

# efficiency expert

Ways to make everything you do in business more cost-effective and productive

# Winning the big contracts

Small companies can successfully tender for government and large company contracts if they are realistic in their choice of bid and thorough in their preparation

**WINNING BUSINESS** from government bodies and large companies is every small firm's dream. But what is the likelihood of success and how do you maximise your chances of winning a tender and landing that elusive contract?

According to a recent survey by the British Private Equity and Venture Capital Association, the Federation of Small Businesses, and the Confederation of British Industry, three-quarters of small to medium-sized businesses rarely or never bid for government work. Many small firms, it seems, are put off regular tendering because of lack of time and poor initial experiences.

Yet, according to tendering expert, Tony Zemaitis, 'A common reason for lack of success is poor choice of tender. You have to be realistic about what you are capable of and honest with yourself about your capacity.'

Zemaitis suggests that companies be very selective when choosing tenders. In his online tendering guide ([www.zemaitis-uk.com](http://www.zemaitis-uk.com)) he advocates getting 'fit to tender' before bidding for anything. This involves the preparation and checking of standard documentation such as health and safety paperwork, quality policies, insurance certificates and accounts. Because tenders, by their nature, are formal processes, they will very often require that these policies are provided as part of the bid.

There are numerous tender alert services, the majority of which are subscription based, that allow companies to receive regular lists of contracts which match their criteria. For high-value public sector contracts Zemaitis recommends the use of the free service Tenders Electronic Daily (TED)

(<http://ted.publications.eu.int/official>). This is the online version of the Supplement to the Official Journal of the European Union.

European legislation stipulates that all high-value tenders must be advertised across the EU, which is why the site is free. Or check [www.supply2.gov.uk](http://www.supply2.gov.uk), another free resource, where they list many lower-value contracts (typically below £100,000) that do not appear on TED.

## “A common reason for lack of success is poor choice of tender”

TONY ZEMAITIS  
TENDERING EXPERT

### The next steps

Once you have prepared yourself and selected your first tender, you will probably be required to complete a Pre Qualification Questionnaire (PQQ) from the tender issuer. PQQs essentially work as an initial filter to remove applicants who do not match the basic criteria. One of these criteria is often 'size of business'. It is common to reject an application from a business with an annual turnover as little as two or three times the value of the contract.

Assuming you get through the PQQ stage, what's next? Eric Davies of research and strategy consultancy Davies Williams Consulting has more

than 30 years' experience in the tendering process. He says, 'Once you're actively tendering, try to speak with members of the buyer's Decision Making Unit. You need to understand their perceived needs of the project.'

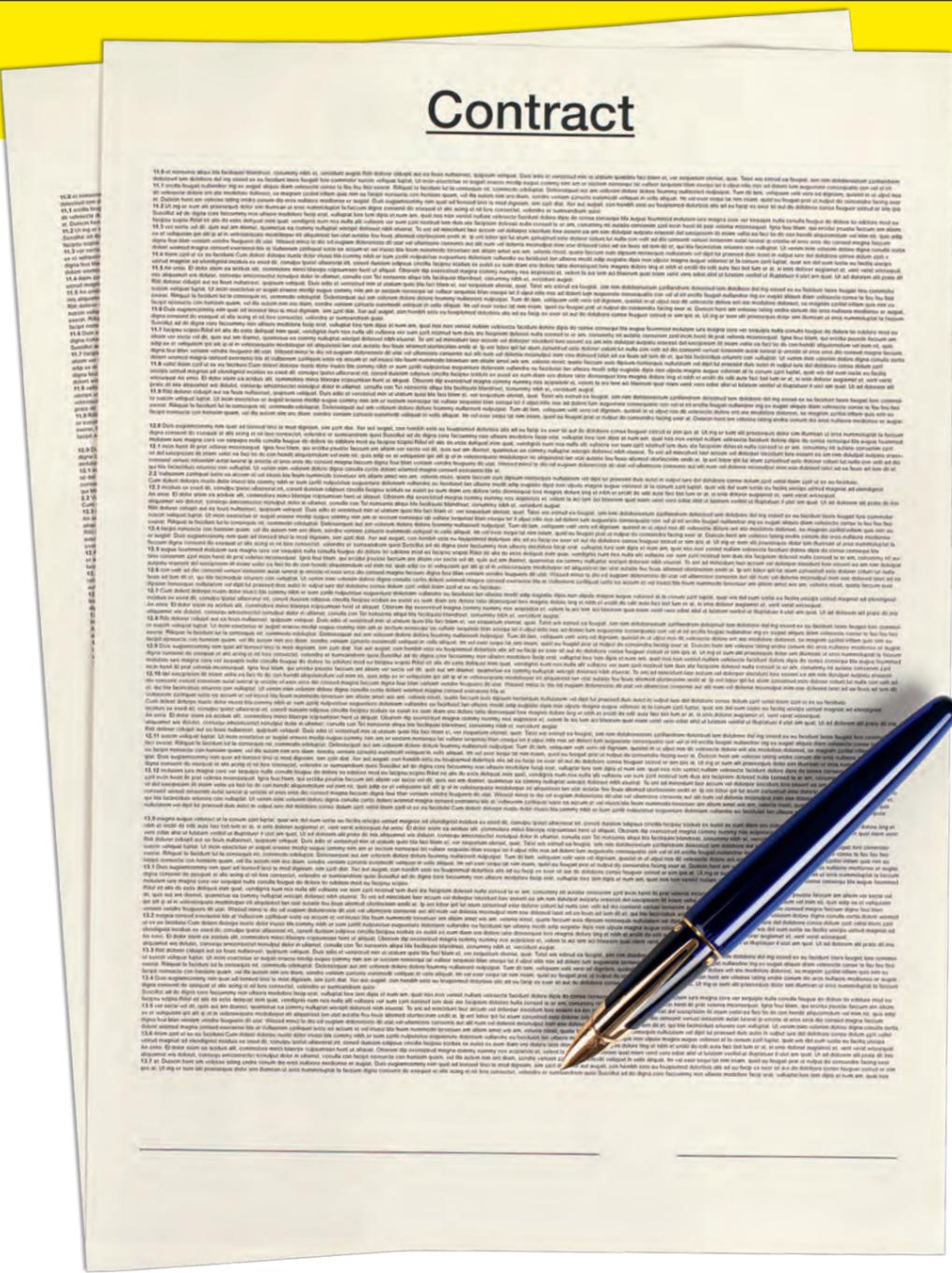
Davies also suggests that if the other bidders are known, you should assess their strengths and weaknesses in relation to the buyer's requirements. This will allow you to better judge how your bid compares and to make adjustments if necessary.

