



10 STRATEGIES FOR SUCCESSFUL TENDERING EBOOK

FOR SMALL AND MEDIUM BUSINESSES

AUGUST 2020

SECURE YOUR FUTURE

AUSTRALIA AND NEW ZEALAND'S
TENDER TRAINING SPECIALIST

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INTRODUCTION



Now more than ever, tendering represents a fantastic opportunity to grow your business and secure your future.

Government contracts offer small and medium businesses with a secure and attractive form of income with good tenures, and clear payment terms and deliverables.

TENDERING IS BIG BUSINESS

In the 2018–19 financial year, Australian Federal Government agencies awarded a total of 78,150 contracts. Of these contracts, 41,341 or 53 per cent were awarded to SMEs, with a total value of \$16.7 billion.¹

The data shows:

- 25.9 per cent of all contracts by value were awarded to SMEs, up from 18.2 per cent the previous year
- 41.9 per cent of contracts valued up to \$20 million were awarded to SMEs, up from 39.8 per cent the previous year.

These figures highlight the opportunity for small business to expand through government tendering. They also don't include the many thousands of tenders issued at state and local government levels, or contracts that are tendered through private business.

And the good news is that governments are making it easier for small business to tender and deliver contracts, with simplified tender documentation, targets to increase small business participation and procurement policies in place to pay on time.

However, bidding comes with significant risk. You have one chance to get it right, or potentially waste a lot of time, money and resources.

I have a first-hand understanding of how challenging, stressful and complex the business of tendering can be, particularly while juggling the demands of a small business.

This ebook provides you with my 10 key strategies behind a successful tender.

I have used them time and time again to help my clients, including a host of small and medium business owners, win more than \$25 billion in new contracts.

Most importantly, these strategies will help you to:

- Manage the risks and avoid potentially costly mistakes
- Make the bidding process more effective and efficient
- Put you in the hot seat to win new business!

Best of luck in your tendering endeavours.

A handwritten signature in a cursive script that reads "Kate".

Kate Burrows
Founder and Managing Director,
Tender Training College



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¹ <https://www.financeminister.gov.au/media-release/2019/11/21/procurement-contract-targets-exceeded-small-and-medium-businesses#:~:text=In%202018%2D19%2C%20Commonwealth%20agencies,more%20than%20the%20previous%20year.>

ABOUT TENDER TRAINING COLLEGE

Tender Training College was established in 2017 to empower professionals with the knowledge and skills to respond more successfully to government and private sector tenders.

It was founded by Kate Burrows, one of Australia's most successful tender consultants. Kate has spent more than 15 years coaching business professionals on how to improve their tendering performance.

Tender Training College understands the challenges of tendering for professionals, and has developed quality training packages that target the specific needs of small and large businesses.

Our small business courses are designed to be succinct and completed efficiently, so that you can gain the skills and knowledge you need and get back to business as soon as possible.

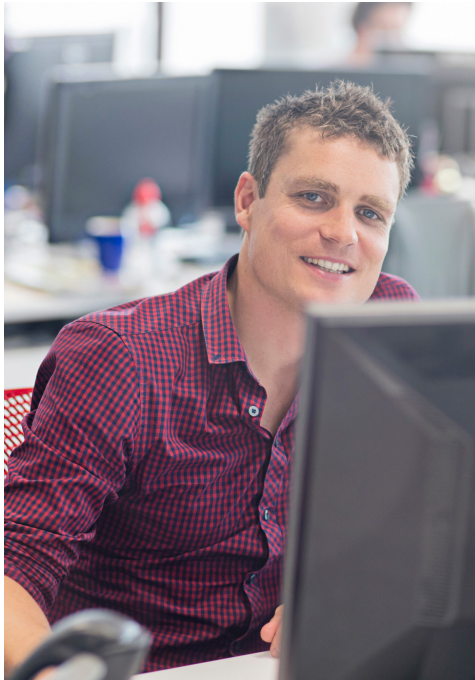
We have online courses for tender beginners so you can confidently participate in tendering, and certificates to improve your tender writing and bid pricing skills to give you the competitive edge.

We can also customise our training programs to meet your organisation's specific learning requirements to improve the effectiveness of your tender team.

Learn with the Tender Training College through these formats:

- Online training courses
- Virtual live and in-house training for companies and groups
- Public workshop training
- Reviews of previous or draft tenders.

