

The Supply Chain Network - Making Opportunities, Visible, Accessible and Winnable!

To bid or not to bid... that is the question!

Sometimes known as the process of ‘qualifying a bid’ or ‘Go / No-Go’, the Bid / No Bid decision is the fundamental decision-making process that should inform your approach to bidding for tendered contracts.

An uncomfortable truth is that the ‘No Bid’ decision should be the default position to adopt when an apparently attractive tender opportunity crosses your path. This approach forces your business to justify the time and resource investment, and other key considerations which should justify your business case for investment in the bid. Ultimately it encourages a ‘pick and choose’ approach to opportunities, ensuring that you only pursue those that you have the best chance of winning, rather than an indiscriminate scattergun approach to tenders.

Bid / No Bid questions

Having scrutinised a tender’s documents, key questions to ask include:

- Is this opportunity aligned with our business strategy?
- Can we realistically produce a winning bid (i.e. do we have the time and team resource to produce a high quality, well-costed bid whilst continuing with our normal business activities?)?
- Do we fully understand the requirement - and, in particular, do we really know this buyer’s unique needs?
- Do we know whether a competitor has a stronghold in the market - and if so, can we counter this effectively (e.g. do we have any specific innovations that we can include in our bid which may be particularly attractive to the buyer)?
- Are we able to meet the requirement at a competitive price?
- Can we fully comply with and deliver all requirements in the specification (exactly as, when, and for the duration required)?
- Can we provide evidence of our capability and experience to reassure the buyer?



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- Are our staff properly trained to deliver what's required, or will we have to recruit and train more people (and if so will this increase our costs and make us uncompetitive)?
- Have we scrutinised the terms and conditions that have been released with the tender, and are they acceptable to us?
- Is the performance regime acceptable to us?
- Will the contract being tendered for be sufficiently profitable for us, or, bearing in mind our responses to the above questions, could it ultimately present too much risk for our business?

Get going early!

An approach we strongly recommend is to have a Bid Kick Off meeting as soon as possible after a tender's documents have been released. At this meeting, all parties involved in the bid need to present their perspectives of the tender and the contract's requirements. This provides the opportunity to thrash out answers to all of the questions above, a minimum to ensure that the opportunity is really one you should go for at that time. You may find that, on consideration, now's not the time for it as you'd be in a better position to win the bid and / or deliver the contract in a couple of years' time, for example. Or you may be so stretched that you don't have the team members available to produce a winning bid (here it's worth considering outsourcing to a bid support specialist).

There may be requirements in the tender that are at odds with your experience of the supply requirement, and this might be putting you off the opportunity so that you inch towards a 'No Bid' decision. Before making that decision, however, it's worth raising a clarification question to confirm that you have understood the requirement fully (tender documents sometimes contain errors which, on being clarified, make the requirements much more accessible to bidders). Your question should clearly explain any ambiguous areas to the buyer, and the buyer's response should help your bid / no bid decision path.

Regular review

The decision to bid is one that everyone involved in your bid should regularly review throughout the tender's timeline. The release of responses to your own and other bidders' clarification questions throughout the tender's timeline will support your bid / no bid decision. Responses will provide information that you can use to justify and confirm your decision to bid (or not). They may also reassure you that you're capable of producing a winning bid and delivering the contract exactly as required by the buyer - or in a way that exceeds their expectations.

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