# Lecture 28

Hidden Sales Opportunities

# sales_jobs_agencies.jpg

# Competitive Advantage

Identify your Strength

In order to focus on winning a tender it is necessary to have a very clean insight as to what your competitive advantage is and how to use it.

You will need to identify what your company is extremely good at and competitive in delivering. No doubt you already know this but take the time now to write it down. This also helps in not getting side tracked and keeping your marketing in line with your competitive advantage.

# Respond To Tender That Suit Your Firm

It's time to clearly define your competitive advantage, "what do you do well" ?

Respond to tenders that suit your firm and not for your firm to be changing to suit the tender.

# Write down relevant details

* Write down relevant details on a piece of paper.
* List that your business provide ?
* Of this list which activities do you see as being your core business

and that you can provide most efficiently ?

* What geographical areas can you cover and manage efficiently ?
* Where is your expertise ?
* Do you have a particular pricing advantage ?
* What give your credibility ?
* Having won a previous tender.
* Current clients.
* Awards.
* Quality assurance.
* Others.
* Do you have guarantee and/or references ?
* Items in your business you can use to differentiate yourself from your competition.

# Aim for tenders that require your strong area

Now you can see that where your strengths lie, aim for tenders that require these strengths.

Try to respond to tenders that reflect the above areas. You might be thinking "Do tenders like this come up"? When you subscribe for "Tender Service" you will be surprised to see many tenders that match exactly with your strong points.

# Strategic Alliances

Occasionally, to win a tender it may be necessary for your company to form strategic alliances. In die case that various skills are required to meet all aspects of the tender. This may be achieved by two or more firms working together.

Rather than two firms losing a tender, by forming strategic alliances they create a competitive edge and are more likely to win the tender as a team.

It is alliances that should be given thought to prior to the tender being released, as they do require time to establish. Start to give the thought to other firms you should have in your back pocket for a such time that a tender requires a blend of services. May you have seen tenders in the post you could not respond to because these alliances were not yet established.

Once again, write down three services or areas do you see you need to create strategic alliances in ?

Long Term Value

# Recurring Tenders

In most cases you can access the details of tenders previously contracted. That is, who won last time, how much they charged and what they were requested to provide.

Recurring tenders allow you to know in advance that the tender is coming up and you will be able to plan a lot earlier than you can with a one off tender.

The specifications, requirements and many details of the tender remains the same. By researching the previous winning tender you have an advantage, you will know how much the tender went for, what the specifications are and who won the tender.

You will also be able to find out how satisfied they are with the current contractor what likely amendments will occur for the next tender.

If this information is collaborated and used in the correct way you will have an advantage over your competitors. Surely some things will be different but these can be adjusted once the tender is published and offered to the public.

If your firm's tendering opportunities are often recurring tenders, you should be preparing for the lapse of the contract and will roughly know when the tender will be published once again.

# Single Purchases By Tender

When working with a tender that is for a once off purchase, you don't have to luxury to research the current contractor. You have to work to make sure your tender submission accurately reflects the requirement of the tender first time.

This tender will have a cutoff date and a plan should be prepared to meet this important deadline.

You should have your standard tender document prepared. So the real focus needs to be on those areas that deal with the specifications of the particular tender i.e; adjust specifications, pricing etc accordingly.

On this type of submission you want the reader to feel extremely comfortable in deciding to work with you. Give thought as to what will establish this level of trust in your submission. It might be worth doing some research into companies they have chosen to deal with in the past. You may find they've chosen to work with companies in a particular district or with experience in dealing with government or even quality assurance may be something they've chosen in the past.

This research could highlight areas in your submission to really expand on.

# Over Looked Sales Opportunities

Often a tender is the start of chain reaction. For example if a department is looking to purchase a new computer network there will be obvious future purchases that, depending on the total amount may not go out to tender. A computer network may require more computer disks, mouse pads, terminals, software, training, paper, printer and toner etc.

The initial tender specification may not have included these additional and ongoing items in their requirements. There would be an opportunity to provide these to the department or to form an alliance with the winning tenderer. This has an enormous sales opportunity that is often overlooked.

Think of your service or product and write down what types of tenders are being offered that would indicate your service would be required at a later stage.

Working with odds in your favour

# Odds of Winning

When looking to respond to tenders your firm should be looking at where it has a "competitive edge" or a way in which it can increase the chances of a successful tenders submission.

Strategic advantage in terms of the odds of winning. For example, if your submission is competing against 29 other submissions, your chances of success based solely in odds is 1 in 30, however if you have responded to a tender which has only 2 other responses the odds of winning are 1 in 3.

Obviously you will have to meet the requirements of the tender in both cases, but I know I would prefer to be working with odds in my favour.

How can you start to push forward increasing the odds of winning on your next submission, that is, how can you identify tenders where less people will respond ?

# Tenders Where Less People Respond

* Document fees charged by different departments to get the tender specifications discourage people to participate in tenders.
* Likewise, there are sometimes provisions that the tender specifications be collected in person and be signed for to form response register, reduce the number of responses to where a tender specification fee is payable, many firms will be discouraged not realizing that the tender likely response rate will be lower and odds improved on winning. This is not to say we don't have to prepare a great tender response but every bit helps.
* The other area where response will be low is where a tender has a short dead time, so here is another opportunity to improve the odds of successful submission.

Another way to increase the odds in tender submission is to look at the source or openness of the tender. The way in which the tender is advertised, obviously those tenders with the greatest exposure in the main daily papers will also have the greatest responses and therefore will reduce chances of winning based solely on the odds and not taking the submission into account.

Also the day in which the tender appears in the main daily paper will also make a difference to the number of responses received. Many people look through the main daily paper on Sunday for tender but not on Tuesday when they still appear.

Tenders appearing in the local and regional newspapers, response rate to these advertisements, due to the smaller exposure is likely to be far lower.

Another area is where government departments advertise through their respective procurement gazettes. This publication is a good source of tenders which does not have the same level of exposure as the main daily papers.

Some government departments have their own web sites now and advertise their tenders through their web sites only. The addresses of these web sites are given in the chapter "Where to Find Tender Information". This recent move is unknown to many tenderers and advantage of this fact can be taken as far as possible.

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Benjumin Franklin may have discovered electricity but it was the man who invented the meter made the real money.

# Summary

Over all the point to be made is that by recognizing and placing a submission to a tender which will have less firms responding is going to have an enormous positive effect on how well your submission will be viewed.

You should be aiming at tenders with 3 or 4 competitors and not 30 or 40 therefore the information of your tender should be valued in terms of who else knows about it.