Contact us today to learn more about what format best suits your requirements.



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PROCUREMENT AND TENDERING CONTEXT

It is your job to understand the nuances of each tender.

Overview of tendering

Tendering is a two-sided business:

1. The buy side – represented by the party that issues and evaluates the tender, and that will manage the contract once awarded
2. The supply side – represented by the bidding parties that are responding to the tender, with the goal to become the successful supplier to deliver the contract.

The party procuring the goods or services – the ‘client’ – will determine an approach to the market that best suits its procurement strategy. Most often, this involves a competitive tender process.

The bidding process is a formal one, which is governed by strict rules and regulations that aim to provide fairness for each bidder and to encourage competition.

When calling for tenders, a client must make a highly informed decision about the successful bidding party.

To do so, the client issues a tender document asking numerous questions and requesting information from bidding parties about:

- How they propose to deliver the goods or services
- The price for doing so.

Most tenders are evaluated based on an assessment of the price and the non-price elements together.

Each tender is unique

One of the most important things to remember is that every tender is different. Each client will have different requirements for each particular tender.

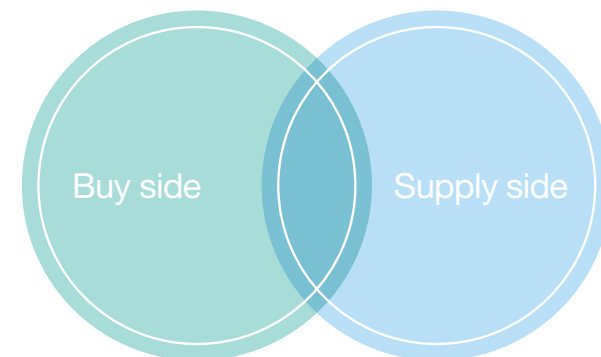
It is your job to understand the nuances of each tender.

The knowledge that you will obtain from this ebook is common and applicable to the majority of tenders. However, you need to consider each tender in its own right.

This is important because many of the strategies in this book relate back to producing a client-focused response.

One of the key aims of tendering is to really understand what the client requires, so you can deliver exactly what they require and help them to achieve their objectives.

THE TWO SIDES OF TENDERING



STRATEGY 1:

Failure to thoroughly review the tender means you are tendering blindly.

THOROUGHLY REVIEW THE TENDER

Get the complete picture

Read all parts of the tender closely to get a complete picture of what you are bidding for. Although this may seem like an obvious place to start, it is something that a lot of people skip or skim.

You need to ensure you are highly familiar with the tender document and its content.

Why? The tender document contains vital clues as to:

- What the client wants to achieve
- How it determines the winner
- What needs to be developed in terms of the written response
- The requirements that need to be delivered under the contract should you be successful
- What you need to provide to be a compliant and compelling tenderer.

Avoid these risks

What are the risks involved with skim-reading a tender document:

1. You do not fully understand what is required to be delivered if you win
2. You may miss requirements or details that could render your response non-compliant.

Failure to review the tender thoroughly means you are tendering blindly.

What to look for?

Most tenders are set out as a series of separate documents, or a single document with several sections. Each document or section has its own defined purpose.

Below are the core sections of a tender document and the key elements you should pay particular attention to when reviewing.

KEY ELEMENTS TO REVIEW IN A TENDER

Conditions of Proposal

- Submission date and time
- Stipulations for submission format
- Instructions for pricing
- How to communicate with client

Specification

- The scope of what needs to be delivered
- Certain functional, technical or performance specifications for the goods or services

Contract

- The responsibilities and obligations of the client and supplier
- Payment terms
- Performance requirements

Required information

- Number of questions
- Type of information required
- What mandatory information is required
- How the pricing is to be presented

STRATEGY 2:

A lot of companies skip this step, and proceed with bidding without properly considering their chances of success.

CONDUCT A GO/NO-GO PROCESS

Determine your chances of success

It is important – now more than ever – that you do the analysis when receiving a tender to determine whether or not you should actually bid for the work.

You need to weigh up the likelihood of success of:

1. Winning the tender
2. Delivering the contract over the term.

To make an informed decision as to whether it is worth your time and money to tender, you should undertake a 'go/no-go' assessment early in the bid period.

A lot of companies skip this step, and proceed with bidding without properly considering their chances of success.

Avoid these risks

The bidding process takes up time, money and resources. Losing a tender can be costly to your organisation's reputation and future viability.

