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Introduction

What is the BUILD to Win Guide to Winning Tenders and how should it be used?

BUILD to Win has been developed for Invest NI to support its trade development programme for the 2012 Olympic and Paralympic Games in London. Invest NI is actively promoting the opportunity for local businesses to tender for contracts procured under the main building programme at the Olympic Park site in Stratford, London. Invest NI aims to help local companies research and identify suitable tender opportunities, as well as helping them understand the typical procurement methods being adopted by the awarding organisations. As part of this support, BUILD to Win has been developed to provide local businesses with practical steps and guidance that can help them to adopt a professional

and competitive approach to tendering for suitable opportunities under London 2012.

BUILD to Win has been designed to help your company to develop and select tender opportunities that are best suited to your individual strengths and service/product offering. By following the five stages outlined in the BUILD Model you should be in a stronger position to assess a tender opportunity and bid for only those opportunities that you BELIEVE you have the necessary track record and skills to win.



It is important for any company, large or small, experienced or inexperienced, to assess the feasibility of a tender and its ability to win that tender PRIOR to committing valuable resources to a formal tender process. This is particularly important if a company is targeting tender opportunities in new geographic markets, or with new clients and industry sectors. This might well be the case for your company when targeting opportunities under the London 2012 main build programme.

The information, tools and techniques outlined in

the 5 stages of BUILD to Win should be used for guidance and are not designed to be an exhaustive or prescriptive list of criteria. It is recommended that you carry out more detailed analysis around those points and issues that are most important or relevant to your business and a particular tender opportunity.

BUILD to Win may also be useful as a template to identify potential areas for your own organisational development. This will ultimately help your business to become more competitive and therefore tender for work more successfully.

Overview of BUILD to Win

The diagram below sets out the structure and objectives of BUILD to Win in more detail.

Stages 1, 2, 4 and 5 are recommended steps and should add value to the process of assessing tender feasibility, bidding competitively and managing contract delivery. However, they should not be considered as mandatory requirements to prepare a tender. Rather, they are there to promote best practice and to challenge you to consider how a particular tender opportunity supports your strategic objectives and what challenges you might

face in tendering for this opportunity and delivering the contract if successful.

Stage 3, on the other hand, should be considered as a mandatory step for each tender opportunity, as it concentrates on the recommended activities and requirements needed to bid competitively, regardless of experience and familiarity with the client.

Stage	Your Focus	Stage Heading	Stage Overview & Objectives
Stage 1	Internal	Believe	This stage will help you to gain a strategic understanding of your company's current position before you invest time or resources in a tender process. The desired result should be that you select tenders which you firmly believe you can WIN! The focus at this stage is to help you to understand your company's capabilities within its operating environment.
Stage 2	External	Understand	This stage will help you to understand where your company is positioned within the wider market and in relation to the companies that you will compete against.
Stage 3	Internal & External	Investigate	This stage will help you to match your internal strengths to external opportunities by selecting and initiating tender processes which you firmly believe you can win (based on Stages 1 & 2).
Stage 4	Negotiation Strategy	Leverage	This stage will help you to develop a negotiation strategy that makes use of your strengths versus your competitors' weaknesses. In terms of your own weaknesses you should have identified action steps which will weaken the buyer's negotiation position.
Stage 5	Metrics & Improvement	Deliver	This stage will help you to benchmark your performance. This should promote a continuous improvement approach and aid action if performance is below the required standard under the contract terms. Showing a potential buyer that you have performance metrics in place will aid confidence and belief in your ability to deliver the contract.

BUILD to Win provides a structure and approach that should help you to understand your current situation, with a view to helping you to communicate your value to potential buyers, to develop an appropriate tender strategy and to carry out due diligence and planning to ensure that you are in a position to submit a strong

bid for each tender opportunity.

The following information, tools and techniques contained in BUILD to Win are designed to help you address the core objectives for each of the five stages.

Stage 1: Believe

The Objective

The main objective of the BELIEVE Stage is to help you understand in more detail how your company is organised internally, with a view to identifying specific strengths and weaknesses which you should leverage or address.

The Approach

There are two tools which have been adapted to suit

this section of the methodology and they are a SWOT Analysis and Porter's Value Chain Analysis.¹

The following SWOT analysis table should be used as a starting point for you to assess your internal strengths and weaknesses, in addition to recognising external threats and opportunities that are likely to have an impact on your business and the specific tender opportunity.

