many companies still do not consider ISO Certification to be a necessity. It is! One of the first criteria in evaluation is reassurance on quality. ISO certification 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 unrecognized system, the unrecognized system will be at a disadvantage every time.

The achievement of ISO certificate does not need to be expensive. The costs spend 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 recognize the importance of training to ensure their operations are carried out at the optimum level and the impact of ISO certificate on any company working directly with the public can similarly be appreciated.

Your dedication to achieving ISO certificate will not only help your company directly, but others will also see it as the sign of a dynamic, forward-looking company.

# Reliability

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

You have started the process by achieving ISO certificate. This demonstrates that you are offering a quality product produced by quality people.

Now you have to provide further assurance and guarantees. If you are buying paint for your home you would wish to deal with a reputable company. 'Paint 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 purchasing department 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 government sector, you should try to build up a track record of small supplies to the government or private 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. Virtually all will have an authority to purchase low-value commodities up to twenty five thousand rupees, and in many instances without any complex tendering process.

# Local Purchase

All government departments have local purchasing officers. Each one empowered to deal directly with suppliers. The value of most of their requirements will be in the region of twenty five thousand rupees. 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 quotations.

Once you are a supplier to these departments you can promote that fact when tendering for other government sector contracts- of a larger nature. The government sector likes nothing better than a supplier already working with other government 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, guidance 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.

Government 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 program 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 visualize 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. Emphasize 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 government 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 flavor of the month. The government has recognized that the government 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 that would complement or enhance those provided by a government body, achieve 'Best Value'.

There may be many instances where you could provide a service that would complement or enhance those provided by a government body.

Promote an atmosphere of partnering within your tender proposal. Offer to share savings identified during the operation of 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. Government sector purchasers are increasingly recognizing this. 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.

Emphasize 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.

Prior to Contract Announcement

# Key Points

* Identify potential new customers - read publications used by the government sector, visit official web sites, subscribe Tender Service.
* Increase their awareness - promote your products, samples, open events, demonstrations, exhibitions, advertise in government sector publications, issue press releases, promote editorial.
* Build personal relationships - Remember, People Purchase.
* Secure Accreditations and Satisfaction Certificates from all past clients, large and small.
* Clarify current suppliers and products used, Check their strength and weaknesses.
* Research the market.
* Identify potential new opportunities quickly use a tender information service that helps you find suitable contracts that match your company's offerings such as “Tender Service”, which sends to you on daily basis tender opportunities that are related to your category.
* Sensitize die prospective client to your company.
* Build trust - reduce risk.
* Keep clients in touch with your products, their development and issues affecting your products, be their unpaid advisor.