Winning a tender and failing to deliver the contract is also very damaging to an organisation.

A go/no-go assessment will help you mitigate these risks and bid with confidence.

What to consider in your assessment

The findings from thoroughly reviewing the tender document will help you to determine whether or not to bid.

The following are some suggested considerations of a go/no-go process. You should develop your own considerations in accordance with your company's risk profile.

KEY CONSIDERATIONS OF A GO/NO-GO ASSESSMENT

Good organisational fit

- Does this represent core business?
- Does this represent any reputational risks?

Financial considerations

- What is the cost to bid and deliver the contract?
- What are the payment terms of the contract?

Risks

- What are the risks in tendering or not tendering?
- What are the risks in delivering the contract?

Track record

- What is your performance in similar contracts?
- What is your relationship with the client?

Competitive environment

- Who are the competition?
- How will your competitors approach the bid?

Organisational capacity

- Do you have the capacity to deliver?
- Do you have the required skills, systems and experience?
- Can you meet the resourcing requirements?



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STRATEGY 3:

A robust plan will help make the tender process less stressful.

DEVELOP A PLAN

Win the race against time

Develop a plan to manage the tender process to ensure you can deliver the best quality bid and meet the deadline.

This plan should cover the development of the key deliverables, primarily the tender price and the written response.

Why is a plan important?

Once the clock starts ticking on the tender period, everything takes longer than you expect, and time goes quicker than it has before. It is a truly a race against time.

A robust plan will help make the tender process less stressful, and more focused and efficient to ensure you can deliver against all of the tender requirements.

It will also help you to avoid these risks:

- Run out of time to submit the tender
- Avoid last-minute panic and stress
- Forget to include crucial information
- Over spend on your bid budget.

What should your plan include?

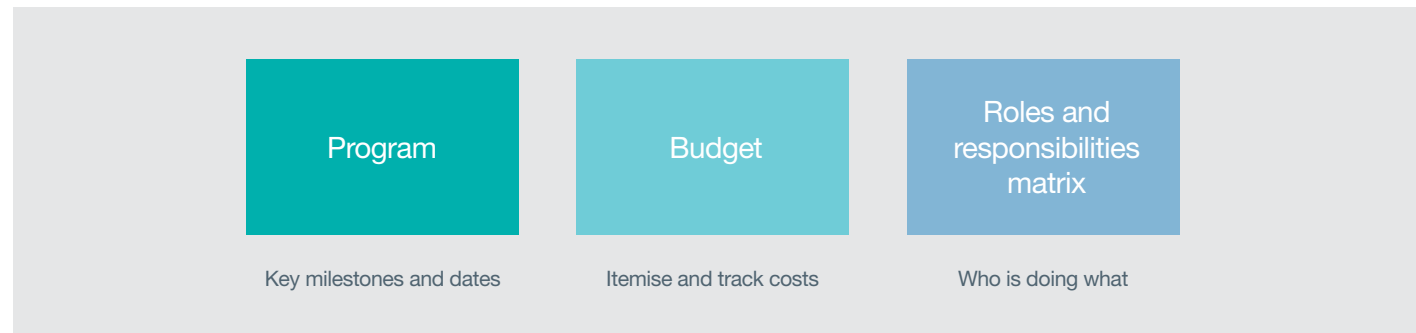
Your plan can be customised to the size and complexity of your tender. It may include: a program, a roles and responsibility matrix and a budget, if needed.

When developing a program, always work backward from the submission due date, and identify the key milestones, dates and activities.

The roles and responsibilities matrix is helpful to identify who is going to do what, i.e. answer questions, review drafts, or prepare costings, and also to keep track of when these deliverables are met.

A budget will help you identify and track costs if you need to measure the cost of bidding.

KEY ELEMENTS OF A BID PLAN



STRATEGY 4:

To stand a chance of winning, each bidding party's proposal must show that it can meet the tender requirements.

MEET THE TENDER REQUIREMENTS

A matter of compliance

Successful tendering involves a high level of compliance to:

- The conditions of tendering, i.e. the rules for how you respond to and submit the tender
- The information you need to include in your response
- The requirements you need to meet if you are the winning supplier delivering the contract.

When it comes to preparing a proposal, you need to ensure it is compliant against the above elements, or risk being ruled out of the evaluation process or receiving a reduced score. Let's look at these elements more closely.

