



ABOUT the AUTHOR

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IT'S THE DEALS YOU DON'T DO

“It's the deals you walk away from that make you rich, as much as the successful deals.”

This sentence leapt out at me from a (non-bid-related) book one night . . . and catapulted me into bid strategy mode.

Why?

Because I've seen numerous companies insist on investing huge resources in a bid they didn't have a chance of winning. And most times that bidder knew it.

They knew their pre-sales engagement was inadequate (or non-existent). They knew their insider knowledge of the prospect organisation was insufficient. They weren't even sure who they were really up against, or the competition's standing with the prospect. They were aware of many other knowledge gaps they'd left it too late to address by the time the EOI / RFP / RFT was released. And they couldn't put their hand on their heart and say they believed their company could do the best job for the client organisation.

I have addressed the need for transport operators to “de-commoditise”, and to differentiate, their offering from the competition. The reality sometimes though, is you either haven't done the homework in time to provide the required understanding of the client's business to enable you to do that. Or, maybe, the competition is such that you quite simply can't put a differentiated, and still competitive, offer forward.

With the pricing practices of some of the larger operators in certain markets, this latter scenario is, sometimes, an unfortunate reality. And certainly, if you haven't done your background research and engaged with

the relevant client personnel regularly and meaningfully, you'll be firing shots in the dark with regard to competitive differentiation.

I see these scenarios more often than I'd wish to. Scenarios in which the bidding company has quite simply refused to be realistic. These keen bidders have insisted on going through the resource-draining motions of producing a submission - only to be demoralised at the inevitable outcome.

So why does a company make the decision to enter a contest it has little chance of winning?

Let me give you just some of the reasons:

- 1) To be seen to be “in the game” because primary competitors are, or are assumed to be, bidding.
- 2) Their inadequate background/pre-sales research failed to identify a bad fit (that bad fit being the case for numerous reasons e.g. presentation, client expectations vs resource, or simply cultural misfit).
- 3) The contract is with a high-profile organisation that would look impressive on the bidder's client list and/or represent a valuable reference.
- 4) “The company needs the business.”
- 5) Unrealistic thinking, plain and simple.

Let's consider each of these “reasons”.

To be 'in the game'.

If your competitors have done a better job of their pre-sales research and relationship-building and – assuming they can put together a halfway decent proposal – how will it behave your cause to have your half-baked bid laid out beside theirs in front of the

evaluation team?

Failure to identify a cultural, resource, or other form of mis-match.

A mis-match of any real proportions is likely to be evident in the answers you provide in your submission (unless you lie, which is definitely not recommended). How is that going to make you look? Aside from that, any management teams who are seasoned in the evaluation of submissions don't like wasting their time any more than you're going to, ultimately, have appreciated squandering your own resources.

The 'if we can get this one' and 'we need the business' syndromes.

At any cost?

Does it fit with your overall company / corporate marketing strategy? Is it genuinely taking you places?

The higher you fly, the harder you fall. If a deal's high-profile enough to “make” you, imagine how quickly it can break you if you do win it and you're not really up for it.

There's so much downside and very little upside when you decide to enter a bidding contest you should have gracefully declined. Wasted budget, demoralised staff, compromised corporate image

One simple piece of advice: Be realistic.

Think of the opportunity cost in other areas where resources might have been far more profitably invested, and your corporate image enhanced rather than compromised.

Think of the comparative ease of those sales efforts versus the effort of trying to put up a convincing case when you haven't really got one. ■