SWOT ANALYSIS	
Internal	
Strengths	Weaknesses
What are your company's unique selling points? Experience, reputation, resources, track record, innovative service/product, value for money?	Perceived gaps in your capabilities? Experience, reputation, resources, track record, value for money?
Do you have experience of this type, size and complexity of project? Backed up with references?	Do you require specific accreditations? Such as ISO, FSC (Forestry Stewardship Certified for timber products)
Have you won industry awards for your service/product? Do you have relevant accreditations, such as ISO for Quality?	Do you have the financial standing to support the associated tender and contract delivery costs?
Are you innovative? Do you have an innovative service or product that is market leading?	Your supply chain robustness? Are your suppliers able to stand up to scrutiny from your client? Will they deliver against the tender requirements?
Do you have the best assets (people? production? knowledge?)	Do you have a poor credit history and/or credit rating?
External	
Opportunities	Threats
Are your competitors going bust? Opportunity to pick up business, break into new clients?	Are there any political issues impacting your buyer or project?
Are global influences, such as sustainability, promoting demand for your service/product?	Do you need to have industry specific accreditations, trade licences or endorsements?
Have you considered using partnerships, agencies, joint ventures as a route to market? Have you established client contacts that will support your bid and credibility?	Will a change in banking conditions impact upon your business? If debt interest payments increase is your cash flow strong enough to take on the project?
Do the local suppliers/competitors offer poor quality and service?	Do global influences present a risk to your client and project? Such as recession?

In addition to the SWOT analysis, you could use the following framework based upon Porter's Value Chain Analysis to make a more detailed assessment of your internal organisation and performance.

The framework is divided into two sections - Primary business activities that focus on production/operations and Support activities which support the primary activities of your business.

What are your main activities and how do you manage them?		
Primary activities		
Inbound Logistics	Operations	Outbound Logistics
What are your supplier terms? Will your suppliers go back-to-back on the tender contract terms?	How do operations communicate with sales? Work scheduling, reporting, meetings?	What are your payment terms? Are they manageable and aligned with your supplier terms?
Do you store stock? Do you have significant working capital tied up in stock?	Do you own plant/machinery?	How are deliveries scheduled? Manual or electronic management?
How much stock do you hold?	Is this plant/machinery fully amortised? If not, what charges are left to depreciate?	How does a customer communicate deliveries to you?
Have you operated JIT (Just In Time) before? Can you minimise stock, release working capital, ease cash flow?	Is your plant/machinery market leading, up-to-date and in safe working condition?	How is good service measured? Can you provide evidence of what good service is? Customer feedback and references?
Do you use technology to schedule deliveries?	Do your staff need special training to operate the plant/machinery?	From delivery to invoice, how long does it take? Can this be speeded up via other means?
Is inbound different from outbound logistics?	Do you employ directly, sub-contract or outsource your labour?	
Do all goods delivered form part of the production process, or can you deliver some items directly to the customer?	How do you manage the quality of product/service delivery? Do you have a recognised Quality Management System?	
What performance measures have you in place? Percentage of deliveries on time and complete for example?		
Marketing & Sales	Service	
Who do your sales staff report to?	Do you have a customer service department, or team that handles customer queries?	
What is their performance measured on? For example, value of sales, sales margin or sales volume?	Who do they report to? How do you manage customer complaints?	
Do you incentivise your sales team? Do you offer a performance related bonus?	What is good customer service? Do you know what your customers perceive to be good and bad about your service?	
	Can you quantify the cost of bad service?	
	How do you compare against your competitors?	
	Do you provide service outside of office hours? Primary account/relationship managers?	

Please note that each individual company's operations and supporting activities will vary and the areas analysed above may not apply to your company in

their entirety or in relevance. However, it is a logical starting point to benchmark your performance against the competition and your market's expectations.

¹ Value chain analysis is a concept from business management that was first described and popularised by Michael Porter in his 1985 book, Competitive Advantage: Creating and Sustaining Superior Performance.

Stage 2: Understand

Support Activities		
Firm Infrastructure	Technology Development	Human Resource Management
Do you have documented and clear organisation charts?	How do you manage your invoicing? Can you improve speed, accuracy and functionality?	Do you have any gaps in your current team?
Does each member of staff have a job description and defined role?	Are you capable of using e-banking, e-procurement, e-tendering?	Do you perform staff appraisals? Proactively manage staff performance?
Does your company have individual performance metrics?	Have you experience of handling different currencies?	Do you regularly train staff? What budget do you allocate and how are training needs identified?
How often are these reviewed?	Can you use technology to manage your supply chain partners and performance?	Do your staff have relevant professional memberships? Engineering, Health & Safety, industry unions or professional bodies?
How are decisions communicated to your staff?	Do all staff have email access on site?	
Do you have a public relations contact? Generate positive news and manage negative PR?	Do you have updated security on all PCs/laptops? Data and IP protection.	
	Do staff outside of the office have computer access?	
Procurement	Finance	
Who is responsible for buying goods? Centralised/site based?	What is your purchase to sale lead time?	
Who is responsible for buying services? Centralised/site based?	What is your ratio of debt to sales?	
Do you have a procurement and/or sourcing strategy?	Do you have an overdraft? How much?	
Are your procurement staff purely operational?	What are your fixed costs?	
Do you negotiate on cost or total value?	What costs vary with each job?	
What is the value of your total spend?	Have you a good credit history and current credit rating?	
Have you sourced internationally? Do you need new suppliers to deliver this project?	What is your relationship like with your bank?	
Do you source locally?	Who are your main shareholders?	