1. Review the conditions of tender

The tender document will normally include instructions on how to prepare and submit your proposal, including:

- The time the response is due and how it is to be submitted, i.e. electronically via a website, or USB, or hard copy
- The format of the response, i.e. page limits, font sizes, can you include attachments
- How you communicate with the client
- How you present the pricing.

Ensure your tender complies with these conditions, or risk being excluded from the evaluation.

2. Include mandatory information

Always supply the mandatory information requested to ensure a compliant tender.

This could be in the form of financial statements, insurance and accreditation certificates, name and address details.

It is helpful to develop a check-list for the mandatory information so that you can tick off that you have included everything before you hit the submit button.

3. Address the tender requirements

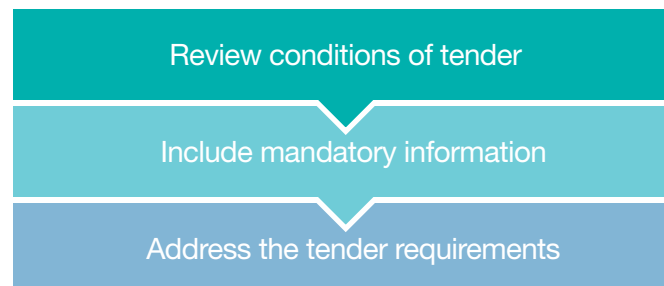
To stand a chance of winning, each bidding party's proposal must show that it can meet the tender requirements and how it will do this.

These requirements – normally outlined in the Contract and Specification – are what the supplier needs to deliver should it win the contract.

The client specifically develops the tender questions so that the bidding parties can show in their response how they will meet the tender requirements.

By showing how your company can meet the requirements called for in the tender, means you have submitted a compliant proposal.

COMPLIANCE ELEMENTS



STRATEGY 5:

MEET THE CLIENT OBJECTIVES

Help the client meet its goals

It is important to consider what the client wants to achieve through the successful delivery of the contract.

In other words, what does the end result look like from the client's perspective once the contract is being delivered to their expectations?

Understanding these objectives is key to delivering a client-focused response and scoring top marks.

If you want a top score that wins the bid, you must:

- Identify and understand the client objectives
- Describe how you will help meet them over the contract period.

Just as every tender is different, the client's objectives and outcomes for each tender are different every time.

Sometimes, it might be as simple as achieving the lowest price.

Where to find the client objectives

Often these are clearly communicated in the tender document. They can be called contract objectives, project objectives, or tender objectives.

They clearly state what the client hopes to achieve through the awarding of the tender and the successful delivery of the contract over the term.

What if the objectives are not in the tender document? Have a look at the following:

- The payment terms under the contract and any performance measures associated with this – this will tell you what the client's drivers are for success
- The evaluation criteria in the tender document – these are the key elements that the client will use to score your proposal
- Client's website for clues about why this tender is important to them in the context of their broader business activities
- Any media articles associated with the client, the industry or the tender itself.

Also, ask yourself, what is at stake for the client?

It is also especially helpful if you can assist the client to reduce any risks or concerns associated with the tender or end contract.

EXAMPLE OF CLIENT OBJECTIVES

A builder issues a tender:

For a supplier to deliver 50 concrete slabs in a new housing development

The builder states his key objective is:

The completion of works in accordance with the program and contract requirements.

STRATEGY 6:

The evaluation criteria give you vital clues as to what is important to the client for that particular tender.

ADDRESS THE EVALUATION CRITERIA

How tenders are evaluated

When calling for tenders, a client must make a highly-informed decision in selecting the successful bidding party.

To do so, they ask numerous questions and request information from the bidding parties about:

- How they propose to deliver the goods or services
- The price for doing so.

Once they receive the tender responses, most clients take a similar approach to evaluating tenders.

They will normally assess the price and the non-price elements separately, and then the scores for each are added together to determine a winning bidder.

There will be a weighting for the price and the non-price elements. For example, price may be worth 60% of the total assessment, and the non-cost elements 40%.

This weighting will depend on how important the price of the tender is to the client.

Evaluation criteria

The client will use a set of evaluation criteria to assess each non-price question in the response and these criteria will be weighted in accordance with their importance.

For example, the client might put a higher weighting on the program question than on the safety question, because its ultimate objective is to have the job delivered on time. Hence, the response to the program question might be worth 40/100, while the safety section is scored 30/100.

