



Tending to business

During February this year, the PBF held an enlightening training event in Johannesburg, Durban and Cape Town

The hot topic at the well-attended event this time round was Successful Tender Submissions. The course content was the handiwork of Makarios Coaching and Mentorship, who gave the PBF members some key insights and practical tools to confidently put in motion a tender request.

To give you a taste, here are a few of the angles the course covered:

- Foundations of the tendering process
- Ethical and unethical business practices
- Tender checklist
- Pre-qualification guidelines
- Guidelines to set you on course
- Tender preparation and submission
- Summary of documents
- Policies and procedures
- Evaluation criteria
- B-BEEE and tenders
- Presentation

The focus was on public tendering, which has formed the basis of how most of the larger private enterprises operate. Let's take a sneak peek at some of the content of the course to get a better hold on the topic.

TENDERING: THE HARD FACTS

Contracts awarded through tendering represent billions of rand in new business every year. Tenders are an excellent source

of income, but can be a minefield to negotiate because requirements differ between private companies and government sectors. Getting the process right not only saves time and effort but has the potential to set up lucrative income streams. Many suppliers or potential tenderers greet the arrival of an invitation to tender with feelings close to panic. The best antidote is to prepare your tender methodically.

Patching tenders together with copy-and-paste commands can be dangerous. Overselling or inflating the tender with unrealisable promises will catch up with you!

The consensus among evaluators is that tenders most likely to win are prepared concisely, with substance and according to the brief and request. Building a good relationship with your existing clients, delivering on brief, on budget and on time every time, earning their trust, should get you an early lead. You may even be afforded the opportunity to assist with developing ideas and shaping the tender specification. Regard this as an investment in your customer relationship.

It's good to keep in mind the benefits to all parties of acquiring goods/services through the tender process:

- Ensures fairness, transparency and equity in the supply of goods or services
- Obtains a view of potential alternative solutions
- Promotes private sector accountability / buy in
- Promotes the use of highly developing industries in the public sector
- Discourages the use of non-competitive suppliers
- Promotes competition, in order to get the best price / solution

FOCUS ON THE CLIENT'S NEEDS

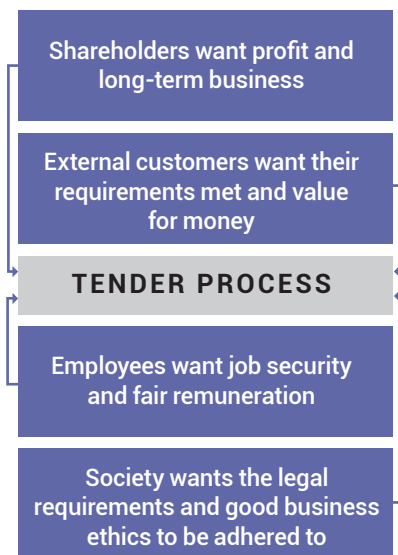
The prime function of a tender can be seen from the standpoint of the contractor as winning business through a competitive response to the client's requirements. But it is also important to view tendering from the client's perspective. For the client, it's all about identifying the contractor most likely to deliver the best value and achieve the best results.

Although following the client's instructions and supplying the information the client needs seems like common sense, it's surprising how many tenders fail on this point. Foolish, considering the procurement activity in which the tender plays a central role is "owned" by the client. And it is the client who sets up the competition, invites

contractors to tender and judges the strengths of each competitor. So the client's priorities, not those of the contractor, must take centre stage.

A tender that shows the client a character of understanding and commitment is much more likely to succeed than one presenting only the contractor's point of view. This makes it imperative to gain in-depth knowledge about the client's business environment, strategies and objectives before even starting to prepare the tender.

Remember, a proposal is not meant to describe a solution to the client's problem – it is to convince the client that you have the skills, resources and experience to work out the right solution, and that the organisation will gain unique added value and achieve its objectives best by awarding the work to you.



MATCH TENDER TO OPPORTUNITY

A key business skill is to know how to develop tenders efficiently and to communicate them powerfully. Tendere are business documents; to succeed they need to exhibit business-like qualities both in the way they address the work to be done and

in the way they speak to the client. The tender has to show that the person, or people, who wrote it thought hard about the client's requirements, interpreted them accurately, developed the tender specifically for that opportunity and exercised care in its preparation. They need to see that it was not just patched together using copy-and-paste commands.

There is little point in submitting a tender unless it has distinctive benefits to offer the client, and unless it is designed to be as competitive as it can be in terms of both technical quality and value for money. The aim is to establish your tender with superiority, getting the content right and communicating these strengths as convincingly as possible.

BE HONEST AND REALISTIC

Don't inflate the tender with unrealisable promises! Once clients come to the belief that they cannot rely on you to deliver what you promise, you will have your work cut out to regain their confidence. This is an important point to bear in mind when you are tendering for further work from them. When seeking work from new clients, you are unlikely to get far if you just make generalised assumptions about the strength of your expertise or the breadth of your experience.