The Expected Outcome

Once you have completed both of these exercises you should have a much clearer understanding of your organisation, including core production and operational activities and how they are managed. Through this level of understanding, you should be able to identify your strengths and where any gaps may exist in your current service/product offering for future improvement.

If you can articulate clearly your strengths, in addition to mitigating perceived weaknesses, you should be in a more informed position to select tender opportunities that you have the ability to win and deliver.



Stage 3: Investigate

The Objective

The main objective of the INVESTIGATE Stage is to promote a consistent and best practice approach for you to assess the feasibility of a particular tender opportunity PRIOR to committing valuable company resources to a bidding process. The information and analysis completed in Stages 1 and 2 should help you to understand how a tender opportunity meets your own business's goals and matches your strengths. The INVESTIGATE stage should take this process one step further and help you to assess the feasibility of a tender and make an informed Bid / No Bid decision.

Unlike Stages 1 and 2, which may not be necessary for all tender opportunities, we consider the tasks

and requirements of this stage to be fundamental to preparing a compliant and winning bid. It should be completed, therefore, for every tender opportunity that you intend to bid for.

The Approach

The following tables outline some of the main points that you should consider PRIOR to engaging in a formal tender process. This is not an exhaustive list, but is designed to make you think about whether or not you have the correct level of understanding of the tender itself and the capability to bid competitively and ultimately win the contract.

Do you understand the Buyer's procurement approach?	
Procurement	What is the procurement process for this contract? Is it competitive, restrictive, single action, PPP/PFI?
	How long will the procurement process last? Are the timeframes manageable?
	What will the purchase decision be made on? Cost, quality, service, speed, track record? Can you differentiate, or at least satisfy these requirements?
	Is there a detailed tender specification? Do you fully understand the tender and contract requirements?
	Will the client use an evaluation matrix to evaluate your tender? If so, do you know the criteria, scores and weightings to be used?
	Are there pre-qualifying criteria and/or processes? Are you able to satisfy these requirements? How much will pre-qualification cost?
Supply Chain	Are there pre-defined delivery parameters? Restricted delivery times to the Olympic site, for example?
	Do you need to be based on the client site? Site accommodation? Will your staff travel on a full time basis?
	Do the project lead times look feasible for your company?
	Will your business model need to change if it wins this contract?

How are you managing the tender?	
People	Do you need to commit a team to preparing the tender?
	Have you currently the required people to make it happen? Will you need to recruit?
	Are they familiar with the tender process and requirements?
Resources	Time? Do you have the time to complete the tender correctly? Can you deliver on time?
	Money? Can you take resources away from today's work to complete the tender?
	Expertise? Will you release any key staff (or already have) during the recession?
Track Record	Have you experience of delivering this type of project? Can you provide tangible examples, references and case studies?
	Do you have a track record with the target client? Or similar clients, projects?
	Have you a relationship with anybody else involved with the target buyer that can support your tender?

What are the risks in the tender?	
Legislation	What legislation does this tender impact on? For example, industry regulatory bodies, public sector requirements?
	Has your business experience of delivering to these criteria before?
	Is this legislation likely to change before completion of the contract?
Financing	How much will it cost to complete the tender? Can you afford to be unsuccessful?
	What is the potential value of this contract? Can you demonstrate capacity to take it on?
	How long are the payment terms? Do they pose cash flow risk?
	Do you have a good credit rating? Poor credit history may exclude you from the tender process.

What is the tender process?	
Types of tender process	a) Restricted tender process
	What is it?
	Companies have to complete a pre-qualification questionnaire.
	Then based on this response companies may be invited to enter the tender process.
	b) Open tender process
	All companies that request the tender documentation will be invited to tender.
There are no pre-qualification criteria or short listing prior to submission.	

Summary

The BUILD to Win Guide to Winning Tenders is designed to help you take a step-by-step approach to assessing both the feasibility of a new tender opportunity and your ability to bid for it successfully.

BUILD to Win should be used for guidance and should not be considered as a pre-requisite to submitting a tender for new business. The model is aimed at encouraging you to prepare PRIOR to tender submission and to target opportunities that you are best equipped to win and deliver successfully.

It stands to reason that tendering for a contract that you are not capable of winning or delivering is unlikely to result in success.

With specific reference to tender opportunities and associated procurement procedures for the London 2012 Olympic Games, the following websites are important sources of information and you should ensure that your company is registered on them and a detailed profile uploaded to the relevant portals:

CompeteFor - The main source of information regarding Olympics business opportunities. Register and publish your business profile in order to respond to opportunities.

<https://www.competefor.com>

The London 2012 Business Network

<http://www.london2012.com/get-involved/business-network>

London 2012 eTendering portal - The ODA's e-procurement portal for companies bidding directly to them for Olympics related business opportunities

<https://etenders.london2012.com>

To access Tendering Information Sources held by Invest NI

http://www.investni.com/index/grow/strategic_development/business_information_services/eic/tenderalertingservice.htm

If you would like further advice on tendering for opportunities related to London 2012, please refer to the contact details listed below.

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