The evaluation criteria give you vital clues as to what is important to the client for that particular tender.

Avoid this risk

Your response is scored by how well you address the evaluation criteria. If your response does not address the evaluation criteria, then you will not score top marks.

This is one of the biggest mistakes authors make!

It is really important to:

- Read the evaluation criteria
- Understand which criteria applies to which question
- Then make sure you address these criteria in your response.

EXAMPLE OF EVALUATION CRITERIA

1. Effective WHS management
2. Suitability and viability of methodology
3. Ability to meet program timeframes



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STRATEGY 7:

Clearly identify areas of opportunity that differentiate your tender response and provide value to the client.

OFFER THE BEST VALUE FOR MONEY

Demonstrate value for money

Most, if not all, government tenders are evaluated using an overarching requirement: to achieve the best value for money.

Government clients will use the results of their assessment of the tender to determine which party offers the best value and helps them achieve their objectives.

You could say, it's the costs and benefits of each proposal and how these help meet the client's desired outcomes.

Sometimes, the client's primary objective is to achieve the lowest price. Other times, they're willing to spend more if they get more for their money.

Having the most competitive price is always advantageous. It is also important that the price is robust and accurate.

Exceed the requirements

Demonstrating value for money is about showing how well you understand the unique needs of the client and what is valuable or important to them.

To score maximum points, your response has to stand out as being of most value to the client.

You can expect the competition to meet all the client's requirements as outlined in the tender, just like you can. Otherwise, what is the point of them bidding!

You must gather irrefutable evidence to prove to the client you can meet and exceed the tender requirements for the term of the contract.

The best way to do this is to clearly identify areas of opportunity that differentiate your tender response and provide value to the client.

These are the special features of your approach – the way you do business and the initiatives you will employ to deliver the contract.

It is important to communicate these features of your proposal and what benefit these will give the client so they are really clear what value they will receive for their money.

These features put you on superior, rather than equal footing to your competitors.

Tips for achieving a competitive tender price:

1. Give the client exactly what they have asked for in the pricing questions. That means, completing the client's pricing template in full.
2. If it is not specifically precluded by the tender rules, provide written commentary to explain the price and the value being offered in the pricing response.
3. Prepare a well thought out price which is sufficiently detailed and fully aligned with how your company is going to deliver the goods or services against the tender requirements.
4. Review and refine your price throughout the bid process to make sure you don't add cost unnecessarily.



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STRATEGY 8:

A direct answer can mean the difference between scoring minimum and maximum points.

ANSWER THE QUESTION COMPLETELY

Address all parts of the question

A lot of the time in tenders, the questions can be lengthy and complex. And often downright confusing!

They can ask for you to show many different things in your response.

Many authors fail to directly answer the question with vague, or abstract statements or information.

They either miss responding to components of the question, and/or don't provide sufficient detail.

You need to address all parts of the question to be eligible to score top marks.

Failure to address each component means you are giving away valuable points.

Be direct and thorough

A direct answer can mean the difference between scoring minimum and maximum points.

Starting off with a good introduction will force you to answer the question and give guidance to the evaluators as to where the response is going.

Also, you have to answer thoroughly with sufficient detail so there aren't any lingering questions hanging in the mind of the evaluators.

This will also put you in the best position to score top marks.

It also important because not all evaluators will have the same knowledge of the subject area.

And you don't always have the luxury of knowing who is going to be reading your response, so always write for a wide-ranging audience.

Tips for answering the question completely:

1. Identify all parts of the question that need to be addressed
2. Identify key words and phrases to gain a better understanding of what the question is asking
3. Set up a clear structure for your response that reflects the question and its components
4. Start with a good introduction to answer the question and give guidance to the evaluators as to where the response is going
5. Use simple, easy to understand language and assume the reader has limited or no knowledge of your business and the subject matter.

STRATEGY 9:

The draft process is designed to improve and mature the content of your proposal.

CONDUCT A DRAFT AND REVIEW PROCESS

A tender response is a sales and marketing document so you need to put your best foot forward. Your proposal is a direct reflection of your organisation and you want that impression to be as professional as possible.

The nature of the tendering environment means we are often under pressure to deliver a high quality document within a tight timeframe – whether it be a small or large tender.

In the haste of compiling a tender, it is easy to forget or overlook a key component or to miss including mandatory information – this may put your submission at risk of being non-compliant.

