

*'Armed with a  
bid/no bid  
strategy you could  
WIN more business'*



## **BID/NO BID DECISION STRATEGY**

BIZPHIT ASSOCIATES LTD  
[WWW.BIZPHIT.CO.UK](http://WWW.BIZPHIT.CO.UK)

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## To bid or not to bid? You may need a bid no-bid strategy.

### To bid or not to bid that is the question, but what’s the best answer for you and your business?

The answer requires some strategic review and thinking.

#### Is your current approach ad-hoc or strategic?

Businesses that have a more ad-hoc approach to tendering are often tempted to pursue every bid that comes their way. However, in reality focusing your efforts and energy on bids you are unlikely to win is a waste of time, people and resources.

It leads to Half-hearted, rushed submissions betting on the long shot, this can and does on many occasions have negative impacts on employees and the business, possibly also how your business is viewed by clients. In addition, how did the buyer view your submission does it leave you in a bad situation if and when a next time comes along? Worst case scenario is that you don’t have a bid / no bid process at all!

Having a more planned, strategic approach to your potential bids and opportunities gives you a much more informed decision process to your ability for winning. This is one way of having part of an overall strategy to win better contracts more often. This means that knowing when NOT to bid is just as important a decision to make as knowing WHEN to bid.

Very often, we find that clients forget or don’t bother to obtain all of the information for a tender **BEFORE** they enter into the process of putting a bid together. This is also part of the bid /no bid decision process. You just can’t complete a successful bid submission if you don’t have all of the information available to you.

#### Do you have a defined rational process towards bidding?

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 (BDF) will help you with the decision process.

When working through the five questions, be as honest as you can. Often when appraising your options your heart may out way your rational mind. This means you may decide to go with a bid regardless of the knowledge and evidence that you should not.

Equally spending too much time may mean that you procrastinate in making the right decision at the right time. It’s important for you and your business that the decision is more than 50% correct.

Five Key bid / no bid questions to ask yourself.

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1	Does the project fit your core business product or service strategically?	<p>The decision on whether to bid or not should be strategic on every occasion.</p> <p>If this opportunity does not align with your businesses strategic plan, why bid? Focus your energy and efforts on opportunities that are relevant to your core business, think winning not losing.</p>
2	Are you or could you be positioned to win?	<p>Only bid if you have a potentially strong chance of winning. There are a number of key areas to consider when assessing your position.</p> <ul style="list-style-type: none"> <li>• Is this an existing contract? Are you the incumbent, if not, is the incumbent performing well? It is common knowledge that good performing incumbents win more often than not.</li> <li>• Do you know your competitors' strengths and weaknesses?</li> <li>• Do you have a compelling competitive advantage over your competitors that show clearly your strengths and that the buyer will acknowledge?</li> <li>• Do you have insider intelligence and information that could potentially help you to win?</li> </ul>
3	Do understand the buyer’s strategic goals, future aspirations, issues and biases?	<p>It is vital to focus on what matters to the buyer. What are their aspirations, hopes, fears, and preferences for the future and the services you might be supplying? Your submission needs to deliver clear solutions to a problem or need which can only be done if you understand what the real needs and requirements are. Do you have a good, existing relationship with the buyer?</p> <p>A tender should not be an isolated event and the “ping” of the tender documents hitting your inbox should not be the first you hear of the 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 right now.</p>
4	Can you deliver the contract?	<p>Is your business able and equipped to deliver the contract? Do you have the past performance, experience, qualifications and resources required of the buyer? If not, can you procure them, or can you team with another business to get this experience and/or resources to do so?</p>
5	Do you have the necessary corporate commitment and bid resources?	<p>Are you and your management team / senior managers committed to the bid and the bid process? 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? Can you bring in a bid team or consultant to support you?</p>

6	Can you provide a competitive commercial bid?	<p>This is an imperative. Do you know what the industry or sector rate is for your product or services? What is the lowest price you could acceptably provide without compromising profit and legitimacy?</p> <p>If you do not know how your competitors price or what they are currently charging then you need to gather some market intelligence, your bid not only has to be the best from a content offer point of view, but the best on price as well.</p>
7	How does it feel overall?	<p>The litmus test is always going to be a gut instinct. Does your gut tell you this is right or wrong? Never push aside that gut feeling without digging into why you feel it’s good to go or not good to go, share it with others get other opinions to support your own.</p>