PERFORMANCE: THE ESSENTIAL CREDENTIAL

Those who are new to proposal writing may imagine that to win a contract for repeat business from an existing client is relatively easy. From experience, the opposite is true. When you are defending your position against challengers too eager to take your place, your proposal has to be even more combative, and this demands much more effort. It is true that you will be well-placed to put in a competent tender, the client will be familiar with your people and your strengths, and you should know more about the client's requirements and the ▶

TOP TIPS ON TENDERING

- Plan your tender around the buyer's timetable to meet all deadlines.
- If you're not sure of something, ask the buyer in good time before the deadline.
- If the buyer asks you to explain something that's unclear in your tender, give your explanation by the original deadline, unless agreed otherwise.
- Only tender for work you are 100% sure you can do.
- If you can't provide the information you're asked for, check whether your tender will be accepted before you send it back.
- Accurately answer all the questions.
- Know about any quality-assurance standards that affect your industry.
- Ask the buyer about any policies they have on quality assurance when awarding contracts.
- Always include a plan for skills transfer.
- Never use words/terms that are out of context of tender, e.g. Mentoring, etc.
- Writing and language must be correct and understandable.
- Explain how your solution will make the client look good.
- Expand on communication strategy and skills.
- Make this a team exercise.
- Emphasise management skills.



practicalities of the work than anyone else.

But your competitors may seem to offer a fresh source of energy and ideas. Their personnel may be just as skilled and resourceful as yours, and if they are a younger and smaller company, they will probably carry a lesser burden of overheads and so, may be able to quote a cheaper price for the same work. Think about the three key questions the client will ask themselves:

- Who will give us better value for money – our existing contractors or new ones?
- Will a change of contractors bring practical benefits in terms of service quality and outcomes?
- Will we enjoy a more constructive working relationship with new contractors?

The most powerful weapon is your skills and ability to deliver. And your strongest marketing tool is your performance record

on current and past contracts for the client – initiatives launched, innovations achieved, targets met, milestones reached, outputs delivered, objectives secured. All these need to be emphasised forcefully as part of the added value you bring. Your proposal has to demonstrate that you are the front-runner in terms of the dependability of your contract management as much as the primacy of your technical expertise.

READABILITY MAKES A DIFFERENCE

You need to captivate your audience – write in a way that conveys energy, enthusiasm and drive. The tender should be interesting and easy to read. There is a consensus among evaluators that the tenders most likely to win are those that make their case straightforwardly, concisely and vividly.

The content must project a sense of

value way unmatched by any other tender. Use an imaginative and compelling structure; use examples that bring the text to life. Use creative graphics; give it a hands-on feel. All these qualities give the tender a directness of personality that heightens its competitive impact.

KEEP CALM AND TENDER

Some contractors greet the arrival of an invitation to tender with feelings of panic. Which is understandable when faced with a complex and stressful intellectual challenge and an unforgiving deadline – especially if you have little experience of tender writing.

But don't let the fear get to you – give it five minutes, then push it to one side and get down to work! The best stress-reliever is knowing you have a structured procedure in place that will support you to develop the



tender methodically and that will quickly yields positive results.

DEVELOP TENDER WRITING SKILLS

The more experience you gain in writing tenders, the less intimidating the task seems and the easier it becomes to find the most effective means of communicating your message. One useful route is to start by having skilled staff contribute technical input and the pre-qualification of material. You need to identify people with the right capabilities and then help them build up a bank of skills not just in business communication and the logistics of tender preparation, but also in the strategic aspects of tendering:

- Gauging a practical response to the scale of contract requirements
- Analysing contract issues, options and approaches
- Seeing contracts from the client's point of view
- Viewing the work as a service delivered to the client, not a technical exercise
- Matching work procedures with their cost implications
- Applying project management techniques in developing work programmes
- Researching markets and projects
- Understanding client needs and priorities
- Applying first-hand project experience to tender development

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Choose people that have the capacity to acquire an attitude of mind that looks into the mechanics of a project, sees what problems might occur and how to prevent them, and builds these measures into an effective partnership between client and contractor.

MANAGING THE TENDER

The tender manager is fundamental to a smooth process. The person needs to be skilled in structuring, coordinating and motivating a team to drive the work forward.

They ensure that input is developed on time and to the required standard. They organise the content, presentation and submission of the tender, applying the document management controls that are needed to produce an efficient business offer.

Lastly, they are the checkpoint for the quality and integrity of the tender before its submission.

FINAL CONSIDERATIONS

Before making a final decision to spend precious time, money and resources on a tender there are some serious practical considerations: Can you tender? Or why can't you tender? Only make this decision after careful consideration, because either way you can lose a ton of money. It can also result in serious damage to your reputation. A few simple questions will point you in the right direction:

- Do you have the capital or will you be able to access the capital to invest in raw materials and equipment you may need?
- Can you deliver by the due date?
- Can you achieve the quality standards required?
- Do you have the employees or will you be able to appoint additional competent staff once the tender has been awarded?
- If the contract duration is long, have you taken into consideration any changes in raw material prices that may affect your profit margins?

Expansion involves matters of financial resources, working space as well as additional skilled personnel to deliver what is required. Be aware that failure to deliver what is required at the stated costs and within the time agreed will probably make you liable for penalties in terms of the contract. So, be sure that you understand what is expected from you. **PL**

To make enquiries about this content or any training or mentorship needs, PBF members can contact:

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