Building in a draft and review process to your tendering approach will improve the quality and compliance of your submission, and will also enhance your tendering skills and capability.

Benefits of a draft process

The draft process is designed to improve and mature the content of your proposal. At least two drafts in any tender period will help to develop the content.

The first draft is really to get down your initial thoughts. The second and third drafts should be for building on this content and refining it as your approach to delivering the tender develops. This includes re-writing and editing to improve the readability of your document.

It is important that you lock in some dates for the draft process into your program and more importantly, adhere to these to ensure that you can meet the end deadline.

Benefits of a review process

A reviewer with 'fresh eyes' can help improve the overall quality of your response and puts you in the best position to win the bid.

They can help identify any gaps or mistakes in your response, provide suggestions for ways to improve it and help to clarify and hone your approach.

This may be as simple as identifying a missing attachment, or a diagram in the wrong place, or more importantly, checking that your company can deliver upon what it says in the proposal.

It is also a good idea to have a reviewer read the entire response to check for consistency in your approach. If you are a small team, swap your responses with one another to cover this off.

Tips for reviewing a tender draft:

- Are the questions answered directly and thoroughly?
- Has the response addressed the evaluation criteria?
- Does it offer the client value for money?
- Is it compliant with the tender requirements?
- Does it show the client evidence of your success?

STRATEGY 10:

LEAVE TIME TO FINALISE YOUR TENDER

You have spent many long hours preparing your proposal and you are close to the finish line.

Before you press the submit button, make sure you leave yourself enough time before you submit your proposal to finalise and do a quality check of your document. And then give yourself an additional window as a safety net.

This process should include:

- Check you have the numbering correct for the questions, the page numbers, figures and tables
- Double-check you have included all of the mandatory information
- Print the response and view it in hard copy (as this is often how the client will be viewing it) – make sure all elements can be read clearly.

You may also want to factor in some time for a final approval/sign-off process depending on how this works for your company.

You should have planned for how the tender is to be delivered early on in the bid process. However, some key considerations for this period include:

- If you are uploading to a website, make sure you allow plenty of time for this – it can often take a lot longer than you expect
- Log onto the eportal if you are uploading the tender to make sure you are familiar with how this works before the submission day
- Make sure your files sizes can be uploaded
- Make sure you have all the file names correct in accordance with the bidding instructions.

Remember, the finished product is a direct reflection of your business and you want it to look as professional as possible, and win you the bid!



10 STRATEGIES FOR TENDER SUCCESS CHECKLIST

	Strategies	Completed
1	Thoroughly review the tender: Read all parts of the tender closely to get a complete picture of what you are bidding for. Failure to do so means you are tendering blindly.	
2	Conduct a go/no-go process: Do the analysis when receiving a tender to determine your chances of success and whether or not you should actually bid for the work. Otherwise, bidding could be a waste of time, cost and effort.	
3	Develop a plan: Develop a plan to manage the tender process to ensure you can deliver the best quality bid and meet the deadline. Makes the tendering process more efficient and avoids last-minute panic.	
4	Meet the tender requirements: Adhere to the conditions of tender, develop a check-list of the mandatory information and show how you will meet the relevant tender requirements. Failure to do so may mean you are non-compliant.	
5	Meet the client's objectives: Identify and understand the client objectives and describe how you will help meet them over the contract period. Understanding these objectives is key to delivering a client-focused response.	
6	Address the evaluation criteria: Understand which criteria relates to which question. Work out what the criteria is asking. Your response is scored by how well you address the evaluation criteria.	
7	Offer the best value for money: Develop a competitive price and identify areas of opportunity that differentiate your tender response and provide value to the client. Put your bid on a superior footing.	
8	Answer the question completely: Address all parts of the question, and answer each question directly and thoroughly. Don't give away crucial points for a vague or indirect response without sufficient detail.	
9	Conduct a draft and review process: Build draft and review process into your tendering approach to improve the quality and compliance of your submission. It will also mean you do not miss any gaps or mistakes.	
10	Leave plenty of time to finalise your tender: Allow time for spell checking, proof reading and quality checking. Plan for how it's going to be delivered. Then add a window as a safety net to cover yourself.	



1300 414 000

Suite 3, Level 27 Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000 Australia

support@tendertrainingcollege.com.au

www.tendertrainingcollege.com.au