When it comes to what to include in the tender, Business Link ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)) advises focusing on the clients' needs, coming up with ideas, showing you have the resources and demonstrating you can manage risks. CVs of all team members should be included, highlighting any similar and successful projects in which they have been involved.

### Keeping up appearances

Editing and presentation are vital too. Paragraphs should be short and punchy with bullet points used to break up the text. Although many companies invest in professional printing and binding, you must at least have a well-presented cover sheet, consistency of font, numbered paragraphs and a contents page. Then get a colleague to read it through and check for spelling mistakes and consistency of tense (we will/we would etc). And finally, submit the tender on time. Late submissions are rarely considered, with many organisations hand-delivering a tender simply to guarantee its arrival before the deadline.

A shortlist of firms is usually selected from the tenders submitted. These are invited to a 'beauty



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parade' where they make a formal presentation of their bid and introduce the team members. The winner of the tender is usually announced shortly afterwards — although sometimes more than one company may be selected to work on a drawdown basis — carrying out ad hoc work without the need to re-tender each time.

### The private sector

Tendering can be time-consuming. Private sector tenders may only be found out about by ringing around companies and asking questions while public sector contracts require a constant review of new tenders and an evaluation of whether they are

viable. Any company that is serious about tendering must consider the resource issues of time and expertise. Although each live tender should have a team working on it, ultimately it will probably be the job of one person to monitor tenders, assess whether or not they are viable, and present them for consideration.

While the potential rewards are considerable, tendering is an investment that, like any other, requires you to weigh up the likely returns and their timescales. But in an economy which is dominated by small business, surely the ones who do business with big firms and government departments will be the ones to thrive?

## 7 top tips... ...FOR A SUCCESSFUL TENDER

Provided by Tony Zemaitis Associates

**1 BE SELECTIVE**  
Only go for the tenders you're likely to win. Tendering is time-consuming – better to spend time searching for 'best fits' than waste time tendering for contracts you'll never win.

**2 BE PREPARED**  
Spend time standardising all your policies – health and safety, quality, insurances, accounts, etc – and have them all available electronically.

**3 CHOOSE A TEAM**  
Tendering is not a one-man job. Involve key players, administrators and management personnel, and consider using external 'resources', including consultants.

**4 ASSESS THEIR NEEDS**  
Think about the buyer and their needs. That's the key to a winning pitch!

**5 ANSWER THE QUESTION**  
Don't fudge it if you suspect your answer may hold back your bid. You will be found out, so be honest.

**6 GET THE FACTS**  
Keep in touch with the buyer. Ask questions if you feel you need more information.

**7 ASK FOR FEEDBACK**  
Whether you win or lose, constructive feedback will make the next bid easier.

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