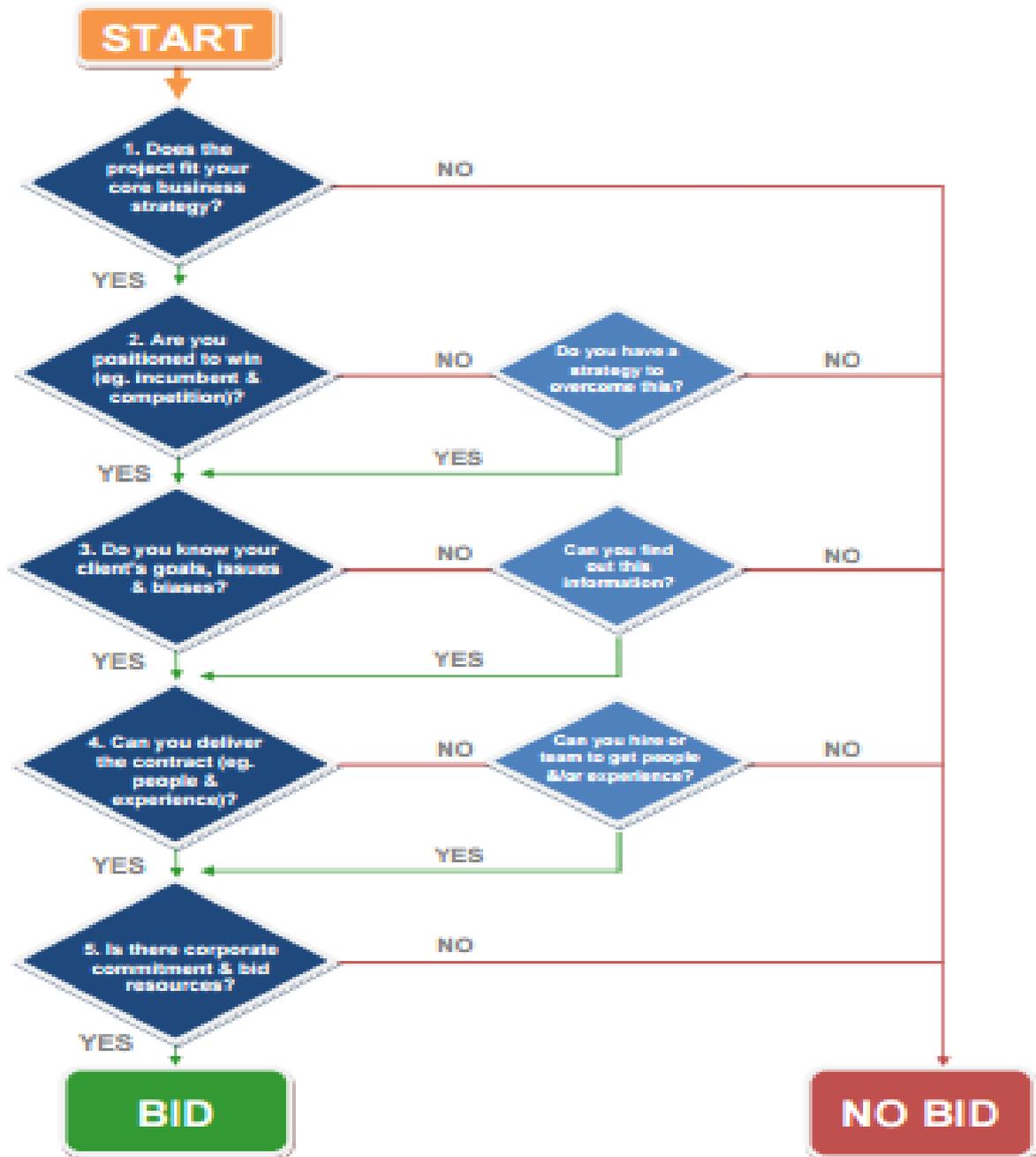
**Do you make timely bid / no bid decisions now?**

Successful bidders plan carefully with well-resourced actions to make sure they have the best opportunity to win.

A bid / no bid decision should be made in the “critical bid window” just after a tender is released. Ideally within 3-5 working days of being published. Delaying a decision to bid beyond that wastes valuable time, gives your competition an advantage and puts unnecessary pressure on bid resources.

Focusing on the right opportunities at the right time will save you much valuable time and in the long run money. It will also significantly increase your chances of a win and increasing your win rate, making the entire tender process far less stressful.

### Bid Decision Flowchart



Source – Bid decision Tree, Shipley Associates Proposal Guide, Third Edition, 2008